

**ORIGINAL**

Decision No. 67108

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 Doyle R. McComb, Geraldine McComb, )  
 Floyd R. McComb, and Ruth M. McComb, )  
 dba CENTRAL VALLEY WATER COMPANY, a )  
 privately owned company, for a cer- )  
 tificate of public convenience and )  
 necessity to operate a public util- )  
 ity water system and to establish )  
 rates for water service in an unin- )  
 corporated area, north of Dinuba, )  
 known as Tract No. 406, as set )  
 forth in Section 1001 of the Public )  
 Utility Code. )

Application No. 45977  
 Filed November 21, 1963

O P I N I O N

Applicants Doyle R. McComb, Geraldine McComb, Floyd R. McComb and Ruth M. McComb, doing business as Central Valley Water Company, request a certificate of public convenience and necessity to construct a water system. A staff report, hereby incorporated in the record as Exhibit No. 1, presents the results of a study of the application and of a field investigation made in connection with this matter.

Service Area

The area for which a certificate is requested consists of Tract No. 406, Tulare County. It is located between Alta and Euclid Avenues, approximately 1,000 feet north of the Dinuba city limits, and includes 24 acres to be subdivided into 88 residential lots. The majority of the lots each contain 8,000 to 9,000 square feet. The land is level and is approximately 300 feet above sea level.

There is no water system providing service in the immediate vicinity. The nearest water system is operated by Dinuba Municipal Water Department within the City of Dinuba.

### Proposed Water System

The sources of supply for this proposed system are a primary well and a standby well, located on a lot within the tract. The wells are to be equipped with electric motors directly connected to deep-well turbine pumps. A 5,000-gallon pressure tank has controls set to maintain an appropriate pressure range. The staff report shows that the standby well facilities are reasonably adequate to provide for the continuation of water supply in case of failure of the primary well source.

The distribution mains are to consist of approximately 5,200 feet of asbestos-cement pipe. Service connections are to be 1½-inch galvanized pipe extending from the distribution mains, branching to two 1-inch connections, each of which will serve one lot. One 4-inch wharf-type fire hydrant is to be installed within the tract. There are three dead ends, each to be equipped with a 2-inch blow-off valve for flushing.

The water system will be managed by the applicants, who are also the subdividers of the tract involved in this application. Mr. Doyle McComb has water works experience, and he and Geraldine McComb are the owners of Tulare County Water Company, a public utility providing water service in areas near Visalia and Tulare.

### Franchises and Permits

Applicants have applied to the Tulare County Health Department for a water supply permit. No county franchise has been requested because the streets, alleys and easements within the tract have been dedicated to the county with pipeline easements reserved.

### Rates and Earnings

Applicants' requested rates consist primarily of a \$5 monthly flat rate and a \$3.90 monthly minimum charge for 5/8 by 3/4-inch metered service. Extra charges are to be made for lots

larger than 8,000 square feet in area under the flat rate and for usage over 1,000 cubic feet per month and for larger meters under the meter rates. The requested meter rates are somewhat inconsistent with the requested flat rates, in that the charge for unlimited quantities of water to a lot 8,000 square feet in area through a one-inch unmetered service would be less than the minimum charge for either one-inch or 3/4-inch metered service. Although applicants may not intend to meter the services in the near future, the inconsistency should be corrected. The rates authorized herein so provide.

Exhibit No. 1 shows that, if an average revenue of \$5 per month is received from each lot and if the 1963 level of federal income taxes were in effect, applicants would earn a return of 4.7 percent on their utility plant investment of some \$23,000. Adjusting the revenue to reflect the approximately 30 lots which are larger than 8,000 square feet in area, and taking official notice of the reduced federal income tax rates which are to be in effect for the year 1965, the rate of return would be about 5½ percent.

#### Financing

Applicants propose to finance the installation of facilities from their private funds. Their financial position is shown by the financial statements of Doyle R. McComb and Floyd R. McComb, Exhibit B to the application.

#### Findings and Conclusions

The Commission finds that:

1. Public convenience and necessity require the construction of a water system to serve the area requested herein.
2. The facilities proposed to be constructed by applicants are adequate to serve the requested area and conform to the requirements of General Order No. 103.

3. The initial development, to which in this case the main extension rule to be filed by applicants shall not apply, consists of Tract No. 436, Tulare County.

4. Applicants have the financial ability to construct and operate the proposed system.

The Commission concludes that this application should be granted to the extent set forth in the ensuing order. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Doyle R. McComb, Geraldine McComb, Floyd R. McComb and Ruth M. McComb, authorizing them to construct and operate a public utility water system to serve Tract No. 406, County of Tulare.

2. After the effective date of this order and not less than four days before service is first furnished to the public under the authority granted herein, applicants shall file the schedules of rates set forth in Appendix A to this order, a tariff service area map clearly indicating the boundaries of the certificated area, appropriate general rules, and copies of printed forms to be used in dealing with customers. Such filing shall comply with General Order No. 96-A and the tariff schedules shall become effective on the fourth day after the date of filing.

3. Within ten days after service is first furnished to the public under the authority granted herein, applicants shall file in this proceeding written notice thereof.

4. Within thirty days after service is first furnished to the public under the authority granted herein, applicants 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 parcels of land and territory served; the principal water supply, transmission, pressure, storage and distribution facilities; and the location of applicants' various water system properties.

5. Beginning with the year 1964, applicants shall determine depreciation accruals by multiplying the original cost of depreciable utility plant by a rate of 3.3 percent. This rate shall be used until review indicates it should be revised. Applicants shall review the depreciation rate, using the straight-line remaining life method, whenever major changes in depreciable utility plant composition occur and at intervals of not more than five years; shall revise the depreciation rate in conformance with such reviews; and, upon completion of each review, shall submit promptly to this Commission the results thereof.

6. Compliance by applicants with paragraph 2 of this order shall constitute acceptance by them of the right and obligation to furnish public utility water service to the area certificated herein. The authorities granted herein shall expire unless the designated tariffs are filed 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 21<sup>st</sup> day of April, 1964.

*William A. Dennis*  
 President

*George T. Crow*  
 Commissioner

*Fredrick B. Helhoff*  
 Commissioner

APPENDIX A  
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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as Tract No. 406, and vicinity, located near Dinuba, Tulare County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 500 cu.ft. or less .....	\$ 3.00
Next 2,000 cu.ft., per 100 cu.ft. ....	.25
Next 5,000 cu.ft., per 100 cu.ft. ....	.20
Over 7,500 cu.ft., per 100 cu.ft. ....	.15
Minimum Charge:	
For 5/8 x 3/4-inch meter .....	\$ 3.00
For 3/4-inch meter .....	3.75
For 1-inch meter .....	5.00
For 1 1/2-inch meter .....	9.00
For 2-inch meter .....	12.50

The Minimum Charge will entitle the customer to the quantity of water which that minimum charge will purchase at the Quantity Rates.

Schedule No. 2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

The area known as Tract No. 406, and vicinity, located near Dinuba, Tulare County.

RATES

Per Service Connection  
Per Month

For a single-family residential unit, including premises not exceeding 8,000 sq.ft. in area .....	\$5.00
a. For each 100 sq.ft. of premises in excess of 8,000 sq.ft. ....	.035

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 the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.