

ORIGINAL

Decision No. 77216

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SIERRA-NEVADA WATER CO., a California
corporation, for permission to extend
its service to an additional 144.46
plus or minus acres of territory
contiguous to its present Tariff Area
boundary.

Application No. 51690
(Filed February 5, 1970)
(Amended April 1, 1970)

O P I N I O N

Applicant serves water to the Dollar Point Subdivision located approximately two miles east of Tahoe City, Placer County. Applicant seeks to extend its facilities to serve a contiguous area of approximately 144 acres and to deviate from the provision of its filed main extension rule concerning the ratio of advances to total capital. As of December 31, 1969 applicant served 135 customers; it is expected that service to an additional 600 persons will be provided by the extension.

The maximum cost of the proposed extension is estimated at \$125,000 resulting in advances of 67.6 percent of total capital. Such advances would exceed the 50 percent limit provided for in applicant's main extension rule. A review of applicant's recent financial statements shows that the payment of refunds based upon the 67.6 percent estimate is within the capability of applicant. Applicant's parent company, Sierra-Nevada Land Company, has agreed to absorb operating losses until such time as applicant becomes

self-sustaining. The parent company has been advancing funds to pay for applicant's out-of-pocket operating expenses. Applicant's water supply is adequate to serve its existing serving area and the sought area.

Applicant's rates were established July 26, 1960 and are proposed to be made applicable in the sought area. There are no metered services. Applicant's basic flat rate is \$78 a year for each single family residence. The basic annual metered rate is \$78 for a 5/8 x 3/4 inch meter with an allowance of 800 cubic feet a month. Applicant's proposed rates are comparable with rates of similar utilities serving in the Lake Tahoe area, and are reasonable.

The Commission finds that public convenience and necessity require the granting of the application and that a public hearing is not necessary.

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 a future rate base 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 Sierra-Nevada Water Co., subject to the conditions of this order, authorizing it to construct an extension of its water system to serve a contiguous area of approximately 144 acres as delineated on the map attached to the amended application as Exhibit A.

2. After the effective date of this order, applicant is authorized to file revised tariff sheets, including tariff service area maps, to provide for the application of its present tariff schedules to the area certificated herein. Such filing shall comply with General Order No. 96-A. The effective date of the revised tariff sheets shall be four days 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. Applicant is authorized to deviate from its filed main extension rule so that it may exceed the 50 percent limitation of advances to total capital to accommodate the proposed extension. In no case shall the limitation exceed 70 percent without further order of the Commission.

5. Applicant shall prepare and keep current the system map required by paragraph I.10.a of General Order No. 103. Within 90 days after the water system is placed in operation applicant shall file with the Commission two copies of such map.

6. Within 10 days after service is first furnished to the public under the authority granted herein applicant shall file written notice thereof with the Commission.

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

Dated at San Francisco, California, this 19th
day of MAY, 1970.

William J. ...
President
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Commissioners