

ORIGINAL

Decision No. 60652

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
DEL ESTE WATER COMPANY, a corporation,)	
for (1) a certificate that public)	
convenience and necessity require the)	Application No. 42268
undertaking of service by Applicant)	
in unincorporated areas in Stanislaus)	
County and (2) for an order approving)	
a rate schedule for said areas.)	

O P I N I O N

By the above-entitled application filed May 18, 1960, Del Este Water Company, a corporation, requests a certificate of public convenience and necessity to construct and operate public utility water systems in several unincorporated areas in the vicinity of the City of Modesto, Stanislaus County. Maps showing the areas for which a certificate is requested are attached to the application as Exhibits C-1 through C-5. A field investigation in connection with this application was made on June 20, 1960, by a staff engineer of the Commission.

No protests regarding this application have been received by the Commission.

Service Area

Applicant presently operates, and for several years past has operated, a public utility water system under the jurisdiction of this Commission in portions of, and in the vicinity of, the Cities of Modesto and Turlock and in the communities of Empire, Salida and Waterford in the County of Stanislaus. The areas for which a

certificate is requested herein include five subdivisions presently being developed in unincorporated territory lying outside the City of Modesto. These subdivisions, together with their approximate locations and the number of lots in each, are shown in the following tabulation:

<u>Subdivision</u>	<u>Approximate Location from Modesto</u>	<u>Number of Lots</u>
Coffee Village	3 miles northeast	67
Elm Estates	1½ miles west	56
Lincoln Estates	3 miles west	71
Wallin Estates	2½ miles southeast	32
Wycliffe Estates	3½ miles west	15

The tracts are being developed by several different subdividers who have applied to applicant for water service. These tracts are not presently contiguous to applicant's existing system and, therefore, except for Wycliffe Estates, which is to be supplied from the Lincoln Estates system, will require the construction of a complete, separate water system, including water supply and pumping facilities, to serve each.

Description of Water Systems

The water distribution systems as constructed within the individual tracts consist of 10-gauge, dipped and wrapped steel mains ranging from four to eight inches in diameter. A three-quarter inch diameter copper service connection is installed to furnish water service to each lot. Standard type fire hydrants have been installed. Water is to be furnished at pressures varying between 40 to 60 pounds per square inch.

The following tabulation sets forth the facilities constructed in the individual subdivisions, together with their actual costs:

Item	Coffee Village		Elm Estates	
	Description	Cost	Description	Cost
Land*	92'x100'	\$ 2,000.00	99'x99'x50'	\$ 2,000.00
Well*	16"x314'	4,029.50	16"x140'	1,815.00
Pump*	400 G.P.M.	4,001.70	390 G.P.M.	1,110.00
Tank*	4,000 gal.	4,024.14	3,200 gal.	1,850.00
Dist.Mains 8"	1,920'	5,408.64	1,280'	3,610.62
6"	-	-	-	-
4"	2,660'	4,788.00	2,370'	4,266.00
Services	67	2,355.32	56	1,464.62
Fire Hydrants	2	540.00	3	810.00
Overhead*	-	1,786.56	-	1,353.92
Total Cost		28,933.86		18,280.16

Item	Lincoln Estates		Wallin Estates		Wycliffe Estates	
	Description	Cost	Description	Cost	Description	Cost
Land*	60'x20'	\$ 1,000.00	100'x104'	\$ 750.00	-	\$ -
Well*	16"x282'	3,404.26	14"x184'	2,519.44	-	-
Pump*	1,000 G.P.M.	5,016.08	400 G.P.M.	2,971.99	-	-
Tank*	8,000 gal.	5,132.90	4,000 gal.	2,529.15	-	-
Dist.Mains 8"	2,540'	7,155.18	220'	563.40	-	-
6"	640'	1,468.80	1,720'	3,958.87	1,200'	2,754.00
4"	1,520'	2,736.00	-	-	-	-
Services	49	1,543.50	32	1,124.93	15	513.52
Fire Hydrants	4	1,000.00	2	504.00	2	540.00
Overhead*	-	1,841.62	-	1,442.52	-	423.06
Total Cost		30,298.34		16,364.30		4,230.58

* Indicates items to be paid for by applicant.

Revenues and Expenses

Applicant proposes to furnish water service primarily on a flat rate basis in the areas for which a certificate is requested and asks that its presently effective tariff schedules be authorized to apply to water service furnished in these new areas. Applicant's operating expenses and revenues are estimated on the basis of its past operating experience per customer. Applying these revenues and expenses to the operations in the new areas for which a certificate is

requested, applicant estimates that upon full occupancy of the tracts its annual revenue will approximate \$11,000 and that its annual operating expenses will be \$9,276.

Financing

Applicant has, at its own cost and expense, purchased and installed all back-up facilities required to serve the new tracts, including well sites, wells, pumping structures, pumping equipment, reservoirs and tanks. The distribution facilities required to serve the areas requested have been installed pursuant to applicant's Rule No. 15, Main Extensions, and refunds thereunder are to be made under the percentage of revenue method option of that rule.

Findings and Conclusions

Applicant's water system and distribution facilities as constructed appear adequate to serve the subject tracts and to meet the minimum requirements of General Order No. 103. However, to provide for the continuation of the system's supply in an emergency, applicant will be required to arrange, for each of the new water systems, for a connection with another firm potable source of supply or to have available appropriate standby facilities, such as adequate storage or other means which can be placed in operation promptly.

It appears applicant has the requisite financial ability to carry out the proposed construction and operation of these water systems during the developmental period of the new areas when little or no return will be realized from the proposed utility operation.

It is hereby found as a fact that public convenience and necessity require the granting of the certificate herein sought.

The Commission has given consideration to the matter and is of the opinion that a public hearing is not necessary. The certificate hereinafter granted is subject to the following provision

of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

IT IS HEREBY ORDERED that Del Este Water Company, a corporation, be and it is granted a certificate of public convenience and necessity to operate public utility water systems for the distribution and sale of water in the tracts known as Coffee Village, Elm Estates, Lincoln Estates, Wallin Tract, and Wycliffe Estates as shown on Exhibits C-1 through C-5 attached to the application herein.

IT IS FURTHER ORDERED that:

1. The certificate granted in the foregoing paragraph of this order shall not become effective until applicant has provided for the reasonable continuation of an adequate supply of water in case of failure of the present single well source in each of the areas heretofore certificated, and shall have so notified the Commission in writing after the effective date of this order.

2. Applicant is authorized to apply, after compliance with Paragraph 1 of this order, its presently effective tariff schedules to the areas certificated herein.

3. Within thirty days after compliance with Paragraph 1 of this order, applicant shall file in quadruplicate with this Commission, in conformity with General Order No. 96, revised tariff schedules acceptable to this Commission, including tariff service area maps, to provide for the application of such tariff schedules to the areas

certificated herein. Such revised tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

4. Within thirty days after the completion of the water systems in the areas certificated herein, applicant shall file with this Commission for each of the areas certificated herein four copies of a comprehensive map, drawn to an indicated scale not smaller than 200 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the water production, storage and distribution facilities; and the location of the various water system properties of applicant.

5. Prior to the date service is first furnished to the public under the authority herein granted, applicant shall (a) apply to the health authority having jurisdiction for water supply permit for the proposed systems, and (b) report to the Commission in writing that application has been made for such permit within ten days thereafter.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this
30th day of August, 1960.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners