

ORIGINALDecision No. 61068

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of WARREN S. PITTMAN
 and FRANCES E. PITTMAN, his wife,
 and WENDELL C. HAMMON and LOLA
 LEE HAMMON, his wife (dba LAKE
 MADRONE WATER COMPANY), to operate
 a water system in Spring Valley
 Addition of Feather River Forest
 Homes, Butte County, and to
 establish rates.

Application No. 42367

O P I N I O N

By the above-entitled application filed June 15, 1960, and amended on September 12, 1960, Warren S. Pittman, Frances E. Pittman, Wendell C. Hammon and Lola Lee Hammon, doing business as Lake Madrone Water Company, request a certificate of public convenience and necessity to construct and operate a public utility water system in a subdivision known as Feather River Forest Homes, Spring Valley Addition, in an unincorporated area in Butte County. A map of the area for which a certificate is requested is attached to the application as Exhibit "B".

A field investigation in connection with this application was made on August 3, 1960, by a staff engineer of the Commission, at which time the factual data submitted by applicants was verified. The results of this investigation are outlined in a memorandum dated October 20, 1960, which is hereby made a part of the record in this matter as Exhibit No. 1.

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

Service Area

The area for which a certificate is requested is located about 18 miles northeast of Oroville on the highway known as the Old Oroville-Quincy Road. The tract known as Feather River Forest Homes, Spring Valley Addition contains approximately 20 acres and is subdivided into 71 residential lots which average approximately 9,700 square feet in area. No public utility water system serves the area sought to be certificated herein. However, a small mutual water system, serving about 50 residences, is located adjacent to the southerly boundary of the subject subdivision.

Description of Water System

The water system as constructed consists of 2,980 feet of 6-inch and 4,640 feet of 4-inch double dipped and wrapped 12-gauge steel distribution main. Water service is to be furnished to each lot through a 3/4-inch diameter service connection.

The water supply for the system is to be obtained from a 14-inch diameter well which has been drilled to a depth of about 175 feet. This well has been equipped with a 5 horsepower submersible pump designed to deliver 130 gallons per minute to distribution storage consisting of two 6,000-gallon redwood tanks. The elevation of the tanks is such that a minimum of 28 pounds pressure will be maintained at the highest lot within the area to be served. Applicants' estimate of the cost of facilities necessary to serve the tract now under development is as follows:

<u>Ac. No.</u>	<u>Description</u>	<u>Amount</u>
301	Intangible Plant	\$ 1,550.00
306	Land	200.00
311	Structures	75.00
315	Wells	1,913.65
324	Pumping Equipment	1,500.00
342	Tanks	1,168.55
343	Mains	11,875.19
345	Services	1,423.61
	TOTAL	19,706.00

Rates

Applicants have requested authority to place in effect an annual flat rate of \$40, and a flat rate of \$21 for each of a six-month summer and winter season. Corresponding meter rates have been proposed. The rates proposed for annual metered service, however, will be modified somewhat to eliminate fractional amounts in the monthly quantity rates and thus simplify billing procedures.

Findings and Conclusions

Applicants' water system facilities as constructed and as proposed appear to be adequate for development of this tract and to meet the minimum requirements of this Commission's General Order No. 103.

The available storage appears adequate to provide an emergency standby supply of water for as many as 30 customers, on the basis of a 24-hour normal consumption. With restricted usage, this supply would naturally last longer. As soon as possible, however, applicants should arrange for a connection with another firm potable source of supply or make available appropriate standby facilities such as additional storage or other means, to provide for an adequate supply of water for longer periods of time and for additional customers which will be connected. The order to follow will require applicants to provide for the reasonable continuation of an adequate supply of water in case of failure of their present single well source.

It appears that applicants have the requisite financial ability to carry out the proposed construction and operation of the water system during the developmental period of the area requested to be certificated. The Commission finds and concludes that public

convenience and necessity require that a certificate be granted for the construction and operation of a water system in the area sought. The Commission finds that a public hearing is not necessary.

A certificate hereinafter granted is subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of the 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 a consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

The above-entitled application having been filed, investigation having been made and the matter being ready for decision; therefore,

IT IS HEREBY ORDERED that:

Warren S. Pittman, Frances E. Pittman, Wendell C. Hammon and Lola Lee Hammon, are hereby granted a certificate of public convenience and necessity to construct and operate a public utility water system under the name of Lake Madrone Water Company for the distribution and sale of water in the subdivision known as Feather River Forest Homes, Spring Valley Addition, as delineated in yellow on the map attached to the application as Exhibit B.

IT IS FURTHER ORDERED that:

1. Applicants shall, before commencing service to their thirtieth (30th) customer, or by May 1, 1963, whichever is earlier, provide for the reasonable continuation of an adequate supply of water in case of failure of their present single well source, all

in a manner acceptable to the Commission. Further, within ten days after such standby service has been provided for, applicants shall so notify the Commission in writing.

2. Applicants are authorized to file after the effective date of this order the rates set forth in Appendix A attached to this order to be effective on or before the date service is first furnished to the public under the authority herein granted, together with rules, and tariff service area map acceptable to this Commission, in accordance with the requirements of General Order No. 96. Such rates, rules and tariff service area map shall become effective upon five days' notice to this Commission and to the public after filing as herein provided.

3. Applicants shall notify this Commission in writing of the date service is first furnished to the public under the rates and rules authorized herein, within ten days thereafter.

4. Applicants shall file, within thirty days after the system is placed in operation under the rates and rules authorized herein, four copies of a comprehensive map drawn to an indicated scale not smaller than 100 feet to the inch, delineating by appropriate markings the tracts of land and the territory served; the principal water production, storage and distribution facilities; and location of the various water system properties of applicants.

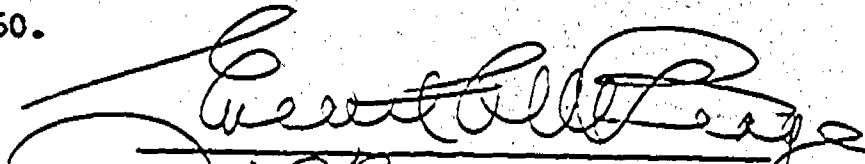
5. Applicants shall determine accruals or depreciation by dividing the original cost of the utility plant less estimated future net salvage less depreciation reserve by the estimated remaining life of the plant. Applicants shall review the accruals as of January 1 following the date service is first furnished to the public under the rates and rules authorized herein, and


thereafter when major changes in utility plant composition occur and at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

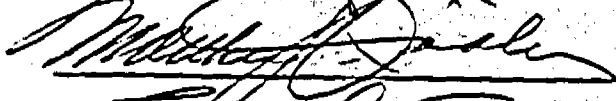
The authorization herein granted will expire if not exercised within one year after the effective date hereof.

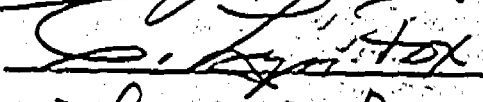
The effective date of this order shall be twenty days after the date hereof.


Dated at San Francisco, California, this 15th day of November, 1960.



President








Commissioners

Schedule No. 1

ANNUAL GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Feather River Forest Homes, Spring Valley Addition, and vicinity, located adjacent to Lake Madrone approximately 18 miles northeast of the City of Oroville, Butte County.

RATES

		Per Meter
		<u>Per Month</u>
Monthly Quantity Rates:		
First	800 cu. ft. or less	\$ 3.25
Next	1,700 cu. ft., per 100 cu. ft.30
Over	2,500 cu. ft., per 100 cu. ft.20

		Per Meter
		<u>Per Year</u>
Annual Minimum Charge:		
For	5/8 x 3/4-inch meter	\$ 39.00
For	3/4-inch meter	57.00
For	1-inch meter	90.00
For	1 1/2-inch meter	150.00
For	2-inch meter	216.00

The Minimum Charge will entitle the customer to the quantity of water each month which one-twelfth of the annual minimum charge will purchase at the Monthly Quantity Rates.

(Continued)

APPENDIX A
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Schedule No. 1

ANNUAL GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITIONS

1. The annual minimum charge applies to service during the 12-month period commencing January 1 and is due in advance.
2. The charge for water used in excess of the quantity allowed each month for the annual minimum charge may be billed monthly, bi-monthly or quarterly at the option of the utility on a noncumulative monthly consumption basis.

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Schedule No. 1S

SEASONAL GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service furnished on a seasonal basis.

TERRITORY

The unincorporated area known as Feather River Forest Homes, Spring Valley Addition, and vicinity, located adjacent to Lake Madrone approximately 18 miles northeast of the City of Oroville, Butte County.

RATES

Monthly Quantity Rates:

First	800 cu. ft. or less	Per Meter Per Month
Next	1,700 cu. ft., per 100 cu. ft.	\$3.50
Over	2,500 cu. ft., per 100 cu. ft.30
		.20

Per Meter
Per Season

Seasonal Minimum Charge:

For	5/8 x 3/4-inch meter	\$ 21.00
For	3/4-inch meter	31.00
For	1-inch meter	48.00
For	1 1/2-inch meter	78.00
For	2-inch meter	111.00

The Seasonal Minimum Charge will entitle the customer to the quantity of water each month which one-sixth of the seasonal minimum charge will purchase at the Monthly Quantity Rates.

(Continued)

Schedule No. 1S

SEASONAL GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITIONS

1. Service may be taken under this schedule for either the Summer Season, May 1 through October 31, the Winter Season, November 1 through April 30, or both seasons.
2. The seasonal minimum charge is payable in advance on or before the initial day of the season.
3. The charge for water used in excess of the quantity allowed each month for the seasonal minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility on a noncumulative monthly consumption basis.

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Schedule No. 2R

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all annual residential water service furnished on a flat rate basis.

TERRITORY

The unincorporated area known as Feather River Forest Homes, Spring Valley Addition, and vicinity, located adjacent to Lake Madrone approximately 18 miles northeast of the City of Oroville, Butte County.

RATES

Per Service Connection
Per Year

For a single family residence, including premises	\$40.00
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SPECIAL CONDITIONS

1. The above residential flat rate charges apply to service connections not larger than one inch in diameter.
2. All annual residential service not covered by the above classification will be furnished only on a metered basis.
3. Meters may be installed at option of utility or customer for above classification in which event service thereafter will be furnished only on the basis of Schedule No. 1, Annual General Metered Service, or Schedule No. 1S, Seasonal General Metered Service.
4. The annual flat rate charge is payable on or before January 1 of each year.

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Schedule No. 2RS

SEASONAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all seasonal residential water service furnished on a flat rate basis.

TERRITORY

The unincorporated area known as Feather River Forest Homes, Spring Valley Addition, and vicinity, located adjacent to Lake Madrone approximately 18 miles northeast of the City of Oroville, Butte County.

RATES

	<u>Per Service Connection Per Season</u>
For a single family residence, including premises.	\$21.00

SPECIAL CONDITIONS

1. Service may be taken under this schedule for either the Summer Season, May 1 through October 31, the Winter Season, November 1 through April 30, or both seasons.
2. The above residential flat rate charges apply to service connections not larger than one inch in diameter.
3. All seasonal residential service not covered by the above classification will be furnished only on a metered basis.
4. Meters may be installed at option of utility or customer for above classification in which event service thereafter will be furnished only on the basis of Schedule No. 1, Annual General Metered Service, or Schedule No. 1S, Seasonal General Metered Service.
5. The seasonal flat rate charge is payable in advance on or before the initial day of the season.