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ORIGINAL

Decision No. 69723

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of N. E. BARTOO and
W. M. BARTOO (B AND W RIVERVIEW
ESTATES WATER COMPANY) to operate
a water system in Tehama County,
California, and to establish rates.)

Application No. 47713
(Filed June 30, 1965)

O P I N I O N

This application, by N. E. Bartoo and W. M. Bartoo, husband and wife, doing business as B and W Riverview Estates Water Company, requests a certificate of public convenience and necessity to construct and operate a public utility water system near Los Molinos in Tehama County, and authority to establish rates.

Applicants are the owners and developers of B and W Riverview Estates, which is located in an unincorporated area on the east bank of the Sacramento River, approximately three miles north of the community of Los Molinos. The total development of fourteen acres is to be divided into a subdivision and a trailer park. The subdivision encompasses the east 4.5 acres, which are to be subdivided into 18 lots averaging 8,000 square feet in area. The trailer park of 9.5 acres will contain 107 spaces of various sizes to accommodate mobile homes and travel trailers, a recreation building, a swimming pool, a store with residence and a laundry. Elevations of the area range from approximately 215 feet above sea level in the western section to 230 feet near the east boundary.

The final subdivision map of the 18-lot subdivision was approved by the Tehama County Planning Commission and was recorded

on June 21, 1965. Applicants plan to develop the subdivision initially and then the trailer park. The development of the trailer park is to be accomplished in two phases. Phase I includes 49 trailer spaces, recreation building, swimming pool, store and residence and the laundry, which is planned for development upon the granting of a certificate by the Commission. Phase II, consisting of 58 spaces, will be developed upon the completion of Phase I.

Applicants' installed source of water supply consists of a well, a pump, and a storage tank located on a parcel of land in the southeast corner of the proposed trailer park. The well is ten inches in diameter and 140 feet deep with a 14-inch diameter grout sealed casing for the first 52 feet. The well driller's report shows a yield of approximately 600 gpm with 33 feet draw-down after seven hours pumping. A 25-horsepower turbine pump having a capacity of 375 gpm at 190 feet total dynamic head was installed at a depth of 50 feet below ground surface. Water is delivered directly to a new 5,000-gallon hydropneumatic tank, located at the well site and then to the distribution system. The pump is controlled by the pressures in the tank which are set to maintain 40 to 55 psi. The water supply of 375 gallons per minute meets the requirements of this Commission's General Order No. 103, Rules Governing Water Service, Including Minimum Standards for Design and Construction, for furnishing water service to the area requested to be certificated.

The general contractor who installed the water system will be retained to make repairs to the distribution facilities, and the Johnston pump distributor in Woodland, will furnish parts and do the servicing of the pump including emergency service all hours of the day, weekends and holidays.

The Tehama County Public Health Department, on July 29, 1965, issued a water supply permit to serve the B and W Riverview Estates to applicants.

The distribution system in the subdivision consists of approximately 640 feet of 4-inch, 12-gauge, coated and wrapped steel pipe, and approximately 280 feet of 1½-inch, standard weight, galvanized steel pipe. The latter is to be used as a loop connection between the end of the main in the cul-de-sac and the piping system in the trailer park, thereby eliminating the dead end of the street main. Service connections are 1½-inch galvanized steel pipe branching to two ¾-inch connections, each of which will serve one lot. No fire hydrants are planned. The State Division of Forestry furnishes fire protection in the area. The piping system in the trailer park is to be owned and maintained by the owners of the trailer park. Utility service is to be supplied by means of a 2-inch service connection at the pressure tank and the 1½-inch loop connection at the far side of the trailer park. The distribution system is adequate to serve the area requested and its design meets the minimum requirements of General Order No. 103.

Applicants estimate that the 18 lots in the subdivision will be improved with residential buildings within six months upon the granting of a certificate by the Commission, that the trailer park Phase I will be occupied within 1½ years, and that the trailer park Phase II probably will be developed between 1½ to 2½ years after the granting of a certificate. Applicants state that the spaces in the trailer park will not be sold but will be leased or rented and that water service is to be included in the accommodation.

Applicants request only a schedule of flat rates, including a rate of \$4 per month per subdivision lot and \$30 per month for the trailer park.

After the application was filed, the Commission's staff made an investigation. A copy of the staff report, dated September 15, 1965, is hereby incorporated in this record as Exhibit No. 1. The report includes operating and financial data and a recommendation that a basic single-family residential flat rate of \$4 per month be established as well as a compatible schedule of meter rates.

A comparison of the staff's analysis of operating results with those estimated by applicants is shown below:

<u>Item</u>	<u>Applicants</u>	<u>Staff</u>
<u>Revenues</u>		
Residential	\$ 864	\$ 864 a
Commercial	360	843 b
Total Revenues	<u>1,224</u>	<u>1,707</u>
<u>Operating Expenses</u>		
Power	300	300
Transmission & Distribution	-	120
Customer Accounting & Collecting	120	120
General Expenses	100	100
Subtotal	<u>520</u>	<u>640</u>
<u>Other Expenses</u>		
Depreciation	485	274 c
Property Tax	17	124 d
Income Taxes - State (1%)	-	7
Income Taxes - Federal (14%)	-	93
Subtotal	<u>502</u>	<u>498</u>
Total Expenses	\$1,022	\$1,138
Net Revenues	202	569
Rate Base	9,321	9,747
Rate of Return	2.15%	5.8%

a Based on 18 residential services at \$4/mo.

b Based on trailer court manager's office and residence, store, recreation building, laundry, swimming pool, 15 travel trailer spaces and half occupancy of the mobile home spaces.

c Three percent of depreciable plant.

d \$9,747 x 20.8% x \$6.13/100.

The differences between the staff's and applicants' estimates are explained in Exhibit No. 1.

The Commission finds that:

1. Public convenience and necessity require that applicants construct and operate the proposed system.
2. Applicants possess the financial resources to construct and operate the proposed system.
3. The estimates of operating revenues, expenses, including taxes and depreciation, the rate base and rate of return submitted by the staff are reasonable for the purpose of prescribing rates herein.
4. The rates set forth in Appendix A attached hereto are fair and reasonable for the services to be rendered.

The Commission concludes that:

1. The application should be granted to the extent set forth in the ensuing order.
2. Applicants should file rules, standard forms and other tariff sheets as needed to define the conditions of rendering public utility service.

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.

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 N. E. Bartoo and W. M. Bartoo, doing business as B and W Riverview Estates Water Company, authorizing them to construct and operate a public utility water system to serve B and W Riverview Estates, Tehama County.

2. Applicants are authorized to file, after the effective date of this order, the schedule of rates set forth in Appendix A to this order, tariff service area maps 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. The authority granted herein shall expire unless the designated tariff sheets are filed within one year after the effective date of this order.

4. Within ten days after the date service is first rendered to the public under authority granted herein, applicants shall submit written notice thereof to this Commission.

5. Applicants shall prepare and keep current the system map required by paragraph 1.10.a. of General Order No. 103. Within sixty days after the water system is placed in operation under the authority granted herein, applicants shall file with the Commission two copies of such map.

6. Applicants shall record in their books of account the utility plant account balances as determined by the staff set forth in the tabulation contained in paragraph 16 of Exhibit No. 1.

7. For the year 1965, applicants shall apply a depreciation rate of three percent to the original cost of depreciable plant. Until review indicates otherwise, applicants shall continue to use this rate. Applicants shall review their depreciation rates at intervals of five years and whenever a major change in depreciable plant occurs. Any revised depreciation rate shall be determined by: (1) subtracting the estimated future net salvage and the depreciation reserve from the original cost of plant, (2) dividing the result by the estimated remaining life of the plant, and (3) dividing the quotient by the original cost of plant. The results of each review shall be submitted promptly to this Commission.

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

Dated at San Francisco, California this 29th day of SEPTEMBER, 1965.

Fredrick B. Hallock
President
August
William L. Bueckel

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner George G. Grover, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The area known as B and W Riverview Estates, and vicinity, located approximately 3 miles north of Los Molinos, Tehama County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 800 cu.ft. or less	\$ 3.50
Next 1,200 cu.ft., per 100 cu.ft.25
Over 2,000 cu.ft., per 100 cu.ft.20

Minimum Charge:

For 5/8 x 3/4-inch meter	\$ 3.50
For 3/4-inch meter	4.50
For 1-inch meter	6.80
For 1½-inch meter	11.50
For 2-inch meter	17.00
For 3-inch meter	30.00
For 4-inch meter	48.00

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

APPENDIX A
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Schedule No. 2R

GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

The area known as B and W Riverview Estates, and vicinity, located approximately 3 miles north of Los Molinos, Tehama County.

RATES

	<u>Per Service Connection</u> <u>Per Month</u>
1. For each single-family residential unit, including premises not exceeding 9,000 sq. ft. in area	\$ 4.00
a. For each additional single-family residential unit on the same premises and served from the same service connection	2.00
b. For each 100 sq. ft. of premises in excess of 9,000 sq. ft.05
2. For each motel or trailer court:	
a. Combined manager's office and residence including utility rooms	4.00
b. For each motel guest unit or travel trailer space without defined lot area, occupied or unoccupied50
c. For each mobile home space with defined lot area not exceeding 3,000 sq.ft., while occupied	1.00
d. For each trailer park store or recreation building	1.00

(continued)

Schedule No. 2R

GENERAL FLAT RATE SERVICE

RATES (Contd)

	<u>Per Service Connection Per Month</u>
e. For each laundry or launderette	\$10.00
f. For each swimming pool during the 6- month period, May through October . . .	1.50
3. For each service station or restaurant . . .	5.00
4. For each office or store	4.00
5. For each evaporative-type cooler during the 6-month period, May through October:	
Circulating type50
Non circulating type	1.50

SPECIAL CONDITIONS

1. The above flat rates, 1, 3 and 4, 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.