

Decision No. 35121

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
 BEN ALI WATER COMPANY for an order
 establishing applicant as a public
 utility.

Application No. 22398

Harry A. Encell and Robert W. Huston, for Applicant
 Earl D. Desmond, for residents in Country Club Estates
 Frank F. Atkinson, for C. M. Coffing
 Richard Seely, for Jere Strizek, Subdivider of
 Bohemian Village.

BY THE COMMISSION:

OPINION AND ORDER ON AMENDED APPLICATION

Ben Ali Water Company, a corporation, asks the Commission for a certificate of public convenience and necessity to furnish water in certain territory adjacent to its present service area near the City of North Sacramento in Sacramento County. Request is made for the establishment of additional flat rates not covered by the present effective schedule and meter rates as well.

A public hearing on this matter was held before Examiner Wm. Stava in Sacramento.

In Decision No. 31740, issued February 14, 1939, this company was granted a certificate of public convenience and necessity to furnish water service to the existing service area of 765 acres. At present the water system serves 161 consumers at the flat rates established in the above-numbered decision. The Company now desires to extend service to an adjoining territory embracing 865 acres of land. This property includes Country Club Estates, a tract of 130 acres subdivided into 180 lots; the Del Paso Country Club and Golf Course; 225 acres of unsubdivided land owned by C. M. and C. Coffing; and small parcels in acreage, owned by several different individuals. The Country Club Estates is a subdivision now served without charge by an independent water system constructed and operated by C. M. Coffing. Mr. Coffing proposes to transfer this

water plant to Applicant on the condition that the latter obtain a certificate to furnish the service as a public utility. The two systems will be interconnected and it is proposed that the rates of Ben Ali Water Company be applied uniformly over the entire territory served. The Coffings and other owners of land in this proposed service area plan to subdivide their properties and have requested that these lands be included within the certificated territory.

The rates presently in effect are flat rates and were established by the Commission in the said Decision No. 31740. The charges vary from a minimum of \$1.50 per month to \$3.00 per month, depending upon the size of the lot served. The original application herein was amended at the hearing to include a request for the establishment of flat rates for larger parcels of lots which will be necessary to handle the newer developed properties. The additional unit rates requested are as follows:

	<u>Per Month</u>
House and a lot of 30,000 to 35,000 square feet	\$3.25
House and a lot of 35,000 to 40,000 square feet	3.50
House and a lot of 40,000 to 47,000 square feet	4.00
House and a lot of over 47,000 square feet per 7,500 square feet or less50

The schedule of rates for measured service is required for the larger water users and for those consumers whose demand cannot be conveniently covered by the flat charges. There was considerable protest against the installation of meters primarily upon the ground that the real estate promoters in this district had promised lot purchasers unrestricted use of water for all lawn and garden irrigation purposes. In this regard it should be noted that a measured sale is necessary to control the wasteful and careless use of water and while Applicant does not intend to meter the system but to continue on the flat rate basis, nevertheless the meter schedule should be established and made available for use when conditions so warrant. Any unfair discrimination arising from this source may be referred to the Railroad Commission.

Mr. Strock, Secretary and General Manager of Ben Ali Water Company, testified that Applicant had an investment of \$23,789 in the system, and that the Country Club Estates' water plant represented an outlay of \$8,717. Neither of these figures included pump and well sites which had been or would be donated to the Company, nor the additional expenditure of \$7,500 which will be required for new wells and pumping plants when the properties became more fully developed.

A report submitted by John C. Luthin, one of the Commission's engineers gave the existing plant investment of Ben Ali Water Company as \$18,391 and the cost of the system serving Country Club Estates \$9,599. The current annual operating expenses, including taxes and depreciation, are estimated to be \$2,600 and the yearly revenue amounts to \$2,700. The present and proposed service areas are still in the development stage; however, renewed building activity in this section of the county to meet the demand for housing facilities for army personnel defense workers and for suburban homes, should soon place this utility in a position to earn a reasonable net return upon that portion of its capital properly chargeable as a rate base structure.

Applicant has the written permission of the Board of Supervisors of Sacramento County to use and occupy public streets and roadways for installing mains and operating a water system. No objection was made to the granting of the certificate as requested. It appears, therefore, in the public interest that the authority sought be granted.

ORDER

Application as entitled above having been filed with the Railroad Commission, a public hearing having been held thereon, the matter having been duly submitted, and the Commission being now fully advised in the premises,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require that Ben Ali Water Company, a corporation, operate a water system in that certain area in the County of

Sacramento, near Ben Ali Station, delineated on the map filed as Exhibit "A" attached to the application herein and which map is hereby made a part hereof by reference, and which area is also described as follows:

Beginning at the intersection of Fulton Avenue and Edison Avenue, thence northeasterly on Edison Avenue to its intersection with Watt Avenue, thence southerly on Watt Avenue to its intersection with El Camino Avenue, then westerly on El Camino Avenue to its intersection with Fulton Avenue, thence northerly on Fulton Avenue to the point of beginning; being 865 acres more or less.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Ben Ali Water Company to operate a public utility for the sale and distribution of water within the area hereinabove described.

IT IS HEREBY FURTHER ORDERED that Ben Ali Water Company be and it is hereby authorized and directed to file in quadruplicate with this Commission, within thirty (30) days from the date of this Order, the following schedules of rates to be charged for all water service rendered to its consumers subsequent to the 31st day of March, 1942.

RATE SCHEDULES

Flat Rates

	<u>Per Month</u>
For water used for domestic purposes in a dwelling house, and on lots having an area of 5,000 square feet or less	\$1.50
For a house and a lot having an area over 5,000 square feet to and including 11,000 square feet.....	2.00
For a house and a lot having an area over 11,000 square feet to and including 13,000 square feet	2.25
For a house and a lot having an area over 13,000 square feet to and including 15,000 square feet	2.50
For a house and a lot having an area over 15,000 square feet to and including 18,000 square feet	2.75

RATE SCHEDULES (Continued)

Flat Rates (Continued)

	<u>Per Month</u>
For a house and a lot having an area over 18,000 square feet to and including 30,000 square feet.....	3.00
For a house and a lot having an area over 30,000 square feet to and including 35,000 square feet.....	3.25
For a house and a lot having an area over 35,000 square feet to and including 40,000 square feet.....	3.50
For a house and a lot having an area over 40,000 square feet to and including 47,000 square feet.....	4.00
For a house and a lot having an area over 47,000 square feet, for each additional 7,500 square feet or less.....	0.50

Metered Rates

Monthly Minimum Charges:

5/8 x 3/4 inch meter.....	1.50
1 inch meter.....	2.00
1-1/2 inch meter.....	3.00
2 inch meter.....	4.00
3 inch meter.....	6.00
4 inch meter.....	8.00

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:

First 800 cubic feet, or less.....	1.50
Next 4,200 cubic feet, per 100 cubic feet.....	.10
Over 5,000 cubic feet, per 100 cubic feet.....	.05

IT IS HEREBY FURTHER ORDERED that Ben Ali Water Company be and it is hereby directed as follows:

- To file within thirty (30) days from the date of this Order the following additional rules and regulations governing flat and metered rate service:

Optional Rates

Private dwelling houses of single family occupancy shall have option of either flat or metered service.

Such option having been exercised by consumer, the type of service adopted, whether flat or metered, shall remain in effect for at least one year.

Application of Flat Rates

In the event that a consumer's use of water under the Company's flat rate is such that the particular rate or rates under which he is receiving service cannot reasonably apply, the Company reserves the right to reclassify such service after fifteen (15) days' written notice of its intention so to do. In case of disagreement between the Company and any consumer with reference to the enforcement of this rule, the matter should be referred to the Railroad Commission for a final decision.

2. Within thirty (30) days from the date of this Order, said Company shall file with this Commission in quadruplicate the necessary amendments to its rates, rules and regulations to add the above described area to the territory to which its rates, rules and regulations apply, together with revised maps, drawn to an indicated scale, upon sheets 8½ x 11 inches in size, delineating thereupon in distinctive markings the boundaries of the authorized service area, and the location thereof with reference to the surrounding territory; provided, further, however, that such map or sketch shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.
3. To file with this Commission, within sixty (60) days from the date of this Order, four copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, upon which shall be delineated by appropriate markings the territory for which the certificate is granted herein. This map shall be

reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the various properties comprising the entire utility area of service; provided, however, that such map shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.

4. Within sixty (60) days from the date of this Order, to file with this Commission an affidavit to the effect that it will never claim before this Commission or any other public body an amount for the certificate of public convenience and necessity granted herein in excess of the actual cost of acquiring it.

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 10th day of March, 1942.

Justin F. Cullen
Chairman

Francis J. Havenner
Richard K. Kasse
Commissioners