

Service Area

Applicant's present certificated service area is located approximately 25 miles east of Sonora, Tuolumne County, on State Highway 108. The service area includes Units 1, 1A, 1B, 2, 3A, 3B, 3C, and 4 of Cold Springs Subdivision, the Peter Pam Subdivision located about 0.6 miles southwest of Cold Springs, and a Boy Scout camp located about 0.5 miles southeast of Cold Springs. The Cold Springs portion of the service area includes 333 lots, the Peter Pam portion includes 130 lots, and the Boy Scout camp is a single 80-acre parcel. There are active service connections so far on only 125 of the 463 lots within the certificated areas.

Applicant does not show in Application No. 48720 what additional areas he intends to serve if the present prohibition against expansion is removed. Staff Exhibit No. 1 states, however, that applicant proposes to extend service during the year 1967 to about 158 of the potential 320 lots in Unit 5 of Cold Springs Subdivision. Exhibit No. 1 also states that the only other potential future expansion of applicant's service area is into three parcels with a total area of 200 acres.

Cold Springs System

Staff Exhibit No. 1 shows that applicant's Cold Springs System is now adequate to permit extension of service into areas contiguous to that system. The order which follows authorizes such extensions.

Exhibit No. 1 also shows that applicant's spring and stream diversion sources for Cold Springs maintained an adequate capacity even during the unusually dry summer of 1966. The order which follows

relieves applicant of the requirement of paragraphs 9.a. and 9.b. of the order in Decision No. 69746 that he make water measurements and file additional flow reports.

Peter Pam System

Paragraph 4.a. of the order in Decision No. 69746 requires applicant to move one tank and install additional storage facilities in the Peter Pam System prior to the date that ten customers are served by that system. Paragraph 5.a. of the order requires applicant to connect an additional source of water supply to that system prior to the date that sixty customers are served by it. The staff recommends in Exhibit No. 1 that these requirements be modified, inasmuch as applicant plans to interconnect the Peter Pam System and the Cold Springs System and has increased the output available from the Peter Pam Well. The revised requirements recommended by the staff are included in the order which follows.

Depreciation Expense

Applicant has been authorized by this Commission to use a 3.5 percent composite depreciation rate until 1970 unless major changes in depreciable utility plant occur. The new facilities which applicant intends to have installed by late in 1967 constitute major changes. The order which follows requires applicant to review his depreciation accruals as of January 1, 1968.

Findings and Conclusions

The Commission finds that:

1. There is no longer a need for restriction of extensions into contiguous territory from applicant's Cold Springs System.
2. The record in Application No. 47172 now has sufficient flow data covering applicant's Cold Springs sources of supply.

3. Applicant's development of additional output from his Peter Pam Well and his proposed interconnection of the Peter Pam and Cold Springs Systems justify modification of the production and storage requirements for the Peter Pam System.

4. Plant additions to be completed in 1967 will require review of applicant's present depreciation accrual rate.

The Commission concludes that the restrictions and requirements of the order in Decision No. 69746 should be modified to the extent set forth in the order which follows. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Applicant Sam Kerns is authorized to extend his Cold Springs System to serve territory contiguous thereto, pursuant to Section 1001 of the Public Utilities Code.

2. Applicant is relieved of further compliance with paragraphs 9.a. and 9.b. of Decision No. 69746, dated October 5, 1965 in Application No. 47172.

3.a. Applicant is relieved of the requirements of paragraphs 4.a., 4.b., 5.a. and 5.b. of Decision No. 69746.

b. Prior to the date applicant serves 25 customers within the Peter Pam Subdivision, applicant shall install an interconnecting pipeline of not less than a 3-inch diameter between the Peter Pam Subdivision and the Cold Springs Subdivision. Within ten days after compliance with this requirement, applicant shall file in this proceeding a written report showing the number of customers then served in the Peter Pam Subdivision and the details of the pipeline installation.

c. Prior to the date applicant serves 60 customers within the Peter Pam Subdivision, applicant shall install storage facilities of at least 64,000 gallons capacity at 5,650 feet, approximate elevation. Within ten days after compliance with this requirement, applicant shall file in this proceeding a written report showing the number of customers then served in the Peter Pam Subdivision and the details of the additional storage facilities.

4. Applicant shall review his accruals for depreciation as of January 1, 1968. Results of this review shall be submitted to this Commission on or before June 1, 1968.

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

Dated at San Francisco, California, this 17th day of JANUARY, 1967.

[Signature]
President

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Commissioners