

Decision No. 39762

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of Crows Landing Water Company, a corporation, for Certificate of Convenience and Necessity to Operate a Water Company at Crows Landing, California, and for Authority to Issue and Sell Common Stock.

Application No. 27752.

Wm. Logan for Applicant.

O P I N I O N

Crows Landing Water Company, a corporation, asks for a certificate of public convenience and necessity to operate a public utility domestic water system, in and in the vicinity of the unincorporated town of Crows Landing, in Stanislaus County. The Commission also is asked to authorize Applicant to issue and sell not exceeding 1,000 shares of its capital stock at their par value of \$10 per share, and to approve a schedule of flat and meter rates. The flat rates provide for a basic charge of \$3.50 per month for residence and lawn. The measured rates provide for a monthly minimum charge of \$2.50 with an allowance of 3,333 gallons. Excess use is reduced through three blocks to 10 cents per 1,000 gallons.

A public hearing in this proceeding was held before Examiner Stava, in Crows Landing.

The area for which a certificate is requested is the S.E.¼ of Section 22, Township 6 South, Range 8 East, M. D. B. & M., containing 160 acres, more or less, and includes therein the subdivided townsite of Crows Landing of approximately 40 acres. Water service at present is being supplied from private wells of two homes to 24 customers on an accommodation basis. Others are supplied with water from individually owned wells. Pumping for agricultural irrigation purposes west of the town has so lowered the water table in Crows Landing that the present shallow

domestic water wells can no longer produce sufficient water to meet the community demands. In order to provide a dependable water supply for Crows Landing, a group of 27 residents of the town organized this water company.

Applicant proposes to acquire from Mrs. Chastie Filippini for \$1,560 one of the systems now furnishing water service in the town. This system consists of 1½ lots, a well, pump, elevated storage tank, and 750 feet of 2-inch mains. This property serves 14 customers at a flat rate of \$2.50 per month. Applicant will pay Mrs. Filippini for the property \$1,060 in cash and issue to her 50 shares of its capital stock at \$10.00 per share.

Applicant has acquired from West Stanislaus Fire District for a consideration of \$1.00, 4,882 feet of mains ranging in size from 2½ to 3 inches in diameter. A 14-inch well has been drilled to a depth of 200 feet, yielding 500 gallons of water per minute on test. A pump and motor have been installed with a discharge capacity of 300 gallons per minute. Applicant will install immediately 2,175 feet of 3-inch pipe to supply the subdivided and residential area not yet supplied with water. Distribution will be under control of a 5,250-gallon pressure tank.

Mr. George W. Fink, Secretary for Applicant, testified that 38 domestic and two industrial customers have applied for service, and that more customers are anticipated as a result of the increasing failures of the private wells and the large number of new homes being erected in the town.

To finance the acquisition and construction of its water properties, Applicant asks permission to issue, at their par value of \$10.00 per share, 1,000 shares of stock. No brokerage or commission will be paid on such sale. The receipt from the sale of the stock will be used for the following purposes:

Organization.....	\$321.00
Purchase Filippini system.....	1,560.00
Purchase fire district system.....	1.00
Drill well.....	2,788.00
Pump and motor.....	1,741.00
Pressure tank.....	805.00
New mains.....	1,523.00
For working capital and acquisition of additional properties.....	<u>1,261.00</u>
Total.....	\$10,000.00

Mr. Clyde Norris, one of the Commission's engineers, presented a report covering an investigation of the system, in which he estimates the original cost of the operative property acquired and to be installed as \$13,159. The depreciation reserve computed by the 5% sinking fund method was \$1,041, resulting in a present value of \$12,118. The report shows the estimated original cost of the Filippini system to be \$2,210, and its present value as \$1,652. The estimated original cost of the Fire District property is shown as \$2,982, and its present value at \$2,499.

At the hearing Applicant asked to have reasonable rates established for the service rendered in lieu of the rates requested in the application as the evidence indicated that this schedule might result in inequitable charges to some of the customers. Applicant does not desire to have rates established at this time for fire service since the Fire District, practically speaking, has donated its entire water production and distribution facilities to the Company.

Applicant was granted permission on May 27, 1946, by the Board of Supervisors of Stanislaus County to operate and maintain pipe lines in, upon, and across public streets and alleys in the unincorporated area of Crows Landing.

No other public utility operates in Crows Landing and no one appeared at the hearing to protest the granting of a certificate or to the establishment of reasonable rates for the service to be furnished. The authority sought, therefore, will be granted.

The certificate of public convenience and necessity issued 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 having been filed as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission being of the opinion that it is reasonably necessary for Crows Landing Water Company, a corporation, to issue 1,000 shares of its capital stock for the purposes hereinafter stated,

that the expenditures for said purposes are not in whole or in part reasonably chargeable to operating expenses or income, and the Commission now being fully advised in the premises,

The Public Utilities 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 Crows Landing Water Company, a corporation, in and in the vicinity of the townsite of Crows Landing, Stanislaus County, said total area consisting of 160 acres, more or less, being the S.E. 1/4 of Section 22, Township 6 South, Range 8 East, M. D. B. & M., and more particularly delineated upon the map marked Exhibit "E" attached to the application herein and 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 Crows Landing Water Company, a corporation, to construct and operate a public utility water system for the distribution and sale of water within the territory hereinabove described;
2. That Crows Landing Water 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 customers on and after January 1, 1947, which schedule of rates is hereby found to be just and reasonable for the service to be rendered:

Schedule No. 1

GENERAL FLAT RATE SERVICE

Applicability:

Applicable to all domestic, commercial and industrial flat rate water service.

Territory:

In and in the vicinity of the townsite of Crows Landing, Stanislaus County.

Rates:

Per Month

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. For water used in one residence on one lot, including irrigation of lawn and garden thereon not exceeding 1,000 square feet..... 2. For each additional 100 square feet irrigated between April 1 and November 1,..... 3. For each additional residence on the same lot when occupied.. 4. Stores and other businesses,..... 5. Service stations, creameries, and hotels, etc., to be charged at meter rates. | <p>\$2.50</p> <p>.03</p> <p>1.50</p> <p>\$2.50 to \$5.00</p> |
|--|--|

Schedule No. 2

GENERAL METER RATES

Applicability:

Applicable to all domestic, commercial and industrial measured water service.

Territory:

In and in the vicinity of the townsite of Crows Landing, Stanislaus County.

Rates:

Quantity Charges:

First 5,000 Gallons, per 1,000 Gallons.....	\$0.30
Next 15,000 Gallons, per 1,000 Gallons.....	.25
Next 30,000 Gallons, per 1,000 Gallons.....	.20
Over 50,000 Gallons, per 1,000 Gallons.....	.15

Minimum Charges:

	<u>Per Meter</u> <u>Per Month</u>
For 5/8 x 3/4-inch meter.....	\$2.00
For 3/4-inch meter.....	2.50
For 1-inch meter.....	3.50
For 1 1/2-inch meter.....	5.00
For 2-inch meter.....	7.00

The minimum charge will entitle the customer to the quantity of water which that monthly minimum charge will purchase at the quantity rate.

A meter may be installed on any service at the option of either the consumer or the utility.

3. That Crows Landing Water 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 scale upon a sheet 8 1/2 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;
4. That Crows Landing Water 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 600 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;

5. That Crows Landing Water Company may, after the effective date hereof, and on or before June 30, 1947, issue and sell at par, not exceeding 1,000 shares of its capital stock and use the proceeds of the stock for the following purposes:

Organization.....	\$321.00
Purchase Filippini system.....	1,560.00
Purchase fire district system.....	1.00
Drill well.....	2,788.00
Pump and motor.....	1,741.00
Pressure tank.....	805.00
New mains.....	1,523.00
For working capital and acquisition of additional properties.....	<u>1,261.00</u>
Total.....	\$10,000.00

provided that 50 shares of said stock may be delivered to Chastie Filippini as part payment for the property being acquired from her in lieu of a cash payment of \$500.00.

6. Crows Landing Water Company shall file with the Public Utilities Commission of the State of California reports required by the Commission's General Order No. 24-A, which order insofar as applicable, is made a part of this order.

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 23rd day of December, 1946.

Harold Kule
Justin F. Gassen
Frederic Barr
W. H. Powell
R. R. [Signature]
 COMMISSIONERS.