

ORIGINALDecision No. 66003

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

| | |
|---------------------------------------|------------------------|
| In the Matter of the Application of) | |
| ECHO VIEW ESTATES WATER CO., INC.,) | |
| a California corporation, for a) | |
| certificate of public convenience) | Application No. 45481 |
| and necessity to operate a water) | (Filed June 3, 1963; |
| utility, to establish rates, and) | amended July 26, 1963) |
| for an order authorizing the) | |
| issuance of its shares for cancel-) | |
| lation of indebtedness.) | |

Joseph P. Van Den Berg, for applicant.
Edward J. Fischer, for Lake Valley Fire
District, interested party.
 Sidney J. Webb and W. B. Stradley, for
for the Commission staff.

OPINION AND ORDER

Public hearing in this matter was held before Examiner Emerson on July 24, 1963, at Sacramento.

By Decision No. 61608, issued in Application No. 42287, on March 7, 1961, applicant was granted a certificate of public convenience and necessity for construction and operation of a public utility water system within and limited to Parcel 1 and Parcel 2 of Echo View Estates in El Dorado County. Said certificate was subject to certain conditions precedent respecting adequacy of water supply for each of said parcels and subject to an expiration date of March 31, 1962, respecting issuance of stock. In several respects, the authorization contained in said decision were not exercised and the certificate and authorizations expired on April 1, 1962.

The present application seeks recertification of the areas, establishment of rates for service therein and authority to issue 5,500 shares of \$10 par value per share common stock. The record

made in Application No. 42287, as well as Decision No. 61608 issued therein, is part of the record herein, the present record consisting primarily of up-dating prior information presented to the Commission.

The total area for which a certificate of public convenience and necessity is sought contains approximately 77½ acres, 59 acres of which lie in Parcel 2. Unit No. 1 of Parcel 2 contains 31 lots, 6 of which have completed and occupied homes and 3 of which have homes under construction. Other units will not be opened for public sale until at least 50 percent of the lots in Unit No. 1 have been sold. The water supply and distribution mains for service to Unit No. 1 are in place and are now providing service to the public. The system has been issued a water supply permit by the El Dorado County Health Officer.

The costs of the existing system total \$45,747.41 and have been met through funds provided in equal amounts by applicant's president and secretary. Applicant proposes to issue 4,500 shares of its stock to these officers for acquisition of the system. In addition a number of demand notes, totaling \$8,162.81, have been issued to cover money advanced for organization, construction and land acquisition costs. Applicant proposes to extinguish these accounts by the issuance of stock therefor. The balance of \$2,100 to be received from the proposed \$55,000 total stock issue would constitute applicant's initial working capital.

Although Parcels 1 and 2 may, when fully developed, require water service for about 200 service connections, applicant's plans are presently of such an indefinite nature respecting their development that the record herein will not permit of a finding respecting the needs of the public in an area more extensive than that of Unit No. 1 of Parcel 2. Accordingly, the action taken herein will be limited to such unit.

Applicant's system includes 7 fire hydrants, installed in compliance with a county ordinance. The fire district's position respecting rates for hydrant rental is that rental charges will not be paid until the water system is capable of supplying a flow of not less than 500 gpm for a period of 10 hours. As presently constituted, the system, designed for service to 31 lots, cannot meet such a demand. It will supply such quantities of water and at such pressures as are available in the normal operations of the system, for use by fire-fighting agencies. It should be entitled to some return on the investment in hydrants forced upon it by the county. A nominal hydrant rental rate will be established by the order herein, without prejudice to a later refileing of the same if applicant can successfully negotiate a more nearly compensatory charge with the fire district.

Echo View Estates, Parcels 1 and 2, are being developed as a "prestige area" and for year-round occupancy of homes. No seasonal or resort type houses are to be built in the area. In view of such situation, rates for seasonal water service are neither needed nor desired.

In view of the evidence, the more important elements of which are hereinabove discussed, the Commission makes the following findings:

1. Public convenience and necessity require and will require that applicant be authorized to construct and operate a public utility water system to serve Unit No. 1 of Parcel 2 of Echo View

Estates, with the certificate issued herein subject to the 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.

2. The money, property or labor to be procured or paid for by the issuance of 5,500 shares of capital stock, having a par value of \$10 per share, for cash in the amount of \$55,000 is reasonably required by applicant for the purposes hereinabove stated and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

3. The rates and charges authorized herein are fair and reasonable for the service to be rendered. For initial service, annual charges are to be prorated on the basis of 1/12 of the annual charge for each month of service to be rendered.

IT IS ORDERED as follows:

1. A certificate of public convenience and necessity is hereby granted to Echo View Estates Water Co., Inc., to construct and operate a public utility water system within Unit No. 1 of Parcel 2 of Echo View Estates, El Dorado County, as said unit is delineated on Exhibit B attached to the application herein.

2. Applicant is authorized to file in quadruplicate with this Commission, on or after the effective date of this order and before March 1, 1964, in conformance with the provisions of General Order No. 96-A, the schedules of rates set forth in Appendix A attached to this order and, with tariff service area map and rules governing customer relations, to make said rates, map and rules effective upon five days' notice to the public and to this Commission.

3. By not later than January 1, 1964, applicant shall file with this Commission four copies of a comprehensive map, drawn to an indicated scale not smaller than 400 feet to the inch, delineating by appropriate markings the tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant.

4. On or after the effective date of this order and on or before February 1, 1964, applicant may issue and sell not to exceed 5,500 shares of its common stock at not less than \$10 per share for the purposes hereinabove set forth, including the retirement of demand notes totaling \$8,162.81, and in connection therewith 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.

5. Applicant shall base accruals to the depreciation reserve upon spreading the original cost of depreciable utility plant, less estimated net future salvage less the reserve, over the remaining life of the plant and shall review depreciation rates whenever major changes in plant composition occur and for each plant account at intervals of not more than five years. Results of the reviews shall be submitted to the Commission.

6. The certificate and authorizations granted herein will expire if applicant shall not have notified this Commission, in writing, of their exercise prior to March 1, 1964.

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

Dated at San Francisco, California, this 10th day of SEPTEMBER, 1963.

William W. Beaulieu
President
George T. Trover
Friedrich B. Holshoff
Commissioners

APPENDIX A
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Schedule No. 1

ANNUAL GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area including the subdivision known as Echo View Estates, Unit No. 1, Parcel 2, located approximately 2½ miles southwest of Tahoe Valley, El Dorado County.

RATES

| | <u>Per Meter Per Month</u> |
|--|--------------------------------|
| Monthly Quantity Rates: | |
| First 800 cu.ft. or less | \$ 6.00 |
| Next 1,200 cu.ft., per 100 cu.ft. | .30 |
| Next 3,000 cu.ft., per 100 cu.ft. | .25 |
| Over 5,000 cu.ft., per 100 cu.ft. | .20 |
| Annual Minimum Charge: | |
| | <u>Per Meter Per Year</u> |
| For 5/8 x 3/4-inch meter | \$ 72.00 |
| For 3/4-inch meter | 88.00 |
| For 1-inch meter | 120.00 |
| For 1½-inch meter | 187.00 |
| For 2-inch meter | 256.00 |

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.

SPECIAL CONDITIONS

1. The annual minimum charge applies to service during the 12-month period commencing January 1, and is due in advance.

(Continued)

Schedule No. 1

ANNUAL GENERAL METERED SERVICE

SPECIAL CONDITIONS--Contd.

2. For initial service, the annual minimum charge will be prorated on the basis of one twelfth of the annual minimum charge for each calendar month or portion thereof in which service is rendered and is due in advance.
3. The charge for water used in excess of the quantity allowed each month for the annual minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility on a noncumulative, monthly consumption basis.

Schedule No. 2R

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The unincorporated area including the subdivision known as Echo View Estates, Unit No. 1, Parcel 2, located approximately 2½ miles southwest of Tahoe Valley, El Dorado County.

| <u>RATES</u> | <u>Per Service Connection Per Year</u> |
|--|--|
| For a single family residence, including premises | \$72.00 |
| For each additional residence on the same premises and served from the same service connection | 63.00 |

SPECIAL CONDITIONS

1. The above residential flat rate charges apply to service connections not larger than 3/4-inch in diameter.
2. All residential service not covered by the above classification will be furnished only on a metered basis.
3. Meters may be installed at the option of the utility or the customer for the above classification, in which event service thereafter will be furnished only on the basis of Schedule No. 1, Annual General Metered Service.
4. The annual flat rate service is payable in advance on or before January 1 of each year.
5. For initial service, the annual charges shown above will be prorated on the basis of one twelfth of the annual charge for each month or portion thereof in which service is rendered and are due in advance.

Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized or incorporated fire districts or other political subdivisions of the State.

TERRITORY

The unincorporated area including the subdivision known as Echo View Estates, Unit No. 1, Parcel 2, located approximately 2½ miles southwest of Tahoe Valley, El Dorado County.

RATE

Per Month

| | |
|------------------------|--------|
| For each hydrant | \$1.50 |
|------------------------|--------|

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the quantity rates under Schedule No. 1, Annual General Metered Service.
2. The cost of installation and maintenance of hydrants will be borne by the utility.
3. Relocation of any hydrant will 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 the result of its normal operation of the system.