

Decision No. 41842

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 JOSEPH HARTWELL CHAM HALL and LYDIA L. HALL  
 for a Certificate of Public Convenience and  
 Necessity to operate a water distribution  
 system in the area north of the City of  
 Santa Maria, and an order establishing rates  
 therefore.

**ORIGINAL**

Application No. 29119

Richard M. Clare, for applicants;  
 Jack T. Torbron, interested party;  
 J. F. Moore, interested party.

O P I N I O N

Joseph Hartwell Cham Hall and Lydia L. Hall, husband and wife, doing business as Mayer Tract Water Works, ask that the Commission make its order;

1. Granting applicants a certificate of public convenience and necessity authorizing them to construct, operate, and maintain a water system in the area shown on Exhibit A, filed in the application, and,
2. Authorizing applicant to charge for all water sold, the rates set forth in Exhibit D on file in the application.

A public hearing in this matter was held before Examiner Thompson at Santa Maria on June 3, 1948.

Testimony at the hearing indicated that the original water system serving this area was constructed by the subdivider about 15 years ago to assist in the sales of the lots. No information is available concerning the original water system or the exact date the early installations were made. The original distribution system was very small and during the intervening years the water system was enlarged, but the operators were unaware of the requirements of the Public Utilities Act that a certificate of public convenience and necessity from the Public Utilities Commission of the State of California was required.

The service area requested herein embraces three subdivisions known as Mayer Tract, Bates and Saulsbury Addition, and portions of E. D. Taylor Estate Tract. These subdivisions are located adjacent to the northerly boundary of the city of Santa Maria, and consist of approximately 30 acres. A map showing the proposed service area and water mains is attached to the application as Exhibit A.

Hardy Mayer, an individual, operates a water system serving 26 customers within the confines of the service area requested herein. There is no record in the Commission's files that Mr. Mayer has ever applied for a certificate of public convenience and necessity authorizing him to operate the water system. Although Hardy Mayer was given notice of the hearing, he did not appear to protest the granting of the application herein.

The applicant's present water supply consists of two cased wells, approximately 160 feet deep. Water is delivered by the well pumps into a 10,000-gallon redwood stave tank set on a 20-foot tower. The water pressure in the distribution system is far below reasonable requirements, a condition which should be remedied without delay. The distribution system consists of 3,100 feet of two-inch steel pipe and 2,350 feet of four-inch steel pipe. One hundred twenty services are attached to the mains.

Conflicting testimony was offered by the applicant regarding the historical cost and date of installation of the component parts of the water system. One of the Commission's hydraulic engineers estimates the historical cost to be \$10,822 and the annual depreciation expense to be \$236.13. Following is a summary of his appraisal:

Summary

| <u>Acct. No.</u> | <u>Description</u>     | <u>Estimated<br/>Historical Cost</u> | <u>Depreciation<br/>5%</u> |
|------------------|------------------------|--------------------------------------|----------------------------|
| C-1-4            | Intangible Capital     | \$ 300.00                            | \$                         |
| C-5              | Landed Capital         | 150.00                               |                            |
| C-6              | Buildings              | 115.50                               | 3.50                       |
| C-10             | Wells                  | 1,375.00                             | 28.81                      |
| C-14             | Pumping Equipment      | 2,090.00                             | 63.21                      |
| C-18             | Distribution Mains     | 4,460.50                             | 78.21                      |
| C-19             | Distribution Reservoir | 1,100.00                             | 16.56                      |
| C-21             | Services               | 1,056.00                             | 31.93                      |
| C-24             | General Equipment      | 175.00                               | 13.91                      |
|                  |                        | <u>\$10,822.00</u>                   | <u>\$235.13</u>            |

Applicant testified that he did not know who designed the rate schedule in effect when he purchased the water system, but that it was not being applied in all cases. He proposed a rather complicated schedule of flat rate charges and a meter rate schedule. No protest was offered to the proposed rates for residences, but considerable opposition developed over the proposed flat rate schedule for motels, barber shops and other types of business establishments, and also of some parts of the meter schedule. There is merit in the objection of the protestants, and the Commission will modify the proposed rate schedules and authorize the flat rate and meter rate schedules set forth in the Order herein.

The applicant testified that the operating revenues now amount to \$340 per month. He had no knowledge of the operating revenues or expenses of his predecessor. He has kept no books on his own operation of the water system.

All water mains are constructed in casements provided for that purpose, or in undedicated streets and alleys. Upon this record there appears no need at the present time for a franchise from Santa Barbara County. The applicant expressed a willingness to obtain a franchise should such a necessity arise in the future.

The Commission has considered the request for a certificate of public 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, a public hearing having been held thereon, the matter having been submitted, the Commission being fully advised in the premises, and hereby finding that public convenience and necessity so require,

#### IT IS ORDERED:

1. That a certificate of public convenience and necessity be and it hereby is granted to Joseph Hartwell Cham Hall and Lydia L. Hall to operate a public utility water system for the distribution and sale of water within the area known as the Mayer Tract, Bates and Saulsbury Addition, and portions of E. D. Taylor Estate Tract, which are located near the northerly boundary of the city of Santa Maria, Santa Barbara County, and consisting of approximately thirty (30) acres, said area also being the same as that shown in applicant's Exhibit A attached to the application, which exhibit is made a part of this Order by reference.
2. That Joseph Hartwell Cham Hall and Lydia L. Hall be and they are 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 their consumers on and after August 1, 1948, which scheduled rates are hereby found just and reasonable for service to be rendered:

#### Schedule No. 1

#### MONTHLY FLAT RATES

#### APPLICABILITY

Applicable to all unmeasured use of water.

Schedule No. 1

MONTHLY FLAT RATES (cont'd.)

TERRITORY

Within the service area in Santa Barbara County.

RATES

Per Month

Domestic:

|   |         |
|---|---------|
| For service not larger than 3/4" diameter,<br>per single family unit on single lot, in-<br>cluding lawn and garden irrigation of<br>2,000 square feet or less ..... | \$ 2.00 |
| For each additional family unit on a lot.....   | 1.00    |

Commercial:

|  |      |
|--|------|
| Auto Courts and Motels:                |      |
| Operator's dwelling.....               | 2.00 |
| Each rental unit.....                  | .75  |
| Service Stations.....                  | 3.00 |
| Stores and Shops.....                  | 2.50 |
| Restaurants or Cafes.....              | 4.00 |
| Barber Shops, Not Over Two Chairs..... | 2.00 |
| For each additional chair.....         | .50  |

Special Provision

An area not larger than 2,000 square feet may be irrigated or sprinkled without extra charge. For irrigated or sprinkled areas larger than 2,000 square feet an extra charge of two cents per 100 square feet will be assessed.

Schedule No. 2

METER RATES

APPLICABILITY

Applicable to domestic, commercial and industrial measured use of water.

TERRITORY

Within the service area in Santa Barbara County.

RATES

|                               |                                      |
|-------------------------------|--------------------------------------|
| Monthly Minimum Charges:      | <u>Per Meter</u><br><u>Per Month</u> |
| For 5/8 x 3/4-inch meter..... | \$ 2.00                              |
| For 1-inch meter.....         | 3.50                                 |
| For 1-1/2-inch meter.....     | 5.00                                 |
| For 2-inch meter.....         | 8.00                                 |

Schedule No. 2

METER RATES (cont'd.)

RATES (cont'd.)

Per Meter  
Per Month

Monthly Quantity Rates:

|          |   |         |
|----------|---|---------|
| First    | 600 cubic feet, or less.....            | \$ 2.00 |
| Next     | 2,400 cubic feet, per 100 cubic feet... | .25     |
| All over | 3,000 cubic feet, per 100 cubic feet... | .20     |

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

SPECIAL CONDITION

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

3. That within one hundred and twenty (120) days from the effective date of this Order, applicants shall make the necessary improvements to the end that water at not less than twenty (20) pounds per square inch average working pressure be maintained throughout the distribution system.
4. That Joseph Hartwell Cham Hall and Lydia L. Hall within sixty (60) days from the effective date of this Order, shall file with this Commission four sets of rules and regulations governing relations with their consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale upon a sheet 8½ x 11 inches in size, delineating thereupon in distinctive marking the boundaries of their present service area, and the location thereof with reference to the immediate surrounding territory; provided, however, that such filing shall not be construed as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.
5. That Joseph Hartwell Cham Hall and Lydia L. Hall, within sixty (60) days from the effective 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 to be 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 filing shall not be

construed 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 July, 1948.

Justus F. Gaumer

Grant Fairclough

Harold K. Kula

Commissioners.