

Decision No. 39864

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PAUL R. WAGNER, for Certificate of
Public Convenience and Necessity.

Application No. 27687

Paul R. Wagner, in propria persona. .

O P I N I O N

Paul R. Wagner asks the Commission for a certificate of public convenience and necessity to operate a public utility water system serving Midway Subdivision and certain adjoining acreage located immediately to the west of the city limits of Banning, in Riverside County. The Commission also is asked to establish a schedule of rates.

Public hearings in this proceeding were held before Examiner MacKall at Banning.

The requested service area includes 52 lots in Midway Subdivision, located on the south side of Highway 99, approximately three miles west of the business center of Banning and adjacent to the extreme westerly city limits thereof, together with a parcel of land containing 31 acres lying between the southerly boundary of Midway Subdivision and the right of way of the Southern Pacific Railroad, being a portion of the NE $\frac{1}{4}$ of Section 12, T-3S., R.1W., S.B.B.&M.

Midway Subdivision was developed and placed on the market by J. Drow Funk who also installed the present water system, completed in 1935. In April, 1946, the operation of the water system was assumed by applicant.

The water supply is obtained from a 12-inch cased well, 330 feet deep. A Peerless turbine pump operated by a 10-horsepower electric motor pumps into

the distribution system consisting of 2,500 feet of 3-inch steel mains. Storage is provided by a 40,000-gallon wood stave tank, 12 feet above ground surface. There are 35 consumers now being served by this system.

A report prepared by R. F. Sutherland, one of the Commission's engineers, estimates the historical cost of the water system to be \$5,640, exclusive of the well and tank sites, the present fair market value of which was set at \$650. The total investment in fixed capital is \$6,290.

Applicant Paul R. Wagner acquired possession of this water system on April 1, 1946, under a contract of purchase from J. Drew Funk for a consideration of \$350. Although that contract provides that title will not pass to Applicant until two years thereafter, he is accorded full control of the properties and empowered to render utility water service at such rates as may be approved by this Commission. Applicant has already made substantial repairs to the system. As this water service has not before been subjected to regulation, it is not necessary that a transfer of the properties be authorized. Accordingly, it appears appropriate that a certificate be granted to Applicant to operate a public utility water system.

Applicant testified that the rates formerly charged by Mr. Funk are insufficient to pay for costs of operation and requested a schedule of flat rates ranging from \$3.00 to \$7.50 per month in summer to one-half the above during the six winter months. Request also was made for installation charges and certain penalty fines to promote prompt payment of bills.

Request for these rates and charges was withdrawn by applicant at the hearing and the Commission was asked to establish a fair and reasonable schedule of rates for both flat and metered service. From the evidence presented, the differential in rates for summer service has proven both inequitable and unsatisfactory. All agreed that a rate uniform throughout the year would be preferable. Certain large parcels of land outside the subdivided area now on flat rate charges should be metered.

No franchise is required by the county authorities and no permit necessary other than the one now held by applicant.

The Commission has considered the request for a certificate of convenience and necessity, and is of the opinion that it should be granted, subject to the following provision 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 above entitled having been filed with the Public Utilities Commission of the State of California, public hearings having been held thereon, the matter having been duly submitted, 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 operation of a public utility water system by Paul R. Wagner, an individual, to supply domestic water to an unincorporated area known as Midway Subdivision, together with a parcel of land containing about 31 acres lying immediately southerly and adjoining said Midway Subdivision, said area adjoining the westerly city limits of the City of Eanning, in Riverside County, and being a portion of the N.E.¼ of Sec. 12 T. 3 S., R. 1 W., S.B.B. & M.

IT IS HEREBY ORDERED as follows:

1. That a certificate of public convenience and necessity be and it is hereby granted to Paul R. Wagner, an individual, to operate a public utility water system for the distribution and sale of water within the territory hereinabove described and under the conditions set forth therein.
2. That Paul R. Wagner, an individual, be and he 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 schedules of rates to be charged for all water service rendered to his customers on and after February 1, 1947, which schedules of rates are hereby found just and reasonable for service to be rendered.

Schedule No. 1

GENERAL METERED SERVICE

Applicability:

Applicable to domestic, industrial and general metered service.

Territory:

In and in the vicinity of Midway Subdivision near the City of Banning, in Riverside County.

Rates

Per Meter

Monthly Quantity Rates:

Per Month

First	600 cubic feet, or less, per 100 cubic feet.....	\$2.00
Next	1,400 cubic feet, per 100 cubic feet .....	.25
Next	3,000 cubic feet, per 100 cubic feet .....	.20
Over	5,000 cubic feet, per 100 cubic feet .....	.15

Monthly Minimum Charges:

For 5/8 x 3/4-inch meter	2.00
For 3/4-inch meter	2.75
For 1-inch meter	3.50
For 2-inch meter	8.00

The Minimum Monthly Charge will entitle the consumer to the quantity of water which that minimum monthly charge will purchase at the Monthly Quantity Rate.

Schedule No. 2

FLAT RATE SERVICE DOMESTIC

Applicability:

Applicable to domestic and irrigation water service rendered on a flat rate basis.

Territory:

In and in vicinity of Midway Subdivision near the City of Banning, in Riverside County.

Rates:

Per Month

For one residence of 5 rooms or less on one lot of 10,000 square feet in area, or less, including irrigation of lawn, garden and shrubs	\$2.50
For each additional room .....	.20

Schedule No. 2 (Cont'd)

FLAT RATE SERVICE DOMESTIC

<u>Rates (Cont'd)</u>	<u>Per Month</u>
For each additional lot having an area of 10,000 square feet or less	\$1.50
For each additional 100 square feet of area irrigated in excess of 10,000 square feet on same lot or adjoining lot .....	.03
For each additional residence on same lot when occupied	1.00
For irrigation of otherwise unimproved lots, \$0.03 per 100 square feet per month, where separate service connections are installed, minimum	1.50
For horses and cattle, per head .....	.25
For separate service connection to stables or enclosures for horses, cattle or other livestock, minimum	2.50

Schedule No. 3

FLAT RATE COMMERCIAL

Applicability:

Applicable to businesses and commercial users on lots not over 10,000 square feet in area.

Territory:

In and in vicinity of Midway Subdivision, Riverside County.

<u>Rates:</u>	<u>Per Month</u>
Bakery	\$2.50
Butcher Shop	2.50
Drug Store	2.50
Laundry	4.00
Cleaning and Pressing	2.50
Grocery	1.50
Hardware Store	1.50
Drygoods Store	1.50
Automobile Dealer	2.50
Car Laundry	5.00
Blacksmith Shop	1.50
Trailer Parks for Office and Utility Building	3.50
For each Trailer Unit additional .....	.50
Restaurant	4.00
Motor Court or Hotel, 1 Unit and Office	1.50
For each additional Unit .....	.75
Beauty & Barber Shop not exceeding two chairs	1.50
For each additional chair .....	.25

Schedule No. 3 (Cont'd)

<u>Rates (Cont'd)</u>	<u>FLAT RATE COMMERCIAL</u>	<u>Per Month</u>
Public Halls		\$1.50
Churches		1.50
Real Estate or Other Business Office, with two plumbing fixtures or less		1.50
For each toilet, sink or lavatory in excess of 2 .....		.25
For non-circulating type cooler		1.00
For re-circulating type water cooler.....		.25
For irrigation of lawns, gardens etc., same additional charges as under Flat Rate Service Domestic Schedule No. 2		

3. That Paul R. Wagner, an individual, 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 his 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 his 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 Paul R. Wagner, an individual, 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 reasonable 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 final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.

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 January, 1947.

Harold Hule

Justus J. Caswell

Irvin H. Powell

R. F. [Signature]

Commissioners.