

Decision No. 62515**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 YOUNGTOWNE WATER COMPANY, INC., a
 California corporation, for a
 certificate of public convenience
 and necessity to construct, operate
 and maintain a water system in the
 unincorporated area of Apple Valley,
 in the County of San Bernardino,
 State of California, under Section
 1001 of the Public Utilities Code of
 the State of California; and an
 Application for Permit to Issue Stock,
 under Sections 816-830 of the said
 Public Utilities Code.

Application No. 43008

O P I N I O N

This application was filed on December 23, 1960 and amended on January 13 and March 9, 1961. Youngtowne Water Company seeks a certificate to supply water for domestic purposes in the following described tract in the Apple Valley area of San Bernardino County:

The east 100 acres of the southeast $\frac{1}{4}$ of Section 1,
 Township 5N, Range 3W, SB3M. ✓

Applicant also seeks permission to issue 5,000 shares of its common stock. Except for directors' qualifying shares, such stock would all be issued to Youngtowne Plaza Development Company in return for the water system proposed to be certificated herein and which applicant would operate. The Development Company owns the aforesaid 100 acre tract and is engaged in subdividing and promoting the project.

So far one tract (No. 6182) has been subdivided and water is presently needed there. Tract No. 6182 consists of 20.9 acres divided into 79 lots. When about two-thirds of these lots are sold

it is planned to begin ground work on the second tract (No. 6183) which will consist of about 20 acres divided into 60 lots and a park site. Further plans are indefinite and will depend on sales. Ultimate development of the entire project as planned would require 357 lots to be served.

A well site has been set aside in the southwest corner of the 100 acre area whereon a well has been drilled to a depth of 460 feet. A 12-inch casing and a deep well turbine pump have been installed. The pump is driven by an automatically controlled 30 horsepower motor. The pump has 300 feet of shaft and column. It is alleged that this well will produce 500 gallons per minute. Well tests indicate, however, that production will be less.

All pipe used in the system is double dipped and wrapped steel. There will be 4,580 feet of 8-inch O.D. 10 gauge pipe, 980 feet of 6-inch O.D. 12 gauge pipe and 3,520 feet of 4-inch O.D. 12 gauge pipe. Water will be transported by an 8-inch line to a 101,000 gallon steel reservoir about 600 feet north of Tract No. 6182 and from there will be distributed by gravity. The floor of the storage tank is 95 feet above the highest point in the distribution system. Pipeline installations are adequate as to materials, depth and valving. The gravity pressure system appears adequate.

There is a natural excess of flourides in the well water. Defluoridization is required by the State Department of Public Health and will also be required by the following order.

There is no provision for additional wells and storage capacity. The present storage tank will protect service as long as the number of customers does not exceed one hundred. For the present the certificate granted to applicant will be limited to Tract No. 6182.

Applicant's rate proposal was incomplete. A Commission engineer recommended the addition of fire protection rates and minimum charges for large meters and the applicant has indicated that this is satisfactory to it. The proposal of the staff engineer will be adopted.

The Commission finds that public convenience and necessity require that a certificate be granted to applicant as provided by the following order. The Commission further finds that the rates annexed to the following order are fair and reasonable.

The shares applicant seeks to issue are of the par value of \$10 per share. The original cost of the system is estimated to be \$44,472.87. The following order will authorize the issuance of 4,450 shares being the original cost rounded off to the next higher number divisible evenly by fifty.

The Commission finds that the money, property or labor to be procured or paid for by the issuance of the stock herein authorized is reasonably required for the purposes specified and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income. The authorization herein granted is not to be construed as a finding of value of applicant's stock or properties, nor as indicative of amounts to be included in any future rate base for determination of just and reasonable rates.

The certificate hereinafter 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.

A public hearing is not necessary.

O R D E R

Application having been filed and the Commission basing its decision on the findings and conclusions set forth in the foregoing opinion,

IT IS ORDERED that:

1. a. A certificate of public convenience and necessity be, and it is, granted to Youngtowne Water Company, Inc., to construct and operate a public utility system for the distribution and sale of water within Tract No. 6182, San Bernardino County.

b. The certificate granted herein shall not become effective until applicant shall have installed and placed in operation defluoridation equipment which will reduce the fluoride content of all water served to not more than 1.0 part per million, all in a manner acceptable to the Commission, and shall have so notified the Commission in writing after the effective date of this order.

IT IS FURTHER ORDERED that:

1. Applicant is authorized to file, within thirty days after fulfilling the requirements of paragraph No. 1b, above, 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 rendered to the public under the authority herein granted, together with rules and a 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 this Commission and to the public after filing as hereinabove provided.

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

3. Applicant 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 200 feet to the inch, delineating by appropriate markings the tract of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant.

4. Applicant 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. Applicant 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. Applicant may issue not to exceed 4,450 shares of its common capital stock of the par value of \$10 per share (total par value \$44,500) to the owners of the water system referred to in the foregoing opinion for the purpose of acquiring said system.

6. Applicant shall file monthly reports as required by General Order No. 24-A which order, insofar as it is applicable, is hereby made a part of this order.

7. Applicant shall render no service outside the boundaries of Tract No. 6182 unless and until permission for the rendering of such service has been previously obtained from the Commission.

8. Applicant shall at all times supply water to its customers which has a fluoride content of not more than 1.0 part per million.

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

Dated at San Francisco, California, this 5th day of SEPTEMBER, 1961.

Wesley B. Rouse
President
John J. Lippert
L. Lyn Fox
George G. Trover
Frederick B. Holcomb
Commissioners

APPENDIX A
Page 1 of 2

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Youngtowne, located approximately 9 miles east of the community of Victorville, San Bernardino County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 1,200 cu. ft. or less	\$ 5.25
Over 1,200 cu. ft., per 100 cu. ft.35
Minimum Charge:	
For 5/8 x 3/4-inch meter.	\$ 5.25
For 3/4-inch meter.	7.50
For 1-inch meter.	12.00
For 1 1/2-inch meter.	25.00
For 2-inch meter.	35.00

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

APPENDIX A
Page 2 of 2

Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area known as Youngtowne, located approximately 9 miles east of the community of Victorville, San Bernardino County.

RATES

<u>Per Hydrant Per Month</u>		
<u>:Diameter of Main Supplying Hydrant:</u>		
<u>: Under 6-Inch : 6-Inch or Larger :</u>		
For 4-inch Riser Type Hydrant	\$ 2.25	\$ 2.50
For 4-inch Standard Type Hydrant	3.00	3.25
For 6-inch Standard Type Hydrant	-	4.00

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the quantity rates under Schedule No. 1, 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.