

ORIGINAL

Decision No. 63526

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JAMES H. WERNER and ANN CLAIR WERNER for a certificate of public convenience and necessity to operate a water system two miles west of McKinleyville, Humboldt County, California, and to establish rates.

Application No. 43881

O P I N I O N

Applicants seek a certificate of public convenience and necessity to provide water service to an area in Humboldt County. This area, called Oceanside Subdivision and part of Werner Subdivision, is located about two miles west of the community of McKinleyville which, in turn, is a short distance north of Arcata. The nearest regulated utilities are fifteen miles to the south (i.e., south of Eureka) but some publicly owned systems intervene. However, none of these is close to the area here involved.

The requested area is part of Section 1, T6N, RLW, H.B.&M. Oceanside Subdivision, Units 1 and 2 consists of 27 acres divided into 99 lots and two well sites. The northerly 8 lots of Werner Subdivision, Block B, cover 3 acres.

The proposed water system is to be supplied by two wells. One of these wells is to be equipped with a turbine pump directly connected to a 7½ hp motor, capable of delivering approximately 150 gallons per minute at 65 psi discharge pressure into a 3,000-gallon hydropneumatic tank. The second well is to be similarly equipped. The combined output of 300 gallons per minute is adequate to supply the total requirements of the area requested under maximum consumption.

The distribution system as proposed will consist of 5,000 feet of 6-inch and 1,310 feet of 4-inch asbestos-cement pipe. Initially, applicants propose to install 1,390 feet of 6-inch and 1,310 feet of 4-inch mains and both wells to serve 23 lots in Oceanside Unit No. 1 and 8 lots in Werner Subdivision, Block B.

The cost of the initial installation is estimated by applicants to be \$28,336.00. The additional estimated cost to serve Oceanside Unit No. 2 is \$29,497.50. Applicants themselves propose to finance the entire cost of these installations, which total \$57,833.50 and which their balance sheets show them financially able to do, except for \$1,600 which the owner of the northern eight lots in Werner Subdivision, Block B, has agreed to provide as a nonrefundable contribution in aid of construction.

Applicants have made application to the Humboldt County Department of Health for a domestic water supply permit.

An inspection was made by a staff engineer on November 21, 1961. His report is included in the record as Exhibit 1.

Applicants propose a rate of \$4.50 per month for flat rate service and a schedule of meter rates based upon a minimum charge of \$4.00 per month for 700 cubic feet or less. Applicants' proposed schedule for metered service is shown below:

Quantity Rates:		<u>Per Meter</u> <u>Per Month</u>
First	700 cu.ft. or less	\$4.00
Next	1,300 cu.ft., per 100 cu.ft.40
Next	2,000 cu.ft., per 100 cu.ft.35
Over	4,000 cu.ft., per 100 cu.ft.30

Applicants have not proposed minimum charges for various meter sizes. Applicants propose a rate of \$3.00 per month per hydrant for public fire hydrant service. Applicants' proposed rates

appear reasonable and are comparable to those of similar utilities in this area.

Based upon the allegations of the application, the first and second amendments thereto and the engineer's report (Exhibit No. 1) the Commission finds that:

1. Public convenience and necessity require that the application be granted as set forth in the following order.
2. Applicants possess the financial resources to construct and operate the proposed water system.
3. The rates set forth in Appendix A attached hereto are fair and reasonable for the service to be rendered.
4. Applicants' water supply and distribution facilities will provide reasonable service for the proposed certificated area and meet the minimum requirements of General Order No. 103.
5. The required permits from the appropriate public health authority have not been obtained.

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 in this matter is not necessary.

O R D E R

Application having been filed and the Commission having considered all the allegations thereof,

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to James H. Werner and Ann Clair Werner authorizing them 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 second amendment to the application and designated "Exhibit A-First Amended" thereto, consisting of 30 acres, more or less, and known as Oceanside Subdivision, Lots 1 to 101 inclusive and the northerly 8 lots of Block B, Werner Subdivision, Humboldt County.

2. Applicants are authorized to file with this Commission after the effective date of this order and prior to the date service is first rendered to the public under the authority herein granted, in conformity with General Order No. 96-A and in a manner acceptable to this Commission, the schedules of rates attached to this order as Appendix A, together with rules governing service to customers and a tariff service area map showing definite boundaries. Such rates, rules, and tariff service area map shall become effective upon five days' notice to the public and to this Commission after filing as hereinabove provided.

3. 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 ten days thereafter.

4. 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 100 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.

5. 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 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.

6. If the authorization herein granted is exercised, applicants shall dedicate to public utility purposes the land parcels or areas on which the wells, pumps, tanks and related water facilities are located and any easements or permits where water mains are or will be located otherwise than in streets dedicated to public use, and shall file with the Commission, not later than thirty days after the system is first placed in operation

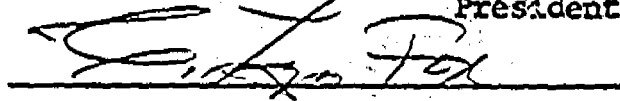
under the rates and rules authorized herein, one copy of each appropriate document showing such dedications, easements or permits.

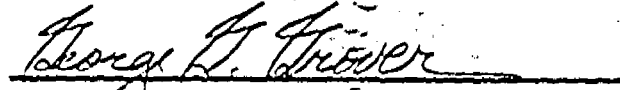
The effective date of this order shall be twenty days after the date hereof.

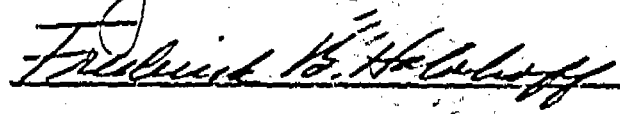
Dated at San Francisco, California, this 3rd day of APRIL, 1962.



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. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as Oceanside Subdivision, and vicinity, located approximately 2 miles west of McKinleyville, Humboldt County.

RATES

		<u>Per Meter Per Month</u>
Quantity Rates:		
First	700 cu. ft. or less.....	\$ 4.00
Next	1,300 cu. ft., per 100 cu. ft.40
Next	2,000 cu. ft., per 100 cu. ft.35
Over	4,000 cu. ft., per 100 cu. ft.30
Minimum Charge:		
For	5/8 X 3/4-inch meter.....	\$ 4.00
For	3/4-inch meter.....	5.60
For	1-inch meter.....	8.40
For	1 1/2-inch meter.....	15.50
For	2-inch meter.....	22.50

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

Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

The area known as Oceanside Subdivision, and vicinity, located approximately 2 miles west of McKinleyville, Humboldt County.

RATE

	<u>Per Service Connection Per Month</u>
For a single-family residential unit, including premises	\$ 4.50

SPECIAL CONDITIONS

1. The above flat rate applies to service connections not larger than one inch in diameter.
2. All service not covered by the above classification shall be furnished only on a metered basis.
3. For service covered by the above classification, if either the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.

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 area known as Oceanside Subdivision, and vicinity, located approximately 2 miles west of McKinleyville, Humboldt County.

RATE

	<u>Per Month</u>
For each hydrant	\$ 3.00

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges shall be made at the quantity rates under Schedule No. 1, General Metered Service.
2. The cost of installation and maintenance of hydrants shall 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.