

ORIGINALDecision No. 66304

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DONALD G. CARTER,
 as sole owner (PONDEROSA WATER
 COMPANY) for a certificate of
 public convenience and necessity
 to operate a public utility
 system (water) in and adjacent
 to the area of the proposed
 Ponderosa Development, the first
 unit of which is Tract 391,
 Tulare County; and to establish
 rates for the service of water
 therefrom.

Application No. 45546
 (Filed June 21, 1963)
 (Amended August 22, 1963)

Fred A. Strauss and Donald G. Carter,
 for applicants.
A. C. Fegan, for the Commission staff.

OPINION AND ORDER

Public hearing in this matter was held before Examiner Emerson on August 22, 1963, at Porterville. At such time the application was orally amended to show (1) Donald G. Carter and Rosella M. Carter (husband and wife) as applicants and co-owners of the proposed water system, and (2) that the proposed system would be known as "Rosella Water Company", rather than Ponderosa as originally proposed.

Applicants propose to construct a public utility water system to serve one quarter section of forested lands lying approximately 28 miles (by road) east of the unincorporated community of Springville in Tulare County. The initial development is for approximately 20 acres known as Tract 391, Tulare County. Applicants reside at Camp Nelson, about 8 miles from Tract 391.

Applicants have installed a water system to serve the 36 lots in Tract 391 and to serve a "commercial" area of 7 acres,

lying westerly of the tract, in which stores and rental cabins are located. The water system meets the minimum requirements set forth in this Commission's General Order No. 103. Applicants have applied for the necessary permit from the health department. Since the overall area is one devoted primarily to summer-time recreation and resort occupancy, the initial source of water supply will be from a single well located on Lot 36. Applicants will install a second well at such time as 20 customers are connected to the initial system and an additional well for an adjacent 61-unit future development. At present, central-station electric power is not available in the area and applicants will utilize a 10-kva electric generator as their source of electricity. It is anticipated that commercial power, now some 5 miles distant, will become available during the year 1964.

Applicants intend to supply flat rate service at a basic rate of \$48 for the summer season and \$20 for the winter season. On the assumption of 90 percent occupancy of residential lots and full occupancy of the commercial area, applicants estimate their prospective revenues to total \$2,449 annually. Their estimate of operating expenses, including taxes and depreciation, total \$1,882 annually, thus indicating a possible net revenue of \$567 on an investment of approximately \$22,000. Applicants are aware that their estimates of annual revenues will not in fact be realized until practically full occupancy of the area occurs and that for a period of three or more years the system most probably will operate at a loss. Their financial condition is such that they can sustain such prospective loss without detriment to their water customers.

In view of the evidence, the Commission finds (1) that public convenience and necessity require and will require that

applicants construct and operate the water system as proposed, and (2) that applicants should be authorized to file their proposed rates for service to the area.

The certificate issued herein is 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.

Applicants will be required to dedicate each well site to public utility use.

IT IS ORDERED as follows:

1. A certificate of public convenience and necessity is hereby granted to Donald G. Carter and Rosella M. Carter (Rosella Water Company) to construct and operate a public utility water system within the southwest quarter of Section 16, Township 21 South, Range 32 East, Mount Diablo Base and Meridian.
2. Applicants are authorized to file in quadruplicate with this Commission, on or after the effective date of this order and 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, on not less than five days' notice to the public and to this Commission, on January 1, 1964. Applicants shall notify this Commission, in writing, of the date service is first rendered to the public under the rates and rules authorized herein, within ten days thereafter.
3. By not later than June 30, 1964, applicants 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 various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicants.

4. By not later than the date on which applicants first render water service to the public under the certificate and authorizations hereinabove granted, applicants shall file with this Commission a written notice by which applicants shall dedicate the well-site Lot 36 of Tract 391 to public utility purposes and within thirty days thereafter shall record such instrument of dedication with the County Recorder of Tulare County.

5. Applicants 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 these reviews shall be submitted to the Commission.

6. The certificate and authorizations granted herein will expire if applicants shall not have notified this Commission, in writing, of their exercise prior to June 30, 1964.

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

Dated at San Francisco, California, this 12th day of NOVEMBER, 1963.

William L. Brund
President

George T. Traver
Commissioners

Fredrick B. Halshoff
Commissioners

Schedule No. 1S

SEASONAL GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on a seasonal basis.

TERRITORY

The area known as Tract No. 391, and vicinity, located approximately 28 miles east of the community of Springville, Tulare County.

RATES

		<u>Per Meter Per Month</u>
Monthly Quantity Rates:		
First	800 cu.ft. or less, included in Seasonal Minimum Charge.	
Next	1,200 cu.ft., per 100 cu.ft.	\$0.25
Next	3,000 cu.ft., per 100 cu.ft.20
Over	5,000 cu.ft., per 100 cu.ft.15

Seasonal Minimum Charge:

		<u>Per Meter Per Season</u>	<u>Quantity Allowed:</u>
		: Summer Season:	: Winter Season:
		: Mar. 1 through:	: Nov. 1 through:
		: October 31	: February 28
		: Minimum Charge :	
For	5/8 x 3/4-inch meter \$ 48.00	\$20.00	800 cu.ft.
For	3/4-inch meter 56.00	28.00	1,200
For	1-inch meter 76.00	38.00	2,000
For	1 1/2-inch meter 112.00	56.00	4,000
For	2-inch meter 148.00	74.00	6,400

SPECIAL CONDITIONS

1. Service may be taken under this schedule for either or both seasons.
2. The seasonal minimum charge is payable in advance on or before the initial day of the season and entitles the customer to the quantity of water each month as shown above.

(Continued)

APPENDIX A
Page 2 of 5

Schedule No. 1S

SEASONAL GENERAL METERED SERVICE

SPECIAL CONDITIONS--Contd.

3. The charge for water used in excess of the quantity allowed each month under the seasonal minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility. When meters are read bimonthly or quarterly, the charge will be computed by doubling or tripling, respectively, the number of cubic feet to which each block rate is applicable on a monthly basis.

4. The opening bill for metered service, except upon conversion from flat rate service, shall be the established seasonal minimum charge for the service. Where initial service is established after the first day of any season, the portion of such seasonal charge applicable to the current season shall be prorated on the basis of the number of days remaining in the season. The balance of the payment of the initial seasonal charge shall be credited against the charges for the succeeding seasonal period in which service is taken. If service is not continued for at least one full seasonal period after the date of initial service, no refund of the initial seasonal charges shall be due the customer.

Schedule No. 2S

SEASONAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The area known as Tract No. 391, and vicinity, located approximately 28 miles east of the community of Springville, Tulare County.

RATES

	<u>Per Service Connection</u> <u>Per Season</u>	
	<u>:Summer Season:</u>	<u>Winter Season:</u>
	<u>:Mar.1 through:</u>	<u>:Nov.1 through:</u>
	<u>: October 31 :</u>	<u>: February 28 :</u>
1. Residential Service		
For a single family residential unit, including premises	\$ 48.00	\$20.00
2. Business Service	125.00	62.50
For each additional rental cabin	48.00	20.00
For each additional store, shop, cafe or service station	48.00	20.00

SPECIAL CONDITIONS

1. Residential Service flat rates apply to service connections not larger than one inch in diameter.
2. Business Service offered only to that area located at the intersection of Western Divide Highway and Aspen Drive.
3. All service not covered by the above classifications shall be furnished only on a metered basis.
4. 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. 1S, Seasonal General Metered Service, effective as of the first day of the following calendar month. Where the flat rate

(Continued)

APPENDIX A
Page 4 of 5

Schedule No. 2S

SEASONAL FLAT RATE SERVICE

SPECIAL CONDITIONS---Contd.

charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.

5. Service may be taken under this schedule for either or both seasons.

6. The seasonal flat rate charge is payable in advance on or before the initial day of the season.

7. The opening bill for flat rate service shall be the established seasonal flat rate charge for the service. Where initial service is established after the first day of any season, the portion of such seasonal charge applicable to the current season shall be prorated on the basis of the number of days remaining in the season. The balance of the payment of the initial seasonal charge shall be credited against the charges for the succeeding seasonal period in which service is taken. If service is not continued for at least one full seasonal period after the date of initial service, no refund of the initial seasonal charges shall be due the customer.

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 Tract No. 391, and vicinity, located approximately 28 miles east of the community of Springville, Tulare County.

RATE

Per Year

For each hydrant \$12.00

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges shall be made at the quantity rates under Schedule No. 1S, Seasonal General Metered Service
2. Relocation of any hydrant shall be at the expense of the party requesting relocation.
3. 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.