

Decision No. 23717

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of
SIERRA WATER SERVICE COMPANY,
a corporation,
and
CALIFORNIA WATER SERVICE COMPANY,
a corporation,

for (1) an order authorizing the transfer from Sierra Water Service Company to California Water Service Company of the water system now operated by the Sierra Water Service Company and (2) a certificate of public convenience and necessity requiring the extension of the plant and system of California Water Service Company now serving water to a portion of the Town of San Carlos to the area now served by the Sierra Water Service Company.

Application
No. 23717

ORIGINAL

Carl F. Mau, for Applicants
Albert Mansfield, Attorney,
and
E. R. Burton, Councilman and
Water Commissioner, for
Town of San Carlos.

BY THE COMMISSION:

O P I N I O N

In this application, as amended at the hearing had on November 1, 1940 before Examiner Fankhauser, the Sierra Water Service Company asks permission to sell for \$12,500, its public utility properties to California Water Service Company. A copy of the agreement of sale is filed in this proceeding as Exhibit 1. A copy of the proposed deed and bill of sale is filed as Exhibit 4. California Water Service Company asks for a certificate of public convenience and necessity to construct, maintain and operate a public utility water system in the territory shown on the

map filed herein on November 19, 1940. California Water Service Company also asks permission to charge in said area the rates which it now charges elsewhere in the Town of San Carlos.

The Sierra Water Service Company operates a public utility water system in the section of the Town of San Carlos, some times referred to as the Devonshire Hills. In 1939, it realized from the sale of water total revenues of \$7,904.86. At the end of 1939, it reported 229 consumers connected to its water system. The undepreciated cost of its water properties was, as of December 31, 1939, reported at \$31,265.64 and the accrued depreciation at \$7,595.57. The company purchases from the City and County of San Francisco nearly all of the water it sells. A small quantity is purchased from George Faulstich under the terms of the agreement filed in this proceeding as Exhibit 6. The company has been unable to promptly pay its debts and is not in a position to make necessary improvements.

The California Water Service Company acquires from the City and County of San Francisco all of the water which it now sells in the Town of San Carlos. Its investment in properties in the Town of San Carlos, on December 31, 1939, is reported at \$204,966.98; its revenues from the sale of water in the Town of San Carlos at \$34,602.33; and the number of consumers at 1,096. The two companies are serving distinct areas in the Town of San Carlos, and are not in competition. If it acquires the properties of the Sierra Water Service Company, California Water Service Company intends to connect the Sierra Water Service Company properties with its own and to make some urgent improvements on that system.

As stated, California Water Service Company asks permission to place in effect in the Sierra Water Service Company

area the rates which it now charges in San Carlos. The California Water Service Company now charges in San Carlos the following rates:

MONTHLY MINIMUM CHARGES:

For 5/8 inch Meter	- - - - -	\$ 1.50
" 3/4 " "	- - - - -	2.00
" 1 " "	- - - - -	3.00
" 1 1/2 " "	- - - - -	6.00
" 2 " "	- - - - -	9.00
" 3 " "	- - - - -	18.00
" 4 " "	- - - - -	28.00

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that Monthly Minimum Charge will purchase at the following "Monthly Quantity Rates."

MONTHLY QUANTITY RATES:

For 400 Cu. ft., or less	- - - - -	-\$ 1.50
Next 3200 " " per 100 cu. ft.	- - - - -	.35
Over 3600 " " " 100 " "	- - - - -	.33

FIRE HYDRANT RATES:

For fire hydrants, owned and maintained by the company, each, per month - - - - - \$ 1.50

All other public or municipal use to be paid for at regular meter rates.

Exhibit 9 shows that about 44% of the consumers on the Sierra Water Service Company system use less than 400 cu. ft. of water per month, and that this group will be benefited by the change in rates to the extent of a reduction of one dollar in their monthly minimum bill. About 53% of the consumers of the Sierra Water Service Company system use from 400 cu. ft. to 3,000 cu. ft. per month. This group of consumers will not be affected by the change in the rates. Consumers on the Sierra Water Service Company system which use more than 3,000 cu. ft. of water per month will pay slightly more for their water service. The record clearly indicates, however, that an improved service will be rendered by the California Water Service Company.

On November 19, 1940, California Water Service Company

filed a map showing the boundary line of the area in which it desires to construct, maintain, and operate a public utility water system. The area is more limited than that now covered by the certificate of public convenience and necessity granted to Sierra Water Service Company by Decision No. 26097, dated June 26, 1933, in Application No. 18869. If California Water Service Company acquires the properties of Sierra Water Service Company it should supply service subject to its rules and regulations in the same area for which Sierra Water Service Company now holds a certificate of public convenience and necessity. Representatives of California Water Service Company have knowledge of said Decision No. 26097. The order herein will require the company to file a new map of the area for which it is granted a certificate of public convenience and necessity.

O R D E R

The Commission having considered the evidence submitted in this matter and it being of the opinion that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that the Sierra Water Service Company be, and it is hereby, authorized to sell and convey, on or before March 1, 1941 to California Water Service Company, the properties described in Exhibit 4, such properties to be sold and conveyed subject to the terms and conditions of the agreement filed in this proceeding as Exhibit 1.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY DECLARES that if California Water Service Company acquires said properties of Sierra Water Service Company, ^{public} convenience and necessity require and will require California Water Service Com-

pany to construct, acquire, maintain and operate a public utility water system to serve water for domestic and other purposes in the area for which the Commission granted a certificate of public convenience and necessity to Sierra Water Service Company by Decision No. 26097, dated June 26, 1933, in Application No. 18869, said area being shown on a map filed in said Application No. 18869 as Exhibit C, therefore,

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be, and it is hereby, granted to California Water Service Company for said purposes.

IT IS HEREBY FURTHER ORDERED that California Water Service Company shall, if it acquires the properties of Sierra Water Service Company, extend water service to the area for which it is herein granted a certificate of public convenience and necessity at the rates and subject to the rules and regulations governing service by California Water Service Company in the Town of San Carlos.

IT IS HEREBY FURTHER ORDERED that California Water Service Company shall, within sixty (60) days after it acquires the properties of Sierra Water Service Company, file with this Commission four (4) copies of a comprehensive map, drawn to an indicated scale of not less than 400 feet to the inch, upon which shall be delineated correctly by appropriate markings the territory for which it is herein granted a certificate of public convenience and necessity, and the location and size of all transmission and distribution pipe lines. This map should be reasonably accurate and show the source and date thereof.

IT IS HEREBY FURTHER ORDERED that within sixty (60) days after the sale and conveyance of the properties herein authorized, California Water Service Company shall file with the Railroad Commission (1) a copy of the deed and bill of sale under which it acquires and holds title to said properties, (2) a

statement showing the date on which it took possession of the properties of Sierra Water Service Company and (3) a copy of each and every entry upon its books of accounts to record the acquisition of said properties of Sierra Water Service Company.

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 26th day of November, 1940.

W. H. Riey
Frank P. Dwyer
Justice J. Calver