

Decision No. 31453

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
WINDSOR UTILITY CORPORATION,  
for Certificate of Public Convenience  
and Necessity, for an Order authorizing  
issue of stocks, and for an order fix-  
ing rates.

Application No. 22252

Conrad Weil, Jr., for applicant.

BY THE COMMISSION:

O P I N I O N

In this application Windsor Utility Corporation, a corporation duly organized under and by virtue of the laws of the State of California, asks the Commission to grant it a certificate of public convenience and necessity to construct, maintain and operate a water system to serve the unincorporated town of Windsor and additional area hereinafter outlined, in Sonoma County, and asks for an order authorizing the issue of stock and fixing rates.

A public hearing was held before Examiner MacKall in Windsor on November 4, 1936. No protest was made to the granting of the application.

The area which Windsor Utility Corporation proposes to serve comprises the Southeast Quarter(1/4) of Section eleven(11), the Southwest quarter(1/4) of Section twelve(12), the North half(1/2) of Section thirteen(13), and the Northeast quarter(1/4) of Section 14, all in Township eight(8) North, Range nine(9) West, M.D.B. & M. The total area to be served in the immediate future, and that to be served ultimately, are shown on the maps annexed to the application as "Exhibit A-1"

and "Exhibit A-2" respectively. There are approximately one hundred homes in the entire proposed service area.

In the region in which applicant proposes to operate, some water service now is being given to fourteen consumers, by J.V.A. Frates, an individual doing business under the firm name and style of Windsor Water Company. It appears that the well used in the Frates system was condemned in 1937 by county and state health authorities and that water now is being furnished from a privately owned well under a temporary arrangement. Further, the present distributing system is said to be inadequate and in need of substantial repairs and replacements.

In Application No. 21698 Mr. Frates reported that he was financially unable to drill and equip a new well and accordingly he asked for permission to abandon and discontinue his operations of his public utility water system. During the pendency of that proceeding certain property owners and residents of Windsor, in order to insure the continuance of water service, have caused the organization of Windsor Utility Corporation, applicant herein, to construct and install a new well and distributing system to serve those consumers now attached to the Frates systems and such others, in the proposed service area who may request service. It is expected that at the outset twenty consumers will be supplied with water from the proposed system.

The record shows that the new corporation has obtained a franchise to construct and maintain its lines, (Ordinance No. 180 passed by the Board of Supervisors of the County of Sonoma on August 9, 1938) has acquired a parcel of real estate, approximately 25 feet by 110 feet in dimension, and has constructed at a cost of \$692.62 a ten inch cased well two hundred and seven feet in depth which appears to be capable of producing an adequate supply of water. It proposes at this time, to install pumping facilities and a 1500 gallon pressure tank and a new

distributing system consisting of approximately 250 feet of six inch pipe, 350 feet of four inch pipe and 2500 feet of three and one-half inch pipe and twenty three-quarter inch water meters and four fire hydrants.

The corporation proposes to finance its costs through the issue and sale of common stock. Although it applied for permission to issue and sell \$10,000.00 par value of stock its counsel at the hearing stated that an issue of \$5,000.00 of stock should be sufficient to enable it to finance the costs of the proposed system. These costs are summarized as follows:-

Real estate	\$100.00
Organization and incorpora- tion	350.00
Cost of securing franchise	60.00
Well(actual cost)	692.62
Pump and pressure tank	700.00
Pipe lines	1,750.00
Meters, hydrants, fittings	500.00
Working capital and exten- sions	<u>\$47.38</u>
Total.....	<u>\$5,000.00</u>

The order herein will authorize the issue of \$5,000.00 of stock. In the future, if additional stock issues become necessary, the corporation should file new applications for further authorization.

For the present the new corporation proposes to charge a flat rate of \$2.00 a month per consumer although it appears that it is its intention and desire ultimately to install meters and to supply water under metered rates. No metered rates were suggested, however, and the filing of such rates must be made the subject of a further application. We believe the proposed rate is not unreasonable.

#### O R D E R

Windsor Utility Corporation having applied to the Railroad Commission for a certificate of public convenience and necessity to con-

struct, maintain and operate a public utility water system and to issue stock and establish rates, a public hearing having been held, the matter having been submitted and the Commission now being fully advised in the premises, therefore,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the exercise by Windsor Utility Corporation of the rights and privileges granted by Ordinance No. 180 passed by the Board of Supervisors of the County of Sonoma on August 9, 1938, and the construction, maintenance and operation of a public utility water system by Windsor Utility Corporation to serve an area including the unincorporated towns of Windsor and East Windsor, and adjacent territory, as delineated on maps annexed to the application as "Exhibit A-1" and "Exhibit A-2".

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to said Windsor Utility Corporation in accordance with the foregoing declaration.

IT IS HEREBY FURTHER ORDERED that Windsor Utility Corporation file with this Commission within thirty(30) days after the date of this order, rules and regulations governing its relations with the consumer, and the following rate:-

Flat rate per month,  
\$2.00 per service.

IT IS HEREBY FURTHER ORDERED that Windsor Utility Corporation be and it hereby is authorized to issue and sell at par on or before March 31, 1939 not exceeding \$5,000.00 par value of its common capital stock, it being the opinion of the Commission that the money, property or labor to be procured or paid for through the issue of such stock is reasonably required for the purposes hereinafter set forth, and that the expenditures for such purposes are not in whole or in part reason-

ably chargeable to operating expenses or to income.

The authority herein granted is subject to the following conditions:-

1. Applicant shall use the proceeds to be received through the issue and sale of the stock herein authorized to pay organization and incorporation expenses, to finance the cost of the real property, well and other physical properties and to provide for working capital and extensions to its system, as set forth in the opinion preceding this order.
2. Applicant shall keep such record of the issue and sale of the stock herein authorized and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month, a verified report, as required by the Railroad Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.
3. The authority herein granted will become effective upon the date hereof.

IT IS HEREBY FURTHER ORDERED that applicant's request to issue \$5,000.00 of stock be, and it hereby is, dismissed without prejudice.

DATED at San Francisco, California, this 10<sup>th</sup> day of November, 1938.

Raymond J. ...  
Leon ...  
Frank ...  
W. L. Riley

Commissioners