

ORIGINAL

Decision No. 43690

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of
Emway Mutual Water Co. (Barron Park
Water Co.) for a certificate of
public convenience and necessity to
operate a water system in Barron
Park, located south of the City of
Palo Alto.

Application No. 30448

Klaas Bol, for applicant; H. L. May and
W. D. Schraub, for the City of Palo Alto.

O P I N I O N

Emway Mutual Water Company, a corporation, asks the Commission to grant it a certificate of public convenience and necessity to operate a public utility water system for the sale and distribution of water for residential and commercial purposes in that subdivided area known as Barron Park located south of the City of Palo Alto, Santa Clara County, and west of Highway 101 (El Camino Real). The Commission is asked also to establish metered rates for water service in this territory.

A public hearing in this matter was held before Examiner Kimball at Palo Alto on November 16, 1949. Since the Commission staff's report was not completed on that date, the hearing was adjourned with the understanding that the matter would be taken under submission five days after the distribution of such report to the appearances, unless a request for further hearing was received within that time. The report was distributed on November 25, 1949. No request for further hearing was received, and the matter was taken under submission on December 1, 1949.

Emway Mutual Water Company, a California corporation, was organized in 1928, for the purpose of supplying water to its stockholders, at cost, for domestic and irrigation purposes. As the territory became more developed as a residential area, the company furnished water to nonstockholder customers on a surplus basis. By the year 1940, the company served about 70 customers, of whom only five were stockholders. Also, by 1940 there were no longer any large sections of land under cultivation and in January of that year the company discontinued the furnishing of water for irrigation.

In 1942, all of the stock of the company was acquired by the Bol family. Since the company is now mutual in name only, the owners plan to change the name of the corporation to Barron Park Water Company.

The area for which a certificate is requested is delineated on the map submitted in evidence as Exhibit 1 and consists of approximately 175 acres of land, the major portion of which has been subdivided.

The main source of water supply for this system consists of two wells located within the tract. In addition, there is a third well which provides a standby source of supply. Well No. 1 produces about 350 gallons per minute and Well No. 2, about 250 gallons per minute. At Well No. 1 there is a 10,000-gallon steel storage tank and a 3,000-gallon steel pressure tank. At Well No. 2 there is a 5,000-gallon redwood storage tank. Both wells are equipped with electrically driven deep-well turbine pumps, which discharge into the storage tanks from which the water is delivered into the pressure tank and the system by means of booster pumps. The distribution system consists of approximately 30,000 feet of mains varying in size from two to six inches in diameter. There were 235 customers being supplied with water at metered rates, as of October 31, 1949.

The company is presently installing a new 50,000-gallon storage tank, an additional 10-hp booster pump, and some 3,800 feet of additional six-inch mains.

The witness for applicant testified that the company is presently charging a monthly minimum of \$2 for the first 700 cubic feet, for installations having $5/8 \times 3/4$ -inch meters, and that the rate for usage over the minimum is 15 cents per hundred cubic feet. There is also one two-inch meter for which a minimum charge of \$5 for 1,700 cubic feet is being applied. At the hearing, applicant requested that minimum charges of \$3 for 1,000 cubic feet, with a one-inch meter, and \$4 for 1,400 cubic feet, with a $1\frac{1}{2}$ -inch meter, be authorized. The proposed quantities of water, in connection with meter sizes larger than $5/8 \times 3/4$ inch, are less than could be purchased at the requested quantity rates. Therefore, the proposed minimum charges will be authorized, together with a consistent charge for a $3/4$ -inch meter, and the quantities of water for each size meter will be increased to the quantity that the minimum charge will purchase at the quantity rates.

The witness for applicant testified that the book capital, as of November 1, 1949, was approximately \$39,400. This figure does not include some \$3,000 which is the estimated cost of the new storage tank and booster pump. However, no estimates were presented by applicant as to results of operation for the years 1949 or 1950.

An engineer of the Commission staff, Clyde F. Norris, submitted a report covering an investigation of the system and its operations, which was introduced in evidence as Exhibit 3. The report sets forth an estimate of the depreciated historical cost of the property of \$29,300 which consists of the book capital figure as of October, 1949, of \$39,100 less the book figure for accrued depreciation of \$9,800, computed by the straight line method. An allowance of \$1,500 for working cash and materials and supplies is also set forth.

The report shows an estimated net revenue for 1949 of \$200, and for the immediate future of \$1,600. The revenues for the immediate future are estimated on the basis of an increase of 50 customers. In view of the foregoing, it appears that the minimum charges and the quantity rate requested by applicant are not unreasonable and they will be authorized.

At the present time, some of the company mains are on the same streets as those of the Water Department of the City of Palo Alto. In no case do the competing mains exceed two inches in diameter. At the hearing, the representatives of the City of Palo Alto examined the map entered as Exhibit 1, which delineated the area for which a certificate is requested, and made no objection to the granting of the certificate.

The certificate of public convenience and necessity issued herein is 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

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

IT IS HEREBY FOUND AS A FACT that public convenience and necessity will require the operation of a public utility water system by Emway Mutual Water Company, under the new corporate name of Barron Park Water Company, in a subdivided tract known as Barron Park, Santa Clara County, in the area more particularly delineated by outline in red upon the map marked Exhibit 1 in this proceeding; therefore,

Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

Within Barron Park Subdivision, Santa Clara County, as delineated on the map included in the Tariff Schedules as Map No. 1.

RATESQuantity Rates:

Per Meter
Per Month

First 700 cu. ft., per 100 cubic feet	\$ 2.00
Over 700 cu. ft., per 100 cubic feet15

Minimum Charge:

For 5/8 x 3/4-inch meter	2.00
For 3/4-inch meter	2.50
For 1-inch meter	3.00
For 1 1/2-inch meter	4.00
For 2-inch meter	5.00

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

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to Emway Mutual Water Company to operate a public utility water system under the new corporate name of Barron Park Water Company for the distribution and sale of water within the territory hereinbefore described.

IT IS HEREBY FURTHER ORDERED that applicant shall:

1. File rates set forth in Exhibit A, attached to this order, to be effective on and after March 1, 1950, together with rules and regulations and tariff service map acceptable to this Commission and in accordance with the requirements of General Order No. 96.
2. Within forty (40) days after the effective date of this order, file four copies of a comprehensive map drawn to an indicated scale of not less than 400 feet to the inch, delineating by appropriate markings the various tracts of land and territory served and the location of the various properties of applicant.

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

Dated at San Francisco, California, this 17th day of January, 1950.

R. Z. Indurana
Justice J. C. Cramer
W. H. D. Russell
Harold A. Hule
Respectfully Submitted
Commissioners.