

ORIGINALDecision No. 63115

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Doyle R. McComb and T. J. Davis dba)
 Tulare County Water Company, a)
 privately owned company, for a)
 Certificate of Public Convenience)
 and Necessity to operate a Public)
 Utility Water System and to establish)
 rates for water service in an)
 unincorporated area North and West)
 of Tulare, known as Tract No. 344,)
 as set forth in Section 1001 of the)
 Public Utility Code.)

Application No. 43481
 (Filed June 7, 1961)

In the Matter of the Application of)
 Doyle R. McComb and T. J. Davis dba)
 Tulare County Water Company, a)
 privately owned company, for a)
 Certificate of Public Convenience)
 and Necessity to operate a Public)
 Utility Water System and to establish)
 rates for water service in an)
 unincorporated area South of Visalia,)
 known as Tract #345; as set forth in)
 Section 1001 of the Public Utility)
 Code.)

Application No. 43482
 (Filed June 7, 1961)

T. J. Davis and Doyle R. McComb, for
 themselves, applicants.
W. B. Stradley, for the Commission staff.

O P I N I O N

These applications were heard on a consolidated record before Examiner E. Ronald Foster at Visalia on September 6, 1961, on which date both matters were submitted subject to the later filing of an exhibit in each proceeding, which exhibits have been received. Copies of the applications had been mailed and notices of the hearing had been given in accordance with the Commission's procedural rules. No protest regarding either application has been received by the Commission.

Applicants request certificates of public convenience and necessity to construct and operate two public utility water systems, both under the name of Tulare County Water Company, in non-contiguous areas in Tulare County, and the establishment of rates for service to be rendered therein.

Application No. 43481

As shown on Exhibit "C" attached to this application, the area requested to be certificated is Tract No. 344, being a subdivision of Lot 11, Russell Colony, in Section 4, T. 20 S., R. 24 E., M.D.B. & M. The tract is located south of Pleasant Avenue and west of West Street, adjacent to the northwest portion of the City of Tulare. The nearest existing water service in this vicinity is that of the municipally operated system of the City of Tulare, which will not extend outside of the city limits. Tract No. 344 contains 32 acres and has been subdivided into 126 lots with areas averaging about 3,500 square feet.

At the time of the hearing, nine homes had been completed, one was occupied, and about seventeen more were under construction. Applicant's program contemplates the completion of all 125 homes in the tract within about three years.

The water system as proposed to be installed is shown on Exhibit "B" of the application. At present the source of supply is a single drilled well on Lot No. 120, which is to be equipped with a 40-horsepower electrically driven pumping unit capable of delivering about 580 to 640 gallons of water per minute against maximum and minimum system pressures, respectively. The pump will deliver the water into the system through an 8,000-gallon hydropneumatic tank equipped with automatic pressure controls. The distribution system will consist of about 1,000 feet of 6-inch and 4,500 feet of 4-inch

asbestos-cement piping. Service connections are to be 1½-inch galvanized pipe with ¾-inch branches to supply two lots. Six wharf-type fire hydrants are to be installed within the tract.

Late-filed Exhibit No. 1 consists of two sheets, one showing the location of the tract relative to the City of Tulare and the other a final map of the subdivision as approved by various officials of the County of Tulare. The map as thus recorded shows Lot 120 as the well and pump site and also shows easements for public water service and other utilities.

A Commission staff engineer introduced a memorandum (Exhibit No. 2), covering the results of his field investigation on July 19, 1961. At that time, the design of the system contained five dead ends of 4-inch pipe each about 500 feet in length, which he recommended be eliminated; at the hearing applicants stated their intention of interconnecting these dead ends with a 2-inch pipeline.

The engineer also recommended that applicants provide for an alternate source of supply or standby facilities to be available when the single well source is shut down for repairs, maintenance, or other reasons. He stated that another well, equipped with a 10-horsepower pump capable of delivering about 200 gallons of water per minute would be adequate as a standby supply. Applicants contended that the installation of such standby equipment would not be financially feasible until such time as about 15 or 20 homes had been constructed and occupied. They indicated the possibility of drilling a second well on the same lot as the existing one.

The application, as revised at the hearing, shows the cost of the facilities would total \$23,872, which does not include the 2-inch interconnecting pipeline nor the standby plant. With

the added cost of these facilities, the staff engineer testified that the total investment per customer would still be lower than that found in other recently constructed systems of similar characteristics.

The staff engineer further testified that the anticipated water supply of 640 gallons per minute would be sufficient to furnish flat rate service to about 175 customers.

Application No. 43482

Exhibit "A", attached to this application, shows the area requested to be certificated is Tract No. 345, being a subdivision of a portion of the southwest quarter of Section 6, T. 19 S., R. 25 E., M.D.B. & M. The tract is located north of Caldwell Avenue, between Mooney Boulevard and West Street, about one-quarter mile south of the City of Visalia. The nearest system offering public utility service is that of California Water Service Company, about three-eighths of a mile away by the shortest possible route. Tract No. 345 contains 17 acres and has been subdivided into 63 residential lots with areas averaging about 8,200 square feet.

At the time of the hearing, four houses had been completed and seven more were being built. Applicants contemplate that houses will be constructed on all 63 lots within about two years.

The water system as proposed to be installed is shown on Exhibit "A" of the application. The present source of supply is a single drilled well on a lot of the tract reserved for the purpose, which is to be equipped with a 25-horsepower electrically driven pumping unit capable of delivering about 350 to 400 gallons of water per minute against maximum and minimum system pressures, respectively. The pump will deliver the water into the system through a 5,000-gallon hydropneumatic tank equipped with automatic pressure controls.

The distribution system will consist of about 200 feet of 6-inch and 2,300 feet of 4-inch asbestos-cement pipe. Service connections are to be 1½-inch galvanized pipe with ¾-inch branches to supply two lots. Two wharf-type hydrants are to be installed within the tract.

Late-filed Exhibit No. 1 consists of a final map of the subdivision as approved by various officials of the County of Tulare. The map as thus recorded shows the lot reserved for the well and pump site and easements for public utilities. Most of the water mains will be laid in the public streets.

Exhibit No. 2 is a memorandum introduced by a Commission staff engineer, covering the results of his field investigation. The engineer recommended that provision should be made for an alternate source of supply or standby facilities to be available when the single well source is shut down for any reason. He stated that another well, equipped with a 7½-horsepower pump should be capable of providing such standby supply. Applicants contended that the installation of such standby equipment would not be financially feasible until there are 15 or 20 occupied homes in the tract. They indicated the feasibility of drilling a second well on the same lot as the existing one, to be equipped with a 10-horsepower pumping unit.

The application, as revised at this hearing, shows the cost of the facilities as \$16,440, not including the cost of any standby facilities. Even with the estimated added cost of such facilities, the total investment per customer would be somewhat lower than that found in other recently constructed systems of similar characteristics.

The staff engineer further testified that the anticipated water supply of 400 gallons per minute would be sufficient to furnish flat rate service to about 70 customers.

General

Applicants propose to render service at the same rates in both areas, as follows:

<u>Flat Rate Service</u>	<u>Per Month</u>
For a single-family residence, including premises not exceeding 8,500 sq. ft. in area .	\$ 4.00
For each 100 sq. ft. of area in excess of 8,500 sq. ft. ....	.03

<u>General Metered Service</u>	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 1,00 cu. ft. or less	\$ 3.25
Next 2,000 cu. ft., per 100 cu. ft. ....	.20
Next 2,000 cu. ft., per 100 cu. ft. ....	.18
Next 5,000 cu. ft., per 100 cu. ft. ....	.15
Over 10,000 cu. ft., per 100 cu. ft. ....	.12

Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 3.25
For 3/4-inch meter	4.25
For 1-inch meter	6.50
For 1½-inch meter	11.00
For 2-inch meter	16.00

At the hearing, applicants asked that there be authorized a rate of \$2.50 per month for each fire hydrant.

The requested rates are comparable to those recently authorized by the Commission for utilities operating under similar circumstances in neighboring areas.

Applicants state that no franchise for the operation of a public utility system is required by the County of Tulare.

Findings and Conclusions

Upon consideration of the evidence the Commission finds and concludes as follows:

1. Public convenience and necessity require that the applications be granted as set forth in the following order.

2. With the exception of certain deficiencies hereinabove discussed, applicants' water systems appear to be properly designed to furnish adequate water service to the areas requested to be certificated and to meet the minimum requirements of this Commission's General Order No. 103. The order herein will require applicants to correct the deficiencies prior to the exercise of the certificates granted to them.

3. Applicants possess the necessary financial resources to institute and maintain the water service to be rendered. Applicants are aware of the probability that little or no return on the investment can be expected until development of the subdivisions is well along.

4. The rates set forth in the appendix attached to the following order are fair and reasonable for the service to be rendered.

The certificates hereinafter granted shall be subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of these certificates of public convenience and necessity or the right to own, operate, or enjoy such certificates 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 certificates of public convenience and necessity or right.

O R D E R

Public hearing having been held and based upon the evidence therein adduced,

IT IS ORDERED that:

1.a. In response to Application No. 43481 a certificate of public convenience and necessity is granted to Doyle R. McComb and T. J. Davis, authorizing them to construct and operate their public utility water system, under the name of Tulare County Water Company, for the

distribution and sale of water within the unincorporated area designated as Tract No. 344, located adjacent to the northwest portion of the City of Tulare, in Tulare County, as shown on the maps filed as Exhibit No. 1 in the said application.

b. Prior to the date service is first rendered to the public under the authority granted by Paragraph 1.a. of this order, applicants shall:

- (1) Apply to the public health authority having jurisdiction for a water supply permit for the said water system, and report to the Commission, in writing, that application has been made for such permit.
- (2) Install and place in operation a pipeline not less than four inches in diameter to interconnect the five existing dead ends in the westerly portion of said tract, or, in lieu thereof, install the facilities necessary for flushing said dead ends; and report to the Commission, in writing, which optional installation shall have been selected and the date when such installation shall have been completed and placed in operation.
- (3) Drill a second deep well, comparable in size and depth to the existing well, to be equipped with a pumping unit capable of delivering at least 200 gallons of water per minute into the distribution system, or otherwise provide for the reasonable continuation of an adequate supply of water in case of failure of the single present well source, in a manner acceptable to the Commission; and report to the Commission, in writing, the details of the manner in which this requirement shall have been accomplished and when the facilities shall have been placed in operation.

c. Within one year after the date service is first rendered to the public under the authority granted herein, applicants shall:

- (1) Interconnect the five existing dead ends pursuant to Paragraph 1.b.(2) of this order, or, in lieu thereof, eliminate the dead ends by extension of the distribution system to serve other areas.

- (2) Report to the Commission in writing, which option in Paragraph 1.c.(1) of this order shall have been selected and the date when such installation shall have been completed and placed in operation.

2.a. In response to Application No. 43482 a certificate of public convenience and necessity is granted to Doyle R. McComb and T. J. Davis, authorizing them to construct and operate their public utility water system, under the name of Tulare County Water Company, for the distribution and sale of water within the unincorporated area designated as Tract No. 345, located about one-quarter mile south of the City of Visalia, in Tulare County, as shown on the map filed as Exhibit No. 1 in the said application.

b. Prior to the date service is first rendered to the public under the authority granted in Paragraph 2.a. of this order, applicants shall:

- (1) Apply to the public health authority having jurisdiction for a water supply permit for said water system, and report to the Commission, in writing, that application has been made for such permit.
- (2) Drill a second deep well, to be equipped with a pumping unit capable of delivering at least 150 gallons of water per minute into the distribution system, or otherwise provide for the reasonable continuation of an adequate supply of water in case of failure of the single present well source, in a manner acceptable to the Commission; and report to the Commission, in writing, the details of the manner in which this requirement shall have been accomplished and when the facilities shall have been placed in operation.

3. Applicants are authorized to file, after the effective date of this order, the schedules of rates and charges 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 governing service to customers,

tariff service area maps and sample copies of printed forms normally used in connection with customers' services, all in a manner acceptable to this Commission and in accordance with the requirements of General Order No. 96. In the event that the certificates granted by Paragraphs 1.a. and 2.a. of this order are not exercised concurrently, the description under "Territory" on the rate schedules in Appendix A shall be appropriately revised. Such rates, rules, tariff service area maps, and forms shall become effective upon five days' notice to this Commission and to the public after filing as hereinabove provided.

4. Applicants shall notify this Commission, in writing, of the date service is first rendered to the public under the rates and rules authorized herein within each of the certificated areas, within ten days thereafter.

5. Applicants shall file, within thirty days after each system is placed in operation under the rates and rules authorized herein, four copies of a comprehensive map, for each of the above certificated areas, drawn to an indicated scale not smaller than 100 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 applicants.


6. 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 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.


7. The certificates herein granted and the authority to render service under the rates and rules authorized herein will expire within one year after the effective date of this order to the extent each is not theretofore exercised.

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

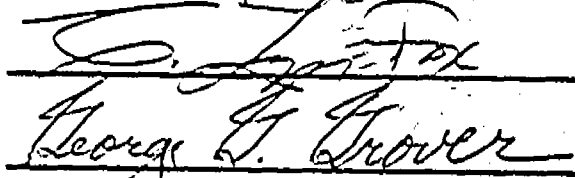
Dated at San Francisco, California, this 16th day of JANUARY, 1962.




President



[unclear]



George J. Grover



Commissioners

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The areas known as Tract No. 344, and vicinity, located adjacent to the northwest portion of Tulare, and Tract No. 345, and vicinity, located approximately one-quarter mile south of Visalia, Tulare County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 1,000 cu.ft. or less	\$ 3.25
Next 2,000 cu.ft., per 100 cu.ft. . . . .	.20
Next 2,000 cu.ft., per 100 cu.ft. . . . .	.18
Next 5,000 cu.ft., per 100 cu.ft. . . . .	.15
Over 10,000 cu.ft., per 100 cu.ft. . . . .	.12
Minimum Charge:	
For 5/8 x 3/4-inch meter.	\$ 3.25
For 3/4-inch meter.	4.25
For 1-inch meter.	6.50
For 1 1/2-inch meter.	11.00
For 2-inch meter.	16.00

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

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Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

The areas known as Tract No. 344, and vicinity, located adjacent to the northwest portion of Tulare, and Tract No. 345, and vicinity, located approximately one-quarter mile south of Visalia, Tulare County.

RATES

	<u>Per Service Connection</u> <u>Per Month</u>
For a single family residential unit, including premises not exceeding 8,500 sq.ft. in area	\$ 4.00
For each 100 sq.ft. of premises in excess of 8,500 sq.ft. . . . .	.03

SPECIAL CONDITIONS

1. The above residential flat rates apply to service connections not larger than one inch in diameter.
2. All 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, General Metered Service.

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Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

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

TERRITORY

The areas known as Tract No. 344, and vicinity, located adjacent to the northwest portion of Tulare, and Tract No. 345, and vicinity, located approximately one-quarter mile south of Visalia, Tulare County.

RATE

Per Month

For each hydrant \$ 2.50

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 the result of its normal operation of the system.