

**ORIGINAL**Decision No. 61400

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 HARVEY E. WEST, SR., HARVEY E. WEST, JR.,  
 and ROBERT WEST, doing business as  
 GRAEAGLE WATER COMPANY, for a certifi-  
 cate of public convenience and necessity  
 to operate a public utility system in  
 Graeagle Subdivision, Plumas County.

Application No. 42423

O P I N I O N

By the above-entitled application filed June 30, 1960, Harvey E. West, Sr., Harvey E. West, Jr., and Robert West, doing business as Graeagle Water Company, request a certificate of public convenience and necessity to operate a public utility water system in the community of Graeagle, an unincorporated area of Plumas County. An amendment to the application was filed on November 29, 1960, which included a request that the Commission issue its order in this matter such that upon supplemental application filed after a contemplated franchise has been obtained from Plumas County, a certificate will be granted to exercise the rights and privileges of such franchise.

In connection with the subject application, a field investigation was made by the Commission's staff on September 13, 1960. The results of that investigation are set forth in a memorandum incorporated in the record in this proceeding as Exhibit No. 1.

Service Area

The area of approximately 250 acres for which a certificate is requested consists generally of a small community in Plumas County known as Graeagle, located approximately 12 miles southwest of the

City of Portola, and includes two subdivisions presently being developed, known as Graeagle Subdivisions Nos. 1 and 2. The requested certificated area is described in Exhibit "A-1" attached to the application.

Description of Water System

The water system as presently installed consists of a small dam on Long Lake several miles above the area to be served, and a second dam located on Gray Eagle Creek approximately 1 mile southwest of the area to be served from which location water is diverted into an existing steel transmission main and flows by gravity to a 50,000-gallon elevated redwood storage tank within the service area. From this tank, water is distributed through approximately 13,000 feet of cast iron and 10-gauge, double-dipped and wrapped steel mains varying in diameter from 12 to 1½ inches. In two instances runs of 1½-inch diameter pipe longer than allowed by this Commission's General Order No. 103 are supplying water to several residences located along State Highway No. 89. One-inch and ¾-inch diameter service pipes have been or will be installed to each lot within the area to be served. The application indicates that the water pressure within the area to be served will be approximately 50 pounds per square inch. The Department of Public Health, State of California, has issued a water supply permit to applicants. Applicants have installed chlorinating facilities at the storage tank in accordance with the requirements of this permit.

The requested area is not presently being served by a public utility water system. Portions of the above-described system, however, have been utilized to supply water for several years to a lumber mill, which has since been abandoned, and a few residences which were the property of Graeagle Lumber Company. Applicants recently purchased the assets of this lumber company and are presently

developing Graeagle Subdivisions Nos. 1 and 2 which consist of 115 lots and 20 lots, respectively.

Applicants' estimate of the cost of utility plant and materials and supplies necessary to serve the area presently being developed is shown in the following tabulation:

<u>Ac. No.</u>	<u>Description</u>	<u>Amount</u>
301	Organization	\$ 1,500
306	Land	2,500
311	Structures	800
312	Dams	4,980
331	Water Treatment Equipment	3,154
342	Tank	1,676
343	Transmission and Distribution Mains	47,775
345	Services	5,730
348	Eydrants	974
	Materials and Supplies	<u>2,500</u>
	Total	\$71,589

Applicants propose to finance the above-described cost through their own personal funds, and no indebtedness will be incurred in the name of the water utility.

#### Rates

Water is proposed to be furnished on a flat rate basis and applicants have requested that basic residential flat rates of \$60 per year, \$44 for an 8-month summer season and \$20 for a 4-month winter season be established. Meter rates and additional flat rates to be applied to business establishments have also been requested. Applicants are aware that water utility customer growth in a resort area such as this is slow and that until such time as their proposed service area is more completely developed they may not receive a full return on their investment.

#### Findings and Conclusions

Applicants' water supply and distribution facilities as constructed and as proposed appear to meet the minimum requirements of this Commission's General Order No. 103 except for the two lengths of 1½-inch diameter pipe hereinbefore mentioned.

To set apart the property necessary for utility operations, applicants will be required to dedicate to public utility purposes the property on which are located any facilities necessary to the water utility operation, such as tanks, mains and related equipment, as well as easements for pipelines which are not located in public streets.

The rate schedules to be authorized, as set forth in Appendix A to this decision, differ slightly from those set forth in the original application and its amendment. Minor modifications have been made to simplify billing procedures under the schedules, to establish a consistent relationship between charges under the various schedules and to arrange them in a more logical tariff form, as stipulated to by applicants in their amendment to the application.

It appears that applicants have the requisite financial ability to carry out the proposed construction in the area requested to be served and to operate the water system during the development period 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.

The Commission is also of the opinion that public convenience and necessity require it to make an order declaring that, upon filing a supplemental application to which is attached a copy of the franchise issued by the Board of Supervisors of the County of Plumas, the Commission will issue a certificate of public convenience and necessity authorizing applicants to exercise such franchise upon such terms and conditions as the Commission may designate.

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 Harvey E. West, Sr., Harvey E. West, Jr., and Robert West, doing business as Graeagle Water Company, be and they are granted a certificate of public convenience and necessity to construct and operate a public utility water system for the distribution and sale of water in the community known as Graeagle, Plumas County, as described in Exhibit "A-1" attached to the application herein.

IT IS FURTHER ORDERED that:

1. 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 a 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 the Commission and to the public after filing as hereinabove provided.

2. 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.

3. 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 400 feet to the inch, delineating by appropriate markings the tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicants.

4. Applicants shall determine accruals for 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 1st of the year following the date service is first rendered 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.

5. If the authority herein granted is exercised, applicants shall dedicate to public utility purposes the lots or areas on which the wells, public utility water system facilities and other related appurtenances are located and shall provide any necessary easements or permits where mains will be located other than in public streets, and shall file not later than thirty days after the system is first placed in operation under the rates and rules authorized herein, one copy of each appropriate document showing such dedication, easement or permit.

6. Applicants are authorized to deviate from the provisions of Section III, paragraph 2a of General Order No. 103 to the extent that certain noncirculating pipelines already installed do not fully meet the minimum requirements of said order; however, before any additional customers are served from said pipelines, applicants shall replace or reinforce said pipelines in a manner which will insure compliance with this Commission's General Order No. 103. All future construction shall comply with said general order and applicants may be required to replace the existing undersize pipelines with mains of proper size, should any deficiency in supply result from service to existing customers because of the deviations herein authorized.

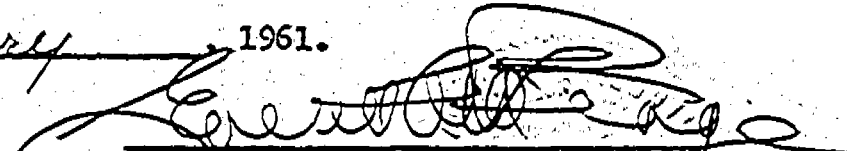
Upon the filing by applicants of a supplemental application to which is attached a copy of the franchise issued by the Board of Supervisors of the County of Plumas, the Commission will issue a certificate of public convenience and necessity authorizing applicants to exercise such franchise under such terms and conditions as the Commission may designate.



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

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

Dated at San Francisco, California, this

24th day of January, 1961.

  
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President

  
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Commissioners

APPENDIX A  
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Schedule No. 1

ANNUAL GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

The unincorporated community of Graeagle, and vicinity, located approximately twelve miles southwest of the City of Portola, Plumas County.

RATES

		<u>Per Meter</u> <u>Per Month</u>
Monthly Quantity Rates:		
First	600 cu.ft. or less .....	\$ 5.00
Next	1,400 cu.ft., per 100 cu.ft. ....	.30
Next	3,000 cu.ft., per 100 cu.ft. ....	.25
Over	5,000 cu.ft., per 100 cu.ft. ....	.20

		<u>Per Meter</u> <u>Per Year</u>
Annual Minimum Charge:		
For	5/8 x 3/4-inch meter .....	\$ 60.00
For	3/4-inch meter .....	78.00
For	1-inch meter .....	132.00
For	1 1/2-inch meter .....	186.00
For	2-inch meter .....	252.00

The Annual 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.

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, bimonthly or quarterly at the option of the utility on a noncumulative, monthly consumption basis.



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Schedule No. 1S

SEASONAL GENERAL METERED SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated community of Graeagle, and vicinity, located approximately twelve miles southwest of the City of Portola, Plumas County.

RATES

Monthly Quantity Rates:		<u>Per Meter Per Month</u>
First	600 cu.ft. or less .....	\$5.00
Next	1,400 cu.ft., per 100 cu.ft. ....	.30
Next	3,000 cu.ft., per 100 cu.ft. ....	.25
Over	5,000 cu.ft., per 100 cu.ft. ....	.20

Seasonal Minimum Charge:

	<u>Per Meter Per Season</u>	
	<u>Summer Season</u> Mar. 15 through Nov. 14	<u>Winter Season</u> Nov. 15 through Mar. 14
For 5/8 x 3/4-inch meter .....	\$ 44.00	\$20.00
For 3/4-inch meter .....	56.00	26.00
For 1-inch meter .....	96.00	41.00
For 1 1/2-inch meter .....	136.00	62.00
For 2-inch meter .....	184.00	81.00

The Seasonal Minimum charge will entitle the customer to the quantity of water each month during the appropriate Season which one-eighth of the Summer Seasonal Charge or one-fourth of the Winter Seasonal Charge would purchase at the Monthly Quantity Rates.

SPECIAL CONDITIONS

1. Service may be taken under this schedule for either or both seasons.

(Continued)

Schedule No. 1S (Continued)

SEASONAL GENERAL METERED SERVICE

SPECIAL CONDITIONS

2. The seasonal minimum charge is due 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. 2

ANNUAL GENERAL FLAT RATE SERVICEAPPLICABILITY

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

TERRITORY

The unincorporated community of Graeagle, and vicinity, located approximately twelve miles southwest of the City of Portola, Plumas County.

RATES

	<u>Per Service Connection</u> <u>Per Year</u>
1. For a single family residence or manager's quarters of a motel, including premises ...	\$60.00
For additional buildings on the same premises and served from the same service connection:	
(1) each residence or cabin with housekeeping accommodations .....	23.00
(2) each hotel or motel room with bathroom facilities only .....	12.00
2. For each business establishment .....	40.00

SPECIAL CONDITIONS

- All annual general service not covered by the above classification will be furnished only on a metered basis.
- Meters may be installed at option of utility, 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.
- The annual flat rate charge is due in advance on or before January 1 of each year.
- The foregoing flat rates apply to service connections not larger than one inch in diameter.

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## Schedule No. 2S

SEASONAL GENERAL FLAT RATE SERVICEAPPLICABILITY

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

TERRITORY

The unincorporated community of Graeagle, and vicinity, located approximately twelve miles southwest of the City of Portola, Plumas County.

RATES

	Per Service Connection	
	Per Season	
	Summer Season Mar. 15 through Nov. 14	Winter Season Nov. 15 through Mar. 14
1. For a single family residence, or manager's quarters of a motel, including premises .....	\$44.00	\$20.00
For additional buildings on the same premises and served from the same service connections:		
(1) each residence or cabin with housekeeping accommodations .....	17.00	8.00
(2) each hotel or motel room with bathroom facilities only .....	8.50	4.00
2. For each business establishment ..	30.00	14.00

SPECIAL CONDITIONS

1. All seasonal service not covered by the above classification will be furnished only on a metered basis.

2. Meters may be installed at option of utility, 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.

(Continued)

Schedule No. 2S (Continued)

SEASONAL GENERAL FLAT RATE SERVICE

SPECIAL CONDITIONS

3. Service may be taken under this schedule for either or both seasons.
4. The seasonal flat rate charge is due in advance on or before the initial day of the season.
5. The foregoing flat rates apply to service connections not larger than one inch in diameter.

Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized or incorporated fire districts or other political subdivisions of the State.

TERRITORY

The unincorporated community of Graeagle, and vicinity, located approximately twelve miles southwest of the City of Portola, Plumas County.

RATE

	<u>Per Month</u>
For each hydrant .....	\$2.00

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the quantity rates under Schedule No. 1, Annual General Metered Service.
2. The cost of installation and maintenance of hydrants will be borne by the utility.
3. Relocation of any hydrant shall be at the expense of the party requesting relocation.
4. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.