

Decision No. 14639.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of)
CARPINTERIA WATER COMPANY) Application No. 10514.
for Certificate of Public Conven-)
ience and Necessity.)

Schauer & Ryon, by Harrison Ryon, for applicant.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

In the above entitled application, Carpinteria Water Company, a corporation, asks the Railroad Commission for a certificate of public convenience and necessity for the operation of a public utility water system in and in the vicinity of Carpinteria, Santa Barbara County.

A public hearing in this matter was held before Examiner Williams at Santa Barbara after due notice thereof had been given so that all interested parties might appear and be heard.

The testimony shows that for the past five years Frank L. Stewart and E. Stanley Atkinson have been serving water for domestic purposes to this community. The water supply and distribution facilities rapidly became inadequate for the needs of the growing population and in 1924 new wells were drilled, larger pumping equipment installed, and the distribution system enlarged. Stewart and Atkinson organized the Carpinteria Water Company and incorporated it on the 22d day of July, 1924, to take over the title to their enlarged and improved plant and carry on the operations to supply the entire town and all present consumers with

water in adequate quantities and under more efficient conditions.

An investigation of this water system and its methods and conditions of operation was made by William Stava and M. I. Reed, assistant engineers of this Commission, who submitted a report showing that the reasonable estimated original cost of the used and useful property which the applicant proposes to acquire is \$35,865, which excludes \$7,951 in non-operative properties, a part of which may also be transferred to the incorporated company. This report sets forth the depreciation annuity upon the operative properties as \$541, based upon the sinking fund method at five per cent., and shows that the costs of operation and maintenance exclusive of taxes and depreciation for the year 1924, totalled \$1,012. The revenues collectible during the same period were \$3,016.

The rates now charged on this system are as follows:

MONTHLY CHARGES

Domestic consumers	\$2.00	per month.
Office buildings	1.25	" "
Schools.	30.00	" "
Churches, Dairies, Hotels, etc.	\$2 to 7.00	" "

It is the desire of applicant that the Commission approve a schedule of rates which is somewhat higher than those now in effect. It should be pointed out at this time however that the evidence clearly establishes the fact that this water system is considerably overbuilt and capable of serving a much greater population than now exists. As the system is yet in the development stage, the Commission cannot grant a rate which will yield a full return upon the present investment without at the same time establishing a rate which would be greater than the service would be reasonably worth. With the exception of the rate for school service the existing rates do not appear unreasonable and will be authorized for filing as set out in the order following. The

Commission believes that in the near future the installation of meters may become advisable, at least as to those classes of consumers requiring large quantities of water such as schools, industrial uses and perhaps certain commercial enterprises. The applicant therefore should take steps in the near future to file with the Commission for its approval a schedule of meter rates.

The applicant has already secured a franchise from the Board of Supervisors of Santa Barbara County authorizing the operation of this water system in and in the vicinity of Carpinteria. No public utility is supplying water in this territory other than the system now owned by Stewart and Atkinson, which applicant intends to acquire, and no one appeared to protest the issuance of a certificate of public convenience and necessity. It appears that the application should be granted.

O R D E R

Carpinteria Water Company, a corporation, having made application to this Commission as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully informed in the matter,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY DECLARES that public convenience and necessity require and will require that Carpinteria Water Company, a corporation, operate a water system for the purpose of supplying water in the territory more particularly described in the application herein.

IT IS HEREBY ORDERED:

1. That the authority herein granted shall not become effective unless and until Carpinteria Water Company, a corporation, acquires from Frank L. Stewart and E. Stanley Atkinson the operative water properties, plant and distribution system owned and operated by them and more particularly described in the application herein.

2. That a certified copy of the instrument of conveyance shall be filed with the Commission for its approval, by said Carpinteria Water Company within thirty (30) days from the date on which it is executed.
3. That Carpinteria Water Company, a corporation, be and it is hereby authorized and directed to file with this Commission within twenty (20) days from the date of this order the following schedule of rates to be charged for all water delivered by it:

FLAT RATES

Residences, per month	\$2.00
Office Buildings, per month	1.25
Churches, Dairies, Hotels, etc., according to use of water, per month	2.00 to 7.00
Schools, per month.	15.00

4. That Carpinteria Water Company, a corporation, be and it is hereby authorized and directed to file with this Commission within thirty (30) days from the date of this order, rules and regulations to govern relations with its consumers, said rules and regulations to become effective upon their acceptance for filing by the Commission.
5. That Carpinteria Water Company, a corporation, be and it is hereby authorized to file with this Commission, and subject to its approval, a schedule of meter rates for water service to its consumers.

For all other purposes the effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 5th day of March, 1925.

H. B. Readings

George D. Squires

Emmerson
Commissioners.