

Decision No. 644S1**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 Fay Rowland and Leona Rowland, dba )  
 Rowland Water Co., 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 west of the City of Porterville, )  
 California, known as Sunset Park, )  
 Tract No. 362. )

Application No. 44594  
 (Filed June 28, 1962)

Application of Henry K. George and )  
 Blanche George, his wife, doing )  
 business as LINDALE MANOR WATER )  
 COMPANY, for a Certificate of Public )  
 Convenience and Necessity to operate )  
 a water system in Tracts 362 and 368 )  
 in the County of Tulare, State of )  
 California. )

Application No. 44614  
 (Filed July 5, 1962)

Benny N. Rowland and O. D. Rowland, for  
Rowland Water Co.  
Natzke, Moran & Quirk, by John P. Moran,  
for Lindale Manor Water Company.  
W. B. Stradley, for the Commission staff.

O P I N I O N

Public hearing was held and a consolidated record made before Examiner John Power at Porterville August 8, 1962. The matter was then submitted subject to receipt of a late-filed exhibit (No. 7). This exhibit has been received and the matter is ready for decision.

The area involved here is just west of Porterville. The rebuilt State Highway 65 lies just to the east of the service areas of these two companies. Putnam Avenue and Olive Avenue extend

under or across this highway in an east-west direction. Olive Avenue becomes a highway leading west to Tipton on U. S. Highway 99. Putnam Avenue is north of Olive Avenue.

The area referred to as Sunset Park, which includes the 30 lots in Tract No. 362<sup>1/</sup> is just south of Putnam Avenue. Lindale has a pipeline in that street running along the northern boundary line of this tract. Rowland's service area adjoins Tract No. 362 on the east. Both applicants have applied for Sunset Park, consisting of about 47 acres and including a proposed 157 lots. Lindale, only, has applied to serve Tract No. 368. This tract lies north of the service area of Lindale. Rowland's witness expressed no interest in serving this tract. Tentative maps of both proposed subdivisions are included as Exhibits D and E of Application No. 44614.

Lindale alleges that it has constructed a water system in Tract No. 368 at a cost of \$15,134.23, financed by Lindale's filed main extension rule. It consists of 2,945 feet of 6-inch, and 3,180 feet of 4-inch, class 150 asbestos-cement pipe for water mains; 4 fire hydrants; and 123 one-inch services. It appears and the Commission finds that this system would comply with our General Order No. 103, "Rules Governing Water Service Including Minimum Standards for Design and Construction".

Lindale currently has an application on file (No. 44510) for an increase in rates. It proposes in Application No. 44614 to apply the rates proposed in Application No. 44510 to Tract No. 368. This will not be authorized. Lindale's present rates will be

---

<sup>1/</sup> Sometimes referred to on tentative maps, and at the hearing in these matters as Unit #1 of Tract No. 362.

applied to Tract No. 368 and, if the increase or some part thereof is authorized, the new rate can be applied to the entire service area at the same time.

Sunset Park, as stated above, is in dispute. At the present time only Tract No. 362 is to be developed. A formal bid received by Lindale on this (Tract No. 362) job indicates the nature of the installation. It includes 1,220 feet of 6-inch, class 150, asbestos-cement pipe, 170 feet of 2-inch galvanized iron pipe, 29 services, 1 fire hydrant, 1 6-inch gate valve and box. The described installation would cost \$4,156.60. Rowland's estimate of cost for comparable facilities was stated to be \$4,067.77. These were not entirely firm figures since they would depend on the length of the pipe runs. However, they are very close.

The evidence shows that both applicants have the necessary financial resources to undertake the services they propose.

Lindale has a present supply amounting to 1,000 gallons per minute. Rowland has about 650 gallons per minute. Each has three wells and the above supply figures assume that all three are in operation in each case. Both have ample funds to provide any further backup facilities likely to be needed. It thus appears that there will be a need for water service in Sunset Park and that either of these companies can supply that need.

Both of these utilities are likely to benefit from growth. Rowland had 252 customers and Lindale had 248 customers at the time of the hearing. Rowland urged Putnam Avenue as a boundary between the two. Lindale strenuously opposed this, contending that it would be contrary to the interest of themselves and their present customers if they were confined to the area north of Putnam Avenue.

There is merit in the contention of Lindale that they are being boxed in. In this connection it should be noted that Rowland has a detached service area to the west of Westwood Drive which in turn is a short distance west of the disputed Tract No. 362.

The Commission finds as follows:

1. Public convenience and necessity will require that water service be made available in Sunset Park and Tract No. 368, Tulare County.

2. Henry K. George and Blanche George can render water service in Tracts Nos. 362 and 368 in a satisfactory manner, and Fay Rowland and Leona Rowland can satisfactorily serve the remainder of Sunset Park.

3. Further growth of the water systems of Fay Rowland and Leona Rowland and Henry K. George and Blanche George would be beneficial to said systems and their customers.

4. Any extension of the system of Henry K. George and Blanche George south of Tomah Avenue would injuriously restrict the growth of the water system of Fay Rowland and Leona Rowland.

5. Any extension of the system of Fay Rowland and Leona Rowland north of Tomah Avenue would unduly restrict the growth of the system of Henry K. George and Blanche George.

6. The presently filed rates of Henry K. George and Blanche George are fair and reasonable rates to be applied to services to be rendered to customers in Tracts Nos. 362 and 368, Tulare County.

7. The presently filed rates of Fay Rowland and Leona Rowland, except Schedule No. 2R, Residential Flat Rate Service, are fair and reasonable rates to be applied to services to be rendered to customers in the area hereinafter certificated to them.

To provide for an emergency supply to Sunset Park in case of a temporary operating failure of either system, the subject utilities will be expected to interconnect their two systems at some convenient location in or near this subdivision as soon as practicable.

The certificates hereinafter granted shall be subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of these certificates of public convenience and necessity or the right to own, operate, or enjoy such certificates 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 certificates of public convenience and necessity or right.

The action taken herein is for the issuance of certificates of public convenience and necessity only and is not to be considered as indicative of amounts to be included in future rate bases for the purpose of determining just and reasonable rates.

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 Henry K. George and Blanche George authorizing them to extend, construct and operate their public utility water system in Tract No. 368, Tulare County, and the following described portion of Sunset Park as shown on Exhibit D of Application No. 44614:

All lots bordering Tomah Avenue and those lots northerly thereof, including Tract No. 362, excepting therefrom the lots bordering the east side of Hubert Street.

2. A certificate of public convenience and necessity is granted to Fay Rowland and Leona Rowland authorizing them to extend, construct and operate their public utility water system in the following portion of Sunset Park as shown on Exhibit D of Application No. 44614:

All lots south of the first row of lots south of Tomah Avenue and the lots bordering the east side of Hubert Street.

3. Applicants respectively are authorized and directed to apply their presently filed tariffs, except Rowland's Schedule No. 2R, Residential Flat Rate Service, to the areas certificated to them herein.

4. Henry K. George and Blanche George, doing business as Lindale Manor Water Company, and Fay Rowland and Leona Rowland, doing business as Rowland Water Co., are authorized and directed to revise, within thirty days after the effective date of this order and in conformity with General Order No. 96-A, such of their tariff schedules, including tariff service area maps acceptable to this Commission, as are necessary to provide for the application of their tariff schedules to the areas certificated herein. Such tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

5. Applicants herein shall each continue furnishing water service to customers now being served; however, they shall not extend service beyond the line hereinafter described, except to areas certificated herein and by previous orders of this Commission, without further order of this Commission:

Beginning at State Highway 65 (Freeway) at Putnam Avenue, thence westerly along Putnam Avenue to the southerly extension of Lowery Avenue, thence southerly to the southerly edge of the first row of lots south of Tomah Avenue, thence in a generally westerly direction to Newcomb Street, thence north on Newcomb Street to Tomah Avenue, thence westerly along Tomah Avenue to Tract No. 362, Tulare County, thence southerly along the easterly boundary of said tract to its southeast corner, thence westerly along the southerly boundary of said tract, thence westerly along the southerly edge of the first row of lots south of the proposed westerly extension of Tomah Avenue to the rear of the first row of lots facing Hubert Street, thence north to the westerly extension of Putnam Avenue, thence westerly to Westwood Drive, thence north on Westwood Drive to Porter Slough.

6. Except as herein specifically granted, Applications Nos. 44594 and 44614 are denied.

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

Dated at San Francisco, California, this 30th day of OCTOBER, 1962.

George J. Grover  
President  
Arthur C. Mitchell  
E. J. Fox  
Garrett W. B. G.  
Frederic B. Haliloff  
Commissioners