

Decision No. 43912**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 SAN JOSE WATER WORKS, a corporation,
 for (1) a certificate that public
 convenience and necessity require the
 undertaking of service by San Jose
 Water Works in an unincorporated area
 in Santa Clara County known as
 Bethlehem, and (2) for an order
 approving a rate schedule.

Application No. 30931

McCutchen, Thomas, Matthew, Griffiths & Greene,
 by Robert M. Brown, for applicant; W. H. Davis,
 for Agnew Water Works.

O P I N I O N

San Jose Water Works, a corporation, engaged in the business of supplying water to domestic, commercial, and industrial consumers in San Jose and adjacent territory in Santa Clara County, by the instant application as amended, requests a certificate of public convenience and necessity to construct and operate a public utility water system in the "proposed Bethlehem Service Area,"^{1/} Santa Clara County. The Commission is also asked to approve a schedule of rates for the service rendered. A map of the proposed water system is attached to the application and marked "Exhibit 1." A public hearing was held before Examiner Silverhart on February 23, 1950, at Agnew, California.

^{1/} The "proposed Bethlehem Service Area" is located in unincorporated territory in Santa Clara County in the vicinity of Agnew, is approximately six miles from present territory served by applicant, and is bounded by the southerly line of Third Street, the westerly line of Bassett Street, the northerly line of First Street, and the Westerly line of the lots fronting on the westerly line of Fillmore Street, and will hereafter be referred to as "service area."

Applicant possesses an option to purchase a well site located within the service area and proposes to sink a 12-inch well, 500 feet deep, with a surface pressure pump to which will be connected 2,500 feet of two-inch, 2,200 feet of four-inch, and 500 feet of six-inch mains. The well will produce water at the rate of 150 gallons per minute. The system will initially serve 61 consumers and is capable of supplying 200 or more users. Of the 63 consumers in the area, 61 requested applicant to serve water to them, the other two being supplied by their own wells.

Applicant requests the establishment of the following rates:

	<u>Per Meter</u> <u>Per Month</u>
<u>QUANTITY CHARGES:</u>	
For the first 300 cubic feet, or less	\$2.75
From 300 to 1,800 cubic feet; per 100 cubic feet ..	.58
Over 1,800 cubic feet, per 100 cubic feet ..	.40
<u>MINIMUM CHARGES:</u>	
5/8-inch meter	2.75
3/4-inch meter	4.50
1-inch meter	6.25

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

FIRE HYDRANTS:

Hydrants owned by company, per month 3.25

Applicant's treasurer stated the estimated costs of the system to be \$26,210. This witness estimated the average use per consumer per month at 900 cubic feet. Based upon the rates as proposed, an average monthly bill of \$6.22 is indicated. The testimony disclosed that the total estimated cost of \$26,210 would be borne by applicant, and that the scheduled rates are designed to produce some return on the capital investment. Applicant will review the situation from time to time in order to effect a rate reduction, if possible, as development

progresses, and will also file a special annual report covering the operations of this system.

Several residents of the proposed area testified that no public or municipal water utility served the area; that the present water supply, consisting of surface wells, was wholly inadequate and rapidly dwindling; that an ample water supply was an absolute necessity to the economic life of the area; that a newly installed sewer system has increased the need for water; that construction of new homes, with an attendant increase in population, will follow the inauguration of sufficient water service by applicant, and that the 61 consumers in the area were informed of and consented to the rates hereinabove set forth.

A representative of the Agnew Water Works, which serves an adjoining territory, stated that his company would not protest the granting of the application. No objection to the granting of the certificate or to the rate level was entered in the record.

After reviewing the evidence of record in this proceeding, the Commission hereby finds that public convenience and necessity require the construction and operation of a public utility water system by San Jose Water Works in the "proposed Bethlehem Service Area," Santa Clara County.

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 the 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, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted San Jose Water Works to construct and operate a public utility system for the distribution and sale of water in that area located in unincorporated territory in Santa Clara County, California, in the vicinity of Agnew, described as being bounded by the southerly line of Third Street, the westerly line of Bassett Street, the northerly line of First Street, and the westerly line of the lots fronting in the westerly line of Fillmore Street, as set forth on a map marked "Exhibit 1" in this application.

IT IS HEREBY FURTHER ORDERED that applicant shall:

1. File the rates set forth in Exhibit A attached to this order, to be effective on or before the date service is rendered to the public, together with rules and regulations and tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96.
2. Notify this Commission in writing of the completion of the system for which this certificate is granted within thirty (30) days thereafter.
3. File within forty (40) days after the system is placed in operation four copies of a comprehensive map, drawn to an indicated scale of approximately 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.
4. File a special annual report covering the operations of this water system.

The authorization herein granted will be void 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 7th day of March, 1950.

R. J. [Signature]
Justice B. [Signature]
Leah [Signature]

Commissioners.

Commissioner Harold R. Huls, being necessarily absent, did not participate in the disposition of this proceeding.

Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all water service furnished on a measured basis.

TERRITORY

In the Bethlehem Service Area, located in the vicinity of the town Agnew, Santa Clara County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Charges:	
For the first 300 cubic feet or less.....	\$2.75
From 300 to 1,800 cubic feet, per 100 cubic feet...	.58
Over 1,800 cubic feet, per 100 cubic feet...	.40
Minimum Charge:	
For 5/8-inch meter.....	2.75
For 3/4-inch meter.....	4.50
For 1-inch meter.....	6.25

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

Schedule No. 2

FIRE HYDRANT RATE

APPLICABILITY

Applicable to all water service furnished for fire hydrant purposes.

TERRITORY

In the Bethlehem Service Area, located in the vicinity of the town of Agnew, Santa Clara County.

RATES

Per Month

For hydrants owned by company, per hydrant..... \$3.25