

Decision No. 43984

CONFIDENTIAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

VICTOR S. VELISSARATOS

For Certificate of Public Convenience
and Necessity, and for Consent and
Approval of Extension of Present
Existing Utility

Application No. 30574

Renzo Turco, for applicant; Scott and Scott by Russell Scott, for Adcock Water Company, protestant; Noland and Lawson by Harry L. Noland, for Jenny and Billie Williams, protestants.

O P I N I O N

In this proceeding, Victor S. Velissaratos asks the Commission for a certificate of public convenience and necessity to operate a water system for domestic and other uses in Burke Subdivision, located in the community of Alisal, East Salinas, Monterey County, California. The Commission also is asked to establish a schedule of meter rates for water service.

A public hearing in this matter was held at Salinas before Examiner Kimball on February 2, 1950.

The area presently served by applicant embraces approximately 15 acres subdivided into 60 lots, being a portion of Locke-Paddon Addition to Salinas. It is adjoined on three sides by the service area of the Adcock Water Company and was specifically excluded from that company's service area by order of this Commission in its Decision No. 29702, dated April 26, 1937. Applicant requests certification of additional territory lying to the east, northwest,

and southwest as shown on the map entered as Exhibit 1 in this proceeding as areas A-1 to A-5, inclusive. The territory included in area A-1 comprises the Jenny and Isabel Williams Ranch consisting of approximately 508 acres. The remaining four parcels of land embracing about 22 acres, lie within the certificated area of Adcock Water Company.

The area presently served by applicant has been provided with water service for several years last past. The following monthly flat rates are now being charged by applicant: For residence, including irrigation of lawn, \$2, and for additional residences from the same service, \$1.50.

The applicant recently commenced the installation of meters, and asks the Commission to establish a schedule of meter rates, the same as now effective on the adjoining Adcock System.

The water supply is obtained from two drilled wells, one of which is 7 inches in diameter and approximately 173 feet deep and the other is 10 inches in diameter and about 150 feet deep. Both wells are equipped with pumps and electric motors, each producing approximately 55 gallons of water per minute. The distribution facilities on this water system consist of a 1,000-gallon pressure tank and approximately 3,600 feet of mains ranging in size from 1 inch to 2 inches. The system serves some 90 customers at the present time.

An engineer of the Commission staff submitted a report covering an investigation of the system and its operations which was introduced in evidence as Exhibit 3. This report shows that applicant recently has drilled a new well and installed a new pump and motor. The original well has been cleaned, a new casing installed therein and extensive repairs have been made to the pumping plant. Automatic switches have been provided to insure a more constant supply of water to the customers.

The engineer's report sets forth an estimate of the fixed capital in service as of December 31, 1949, in the amount of \$16,375 together with an allowance of \$340 for working cash and materials and supplies resulting in a rate base of \$16,715. The gross operating revenues for the immediate future under the meter rates requested in the application were estimated to be \$2,000. The estimated operating expenses, including depreciation expense computed on a 5% sinking fund basis, amounted to \$1,865, resulting in a net revenue of \$135. In view of the foregoing, it appears that the rates requested by applicant are not unreasonable.

Harry L. Noland, on behalf of the owners of the Jenny and Isabel Williams Ranch, protested the inclusion of this ranch in applicant's certificated area upon the grounds that this ranch is being used exclusively for farming and that there is no demand nor necessity for public utility water service in any portion thereof. Mr. Noland, furthermore, stated that the owners have no immediate plans for subdividing their properties. The Adcock Water Company, through its president, Robert Adcock, protested the inclusion of the four parcels of land, A-2 to A-5, inclusive, upon the grounds that this company is serving water within three of the said four parcels and stood ready and willing to provide adequate water service in the other parcel whenever requested. From the evidence submitted in this proceeding, it is clear that applicant should not be granted a certificate embracing the Jenny and Isabel Williams Ranch, nor the above-mentioned four parcels, A-2 to A-5, inclusive.

A number of consumers complained of low pressures, particularly during the summer months. Other consumers complained of the practice of applicant requiring the payment of additional monthly minimum charges for each house occupied on single premises supplied

by a single-metered service connection. This practice should be discontinued and a single monthly minimum charge only should apply where the owner of the property is responsible for and pays the water bill.

The applicant testified that it was his intention to form a corporation for the water operations and raise sufficient funds to install larger mains and improve water service generally. Regardless of the form of organization, applicant will be expected to take immediate steps to improve water service to the end that satisfactory pressures and quantities of water will be made available to all consumers before the summer season arrives.

The certificate of public convenience and necessity granted 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 Victor S. Velissaratos in a subdivided tract known as Burke Subdivision, being Lots 5, 6, and 45 of Locke-Paddon Addition to Salinas as recorded February 2, 1915 in Volume 2, Maps and Grants, page 6, in the County of Monterey and more particularly delineated upon the map marked Exhibit 1 in this proceeding, which Exhibit 1 is made a part of this order by reference, therefore,

Schedule of Rates

GENERAL METERED RATES

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Within Burke Subdivision, being Lots 5, 6, and 45 of Locke-Paddon Addition to Salinas, Monterey County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Charge:	
First 700 cubic feet or less.....	\$1.40
Next 300 cu. ft., per 100 cu. ft.....	.20
Next 2,000 cu. ft., per 100 cu. ft.....	.15
Over 3,000 cu. ft., per 100 cu. ft.....	.10
Minimum Charge:	
For 5/8 x 3/4-inch meter.....	1.40
For 3/4-inch meter.....	2.50
For 1-inch meter.....	3.00
For 1 1/2-inch meter.....	5.00
For 2-inch meter.....	8.00

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

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to Victor S. Velissaratos to operate a public utility water system 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 May 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. File within forty (40) days after the effective date of this order, 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 28th day of March, 1950.

A. E. Anderson
Justin F. Gallen
Robert F. Powell
Harold H. Hulse

Commissioner Harold H. Hulse, being necessarily absent, did not participate in the disposition of this proceeding. Commissioners.