

ORIGINAL

Decision No. 63548

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
BRENTWOOD PARK WATER CO., a California
corporation, to construct and operate
a water system in Tuolumne County; and
to sell and issue shares of stock; and
to establish rates.

Application No. 43911
(Amended)

Desmond N. Bonnington, for applicant.

Arthur C. Fegan, for Commission staff.

O P I N I O N

Brentwood Park Water Co., a California corporation, requests by amended application filed November 10, 1961, as amended on November 24, 1961, (1) a certificate of public convenience and necessity to construct a public utility water system in a territory lying about one mile west of Twain Harte, Tuolumne County; (2) authority to establish rates and charges for the services to be rendered by said water system; and (3) authority to issue stock in the amount of \$25,000 par value.

Public hearing was held before Examiner Martin J. Porter at Sonora on February 1, 1962, on which date the matter was submitted subject to a request of the applicant for the receipt of two exhibits. By letter dated February 7, 1962, applicant withdrew said request and the matter is now ready for decision.

Facts

The area for which a certificate is requested is located in portions of Sections 7 and 8, Township 2 North, Range 16 East, MDB&M about one mile west of Twain Harte, Tuolumne County. Brentwood

Park Subdivision, Unit No. 1, approximately 37 acres in area, is subdivided into 80 lots. Units Nos. 2 and 3, approximately 82 acres in area, excluding a commercial and recreational area, are subdivided into 168 lots.

There are no public utility water systems that provide service in the immediate vicinity of the area for which certification is sought. The nearest public utility operating under the jurisdiction of the Commission is the Cedar Ridge Water Company located about two miles northwest of this area. Tuolumne County Water District No. 1 provides service in the area of Twain Harte, but the district boundaries do not include the area for which a certificate is requested. The district has no objection to applicant's serving this area.

Applicant proposes that the source of supply be Pacific Gas and Electric Company's Tuolumne Main Canal. Exhibit M attached to the application is a letter from Pacific Gas and Electric Company confirming the fact that it will supply 30 miner's inches (336 gallons per minute) of water to the Brentwood Park Subdivision, at one delivery point, for both irrigation and residential use and that a contract is presently being prepared. This same letter indicates that the flow in this canal is subject to interruption and that storage facilities to meet the water requirements for a period of 14 days should be provided.

Witnesses for the applicant and the Commission staff testified that from past experience the estimation of time of interruption of the flow in the canal more realistically could be in the range of two to three days.

Unit No. 1 is developed to the point where lots are surveyed, staked out, numbered and all roads are completed up to the point of rough grading.

Units Nos. 2 and 3 are not to be developed for approximately one year.

The system as now proposed by the applicant at normal flow would provide 96 gallons per minute. The staff engineer testified that 190 gallons per minute for Unit No. 1 and 340 gallons per minute for Units Nos. 1, 2 and 3 would be necessary to meet the minimum requirement the Commission has required for water systems serving this type of development in the past.

It is estimated that the cost of providing water to Unit No. 1 would be approximately \$40,002; this does not include the cost of a storage tank or storage facilities. The applicant seeks to issue \$25,000 par value of its common stock to finance the costs of said system. The subdividers will be the owners of all the stock.

Applicant proposes rates for metered service comparable to rates presently being charged for similar service in this area. By letter dated February 7, 1962, the applicant accepted the Commission's staff proposed rate for flat rate service which is comparable to the rates of similar utilities in this vicinity. This rate is less than originally proposed by the applicant.

The applicant does not expect to realize any profit from the water system until the tract is fully developed and occupied.

Findings and Conclusions

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

1. Public convenience and necessity require that the application be granted as set forth in the ensuing order.
2. Applicant possesses the financial resources to construct and operate the proposed water system.

3. The money, property or labor to be procured or paid for by the issuance of the stock herein authorized is reasonably required for the purposes specified and 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 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 hereto are fair and reasonable for the service to be rendered.

5. 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.

6. No franchise is required by the County of Tuolumne.

O R D E R

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

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Brentwood Park Water Co. authorizing it to construct and operate a public utility water system for the distribution and sale of water within the area of Brentwood Park Subdivision Unit No. 1.

2. Applicant shall not without further order of the Commission extend its water system beyond the area herein granted.

3. The certificate granted herein shall not become effective until applicant shall have complied with requirements a. through c. of this paragraph and shall have so notified the Commission in writing and the Commission, by supplemental order, ✓ has made said certificate effective. ✓

a. Applicant shall submit plans for sufficiently increasing the filtering and storage capacities of its system so as to render it capable of supplying a peak demand of at least 190 gallons per minute for Unit No. 1.

b. Applicant shall submit plans for providing an adequate three-day water supply during periods of interruptions of service of the Tuolumne Main Canal.

c. Applicant shall execute a contract or agreement with Pacific Gas and Electric Company for an amount of water sufficient to meet the requirements of the certificated area.

4. After compliance with paragraph 3 above, as evidenced by a supplemental order to that effect, and prior to the date service is first rendered to the public under the authority herein granted, applicant is authorized to file in a manner acceptable to this Commission, and in accordance with the requirements of General Order No. 96-A, the schedules of rates set forth in Appendix A attached to this order, 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.

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 first placed in operation under the rates and rules authorized herein, four copies of a comprehensive map drawn to an indicated scale not smaller than 400 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. Applicant shall determine 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. Applicant 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.

8. Prior to the date service is first rendered under the authority herein granted, applicant shall file with the Commission a copy of the permit, or evidence of having made application therefor, issued either by the State Board of Public Health or the Tuolumne County Health Department, approving the sources of water supply for the water system herein certificated.

9. Applicant for the purpose of acquiring said water system may issue not to exceed 2,500 shares of its capital stock, of a total par value of \$25,000, after the effective date of this order but on or before January 1, 1963. Applicant shall file with this Commission a report or reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

The certificate and authorizations hereinabove granted will expire if not exercised prior to January 1, 1963.

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.

President
Arthur L. Hatchell
George E. Grover
Fredrick B. McKeage
Commissioners

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Schedule No. 1A

ANNUAL GENERAL METERED SERVICEAPPLICABILITY

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

TERRITORY

The area known as Brentwood Park Subdivision, and vicinity, located one mile northwest of Twain Harte, Tuolumne County.

RATES

			<u>Per Meter</u> <u>Per Month</u>
Monthly Quantity Rates:			
First	800 cu.ft. or less	\$	3.25
Next	2,200 cu.ft., per 100 cu.ft.25
Next	7,000 cu.ft., per 100 cu.ft.20
Over	10,000 cu.ft., per 100 cu.ft.15

			<u>Per Meter</u> <u>Per Year</u>
Annual Minimum Charge:			
For	5/8 x 3/4-inch meter	\$	39.00
For	3/4-inch meter		57.00
For	1-inch meter		90.00
For	1 1/2-inch meter		162.00
For	2-inch meter		204.00

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.

(Continued)

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Schedule No. 1A

ANNUAL GENERAL METERED SERVICE

(Continued)

SPECIAL CONDITIONS

1. The annual minimum charge applies to service during the 12-month period commencing January 1 and is due in advance. A customer who has established his permanency by having paid for service during the preceding 12 months may elect to pay the annual minimum charge in advance on a monthly basis equal to one-twelfth of the annual minimum charge.

2. When the annual minimum charge is paid in advance, charges for water used in excess of the monthly allowance under the annual minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility on a noncumulative monthly consumption basis.

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Schedule No. 2A

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The area known as Brentwood Park Subdivision, and vicinity, located one mile northwest of Twain Harte, Tuolumne County.

RATES

Per Service Connection
Per Year

For a single-family residential unit, including premises	\$52.00
For each additional single-family residential unit on the same premises and served from the same service connection	40.00

SPECIAL CONDITIONS

1. The above flat rates apply 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 above classifications, if either the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.
4. The annual flat rate charge is payable in advance on or before January 1 of each year. A customer who has established his permanency by having paid for service during the preceding 12 months may elect to pay the flat rate charge on a monthly basis equal to one-twelfth of the annual flat rate charge.

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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

Brentwood Park Subdivision, and vicinity, located one mile northwest of Twain Harte, Tuolumne 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. 1A, Annual 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.