

Decision No. 77062

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of Nacimiento Water Company for a  
Certificate of Public Convenience  
and Necessity to Construct a Public  
Utility Water System near Paso  
Robles in San Luis Obispo County,  
and to Establish Rates for Service,  
and to Issue Stock, and to Issue an  
Unsecured Promissory Note, and for  
Further Authority to Use the  
Proceeds of the Loan.

Application No. 51254  
(Filed July 18, 1969;  
Amended August 7, 1969 and  
September 22, 1969)

O P I N I O N

This application requests a certificate of public convenience and necessity to construct a public utility water system near Paso Robles in San Luis Obispo County.

There were no protests to the application.

The staff of the Commission has made a study of the proposed application and has filed a report which will be marked as Exhibit No. 1 suggesting that the application should be granted subject to certain restrictions hereinafter to be set out.

Based upon the amended application and Exhibit No. 1, the Commission finds that public hearing is not necessary and that public convenience and necessity require that the application be granted as set forth in the ensuing order.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Nacimiento Water Company, subject to the conditions of

this order, authorizing it to construct and operate a public utility water system to serve San Luis Obispo County, Tract No. 378, Oak Shores, and the noncontiguous area designated as the Cantinas Campground, San Luis Obispo County, as shown on Exhibit E attached to the application.

2. Applicant is authorized to file, after the effective date of this order, the schedules of rates set forth in Appendix A to this order, a tariff service area map 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 the rates and rules authorized herein, applicant shall submit written notice thereof to this Commission.

5. Applicant shall enter into a loss reimbursement agreement in a form acceptable to the Commission which requires the developer to pay to applicant \$200 per lot upon the sale or transfer by the developer of lots in Tract No. 378, Oak Shores, and \$200 per acre, or any lot or parcel less than an acre, upon the sale or transfer of any of the land within the approximate 49.5 acres of the area proposed as the Cantinas Campground, to pay out-of-pocket expenditures, which exceed gross operating revenues. Such fund is to be deposited in an interest-bearing special fund account of the utility separate from other cash accounts, with a bank or savings and loan

association; further, the fund, with its earned interest, shall be used insofar as operating revenues are deficient, only for out-of-pocket operations, repairs, maintenance and replacement of facilities excluding any management fees or salaries paid to stockholders or affiliated developers. Expenditures from the fund for replacement of plant facilities may be made only after letter approval from this Commission.

Upon the twentieth anniversary of the initial deposit, any amount remaining in the special fund not utilized for the purposes set out above shall be refunded to the developer or paid to its designee. Applicant shall provide the developer with a statement not later than March 31 each year detailing the purpose, description and amount of all additions to and withdrawals from the fund during the prior calendar year, and the balance in the fund at the close of the year. A copy of this statement shall concurrently be filed with the Commission, attention of the Finance and Accounts Division. Two copies of this agreement shall be filed with the Commission concurrently with the filing of the tariffs authorized in ordering paragraphs of this decision.

6. Applicant is authorized to issue 25,000 shares of \$1.00 par value stock.

7. Applicant is authorized to credit to Account 203, Capital Surplus, the balance of the actual cost of backup facilities, when ascertained, in excess of the stock issue authorized.

8. Applicant is authorized to execute a main extension contract to finance the cost of in-tract facilities in the form prescribed by the Commission with the uniform main extension rule.

9. Applicant shall execute an agreement with the developer which provides that the developer agree to convey the main extension contract authorized herein to the utility to be held alive as an investment with refunds being credited to capital surplus as they become due.

10. Beginning with the year 1970, applicant shall apply the individual plant account depreciation rates set forth in Table A of Exhibit No. 1. Until review indicates otherwise, applicant shall continue to use these rates. Applicant shall review its future depreciation rates at intervals of five years and whenever a major change in depreciable plant occurs. Any revised depreciation rates 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 the plant. The results of each review shall be submitted promptly to the Commission, and upon recognition by the Commission that the rates are acceptable, applicant shall use such revised rates in recording future depreciation accruals.

11. Applicant shall design and construct its facilities to furnish water service at a minimum of 40 psi at the building site of each customer to be served within the certificated service area.

12. Applicant 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 is placed in operation under the authority granted herein, applicant shall file with the Commission two copies of the map.

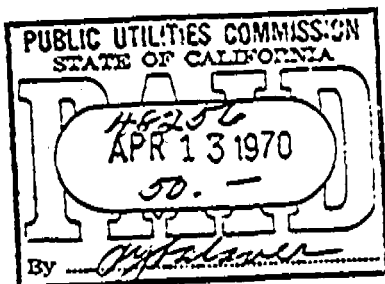
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13. Applicant shall provide water service under Schedule No. 2A, "Annual Flat Rate Service", to only the camp and trailer sites in the Cantinas Campground. Common bathhouse, toilet and laundry facilities, trailer sewage disposal station, and service yards or trash disposal areas shall be served only on a metered basis.

14. Pursuant to Section 1904.1 of the Public Utilities Code, applicant shall pay the minimum fee of fifty dollars to this Commission for a certificate authorizing the issue of stock.

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

Dated at Los Angeles, California, this  
7th day of APRIL, 1970.



William Sproule Jr.  
President

Augusta  
J. M. Wilson

Vernon L. Sturgeon  
Commissioners

APPENDIX A  
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## Schedule No. 1A

ANNUAL METERED SERVICEAPPLICABILITY

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

TERRITORY

Tract No. 378 (Oak Shores), Cantinas Campground and vicinity,  
San Luis Obispo County.

RATES

		<u>Per Meter</u> <u>Per Year</u>
Annual Service Charge:		
For 5/8 x 3/4-inch meter .....		\$ 60.00
For 3/4-inch meter .....		66.00
For 1-inch meter .....		90.00
For 1 1/2-inch meter .....		120.00
For 2-inch meter .....		162.00
For 3-inch meter .....		300.00
Quantity Rate:		
First 20,000 cu.ft., per 100 cu.ft. ....		\$ 0.20
Over 20,000 cu.ft., per 100 cu.ft. ....		.15

The Service Charge is applicable to all metered service. It is a readiness-to-serve charge to which is added the charge computed at the Quantity Rate, for water used during the billing period.

SPECIAL CONDITIONS

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

(Continued)

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Schedule No. 1A

ANNUAL METERED SERVICE

SPECIAL CONDITIONS - Contd.

Meters will be read and quantity charges billed monthly, bimonthly or quarterly in accordance with the utility's established billing periods 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 service 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. 2A

ANNUAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

Cantinas Campground, San Luis Obispo County.

RATE

Per Unit  
Per Year

Each camp or trailer site rented or leased for  
the full year or a portion thereof ..... \$30.00

SPECIAL CONDITIONS

1. For service covered by the above classification, if the utility so elects, a meter shall be installed and service provided under Schedule No. 14, 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.

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

3. 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, organized fire districts and other political subdivisions of the state.

TERRITORY

Tract No. 378 (Oak Shores), Cantinas Campground and vicinity, San Luis Obispo County.

RATE

Per Month

For each hydrant ..... \$3.00

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.