

**ORIGINAL**Decision No. 73312

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 NANCY C. JOHNSON and LUIS S. KING, )  
 as co-owners (Pine Mountain Water )  
 Company), for authorization to )  
 extend water service beyond present )  
 certificated area. )

Application No. 49328  
 (Filed May 1, 1967)

O P I N I O N

Applicants seek the removal of a restriction against extending service outside of their certificated area. They also seek a certificate to provide water service in Pine Mountain Ranch Unit No. 3, Tulare County. A report on a study of the application and a field investigation by a utilities engineer of the Commission staff and dated September 26, 1967 is incorporated in the record as Exhibit No. 1.

Unit No. 3 lies in a portion of the north half of Section 4 and the northeast quarter of Section 5, Township 24 South, Range 31 East, M.D.B.&M. It is about one-half mile southeasterly of the community of Pine Flat and about three miles from California Hot Springs.

Applicants have been granted authority to provide public utility water service by Decision No. 70198 in Application No. 47946 and Decision No. 72007 in Application No. 48639. They are presently serving only two customers but their plans call for expansion to over 300 customers.

The service area requested varies in elevation from 3,780 to 4,060 feet above sea level. It is contiguous to applicants'

present system. Their certificated area extends to a point contiguous, or almost so, to Pine Flat Water Company's system. Pine Flat, however, is unwilling to extend its services outside its certificated area.

The water supply facilities planned appeared to the staff to be adequate, if added to as the number of customers increases. Applicants have a program for doing this which will meet requirements, if carried out. It is proposed to install distribution mains of 4- and 6-inch diameter asbestos-cement pipe. This pipe would be Class 100 above 3,900 feet elevation and Class 150 below. This is acceptable to the staff if an engineer's certificate is filed reciting that all Class 100 pipe is selected and installed in accordance with certain published American Water Works Association standards. Applicants propose to extend their present rates to the new area.

There is a financial problem. Applicants' advances for construction presently amount to 52.5 percent of depreciated plant. Granting of this application will increase this to approximately 75 percent. The developer is willing to waive refunds under certain circumstances or, if this is unsatisfactory to the Commission, to contribute the plant.<sup>1/</sup> The Commission is of the opinion that the solution reached in paragraph 2 of the following order will be satisfactory.

The Commission finds that:

1. Public convenience and necessity require that the application be granted as set forth in the ensuing order.

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<sup>1/</sup> The stock of the developer is owned by Johnson and King.

2. Applicants possess the financial resources to operate the proposed expanded system.

3. The rates presently set forth in applicants' tariff schedules are fair and reasonable for the service to be rendered in Pine Mountain Ranch Unit No. 3, the tract involved herein.

4. Applicants' water supply and distribution facilities will provide reasonable service if paragraph 9 of the order following is fully complied with, but not otherwise.

5. A public hearing is not necessary.

The Commission concludes that the sought certificate should be granted subject to the terms and conditions imposed by the following order.

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.

The action taken herein is for the issuance of a certificate of public convenience and necessity only and is not to be considered as indicative of amounts to be included in proceedings for the purpose of determining just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Nancy C. Johnson and Luis S. King, doing business as

Pine Mountain Water Company, authorizing them to construct an extension of their public utility water system facilities to serve Pine Mountain Ranch Unit No. 3, Tulare County, as shown on Exhibit A attached to the application.

2. The authority granted herein is conditioned on the filing by Pine Mountain Development Corporation of a written stipulation waiving its refund rights on contracts for advances for construction held by it until the level of advances for construction is below 50 percent of depreciated utility plant.

3. After the effective date of this order, and after the filing of the stipulation required by Paragraph 2 of this order, applicants may file revised tariff sheets including revised tariff service area maps to provide for the application of their present tariff schedules to the area certificated herein. Such filing shall comply with General Order No. 96-A and the revised tariff sheets shall become effective the fourth day after the date of filing. The authority granted herein shall expire unless the designated tariff sheets are filed within one year after the effective date of this order.

4. Applicants shall not extend service outside of their certificated area, nor file any revised tariff service area maps indicating their willingness to so extend service without first having obtained authorization therefor by further order of this Commission.

5. 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.

6. Applicants shall prepare and keep current the system map required by Paragraph I.10.a. of General Order No. 103. Within

thirty days after the water system extension is placed in operation under the authority granted herein, applicants shall file with the Commission two copies of the map.

7. After the distribution mains have been installed in Pine Mountain Ranch Unit No. 3, applicants shall have a qualified engineer prepare a statement certifying that all Class 100 asbestos-cement water pipe installed as part of the water system was selected and installed in accordance with the standards contained in American Water Works Association publication AWWA H2, Standard Practice for the Selection of Asbestos-Cement Water Pipe, and AWWA C603-64T, Tentative AWWA Standard for the Installation of Asbestos-Cement Water Pipe. A copy of the statement shall be filed in this proceeding within thirty days after its preparation.

8. The restriction in Section A.2.a., Limitation of Expansion, of the main extension rule is lifted to permit applicants to extend facilities to serve Pine Mountain Ranch Unit No. 3.

9. Applicants shall install their planned water supply and storage facilities to provide for the reasonable continuation of an adequate water service to their certificated areas in the following manner: When the number of customers reaches 40, applicants shall have equipped Well No. 2 with a pump capable of discharging at least 17 gpm to the distribution system. When the number of customers reaches 50, applicants shall have installed a second storage tank of 64,000 gallons. When the number of customers reaches 200, applicants shall have developed and

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connected to the system an additional source of water supply and/or storage facilities or a combination thereof.

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

Dated at San Francisco, California, this 7<sup>th</sup> day of NOVEMBER, 1967

John E. Mitchell  
President

William L. Bennett

Augusta

William J. Sisson

Paul P. Monsey  
Commissioners