

ORIGINALDecision No. 63502

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BROADVIEW TERRACE WATER
 COMPANY, a California corporation, for
 a Certificate of Public Convenience
 and Necessity for the operation of a
 water system near Oakhurst, California,
 to establish rates, and for a Permit to
 issue certificates.

Application No. 43674

O P I N I O N

This application was filed on August 14 and amended on November 13, 1961. A letter from applicant's attorney was received on January 2, 1962, modifying its rate proposal and enclosing a corrected map of the system. The Commission staff engineer's report was filed on January 23, 1962. Said letter and map are included in the record as Exhibit No. 1, the engineer's report, as Exhibit No. 2. A public hearing is not necessary.

Applicant seeks a certificate to construct and operate a public utility water system near Oakhurst in Madera County. This community is on State Highway sign route 41 which extends northerly from Fresno into Yosemite National Park. Oakhurst is about 41 miles by road and a somewhat shorter air line distance from Madera.

Applicant requests authority to issue 99 shares of its no-par common capital stock to the owners of the system to acquire it. These shares are said to have an actual value of about \$1,000 per share, the cost of the system being estimated at \$98,500 (Exhibit E-1 to amendment to application) and incorporation expenses at \$500.

The area to be served is called Broadview Terrace and is about one-half mile from Oakhurst on the Old Bass Lake Road. It is a portion of the north half of Sec. 14, T. 7 S., R. 21 E., M.D.B.&M. It encompasses an area of 82 acres divided into 189 residential lots varying from 10,000 square feet to $1\frac{1}{2}$ acres in area. The approximate elevation above sea level is 2,400 feet. The variation within the subdivisions is 140 feet. The water system to be installed therein is described below. The main sizes applicant proposes to install are not entirely satisfactory to the Commission and the following order will require certain changes therein.

The water supply for the system is planned to be obtained from three existing wells located on the northerly edge of the proposed service area. These wells have a tested capacity of about 25 to 30 gallons per minute each. They are each equipped with a pump capable of delivering close to the total capacity of the well into a ground-level, 71,500-gallon storage reservoir located near the northeast corner of the area to be served. From this storage, water is delivered into the distribution system by two $7\frac{1}{2}$ hp, 250 gallon-per-minute capacity booster pumps, each discharging into a separate 2,000-gallon pressure tank.

The distribution system, which was nearly completed before this application was filed, is divided into two pressure zones. The upper zone serves the lots higher in elevation than about 70 feet above the storage reservoir and the lower zone serves all other lots. Each of the above-described booster pumps and pressure tanks will furnish water to the individual pressure zones. In case of failure of either of the two pressure systems, however, the zones can be interconnected and minimum amounts of water furnished to the entire distribution system by one pump.

Applicant proposes to install, adjacent to the storage reservoir, a 20-kilowatt alternating current gasoline engine driven generator which will be capable of furnishing electric power to the well and booster pumps in case of failure of the primary electric power source.

The distribution system consists of 6-, 4-, 3-, and 2½-inch diameter Class 150 asbestos-cement pipe, and 2-, 1½-, and 1¼-inch diameter galvanized pipe.

The Commission finds that:

1. Public convenience and necessity require that the certificate requested in the application be granted as provided by the following order.
2. Applicant possesses the financial resources to construct and operate the proposed system.
3. The money, property or labor to be procured or paid for by the issuance of 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 the 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.
4. The rates set forth in Appendix A attached to the following order are fair and reasonable.
5. Applicant's water supply and distribution facilities, when modified as required by the following order, will provide reasonable service for the proposed certificated area.

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.

O R D E R

Application having been filed and the Commission having considered the record in this matter,

IT IS ORDERED that:

1. A certificate of public convenience and necessity will be granted to Broadview Terrace Water Company, a corporation, upon compliance with paragraph 2 hereof, authorizing it to construct and operate a public utility water system for the distribution and sale of water within the area delineated on the map attached to the application and designated Exhibit C thereto, consisting of 82 acres, more or less, and known as Broadview Terrace.

2. A supplemental order will be issued herein granting such certificate when the following requirements have been accomplished in a manner acceptable to this Commission:

- a. Replace the existing small diameter main commencing at the existing 3-inch diameter main ending at the northeast rear corner of Lot 149 through the easement in Lot 145 and between Lots 146, 147, 122 and 123 to the rear of Lots 122 and 123 with a 3-inch diameter main connecting it at that point with an existing 1½-inch main.
- b. Extension of the 3-inch diameter main ending at the rear of Lots 93 and 115 in an easterly direction along the rear of Lots 94, 95, 96 to the center of the back line of Lot 97 with a 3-inch diameter main, and connecting at this point with an existing 1½-inch main.

- c. Replace the existing small diameter main running along the north side of Pierce Drive in front of Lot 190 to approximately the center of Lot 191 with a 3-inch diameter main on the same side of the street, thence continuing said 3-inch main in a southerly direction across Pierce Drive and along the easterly side of Pierce Circle to the rear corners of Lots 131 and 132, connecting at this point with an existing 2-inch diameter main.
- d. Replace the existing 2-inch main at the rear of Lots 80, 81, 104 and 105 with 3-inch diameter main.
- e. Obtain a water supply permit from the appropriate health authority and file a copy of such permit with this Commission.

3. Such certificate, when issued, will be limited to the area described in paragraph 1 and applicant will be directed not to extend service outside said area without further authorization of this Commission.

4. Applicant is authorized to file with this Commission, after compliance with paragraph 2 above, as evidenced by the issuance of the Commission's supplemental order, hereinabove referred to, in a manner acceptable to the Commission and in conformity with the provisions of General Order No. 96-A, the schedules of rates and charges set forth in Appendix A attached to this order, together with rules governing service to customers, a tariff service area map showing definite boundaries and sample copies of printed forms normally used in connection with customers' services. Said rates, rules, tariff service area map and forms shall become effective upon five days' notice to the public and to this Commission after filing, as hereinabove provided.

5. Applicant 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.

6. 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.

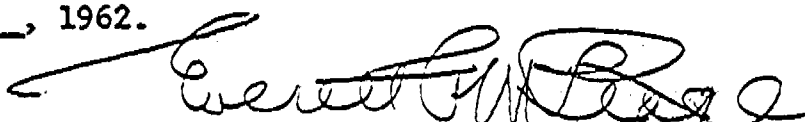
7. Beginning with the year 1962, applicant shall determine depreciation accruals by multiplying the depreciable utility plant by a rate of 3%. This rate shall be used until review indicates that it should be revised. Applicant shall review the depreciation rate, using the straight-line remaining life method, when major changes in utility plant composition occur and at intervals of not more than five years, and shall revise the above rate in conformance with such reviews. Results of these reviews shall be submitted to this Commission.

8. Applicant for the purposes herein set forth may issue not to exceed 99 shares of its no par value common capital stock to the persons named in paragraph 23 of the amendment to the application herein.

9. Applicant shall file with this Commission a report or reports as required by General Order No. 24-A, which order, insofar as applicable, is hereby made a part of this order.

The effective date of this order shall be fixed by the supplemental order referred to in paragraph 2 hereof.

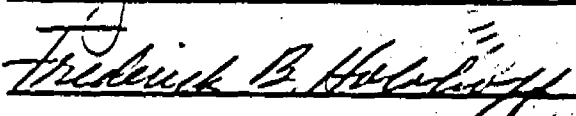
Dated at San Francisco, California, this 3rd
day of APRIL 1, 1962.



President







Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Schedule No. 1A
ANNUAL GENERAL METERED SERVICE

APPLICABILITY

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

TERRITORY

The subdivision known as Broadview Terrace located immediately northeast of the intersection of Roads 426 and 427, approximately one-half mile east of Oakhurst, Madera County.

RATES

	<u>Per Meter Per Month</u>
Monthly Quantity Rates:	
First 500 cu.ft. or less.....	\$ 4.50 ✓
Next 1,000 cu.ft., per 100 cu.ft.....	.50
Next 4,500 cu.ft., per 100 cu.ft.....	.40
Over 6,000 cu.ft., per 100 cu.ft.....	.30
	<u>Per Meter Per Year</u>
Annual Minimum Charge:	
For 5/8 x 3/4-inch meter.....	\$54.00

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 under the annual minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility on a noncumulative monthly consumption basis.

APPENDIX A
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Schedule No. 2RA

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The subdivision known as Broadview Terrace located immediately northeast of the intersection of Roads 426 and 427, approximately one-half mile east of Oakhurst, Madera County.

RATE

	<u>Per Service Connection Per Year</u>
For a single-family residential unit, including premises.....	\$54.00

SPECIAL CONDITIONS

1. The above residential flat rate applies 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 will be installed if either utility or customer so chooses for above classification in which event service thereafter will be furnished on the basis of Schedule No. 1A, Annual General Metered Service.
4. The annual flat rate charge is payable in advance on or before January 1 of each year.