

Decision No. 39328

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

CALIFORNIA WATER SERVICE
COMPANY, a corporation,

for (1) an order authorizing the execution by California Water Service Company of a Subdivision Extension Agreement with Stonecrest Corporation and Stoneson Bros.; (2) a certificate that public convenience and necessity require the undertaking of service by California Water Service Company in the unincorporated area in San Mateo County known as Broadmoor, and (3) an order approving a rate schedule.

ORIGINAL

Application No. 27696

McCutchen, Thomas, Matthew, Griffiths & Greene,
By Robert M. Brown, for applicants.

O P I N I O N

California Water Service Company, a corporation, is engaged in the business of furnishing public utility water service in several cities and towns in California. In this proceeding the Commission is asked to authorize the execution of a subdivision agreement by and between applicant and H. C. Stoneson and Ellis L. Stoneson, a copartnership doing business under the firm name and style of Stoneson Bros. and Stonecrest Corporation: to issue a certificate of public convenience and necessity to furnish water service in the unincorporated area of Broadmoor, San Mateo County: and to approve one or the other of two alternative rate schedules proposed by applicant.

A public hearing in this matter was held before Examiner M. R. MacKall in San Francisco.

Stoneson Brothers are at present constructing homes for veterans in a parcel of land of 200 acres, more or less, located immediately westerly of Daly City in San Mateo County. The completed development will provide new homes for 550 veterans and their families. At present 90 homes in the first unit are completed and ready for occupancy except for water service. The entire project is expected to be fully developed in from eighteen months to two or three years, depending upon future material and supply conditions.

Henry E. Thurston, Assistant Regional Expediter, National Housing Agency, testified that California required 19% of the total national allocation of 2,700,000 veterans' homes, and that the San Francisco Bay area at present is facing a shortage of 18,000 such homes.

Stoneson Bros. applied for water service for their Broadmoor Tract to the Water Department of the City and County of San Francisco and likewise the City of Daly City. Upon refusal of both cities to supply water, the partnership installed its own water system throughout the first unit, at a total cost claimed by Mr. Ellis L. Stoneson to be \$29,365.25.

An agreement has been drawn up by and between the above subdividers and California Water Service Company substantially under the general terms and provisions of one of this Commission's standard rules governing extension of mains to serve subdivisions, wherein, among other things, the Water Company will receive title to the distribution system and refund to the Company during a period of ten years the above \$29,365.25 upon the proportionate unit cost method, based upon the resultant installed cost of 100 feet of main for each consumer, refund due immediately upon installation of service to each bona fide consumer.

The Water Company has made arrangements to serve the Broadmoor Tract thru an 8-inch metered connection with the 54-inch transmission main of the City of San Francisco at a point three blocks from the tract. In view of the fact that this subdivision will be a separate system, isolated from the utility's waterworks serving the City of South San Francisco, some considerable distance away, all water delivered to said tract must be purchased by the utility at the regular retail

outside rates charged by the San Francisco Water Department, which rates recently (September 1, 1945) were increased approximately 18%. Under the circumstances the schedule of rates for the Broadmoor Tract necessarily will be somewhat higher than those now in effect in South San Francisco.

Two alternative rate schedules were proposed by the Water Company,--one a service charge type of rate structure with a basic residential meter rate of \$1.00 per month for 5/8" x 3/4" meter,--the other the standard type of monthly minimum payment, with corresponding base residential meter rate, \$2.25 per month, providing for an allowance of 600 cubic feet of water.

The former, or service charge schedule of rates, will be adopted for the purposes of this proceeding. When this entire property is fully developed, the record shows that the net rate of return will be less than 6%. For some time in the future this net return, however, will be negligible. When this general area becomes more fully developed, especially in the territory intervening between Broadmoor and South San Francisco and all can be served by this Water Company thru a unified system, interconnected with the South San Francisco Waterworks, the rates established herein may be modified if conditions so warrant.

The record shows that all necessary permission has been obtained by Stoneson Bros. from the County of San Mateo for the installation and maintenance of water mains in Broadmoor, and that any and all necessary permits for future installations and operations may similarly be obtained by the Water Company. The County of San Mateo follows the practice of issuing permits for such purposes and does not require a franchise.

In view of the extreme emergency which exists in this instance the certificate will be granted herewith and the rates fixed will be made effective upon the date of this Order.

For the purposes of this proceeding, the Commission will accept the above amount of \$29,365.25 as the total installed cost of the waterworks facilities in Broadmoor, as now developed. Likewise and by reason of the special conditions

existing herein and, further, because of the extreme emergency, the provisions of the proposed contract covering extensions to serve subdivisions, tracts, or housing projects also will be approved; subject, however, to the continuing jurisdiction of this Commission in such matters:

The certificate of public convenience and necessity granted herein is subject to the following provisions of law:

"That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right."

O R D E R

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 now being fully advised in the premises;

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require, and will require, the construction and operation of a public utility water system by California Water Service Company, a corporation, in that certain unincorporated area known as Broadmoor, situate westerly of and immediately adjacent to the City of Daly City in the County of San Mateo, as said area is more particularly described in the application herein and the exhibits attached thereto, which are hereby made a part of this Order by reference.

IT IS HEREBY ORDERED as follows:

1. That a certificate of public convenience and necessity be and it is hereby granted to California Water Service Company, a corporation, to construct and operate a public utility for the distribution and sale of water within the territory hereinabove described.
2. That California Water Service Company, a corporation, be and it is hereby authorized to enter into an agreement with H. C. Stoneson and Ellis L. Stoneson, a copartnership, doing business under the firm name and style of Stoneson Bros., and Stonocrest Corporation, a California Corporation, substantially in accordance with the terms and provisions of that certain proposed form of agreement set forth in Exhibit B, attached to the application herein, which is hereby made a part of this Order by reference, and that two copies of said agreement as finally executed shall be filed by said California Water Service Company with this Commission within thirty (30) days from and after the date of this Order.
3. That California Water Service Company, a corporation, be and it is hereby authorized and directed to file in quadruplicate, in conformity with this Commission's General Order No. 96, within thirty (30) days from the date of this Order, the following schedule of rates to be charged for all water service rendered to its consumers on and after the date of this Order, which schedule of rates is hereby found to be just and reasonable for the service to be rendered:

Schedule No. 1

GENERAL METERED SERVICE

Applicability:

Applicable to all metered water service.

Territory:

In the subdivided tract known as Broadmoor, adjacent to Daly City, San Mateo County, California, as delineated on the map and included in the tariff schedules as Map No. 1.

Rates:

Service Charge:	Per Meter Per Month
5/8-inch meter.....	\$1.00
3/4-inch meter.....	1.50
1-inch meter.....	2.00
1 1/2-inch meter.....	3.50
2-inch meter.....	6.00

Quantity Charge (To be added to Service Charge):

First 600 cubic feet, per 100 cubic feet.....	.36
Over 600 cubic feet, per 100 cubic feet.....	.21

4. That California Water Service Company, a corporation, within sixty (60) days from the date of this Order, shall submit to this Commission for its approval four sets of rules and regulations governing relations with its consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated

4. (Cont'd)

scale upon a sheet 8½ x 11 inches in size, delineating thereupon in distinctive markings the boundaries of its present service area, and the location thereof with reference to the immediate surrounding territory; provided, 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.

5. That California Water Service Company, a corporation, within sixty (60) days from the date of this Order, shall file with this Commission four copies of a comprehensive map, drawn to an indicated scale of not less than 400 feet to the inch, upon which shall be delineated by appropriate markings the territory presently served. This map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the property 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.

IT IS HEREBY FURTHER ORDERED that 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 13th day of August,

1946.

Harold J. Hula
Justus F. Garner
Thomas J. Brown
John H. Russell
A. E. Johnson
COMMISSIONERS.