

ORIGINAL

Decision No. 63520

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of James Cooman dba Fairway Water Co., 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 East of Liberty School, known as Tract No. 354, as set forth in Section 1001 of the Public Utility Code.

Application No. 43892

O P I N I O N

Applicant requests the issuance of a certificate of public convenience and necessity to construct and operate a water system in Tract No. 354, Fairway Estates in Tulare County.

This tract is ten acres in extent, is about 3-1/2 miles south of the south city limits of Visalia and is part of the SW 1/4 of section 17, T19S, R25E, M. D. B. and M., in Tulare County. It is estimated to contain 31 lots. The nearest water utilities are California Water Service Company, Visalia District, in that city, and Tulare County Water Company which serves another small tract about 2 miles north.

The principal source of supply proposed for this system is a well 10 inches in diameter, approximately 250 feet deep, which is to be drilled on a lot adjacent to the tract planned to be served. It will be equipped with a 15 hp electric motor directly connected to a deep-well turbine pump. This pump will be designed to deliver between 210 to 285 gallons of water per minute against maximum and minimum system pressures, respectively. Water from the pump is to

be delivered into a 3,000-gallon pressure tank with controls set to maintain 30 to 50 pounds per square inch system pressure. The distribution system, as proposed, is to consist of approximately 1,050 feet of 6-inch and 750 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. Two wharf-type fire hydrants are to be installed within the tract.

For a standby source of supply in case of temporary disablement of the proposed single well, applicant has made arrangements to interconnect the proposed system directly to a water distribution system which supplies the sprinkler system of an adjacent golf course. Its use as a standby source, however, is awaiting County Health Department approval. In the alternative, applicant plans to drill a second well within the tract and equip it with a five-horsepower pump capable of delivering as much as 100 gallons per minute to the distribution system at about 25 pounds per square inch pressure. This would be adequate to furnish water for household use under emergency conditions of service.

Construction of the water system has not yet commenced, and application has not been made for a water supply permit. Applicant, however, intends to make application for such permit when the system has been sufficiently completed to meet the requirements of the appropriate health authority.

Applicant's estimate of the cost of the proposed system is summarized below:

Ac. No.	Account	Amount
301	Organization	\$ 300
306	Land	1,500
315	Wells	2,050
324	Pumps	4,064
342	Tank	1,750
343	Distribution Mains	5,158
345	Services	1,550
348	Fire Hydrants	160
Total		\$16,532

The elimination of the second well, pump and tank would reduce applicant's estimate of utility plant cost by approximately \$2,000 from that shown in the above tabulation.

Applicant has indicated that service will be furnished primarily on a flat rate basis. A basic flat rate of \$4 per month for lots of 10,000 square feet or less and equivalent meter rates are proposed. No fire hydrant rate was proposed but applicant has indicated that \$2 per month per hydrant would be satisfactory to him.

A financial statement annexed to the application indicates that applicant's financial resources exceed the requirements of the application.

Based upon the allegations of the application and upon a Commission staff engineer's report (Exhibit No. 1) the Commission finds:

1. Public convenience and necessity require that the application be granted as set forth in the following order.
2. Applicant possesses 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. Applicant's proposed 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.

6. A public hearing is not necessary.

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 all the allegations thereof,

IT IS ORDERED that:

1. The Commission staff engineer's report dated January 24, 1962 is included in this record as Exhibit No. 1.

2. A certificate of public convenience and necessity is granted to James Coopman authorizing him 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 10 acres, more or less, and known as Tract No. 354, Tulare County.

3. Applicant is 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

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 to be 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. Within one year after the date service is first rendered to the public under the authority herein granted, applicant 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, applicant shall file a written report with this Commission, showing the details of the manner in which the requirement of this paragraph has been accomplished.

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. Prior to the date service is first furnished to the public under the rates and rules authorized herein, applicant 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 24th day of APRIL, 1962.

[Signature] President

[Signature]

[Signature]

[Signature]  
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. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as Fairway Estates and vicinity, located 3½ miles south of Visalia, Tulare County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
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 5/8 X 3/4-inch meter .....	\$ 3.25
For 3/4-inch meter .....	4.25
For 1-inch meter .....	6.50
For 1½-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 flat rate residential water service.

TERRITORY

The area known as Fairway Estates and vicinity, located  $3\frac{1}{2}$  miles south of Visalia, Tulare County.

RATES

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

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. Meters shall be installed if either utility or customer so chooses for above classification, in which event service thereafter shall be furnished 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 and other political subdivisions of the State.

TERRITORY

The area known as Fairway Estates and vicinity, located 3½ miles south of Visalia, Tulare County.

RATE

	<u>Per Month</u>
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.