

ORIGINAL

Decision No. 61651

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Alfred C. and Ollie M. Dysart, Mountain Water Company, to operate a water system in the west half of Section 6, Township 3 South, Range 1 East, San Bernardino Base and Meridian, Riverside County; to sell water to Mountain Air Estates Unit Number 1, which is located in the aforesaid west one-half of Section 6; and to establish rates.

Application No. 42471
Amended

Alfred C. Dysart, for the applicants.
C. O. Barker, Jr., for Banning Water Company,
interested party.
C. O. Newman, for the Commission staff.

O P I N I O N

Alfred C. Dysart and Ollie M. Dysart, individuals, doing business as Mountain Water Company, by the above-entitled application, filed July 14, 1960, as amended July 27, 1960, and as amended at the hearing, seek a certificate of public convenience and necessity to construct and operate a public utility water system in Mountain Air Estates, Subdivision Unit No. 1, and in their ranch properties, in the City of Banning, Riverside County. The establishment of rates for water service is also sought.

A public hearing was held before Examiner Stewart C. Warner on January 18, 1961, at Banning. Banning Water Company, an adjacent public utility water company, indicated at the hearing that it did not oppose the application.

Description of Proposed Area and Water System

The area proposed to be served by the applicants is a 38-lot subdivision comprising approximately 12 acres on which 5 houses have been built. The proposed area also includes the property on which the two residences of the applicants are situated, which is a parcel 120 feet by 500 feet comprising about 1-1/3 acres located immediately north of and contiguous to the Mountain Air Estates Subdivision. Exhibit No. 7 attached to the application is a map which shows the location of the area sought to be certificated as it relates to other properties owned by the Dysart family, and as the proposed area relates to the area served by Banning Water Company. Said map shows that the proposed area is north of U. S. Highway No. 99 and about 1-1/2 miles west of the downtown portion of Banning.

The source of applicants' water supply is two wells with presently installed pumping plant production capacity of 15 gallons per minute and 120 gallons per minute, respectively. The wells are labeled Wells Nos. 1 and 2. The record shows that the applicants may be able to slightly increase the production capacity of Well No. 1 by the installation of a larger pump. The record also shows that Well No. 2 was tested by its driller on January 8, 1960, for a production of 2,000 gallons per minute at a pumping level of 440 feet with a drawdown of 124 feet. The test was performed over a 24-hour period. A staff engineer expressed an opinion in his Exhibit No. 17 that the production rate of this well may be in the range of 1300 to 1400 gallons per minute, but that the well test was of insufficient duration to confirm this high a production rate.

Water from Well No. 1 is pumped into a 5,000-gallon storage tank and is boosted therefrom into the distribution system. The capacity of the booster pump is 250 gallons per minute at 60 pounds per square inch. Water from Well No. 2 is pumped into a pressure tank which maintains operating pressures of between 50 and 80 pounds per square inch.

The distribution system consists of 6-inch to 10-inch double-dipped and wrapped, steel pipe. Fire hydrants have been installed under the direction of the City of Banning Fire Department.

The record shows that the presently installed water supply and water production equipment are adequate to meet the peak-day demands of about 30 customers. The staff engineer recommended that the applicants be required to install 30,000 gallons of storage capacity and 250 gallons per minute of booster pump capacity for the initial development (Unit No. 1) of the properties owned by the Dysart family, or to increase well production capacity to equal a peak demand of 210 gallons per minute. He also recommended that the applicants be required to maintain operating pressures of between 40 and 60 pounds per square inch.

Rates

Applicants seek the establishment of water rates for general metered service comparable to those currently on file by Banning Water Company. The applicants' proposed general metered service rates are as follows:

<u>Quantity Rates</u>		<u>Per Meter Per Month</u>
First	900 cu.ft. or less	\$2.25
Next	1,100 cu.ft., per 100 cu.ft.	.21
Next	8,000 cu.ft., per 100 cu.ft.	.15
Next	10,000 cu.ft., per 100 cu.ft.	.11
Over	20,000 cu.ft., per 100 cu.ft.	.07

The applicants have not requested the establishment of a rate for fire hydrant service, but one was recommended by the Commission staff engineer of \$1 per month for each hydrant.

Financing

Exhibit No. 15 is a financial statement of the applicants as of January 1, 1960. It shows total current assets of \$138,328, and total assets of \$1,455,828; total current liabilities of \$2,000, and total liabilities of \$20,282; and net worth of \$1,435,546.

The record shows that the applicants propose to finance with their own funds the construction and operation of their water system in Mountain Air Estates, Subdivision Unit No. 1.

Findings and Conclusions

After carefully reviewing the record it is found as a fact and concluded that public convenience and necessity require that a certificate of public convenience and necessity be granted to the applicants in the area proposed in the application as amended, as shown on the map Exhibit No. 7 attached to the application, plus the ranch properties of the applicants consisting of 1-1/3 acres, more or less as described in Exhibit No. 16, and the order hereinafter will so provide.

It is further found as a fact and concluded that the applicants' presently installed water production and storage

facilities are adequate to serve approximately 30 customers, and that the public interest requires that when the number of applicants' customers exceeds 30 they should have installed 30,000 gallons of storage capacity to operate in conjunction with at least 250 gallons per minute of booster pump capacity or shall have either drilled an additional well or wells or installed a larger pump in Well No. 1 to increase well production capacity to at least 210 gallons per minute; that the applicants should be required to maintain operating pressures in their system of between 40 and 60 pounds per square inch; that the applicants should be authorized and directed to file a tariff schedule providing for fire-hydrant service; that they should be directed to file tariff schedules and maps of their water-system facilities and the areas served; that they should adopt the straight-line remaining-life method of computing depreciation reserve requirements and annual depreciation accruals; and that, due to their presently installed limited water supply and production capacity, they should not extend their water system outside their certificated area without further order of the Commission.

The applicants' request to establish their proposed schedule of rates for general metered service, appears to be reasonable, and the applicants will be authorized hereinafter to file such schedule and will be authorized to file a schedule of rates for public fire hydrant service.

The certificate of public convenience and necessity herein granted shall be 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

Application as above entitled, as amended, having been filed and having been further amended at the hearing, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED as follows:

1. a. That Alfred C. Dysart and Ollie M. Dysart be and they are granted a certificate of public convenience and necessity to construct and operate a public utility water system as Mountain Water Company in Mountain Air Estates, Subdivision Unit No. 1, in the City of Banning; and in the area immediately contiguous thereto on the north, being 120 feet by 500 feet in dimensions and comprising approximately 1-1/3 acres, more or less; as said subdivision is shown on the map Exhibit No. 7, attached to the application and as said contiguous area is described in Exhibit No. 16 filed at the hearing.
- b. That the applicants shall, when the number of their customers exceeds 30, have installed and placed in operation a total of 30,000 gallons of storage capacity and 250 gallons per minute of booster pump capacity, or shall have either drilled an additional well or wells or installed a larger pump in Well No. 1 to increase well production capacity to at least 210 gallons per minute. Applicants shall notify the Commission, in writing, of compliance with this requirement, within ten days thereafter.
- c. That the applicants shall not extend their water system outside the boundaries of the areas certificated herein without further order of the Commission.

2. That the applicants be and they are authorized to file with this Commission within thirty days after the effective date of this order, the schedule of rates set forth in Appendix A attached to this order, together with rules and tariff service area map acceptable to this Commission and 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.
3. That applicants shall file with the Commission within forty days after the effective date of this order four copies of a comprehensive map drawn to an indicated scale not smaller than 600 feet to the inch, delineating by appropriate markings the various 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. That applicants shall procure and dedicate to water utility purposes the lots or areas on which the wells and reservoirs are, or are to be, located and easements or permits where the pipeline mains are, or are to be, located in lots, other than in public streets, and shall file, within sixty days after the effective date of this order one copy of each appropriate document showing such procurement, dedication, easement or permit.
5. That applicants shall determine the 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 1, 1961 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 the Commission.

6. That in all other respects the application be and it is hereby denied.

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

Dated at San Francisco, California, this 14th day of March, 1961.

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

Commissioner Everett C. McKaage, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all general metered service.

TERRITORY

Mountain Air Estates Subdivision, Unit No. 1, in the City of Banning, and vicinity, Riverside County.

RATES

Quantity Rates:	<u>Per Meter</u> <u>Per Month</u>
First 900 cu. ft. or less	\$2.25
Next 1,100 cu. ft., per 100 cu. ft.21
Next 8,000 cu. ft., per 100 cu. ft.15
Next 10,000 cu. ft., per 100 cu. ft.11
Over 20,000 cu. ft., per 100 cu. ft.07
 Minimum Charge:	
For 5/8 x 3/4-inch meter	\$2.25
For 3/4-inch meter	3.50
For 1-inch meter	5.00

The Minimum Charge will entitle the customer to the quantity of water which that minimum charge will purchase at the Quantity Rates.

Schedule No. 2

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

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

TERRITORY

Mountain Air Estates Subdivision, Unit No. 1, in the City of Banning, and vicinity, in Riverside County.

RATE

Per Month

For each fire hydrant \$1.00

SPECIAL CONDITIONS

1. 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.