

ORIGINAL

Decision No. 73017

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of WILLIAM MOSGROVE, an individual,)
doing business as COARSEGOLD HIGH-)
LANDS WATER SYSTEM, for a Certifi-)
cate of Public Convenience and)
Necessity to Construct a Public)
Utility Water System near Coarse-)
gold, in MADERA COUNTY, and to)
Establish Rates for Service.)

Application No. 49153
(Filed February 17, 1967)

O P I N I O N

William Mosgrove, doing business as Coarsegold Highlands Water System, seeks a certificate of public convenience and necessity to construct a public utility water system in Coarsegold Highlands Subdivision, Tract No. 160, near Coarsegold, Madera County. A Commission staff report, received as Exhibit No. 1, presents the results of a study of the application and of a field investigation of the proposed service area.

The maps attached to the application show that the area of approximately 25 acres for which a certificate is requested is located immediately southeast of the intersection of State Highway 41 and Road 417, Madera County. It is about three miles south of the community of Coarsegold. The tract under development is divided into 21 lots with an average area of about 1 acre. The land within the proposed subdivision ranges in elevation between 1,900 to 2,000 feet above sea level. This subdivision has been zoned "single-family residential" and is expected to develop into primarily resort, retirement and second home accommodations.

The nearest water system is Indian Wells Water Company, a recently certificated utility operating under the jurisdiction of this Commission. It is approximately one mile east of the requested area.

The source of supply plant for this system is a well drilled in 1963 having an approximate capacity of 15 gallons per minute. The staff report indicates that water is not plentiful in this general area, but it appears that additional wells drilled in the area could be expected to produce like quantities of water. It is planned to equip this well with a pump of sufficient capacity to deliver the full production capability of the well directly into the distribution system. Excess water will be delivered into a 30,000 gallon steel storage tank constructed at a high point. It will be at an elevation sufficient to furnish service to all service connections within the subdivision at pressures within the range prescribed by the Commission's General Order No. 103, "Rules Governing Water Service Including Minimum Standards For Design and Construction."

A second unit of Coarsegold Highlands Subdivision is currently in the planning stage. Development plans call for drilling of one or more wells as may be necessary to supply the expanded area with adequate quantities of water. Relocation of the 30,000 gallon tank and possible additional storage also are planned.

Utility plant costs total \$24,889.00 or about \$1,185.00 per lot. These higher than normal costs are attributable to the following: (a) The large size of lots and their layout within the subdivision require higher than average footage of main to serve the entire area; (b) Generally higher present day water system

construction costs; and (c) Higher quality water system from the standpoint of design and materials used.

Applicant has requested rates for annual general metered service and flat rate service which are the same as those of the nearby Indian Wells Water Company. Applicant proposes to serve all customers on a flat rate basis. Applicant did not request a schedule of fire hydrant rates; however, during the course of the field investigation, he indicated his desire that such a schedule be authorized by the Commission. The staff recommended that because of the limited existing water supply applicant should not increase the service area without further order of the Commission.

No objection to the granting of the requested certificate has been received.

Findings and Conclusions

The Commission finds that:

1. Public convenience and necessity require the construction of applicant's water system to serve the area authorized herein.
2. Applicant's available water supply will not permit unlimited future expansion outside of the boundaries of the area authorized herein.
3. For a newly certificated area the rates requested by applicant are fair and reasonable.
4. Applicant has the financial ability and an adequate supply of water to serve the area authorized herein.
5. A public hearing is not necessary.

The Commission concludes that the application should be granted to the extent, and under the conditions, set forth in the order which follows.

The certificate of public convenience and necessity issued herein is subject to the following provisions 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 a consideration for the issuance of such certificate of public convenience and necessity or right."

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to William Mosgrove, doing business as Coarsegold Highlands Water System, authorizing him to construct a public utility water system to serve Unit 1 of the Coarsegold Highland Subdivision, Tract 160, Madera County.
2. Applicant shall not extend service outside the area certificated herein without further order of the Commission.
3. Applicant is authorized to file, after the effective date of this order, the schedules 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.

4. The authority granted herein shall expire unless the designated tariff sheets are filed within one year after the effective date of this order.

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

6. Applicant shall prepare and keep current the system map required by Paragraph I.10.a. of General Order No. 103. Within 60 days after the water system is placed in operation under the authority granted herein, applicant shall file with this Commission two copies of such map.

7. For the year 1967 and thereafter, applicant shall apply a depreciation rate of 3.0 per cent to the original cost of depreciable plant. Until review indicates otherwise, applicant shall continue to use this rate. Applicant shall review his 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 the Commission.

8. Prior to the date service is first furnished to the public under the authority granted herein, applicant shall apply to the appropriate public health authority having jurisdiction for a water supply permit for the proposed system. A copy of the application shall be filed with the Commission within ten days thereafter.

9. Applicant shall establish formal books of account in accordance with the Uniform System of Accounts for Class "D" Water Utilities prescribed by the Commission and record therein as of April 30, 1967 the balances for the utility plant accounts set forth in Column 3 of the tabulation in Paragraph 8 of Exhibit No. 1 in this proceeding.

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

Dated at San Francisco, California, this 6th day of SEPTEMBER, 1967.

E. Mitchell
President

Stella M. Brown

Angela

William J. ...

J. P. ...
Commissioners

Schedule No. 1A

ANNUAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

The subdivision known as Coarsegold Highlands, and vicinity, located approximately 3 miles south of Coarsegold, Madera County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Monthly Quantity Rates:	
First 500 cu.ft. or less	\$ 4.50
Next 1,000 cu.ft., per 100 cu.ft.50
Next 4,500 cu.ft., per 100 cu.ft.40
Over 6,000 cu.ft., per 100 cu.ft.30
	<u>Per Meter</u> <u>For Year</u>
Annual Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 54.00
For 3/4-inch meter	69.00
For 1-inch meter	129.00
For 1 1/2-inch meter	174.00
For 2-inch meter	252.00

The Annual Minimum Charge will entitle the customer to the quantity of water each month which one-twelfth of the annual minimum charge will purchase at the Monthly Quantity Rates.

(Continued)

Schedule No. IA

ANNUAL METERED SERVICE
(Continued)

SPECIAL CONDITIONS

1. The annual minimum charge applies to service during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the calendar year, to pay prorated minimum charges in advance at intervals of less than one year (monthly, bimonthly or quarterly) in accordance with the utility's established billing periods for water used in excess of the monthly allowance under the annual minimum charge. 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 except that meters may be read and quantity charges billed during the winter season at intervals greater than three months.

2. The opening bill for metered service, except upon conversion from flat rate service, shall be the established annual minimum charge for the service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth ($1/365$) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.

Schedule No. 2RA

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service furnished on an annual basis.

TERRITORY

The subdivision known as Coarsegold Highlands, and vicinity, located approximately 3 miles south of Coarsegold, Madera County.

RATES

	<u>Per Service Connection Per Year</u>
For a single-family residential unit, including premises	\$ 60.00
For each additional single-family residential unit on the same premises and served from the same service connection	30.00

SPECIAL CONDITIONS

1. The above flat rates apply to a service connection not larger than one inch in diameter.
2. For service covered by the above classification, if the utility so elects, a meter shall be installed and service provided under Schedule No. 1A, Annual Metered Service, effective as of the first day of the following calendar month. Where the flat rate 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.
3. The annual flat rate charge applies to service during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the calendar year, to pay prorated flat rate

(Continued)

Schedule No. 2RA

ANNUAL RESIDENTIAL FLAT RATE SERVICE
(Continued)

SPECIAL CONDITIONS (Contd.)

charges in advance at intervals of less than one year (monthly, bimonthly or quarterly) in accordance with the utility's established billing periods.

4. The opening bill for flat rate service shall be the established annual flat rate charge for the service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth ($1/365$) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual 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 subdivision known as Coarsegold Highlands, and vicinity, located approximately 3 miles south of Coarsegold, Madera County.

RATE

Per Month

For each hydrant \$ 2.00

SPECIAL CONDITIONS

1. Water delivered for purposes other than fire protection shall be charged for at the quantity rates in Schedule No. 1A, Annual Metered Service.
2. The cost of relocation of any hydrant shall be paid by the party requesting relocation.
3. Hydrants shall be connected to the utility's system upon receipt of written request from a public authority. The written request shall designate the specific location of each hydrant and, where appropriate, the ownership, type and size.
4. The utility undertakes to supply only such water at such pressure as may be available at any time through the normal operation of its system.