

ORIGINALDecision No. 65170

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Rolling Woods Utilities)
 Incorporated, a California corporation,)
 for a certificate of public convenience)
 and necessity to operate a public)
 utilities water system and to establish)
 rates for water service in an unin-)
 corporated area in Santa Cruz County,)
 California, described below, under)
 Section 1001, et seq. of the Public)
 Utilities Code of the State of)
 California, and for a permit to issue)
 capital stock of applicant corporation.)

Application No. 44356
 (Filed October 11, 1962)

O P I N I O N

Applicant seeks a certificate of public convenience and necessity authorizing it to construct and operate a public utility water system in Rolling Woods Tract No. 334 in Santa Cruz County. Applicant also seeks authority to issue 3,100 shares of its \$10 par value common stock.

The Commission staff made a field investigation in connection with the application. The report is hereby designated Exhibit 1 in this proceeding.

The Rolling Woods Tract is northwest of the City of Santa Cruz. The verified application and staff report indicate that the tract includes about 14 acres divided into 36 lots averaging approximately 12,000 square feet per lot; that the water system will consist of approximately 2,187 feet of 6-inch class 150 asbestos-cement pipe, two wells, one drilled to a depth of 94 feet and the other drilled to a depth of 52 feet, each well being 10 inches in diameter and the deeper well being equipped with a pump capable of delivering 25 gallons per minute, a 50,000 gallon

redwood storage tank and a 5,000 gallon pressure tank; and that the cost of the proposed system is estimated to be \$31,668.

The staff report indicates that applicant proposes to utilize only one of the two wells at the commencement of its operations. The staff recommends that applicant should be required to connect to the system a second utility owned well, or other source of water supply, having a tested capacity of not less than 25,000 gallons per day before 25 customers are furnished water service, or within one year, whichever occurs first. The Commission agrees with this recommendation.

As indicated, the estimated cost of the water system is \$31,668. Applicant's Articles of Incorporation authorize 20,000 shares of \$10 par value common stock. As yet, no shares have been issued. Applicant seeks authority to issue to Howard Dysle 3,100 shares of its capital stock. The \$31,000 proceeds will be used to construct and acquire the water system.

Having considered the evidence, the Commission finds as follows:

1. A public hearing is not necessary.
2. Applicant's water supply and distribution facilities will provide reasonable service for the proposed certificated area and meet the minimum requirements of General Order No. 103.
3. Public convenience and necessity require that the application be granted as set forth in the ensuing order.
4. Within one year after the date upon which service is first rendered to the public, or when the number of applicant's customers reaches 25, whichever occurs first, applicant should install and connect to its system another source of water supply having a tested capacity of not less than 25,000 gallons per day.

5. Applicant should, prior to the date service is first furnished to the public under the authority herein granted, apply to the appropriate public health authority for a water supply permit for the system.

6. Applicant possesses the financial resources to construct and operate the proposed water system.

7. 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 that 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.

8. The rates set forth in Appendix A attached hereto are fair and reasonable for the service to be rendered.

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

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

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Rolling Woods Utilities, Incorporated, authorizing it

to construct and operate a public utility water system for the distribution and sale of water within Rolling Woods Tract No. 334, Santa Cruz County, which area is more particularly described in Paragraph III of Application No. 44856 and by this reference made a part hereof.

2. Within one year after the effective date of this order, applicant is authorized to file the rates set forth in Appendix A attached to this order, to be effective on or before the date service is first furnished to the public under the authority herein granted, together with rules and a tariff service area map, acceptable to this Commission and in accordance with the requirements of General Order No. 96-A. After having been so filed, such rates, rules and tariff service area map shall become effective upon five days' notice to this Commission and to the public.

3. 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, applicant shall have installed such alternate facilities as are necessary to provide for the reasonable continuation of an adequate supply of water in case of failure of the initial single source of supply. Such facilities shall include an additional source of not less than 25,000 gallons per day production capacity. Within ten days after such alternate facilities are installed, applicant shall file a written report with this Commission, showing the number of customers then served and the details of the manner in which the requirement of this paragraph has been accomplished.

4. Within ten days after the date service is first rendered to the public under the rates and rules authorized herein, applicant shall so notify this Commission in writing.

5. Within thirty days after the system is placed in operation under the rates and rules authorized herein, applicant shall file four copies of a comprehensive map, drawn to an indicated scale of not more 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.

6. Beginning with the year 1963, applicant shall determine depreciation accruals by multiplying the depreciable utility plant by a rate of 3 percent. 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.

7. 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.

8. Applicant, for the purposes herein set forth, may issue to Howard Dysle, not to exceed \$31,000 aggregate par value of its common stock.

9. Applicant shall file with this Commission a report or reports as required by General Order No. 24-A, which order insofar as applicable is hereby made a part of this order.

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

Dated at San Francisco, California, this 2nd day of APRIL, 1963.

George F. Grouer
President
Robert D. [unclear]
Robert W. [unclear]
Frederick B. Holcliff
William W. [unclear]
Commissioners

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as Rolling Woods Subdivision, and vicinity, located immediately northwest of Santa Cruz, Santa Cruz County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 600 cu. ft. or less	\$ 3.75
Next 1,000 cu. ft., per 100 cu. ft.25
Next 2,400 cu. ft., per 100 cu. ft.18
Over 4,000 cu. ft., per 100 cu. ft.14
Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 3.75
For 3/4-inch meter	4.50
For 1-inch meter	5.75
For 1 1/2-inch meter	8.00
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.

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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 Rolling Woods Subdivision, and vicinity, located immediately northwest of Santa Cruz, Santa Cruz County.

RATES

	<u>Per Service Connection Per Month</u>
For a single-family residential unit, including premises not exceeding 9,000 sq. ft. in area	\$ 4.50
For each 100 sq. ft. of premises in excess of 9,000 sq. ft.03

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 classifications shall be furnished only on a metered basis.
3. For service covered by the 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.

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 Rolling Woods Subdivision, and vicinity, located immediately northwest of Santa Cruz, Santa Cruz County.

RATE

	<u>Per Month</u>
For each wharf-type hydrant	\$ 1.75

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges shall be made at the quantity rates under Schedule No. 1, 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. 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.