

ORIGINAL

Decision No. 63547

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of R. C. and ETHEL V. SOULTS dba TULCO 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 Tulare at 99 Freeway and Foster Drive known as Tract No. 361 as set forth in Section 1001 of the Public Utilities Code.

Application No. 43964

O P I N I O N

Applicants seek a water certificate to serve an area about 1 mile south of the southern city limits of Tulare. The area is called La Paz Village, Tract No. 361, Tulare County. Applicant R. C. Soultis has installed a number of small water systems in the Tulare-Kings Counties area. Two of these are operated by applicants under authority of Decision No. 55878, dated December 3, 1957, in Application No. 39352 and Decision No. 58886, dated August 18, 1959, in Application No. 41003. One is northwest of Visalia, the other east of Tulare.

A Commission engineer conducted an investigation of the proposed operation. His conclusions and recommendations are contained in a report dated January 24, 1962, which report is made a part of the record herein as Exhibit No. 1.

La Paz Village is located immediately east of U. S. Highway No. 99, freeway. It is bounded on the north by a main canal of Tulare Irrigation District and on the south by Foster

Drive. It is about 75 acres in extent in the S $\frac{1}{2}$ of the SE $\frac{1}{2}$ of Sec. 13, T20S, R24E, M.D.B. & M. It is proposed to be divided into 176 lots.

The principal source of supply proposed for this system is a well 12 inches in diameter and drilled to a depth of about 300 feet on a lot within the tract planned to be served. The well is to be equipped with a 30 hp electric motor directly connected to a deep-well turbine pump. The pump will be designed to deliver about 500 gallons of water per minute against system pressure of 40 pounds per square inch. Water from the pump is to be delivered into a 5,000-gallon pressure tank with controls set to maintain 35 to 50 pounds per square inch system pressure. The proposed distribution system is to consist of about 3,300 feet of 6-inch and 700 feet of 4-inch, Class 150 asbestos-cement pipe. Service connections are to be 1-inch diameter galvanized pipe extending from the distribution main to each lot to be served. Seven wharf-type hydrants are to be installed within the tract.

As the tract grows and additional water supply is required, applicants plan to drill an additional well and equip it in a manner similar to their initial well. However, until such time as this second well is drilled, applicants have made arrangements with an adjacent motel for standby water service from its privately owned water system used for domestic service to the motel, restaurant and surrounding properties. This privately owned system is supplied from a well equipped with a 15 hp pump capable of delivering approximately 200 gallons per minute against system pressure.

Applicants' estimate of utility plant costs is summarized below.

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
301	Organization	\$ 300
306	Land	2,000
315	Wells	7,000
324	Pumps	7,711
342	Tanks	4,000
343	Distribution Lines	24,640 *
345	Services	8,800 *
348	Fire Hydrants	<u>560 *</u>
	Total	\$55,011

* Cost of these items of utility plant to be advanced by developer, subject to refund in accordance with utility's filed extension rule.

Applicants propose to furnish water primarily on a flat rate basis. The rate proposed in the application is \$4.00 per month for lot sizes up to 3,200 square feet. During an inspection by a Commission engineer applicants expressed willingness to apply this rate to lots up to 9,000 square feet in size. This proposal will be adopted by the Commission. Applicants seek to apply their present metered rates to La Paz. No fire hydrant rates were requested but the following order will fix rates comparable to those of comparable systems in the Tulare-Kings Counties area.

Based upon the allegations of the application 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. Applicants' presently filed rates supplemented by 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 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 R. C. Soultis and Ethel V. Soultis 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 application and designated Exhibit "A" thereto, consisting of 75 acres, more or less, and known as Tract No. 361, Tulare County.

2. If the authority herein granted is exercised, applicants shall 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 the provisions of General Order No. 96-A and in a manner acceptable to this Commission, the rate schedule set forth in Appendix A attached to this order and, concurrently with such filing, shall file such revised tariff sheets, including tariff service area map, as are necessary to provide for the application of their present tariff schedules excluding Schedule No. 2, Residential Flat Rate Service, to the area certificated herein. Such additional and revised tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

3. When the number of customers reaches 25, or within one year after the date service is first furnished 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.

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.

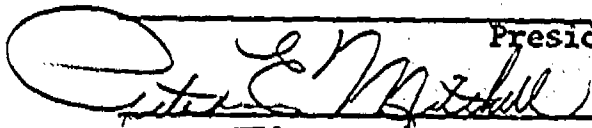

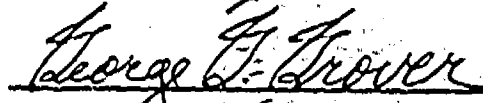

6. Beginning with the year 1962, applicants shall determine depreciation accruals by multiplying the depreciable utility plant by a rate of 3.0 percent. This rate shall be used until review indicates that it should be revised. Applicants shall review the depreciation rate, using the straight-line remaining 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 certificated, 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 4, 1962.

 President


 Commissioners

Appendix A

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 tract known as La Paz Village located adjacent to the east side of U. S. Highway 99, approximately one mile south 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. Fire hydrants shall be attached to the utility's distribution mains upon receipt of proper authorization from the appropriate public authority. Such authorization shall designate the specific location at which each is to be installed.
5. 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.