

ORIGINAL

Decision No. 72928

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of DEL ESTE WATER COMPANY, a corporation, for (1) a certificate that public convenience and necessity require the undertaking of service by applicant in an unincorporated area in Stanislaus County, and (2) for an order approving a rate schedule for said area. }

Application No. 49530
Filed July 7, 1967

O P I N I O N

Del Este Water Company, a corporation, is an established public utility in Stanislaus County. It reported total utility plant of \$2,956,050 as of the end of 1966. It then had 75 wells, approximately 885,000 feet of main line pipe, 1,158 metered customers and 11,947 flat rate customers. It had four officers and 26 other employees. It was then serving seven communities or subdivisions, all in Stanislaus County. Its service areas are not contiguous.

In the present application applicant seeks a certificate to serve the community of Grayson. Grayson is located about 10 miles southwest of Modesto and 6 miles north of Patterson. Though it is an established community it has hitherto had no town water system. The nearest such service is the Patterson City Water Company in that city.

A report, prepared by a Commission staff engineer, is received as Exhibit No. 1.

Grayson's present area is approximately 75 acres. There are 108 subdivided lots and some unsubdivided land in the townsite. The terrain is level, 50 to 55 feet above sea level.

Applicant has already installed a water system. On July 18, 1967 it was serving 78 customers and had 19 applications for additional services. Prior to June 1, 1967, when applicant began operating, the people of Grayson derived their water from individual shallow wells. The Stanislaus County Health Department reports that several of these are contaminated.

The source of water in applicant's system is a well 14 inches in diameter and 168 feet deep. A deep well turbine pump of 20 horsepower is electrically powered. It is expected to produce 400 gallons per minute. A 5-hp, 60-gpm, submersible pump is installed for standby purposes. A 4,000-gallon hydropneumatic tank has been installed. A pressure switch on the tank is set for system pressures of 40 to 60 psig. Approximately 4,260 feet of 6-inch and 5,860 feet of 4-inch, 10-gauge, dipped and wrapped welded steel pipe has been laid. There are no dead ends on the system. There are 5 fire hydrants. The system was estimated to cost \$33,326.05 installed.

Applicant proposes to finance this construction from its own funds. This would be a deviation from its currently filed main extension rule. Applicant has informed the Commission that it had three reasons for so doing. First, there is no subdivider or developer to advance the funds; second, Grayson is a community of low income inhabitants, not in a position to advance funds; third, the need for a system delivering potable water was very great. Under the circumstances the Commission will authorize a deviation. This authorization will not, however, extend to future extensions.

The Commission finds that:

1. Public convenience and necessity require that a certificate be granted to applicant to provide water service in an unincorporated area of Stanislaus County known as the community of Grayson not contiguous to any of its present service areas.
2. Applicant has the financial resources, experience and personnel to construct and operate the proposed system.
3. The rates contained in Sheets 128-W, 23-W, 24-W, 25-W and 26-W of applicant's tariff currently on file with this Commission are reasonable for the community of Grayson.
4. It is reasonable to authorize applicant to deviate from its presently filed main extension rule to the extent of financing the original construction at Grayson.
5. The existing and planned water supply and distribution facilities will provide reasonable service for the community of Grayson and substantially meet the requirements of General Order No. 103.

The Commission concludes that the application should be granted subject to the conditions set forth in the following order.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Del Este Water Company authorizing it to serve the unincorporated community of Grayson, Stanislaus County, as delineated on the map, Exhibit C, attached to the application.
2. Within one year after the effective date of this order, and not less than five days before service is first furnished to the public under the authority granted herein, applicant may file

revised tariff sheets including tariff service area maps to provide for the application of the rates in its present tariff schedules, Sheets 128-W, 23-W, 24-W, 25-W and 26-W, to the area certificated herein. The filing shall comply with General Order No. 96-A and the revised tariff sheets 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, applicant shall submit written notice thereof to this Commission.

4. Applicant is authorized to deviate from its filed main extension rule to the extent of financing the original construction at Grayson from its own funds, provided, however, that this authorization shall not apply to future extensions.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 15th day of AUGUST, 1967.

President

William M. Bennett

William M. Bennett

William M. Bennett

William M. Bennett

Commissioners

WILLIAM M. BENNETT
A. W. GATOV
WILLIAM SYMONS, JR.
FRED P. MORRISSEY
Commissioners