

Decision No. 42620

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Peninsula Service Corporation for
Certificate of Public Convenience
and Necessity, and for Authority
to Issue Stocks.

Application No. 29037

DiMaria & DiMaria, by Philip A. DiMaria,
for applicant; Wm. D. Hoppe, for Whisman
Neighbors Club; Emmett R. Burns, for
protestants.

O P I N I O N

In this proceeding, as amended, Peninsula Service Corporation, a corporation, asks the Commission to grant it a certificate of public convenience and necessity to construct and operate a public utility water system, within a partially subdivided territory, located two miles north of the city of Mountain View, and five miles southeasterly from the city of Palo Alto, Santa Clara County. The Commission also is asked to authorize applicant to issue 5,000 shares of its common stock without par value for sale to the public.

Public hearings in this proceeding were held in Palo Alto and Mountain View before Examiner Stava.

An amendment to the application was filed at the first hearing, asking the Commission to establish meter rates for the water delivered. The proposed schedule provides for a monthly minimum charge of \$2 with an allowance of 600 cubic feet. The charges for excess use are reduced through three blocks to 12 cents per 100 cubic feet for quantities over 32,000 cubic feet.

The territory for which a certificate is requested has an area of 925 acres, of which 557 acres have been subdivided into one-

acre lots, and the remainder being still in acreage. The subdivided portion consists of nine tracts, the first having been placed on the market in 1923. There are 390 lots occupied and 167 vacant. Water presently is supplied to the residents in this section from individually-owned drilled wells by means of electrically or windmill operated pumps, and by hand pumps. There are 487 operating wells in the area varying from six to ten inches in diameter and from 45 to 300 feet in depth. Storage is provided by small tanks located either on the ground or elevated, and water is supplied on the premises by pressure tanks or by gravity. The residential buildings consist of 450 residences, 15 garages, and 22 tents and temporary sheds or shelters. There are 34 business enterprises in the community. The territory is traversed by the Bayshore Highway and by the Middlefield Road, which intersect near the east boundary of the proposed service area.

Applicant proposes to finance itself through the sale of stock, or it may borrow the funds necessary to construct the proposed system. Directors of applicant corporation will invest \$10,000 in the project.

The Board of Supervisors of Santa Clara County on December 9, 1947, duly granted applicant permission to construct and operate water pipe lines in, along and under county roads in the territory covered by the requested certificate.

Owing to the rapid growth of this section of the county and to assist in its development and expansion, applicant desires to install and operate a public utility water system to serve present and future residents therein. The construction program is planned to cover a five-year period and the system is designed to serve 250 acres of the most thickly settled portion at an estimated cost of

\$49,823. However, applicant's initial expenditure is estimated at \$17,040 and will cover the cost of a system designed to serve the business district and immediate vicinity, as this area is close to the well to be acquired.

The well proposed to be used is ten inches in diameter and 210 feet deep. The water will be discharged into a 20,000-gallon ground storage tank and thence distributed with the aid of a pressure tank through 25,275 feet of mains varying from six to two inches in diameter.

Edward L. Rada, a director, testified that the average individually-installed well and pumping plant costs \$500, and the average monthly cost of operating is \$7.14, whereas the monthly charges for water from applicant's system would average \$3, thereby resulting in a saving in the cost of water delivered, and in future individual plant investment. This witness stated that a large number of the wells supplying residents in the area are shallow and produce a hard quality of water with a disagreeable taste, and subject to possible contamination from septic tanks. He felt that a domestic water utility supplying a soft and safe water would increase the value of the property, stimulate the subdivision of acreage property, bring about a resubdivision of present holdings, and generally promote the development of the territory served.

Mr. Rada stated that he had received 25 requests for water service. The residents testifying for applicant stated that they have shallow wells, which produce water unsatisfactory for household use, and insufficient in quantity for irrigation purposes. Some of these residents have water softeners, and others buy water for drinking and cooking use, and they desire a better quality and a greater quantity of water. It appeared that certain residents can not afford the cost of drilling wells, and are compelled to carry water from neighbors having a surplus available.

The application was vigorously opposed by many residents in the territory. After the matter was submitted at the first hearing, these residents requested the Commission to set aside the submission and to reopen the matter for the taking of further evidence. This request was granted. The objections to the application were made largely on the grounds that a deep well in the area supplying a large number of customers would lower the water table to such an extent that it would result in drying up all existing wells. Protestants contended that public convenience does not require the construction and operation of a public utility water system, as 99% of the residents have an adequate supply and are opposed to the granting of a certificate, and that the utility operations would reduce property values by draining existing wells.

Counsel for protestants stated he represented 306 residents and claimed that 99% thereof were opposed to the granting of a certificate to applicant. These residents testified that they have their own wells and pumping plants, and that although the water in some of the wells is not entirely the best, they are now satisfied with it, and will so continue until such time as a Utility District can be formed, and an outside source of water of good quality can be obtained for the territory. They expect to obtain water from the San Francisco Water Department's Hetch Hetchy transmission line, which is scheduled to be installed through this section in 1950.

The principal protest was made on the ground that the use of a deep well withdrawing large quantities of water will drain the underground supply. Reference was made to instances in the general vicinity where shallow wells were dried up by pumping from deep wells.

Two well drillers testified in behalf of protestants regarding the effect of deep wells on adjoining shallow wells. Several instances were cited outside of this particular territory where pumping from deep wells had affected adversely the adjacent wells. Neither witness would state definitely that this necessarily would

occur in this section. These witnesses stated that the only certain way to determine the effect of a deep well upon adjoining wells was through actual deep well pumping operation over a continuous pumping period.

The protestants claimed that their properties have a total value of over \$1,500,000 of which approximately \$300,000 has been invested in wells, pumping plants, tanks, and pipe lines; and they considered that the water supply situation has been solved for the present; and that public convenience and necessity did not require the proposed utility service.

It is clear from the record that sufficient evidence has not been presented to warrant at this time the granting of a certificate to applicant. Under the circumstances the application will be denied. Apparently applicant has expended considerable funds and its directors have given valuable time in making the necessary investigations and reports on their project. The opposition of the residents within the proposed service area may be overcome in the near future by changed local conditions, for there appears little doubt but that existing sewage problems will soon force other sources of water supply to be provided for this entire territory.

O R D E R

Application as entitled above, and as amended, 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,

IT IS HEREBY ORDERED that the above-entitled application
be and it is hereby denied.

The effective date of the Order shall be twenty (20) days
from and after the date hereof.

Dated at San Francisco, California, this 3rd day
of September, 1948.

R. F. Zimmerman
Justice F. G. Grier
Benjamin Pott

Commissioners

STATE OF CALIFORNIA
DEPARTMENT OF CORRECTIONS
PRISON INDUSTRY AUTHORITY

**Certificate of Individual Microfilm or
Other Photographic Reproduction**

Section 14756, Government Code

I, the undersigned, hereby certify to the following in connection with the accompanying microfilm (photographic reproduction):

That I, Thomas Coupe', Industrial Supervisor, P.I.A. Micrographics or B-80311 an employee in the charge of Mr. Coupe', have been provided with access to the records, documents, instruments, plans, books or papers (hereinafter referred to as "records") of C.P.U.C. at Vacaville, California for the purpose of microfilming; that such access was provided with the consent of said person or entity; that such records are reproduced in the accompanying microfilm; and that each Department of Corrections P.I.A. of the State of California reproduction includes the following identifying symbol, roll number Vol # 447.

That pursuant to delegation of the Department of Corrections P.I.A., I am authorized to direct and control the reproduction of documents and records of the Department or of other persons and entities in the manner authorized by Section 14756 of the Government Code, and Section 1551 of the Evidence Code; to execute certificates as required by Section 1531 and 1551 of the Evidence Code; and to certify under the official seal of the Department.

That this microfilm of the above described records was taken under my direction and control on the date hereof and that it is a complete, true and correct copy thereof;

That the microfilming or other photographic processes were accomplished in a manner and on film which meet with the standard specification of the United States National Bureau of Standards and A.N.S.I.

That this certificate was made at the time of the taking of this microfilm.

WITNESS my hand and the seal of the Department of Corrections Prison Industry Authority

26, day of Sept, 19 85

Thomas R. Coupe'
(name)

california



prison
industry
authority

STATE OF CALIFORNIA
DEPARTMENT OF CORRECTIONS
PRISON INDUSTRY AUTHORITY

**Certificate of Individual Microfilm or
Other Photographic Reproduction**

Section 14756, Government Code

I, the undersigned, hereby certify to the following in connection with the accompanying microfilm (photographic reproduction):

That I, Thomas Coupe', Industrial Supervisor, P.I.A. Micrographics or B-80311 an employee in the charge of Mr. Coupe', have been provided with access to the records, documents, instruments, plans, books or papers (hereinafter referred to as "records") of C.P.U.C. at Vacaville, California for the purpose of microfilming; that such access was provided with the consent of said person or entity; that such records are reproduced in the accompanying microfilm; and that each Department of Corrections P.I.A. of the State of California reproduction includes the following identifying symbol, roll number Vol # 447.

That pursuant to delegation of the Department of Corrections P.I.A., I am authorized to direct and control the reproduction of documents and records of the Department or of other persons and entities in the manner authorized by Section 14756 of the Government Code, and Section 1551 of the Evidence Code; to execute certificates as required by Section 1531 and 1551 of the Evidence Code; and to certify under the official seal of the Department.

That this microfilm of the above described records was taken under my direction and control on the date hereof and that it is a complete, true and correct copy thereof;

That the microfilming or other photographic processes were accomplished in a manner and on film which meet with the standard specification of the United States National Bureau of Standards and A.N.S.I.

That this certificate was made at the time of the taking of this microfilm.

WITNESS my hand and the seal of the Department of Corrections Prison Industry Authority

26, day of Sept, 19 85

Thomas R. Coupe'
(name)

california



prison
industry
authority