

Decision No. 42578

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of  
BERNARD JACOBS for a Certificate of  
Public Convenience and Necessity to  
operate a water distribution system  
in the area of Section 19 Descanso  
Townsite and Parts of Lot "L" Rancho  
Cuyamaca, San Diego County, and an  
Order establishing rates and by-laws  
therefor.

Application No. 29702

Bernard Jacobs, in propria persona;  
Donald A. Stewart, for Dr. Winfield  
Harkley and other consumers;  
Allen Klauber of Klauber & Wengenheim  
Company;  
R. C. Roberts of San Diego County  
Health Department; and  
I. L. Palmer of Hubbard Grove Estate.

### OPINION

Bernard Jacobs, owner, doing business as Descanso Park Water Company, asks the Commission for a certificate of public convenience and necessity to operate a water system serving a parcel of land in Descanso, an unincorporated community in San Diego County. The Commission also is asked to establish a schedule of flat and meter rates.

A public hearing in this matter was held before Examiner Warner on February 17, 1949 in San Diego.

Applicant owns a water system established in 1926 which he inherited from his father, Peter Jacobs. The system furnishes water for domestic purposes in a service area comprising 206 lots and several small parcels of land in Units Nos. 1, 2 and 3 of Descanso Park Subdivision in San Diego County about 34 miles east of the city of San Diego. The area is more particularly shown in the map marked Exhibit "A" filed with the application, and it comprises approximately 125 acres.

There are 65 consumers now being served, approximately 75% of whom are year-round residents; the subdivision being in a recreational area. No significant extension of the system is anticipated.

Source of Water Supply

Water is obtained from a well eight feet in diameter and 12 feet deep located on property belonging to Lawrence Oliver of San Diego who, applicant testified, has granted applicant a perpetual right and easement to install and maintain a well, and the necessary pipes and equipment in connection therewith for the purpose of pumping water, and the right to pump water from said well. The well is said to be capable of producing 5,000 gallons of water per hour. Applicant also testified that two other water supplies are available in the vicinity but are not yet developed.

Water from the well is conveyed to a small pump house and pumped to two storage tanks located on a nearby hill. Storage facilities consist of a 12,000-gallon, welded-steel, metal-covered tank, and a 6,000-gallon cement and field-stone lined reservoir. The pumping plant consists of a reciprocating pump connected to a 1-horsepower electric motor and a centrifugal pump with a 1½-horsepower electric motor. The two pumps have a capacity of 2,400 gallons per hour. Filling of the storage tanks is automatically controlled.

Distribution mains consist of galvanized iron, standard screw pipe, ranging from four inch to one inch, totaling 19,715 feet. These mains are installed in easements held by applicant.

No franchise is required from San Diego County at this time but applicant indicated that he was willing to apply for such franchise in the future if necessary.

From the evidence it appears that the water supply and distribution system installed and to be installed by applicant are adequate to render service to the proposed area.

Two other water distributors serve water in this area, but neither is certificated as a public utility, and, although each made an appearance in this proceeding, neither filed an objection.

### Rates

Estimated earnings for 1948, based on present and proposed rates, were testified to by a witness of the Commission's staff. The summary of estimated earnings for 1948 is as follows:

	<u>Estimated Year 1948</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Operating Revenue	\$1,432	\$ 1,906
Operating Expense (Estimated)	1,843	1,843
Net Profit	(411)	63
Rate Base	-	28,401
Estimated Rate of Return	(Loss)	0.22%

There appears to be no prospect of any substantial change either in the estimated yield of the rates proposed or in the costs of operation for the remainder of the present year. The results of operation for 1949, therefore, should closely approximate those for 1948. Based upon the evidence of record, the schedules of rates as set forth in this order as Exhibit "A" are found to be fair and reasonable under existing circumstances and conditions and the increased charges are found to be justified.

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.

The action herein shall not be construed to be a finding of the value of the property of Descanso Park Water Company.

### O R D E R

The above-entitled application having been considered, a public hearing having been held, and the matter having been submitted for decision,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity will require the construction and operation of a public utility water system by Bernard Jacobs, doing business as Descanso Park Water Company, in San Diego County.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to Bernard Jacobs, doing business as Descanso Park Water Company, to construct and operate a public utility system for the distribution and sale of water within the territory hereinbefore described, subject to the following conditions:

1. Bernard Jacobs, doing business as Descanso Park Water Company, shall file with this Commission, in accordance with the requirements of General Order No. 96, the schedule of rates set forth in Exhibit A attached to this order, to be effective on or before May 1, 1949.
2. Bernard Jacobs, doing business as Descanso Park Water Company, within thirty (30) days after the effective date of this order, shall file with this Commission four copies of a suitable map, drawn to an indicated scale upon a sheet 8½ x 11 inches in size, delineating thereupon by distinctive markings the boundaries of the 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.
3. Bernard Jacobs, doing business as Descanso Park Water Company, within thirty (30) days after 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 a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.

Schedule No. 1

FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

Throughout the entire service area, which includes approximately 206 lots and several small parcels of land in Units Nos. 1, 2 and 3 of Descanso Park Subdivision in San Diego County.

RATES

	Per Service Per Month
R. 1 - Residence without septic tank. . . . .	\$ 2.00
R. 2 - Residence with septic tank and no outside sprinkling. . . . .	2.50
R. 3 - Residence without septic tank and with outside sprinkling. . . . .	3.00
R. 4 - Residence with septic tank and with outside sprinkling. . . . .	3.50
Animal water troughs:	
1 to 5 head. . . . .	1.75
Each additional 5 head or fraction . . . . .	.50
School - Summer emergency service . . . . .	5.00

SPECIAL CONDITIONS

Meters may be installed at option of utility or customer for above classifications in which event service will thereafter be rendered only on the basis of Schedule No. 2, Metered Service.

Schedule No. 2

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Throughout the entire service area, which includes approximately 206 lots and several small parcels of land in Units Nos. 1, 2 and 3 of Descanso Park Subdivision in San Diego County.

RATES

		Per Meter Per Month
Monthly Minimum Charge:		
For 5/8 x 3/4-inch meter. . . . .		\$ 2.00
For 1-inch meter. . . . .		3.00
For 1 1/2-inch meter. . . . .		4.00
For 2-inch meter. . . . .		5.00
Monthly Quantity Rates:		
First 200 cubic feet, or less . . . . .		2.00
All over 200 cubic feet, per 100 cubic feet . . .		.20

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

4. The authorization herein granted shall lapse if not exercised within one (1) year from the date hereof.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 5<sup>th</sup> day of April, 1949.

R. J. [Signature]  
Justice J. [Signature]  
[Signature]  
[Signature]  
Commissioners.