

Decision No. 35316

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SUBURBAN WATER COMPANY (formerly Santa Clara Valley Public Service Company, a corporation) for (1) order authorizing issue of stocks and bonds; (2) order authorizing mortgage of certain public utility property; (3) certificate of public convenience and necessity; (4) order authorizing increase in rates; and (5) jointly with Fred C. Ehman, R.C. Leib, Frank A Leib, Lida Leib Armstrong, Elna Leib Wright, Joseph Bacciocco and R. H. Brotherton, respectively, for order authorizing sale and purchase of certain properties.

Application No. 17005
Seventh Supplemental
Application

Orrick, Dahlquist, Neff and Herrington,
By T. W. Dahlquist and Chas. L. Barnard,
for Applicant, Suburban Water Company.
R. C. Leib, for San Jose Water Works,
interested party.
Carl F. Mau, for California Water Service
Company, interested party.

BY THE COMMISSION:

SEVENTH SUPPLEMENTAL OPINION

The Commission, by its order in Decision No. 24832, dated June 6, 1932, granted to Suburban Water Company, formerly Santa Clara Valley Public Service Company, a temporary certificate of public convenience and necessity to construct, operate and maintain a public utility water system in the area described on a map filed as Exhibit 17.

The Suburban Water Company, hereinafter sometimes referred to as applicant, is serving water in Loyola and Cupertino and in areas adjacent to Los Altos, Mountain View and Sunnyvale. On December 31, 1941 it had 1,039 service connections.

For 1941 it reports operating revenues of \$60,295.20.

The Board of Supervisors of Santa Clara County have, by Ordinance No. 177, passed and adopted on December 15, 1941, granted to applicant a fifty (50) year franchise. It was granted under the Broughton Act. It is not a county-wide franchise. The area covered is described in said franchise and is shown on the map filed as Exhibit 1-Seventh Supplemental Application. Applicant asks permission to exercise the rights and privileges granted to it by said franchise and to construct and operate a water system in the area described in said franchise.

No protest to the granting of the application has been filed.

Suburban Water Company reports that it expended \$1,012.93 to obtain the franchise. This sum, however, includes legal fees and \$232.21 of advertising expenses incident to an application for a franchise which applicant did not obtain. The advertising expense and legal fees applicable to that franchise proceeding should be charged to surplus. It is of record that applicant bid \$200 for the franchise now before us and that in connection therewith it paid \$122.50 of advertising expenses. These two amounts, and no more, are chargeable to Account C-2, Franchises and Water Rights. The legal and other expenses incident to securing the franchise now before us are a charge to Account C-1, Organization.

NINTH SUPPLEMENTAL ORDER

A public hearing having been held before Examiner Fankhauser in the above-entitled Seventh Supplemental Application; the Commission having considered the evidence submitted at such hearing and it appearing to the Commission, and it being

found as a fact, that public convenience and necessity so require, therefore,

IT IS HEREBY ORDERED that Suburban Water Company be, and it hereby is, granted a certificate to exercise the rights and privileges granted by the Board of Supervisors of the County of Santa Clara by Ordinance No. 177, passed and adopted on December 15, 1941, and to construct and operate a public utility water system throughout the area described in said franchise, which area is shown on the map filed in this proceeding as Exhibit 1-Seventh Supplemental Application, provided that extensions be made only in accordance with such applicable rule or rules as may be prescribed or approved by the Commission and in effect at the time covering such extension, or in accordance with any general or special authority granted by the Commission, and provided further that no claim of value for such franchise or for the authority herein granted in excess of the actual cost thereof shall ever be made by the grantee, its successors or assigns, before this Commission or before any court or public body.

Dated at San Francisco, California, this 5th day of May, 1942.

Justice J. Calver
Ray L. Riley
[Signature]
Francis D. Havenner
Richard L. Seabra
 Commissioners