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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of W. C. FROST, an individual, dba)
TAHOE SWISS VILLAGE UTILITY, for a)
certificate of public convenience)
and necessity to operate a public)
utility water system within a sub-)
divided area called TAHOE SWISS)
VILLAGE SUBDIVISION, Lake Tahoe,)
Placer County, and to establish)
rates for the service rendered.)

Application No. 44352

William Stava, for applicant.
W. B. Stradley, for the Commission staff.

O P I N I O N

This application was heard before Examiner Thomas E. Daly at Tahoe City on June 21, 1962, on which date it was submitted. There was no appearance in protest to the authority sought.

W. C. Frost, doing business as Tahoe Swiss Village Utility, requests the issuance of a certificate of public convenience and necessity to construct a public utility water system. As of November 10, 1961, he indicated a net worth in the amount of \$107,895.

Proposed Area

The proposed service area includes approximately 54 acres and is located one mile north of Homewood, on the shore of Lake Tahoe, Placer County. Approximately 15 acres of said area have been subdivided into Units Nos. 1 and 2 of Tahoe Swiss Village and consist of 38 residential lots. An addition of 37 lots is expected in the immediate future. The area will ultimately consist of 100 lots. The area is being developed by Tahoe Swiss Village, Inc.

Applicant owns 50 percent of the stock of said company. Two existing certificated water systems are serving in the general area. Tahoe Pines Water Company serves immediately north of the proposed area and Madden Creek Water Company serves immediately south of the proposed area. It is alleged that said companies provide water service during the summer only and it is the intention of applicant to provide year-round service.

Description of System

Water is pumped from Lake Tahoe by means of an electrically driven 10 h.p. motor, which is directly connected to a centrifugal pump. By means of suction water is brought through a 4-inch diameter line extending about 350 feet into the lake. Water is then delivered to the distribution system and also to an elevated 12,000-gallon redwood storage tank. The existing distribution system consists of 1,050 feet of 3-inch, and 1,980 feet of 2-inch diameter standard screw galvanized pipe. The 2-inch pipe is installed in three different streets and extends for a distance of approximately 660 feet in each street. They dead end at the southerly edge of the subdivision. It is the plan of applicant to extend the system from these dead ended mains and ultimately to have the system completely circulating. With future development it is applicant's proposal to install an additional 12,000-gallon redwood tank at the same elevation as the existing tank, but at the southerly boundary of the proposed service area. Four wharf type fire hydrants are installed; an additional eight are planned. At the present time the system is interconnected with the Tahoe Pines Water Company system which is available for use as an emergency year-round standby supply. According to Exhibit 3, which revises Exhibit F attached to the application applicant estimates the cost of present

installation at \$24,523 and future additions at \$23,444 to serve proposed Unit 3 for an estimated total plant cost of \$47,967.

Applicant has personally financed the present installation and proposes to finance future additions.

Proposed Rates

Applicant proposes a schedule of annual general metered service rates. He also proposes an annual rate of \$60 per residence and a monthly fire hydrant rate of \$2.

Staff Recommendations

The staff conducted an investigation of the area and facilities on May 12, 1962. It was the opinion of the staff witness that although the water system as constructed includes three lengths of 2-inch diameter mains in excess of that allowed by the Commission's General Order No. 103, it appears the system as constructed and as proposed, with certain modifications, can adequately serve the proposed area. It was the staff's recommendation that applicant should be required to interconnect the existing dead ends with a main along Furka Pass not smaller than 4-inches in diameter, and be placed on notice that future construction must be in accordance with the Commission's General Order No. 103.

The staff further recommended that applicant be authorized to deviate from the Commission's General Order No. 103 insofar as existing 2-inch mains exceed the 500-foot limit for circulating pipelines and that applicant should apply the provisions of the main extension rule established by the Commission in Decision No. 50580 in Case No. 5501 to any extensions of service beyond tracts 1 and 2.

Findings and Conclusions

Upon consideration of the evidence the Commission finds and concludes as follows:

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

2. Applicant possesses the financial resources to construct and operate the proposed water system.

3. The rates set forth in Appendix A attached hereto are fair and reasonable for the service to be rendered.

4. Applicant's water supply and distribution facilities will provide reasonable service for the proposed certificated area and meet the minimum requirements of General Order No. 103.

5. Applicant should apply for a water supply permit from the appropriate health authority.

The certificate hereinafter granted shall be subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, certificate of public convenience and necessity or right.

O R D E R

Public hearing having been held and based upon the evidence therein adduced,

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to W. C. Frost authorizing him to construct and operate a public utility water system for the distribution and sale of water within the area set forth in Exhibit D attached to the application in this proceeding.

2. Applicant is authorized to file with this Commission, after the effective date of this order and prior to the date service is first rendered to the public under the authority herein granted, in a manner acceptable to the Commission and in conformity with the provisions of General Order No. 96-A, the schedules of rates and charges set forth in Appendix A attached to this order, together with rules governing service to customers, a tariff service area map showing definite boundaries, and sample copies of printed forms to be used in connection with customers' services. Said rates, rules, tariff service area map and forms shall become effective upon five days' notice to the public and to this Commission after filing as hereinabove provided.

3. Applicant, before June 1, 1963, shall (a) install and place in operation a pipeline of not less than 4 inches in diameter to interconnect the three existing dead ends and (b) report to the Commission in writing, within ten days thereafter, the date when such installation shall have been completed and placed in operation.

4. Applicant shall notify this Commission in writing of the date service is first furnished to the public under the rates and rules authorized herein, within ten days thereafter.

5. Applicant shall file, within thirty days after the system is placed in operation under the rates and rules authorized herein, four copies of a comprehensive map, drawn to an indicated scale not smaller than 300 feet to the inch, delineating by appropriate markings the tract of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant.

6. Beginning with the year 1962, applicant shall determine depreciation accruals by multiplying the depreciable utility plant by a rate of 3 percent. This rate shall be used until review

indicates that it should be revised. Applicant shall review the depreciation rate, using the straight-line remaining life method, when major changes in utility plant composition occur and at intervals of not more than five years, and shall revise the above rate in conformance with such reviews. Results of these reviews shall be submitted to this Commission.

7. Prior to the date service is first furnished to the public under the rates and rules authorized herein, applicant shall (a) apply to the appropriate public health authority for a water supply permit for the system which will serve the area herein certificated, and (b) report to the Commission in writing, within ten days thereafter, that such application has been made.

8. Applicant shall not extend service outside the area herein certificated without further authorization of this Commission.

9. Applicant is hereby authorized to deviate from the Commission's General Order No. 103 insofar as existing 2-inch mains exceed the 500-foot limit for circulating pipelines.

10. The authority herein granted will expire if not exercised within one year after the effective date hereof.

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

Dated at San Francisco, California, this 7th day of AUGUST, 1962.

GEORGE G. GROVER
President
PETER E. MITCHELL
EVERETT C. McKEAGE
Commissioners

Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Schedule No. 1A
ANNUAL GENERAL METERED SERVICE

APPLICABILITY

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

TERRITORY

The area known as Tahoe Swiss Village, located north of Homewood, Placer County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Monthly Quantity Rates:	
First 800 cu. ft. or less	\$ 4.50
Next 1,200 cu. ft., per 100 cu. ft.35
Over 2,000 cu. ft., per 100 cu. ft.30

	<u>Per Meter</u> <u>Per Year</u>
Annual Minimum Charge:	
For 5/8 X 3/4-inch meter	\$ 54.00
For 3/4-inch meter	72.00
For 1-inch meter	108.00
For 1 1/2-inch meter	177.00
For 2-inch meter	282.00

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.

SPECIAL CONDITIONS

1. The annual minimum charge applies to service during the 12-month period commencing January 1 and is due in advance. A customer who is a year-around resident of the area, and has established his permanency by having paid for service during the preceding 12 months, may elect to pay the annual minimum charge in advance on a monthly basis equal to one twelfth of the annual minimum charge.

2. When the annual minimum charge is paid in advance, charges for water used in excess of the monthly allowance under the annual minimum charge may be billed monthly, bimonthly or quarterly at the option of the utility on a noncumulative monthly consumption basis.

Schedule No. 2RA,

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

The area known as Tahoe Swiss Village, located north of Homewood, Placer County.

RATE

Per Service Connection
Per Year

For a single-family residential unit, including premises	\$60.00
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SPECIAL CONDITIONS

1. The above residential flat rate applies to service connections not larger than one inch in diameter.
2. All service not covered by the above classification shall be furnished only on a metered basis.
3. 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 General Metered Service.
4. The annual flat rate charge is payable in advance on or before January 1 of each year. A customer who is a year-around resident of the area, and has established his permanency by having paid for service during the preceding 12 months, may elect to pay the flat rate charge on a monthly basis equal to one twelfth of the annual flat rate charge.

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 area known as Tahoe Swiss Village, located north of Homewood, Placer County.

RATE

	<u>Per Month</u>
For each hydrant	\$2.00

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges shall be made at the quantity rates under Schedule No. 1, General Metered Service.
2. The cost of installation and maintenance of hydrants shall be borne by the utility.
3. Relocation of any hydrant shall be at the expense of the party requesting relocation.
4. Fire hydrants shall be attached to the utility's distribution mains upon receipt of proper authorization from the appropriate public authority. Such authorization shall designate the specific location at which each is to be installed.
5. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.