

ORIGINALDecision No. 63546

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 AARON and MARVIN AHRONIAN, dba)
 EAST WOOD WATER COMPANY, for a cer-)
 tificate of public convenience and)
 necessity to operate a public util-)
 ity water system and to establish)
 rates for water service in an unin-)
 corporated area east of Tulare, on)
 Tulare Street, known as Tract)
 No. 351, under the provisions of)
 Section 1001 of the Public Utilities)
 Code.)

Application No. 43696
 (Filed August 23, 1961)

O P I N I O N

Aaron and Marvin Ahronian are copartners doing business under the name of East Wood Water Company. They seek, by this application, a certificate of public convenience and necessity authorizing them to construct and operate a public utility water system in a subdivision known as Eastwood Village No. 1, Tract No. 351 in Tulare County.

The verified application avers that the requested service area encompasses approximately 20 acres which will be divided into approximately 60 building sites; that the water system will consist of a 300-foot well equipped with a pump directly connected to a 40-horsepower motor, a second well, 200 feet deep, to be equipped with a 7½-horsepower standby pump, a 5,000-gallon tank, and approximately 2,525 feet of water main pipe; that the 300- and 200-foot wells have estimated capacities of 540 and 90 gallons per minute, respectively, against a line pressure of approximately 40 pounds per square inch; and that the cost of the proposed system is estimated to be \$21,956.

An exhibit attached to the application indicates that the applicants have a net worth of \$78,000. The application also avers that no franchise is required from any local governmental body in order to operate the proposed system.

The Commission staff made a field investigation in connection with the application. The report prepared by the staff is hereby designated Exhibit 1 in this proceeding. The report verifies substantially all of the allegations in the application. The report also indicates that the nearest existing public utility water system does not desire to serve the area here under consideration and that the rates proposed by applicants are comparable to rates authorized by this Commission for comparable water utilities in the area. The Commission makes the following findings and conclusions based upon the record in this matter:

1. A public hearing is not necessary in this matter.
2. Applicants possess the financial resources to construct and operate the proposed water system.
3. 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.
4. Public convenience and necessity require that the application be granted as set forth in the ensuing order.
5. The rates set forth in Appendix A attached hereto are fair and reasonable for the service to be rendered.
6. Applicants should, prior to the date service is first furnished to the public under the authority herein granted, apply to the health authority having jurisdiction for a water supply permit for the system.

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

An 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 is hereby granted to Aaron Ahronian and Marvin Ahronian authorizing them to construct and operate a public utility water system within Eastwood Village No. 1, Tract No. 351, Tulare County, which area is more particularly described in Exhibit A attached to Application No. 43696 and by this reference made a part hereof.

2. When the number of customers reaches 25, or within one year after the date service is first rendered to the public under the authority herein granted, whichever is earlier, applicants shall have installed such standby facilities as are necessary to provide for the reasonable continuation of an adequate supply of water in case of failure of the primary source of supply. Within ten days after such standby facilities are installed, applicants shall file a written report with this Commission, showing the number of customers then served and details of the manner in which the requirements of this paragraph have been accomplished.

3. Applicants are authorized to file in quadruplicate with this Commission, after the effective date of this order, in a manner acceptable to the Commission and in conformity with the provisions of General Order No. 96A, 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.

4. Applicants 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.

5. 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 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 applicants.

6. Beginning with the year 1962, applicants shall determine depreciation accruals by multiplying the depreciable utility plant by a rate of 3 per cent. This rate shall be used until review indicates that it should be revised. Applicants 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.

7. Prior to the date service is first furnished to the public under the rates and rules authorized herein, applicants shall
(a) apply to the appropriate public health authority for a water

supply permit for the system which will serve the area herein certified, and (b) report to the Commission in writing, within ten days thereafter, that such application has been made.

The certificate herein granted and the authority to render service under the rates and rules authorized herein will expire if not exercised within one year after the effective date of this order.

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

Dated at San Francisco, California, this 10th day of APRIL, 1962.

Peter L. Mitchell President
E. J. Fox
George L. Fowler
Frederic B. Holcomb Commissioners

Commissioner Everett C. McKee, 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 Eastwood Village, and vicinity, located near the Tulare-Visalia Lindsey Wye approximately $\frac{1}{2}$ mile east of the City of Tulare, Tulare County.

RATES

Per Meter
Per Month

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	$\frac{5}{8}$ x $\frac{3}{4}$ -inch meter	.....	\$ 3.25
For	$\frac{3}{4}$ -inch meter	.....	4.25
For	1-inch meter	.....	6.50
For	$1\frac{1}{2}$ -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.

APPENDIX A
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Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The area known as Eastwood Village, and vicinity, located near the Tulare-Visalia Lindsey Wye approximately 1/2 mile east of the City of Tulare, Tulare County.

RATES

	<u>Per Service Connection Per Month</u>
For a single family residence, including premises not exceeding 10,000 sq.ft. in area	\$4.00
For each 100 sq.ft. of area in excess of 10,000 sq.ft. ....	.03

SPECIAL CONDITIONS

1. The foregoing flat rates apply to service connections not larger than one inch in diameter.
2. Meters will be installed if either the utility or customer so desires, in which event service thereafter will be furnished only on the basis of 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 or other political subdivisions of the State.

TERRITORY

The area known as Eastwood Village, and vicinity, located near the Tulare-Visalia Lindsey Wyo approximately 1/2 mile east of the City of Tulare, Tulare County.

RATE

Per Month

For each hydrant \$2.00

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.