

Decision No. 44617

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of Virgil Deaver for 1. A Certificate of Public Convenience and Necessity to construct, maintain, and operate a domestic water system, and 2. To establish domestic Water rates.

Application No. 31159

Virgil Deaver in propria persona.

O P I N I O N

Virgil Deaver, an individual, by the above-entitled application, filed March 24, 1950, requests a certificate of public convenience and necessity authorizing him to construct and operate a water system. He also requests the Commission to establish domestic water rates.

Applicant's proposed service area is located in unincorporated territory near Escondido, in San Diego County, California. A map submitted at the hearing as Exhibit No. 1 more particularly delineates the proposed area, and shows the proposed water system installations.

A public hearing on this application was held before Examiner Warner on July 20, 1950, at Escondido, California.

Virgil Deaver is the owner of 65 acres of land, free of encumbrance, near Escondido. A portion, comprising 18.4 acres, has been subdivided as the Rock Springs Subdivision, consisting of 22 residential lots. Also requested to be included within the service area is applicant's own property which is not part of the subdivision, but is immediately adjacent thereto on the north.

A financial statement, submitted at the hearing as Exhibit No. 5, indicates that applicant is financially able to assume obligations for, and engage in, the operation of a public utility water system.

The proposed service area is located north of Lincoln Avenue in the vicinity of Metcalf and High Streets, and is about one-half mile west of the city limits of Escondido, California. The terrain is gently sloping from north to south, with the northerly end at an elevation of approximately 75 feet higher than the southern end.

At the present time there are two customers being served.

Applicant proposes to sell one-half to one and one-half acre parcels of land, to be used for small homes and ranches.

The principal source of water supply will be obtained from the ownership, as shown in Exhibit No. 2, and dedication to the utility of 195 shares of Class "B" stock of Escondido Mutual Water Company. This stock entitles applicant to approximately one acre-foot per year per 41 shares of stock, or a total of 4.33 acre-feet, less possible losses of two to five per cent in transit. This amounts to approximately 1,411,580 gallons per year, less transit loss.

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Water is furnished by the mutual water company through an 8-inch cast iron main along Lincoln Avenue to which at the present time is attached <sup>temporarily</sup> a 5/8-inch service meter. The water pressure will be maintained at 40 pounds per square inch at the top of the service area, and at least 60 pounds per square inch at the lower point.

The mutual water company's charge to applicant is 37.5 cents per share per year, with special assessments of approximately 17 cents per share in addition thereto. The meter rate of the mutual water company is \$2 per month as a service charge for a 5/8-inch

meter; \$1.50 per month minimum, which includes 1,000 gallons, and any excess at \$.0193 per 1,000 gallons. The record shows that this water has been tested at regular intervals by San Diego County health authorities, and found to be potable.

Another source of supply is a dug well located on Lot 7, Block 1, along the proposed extension of Metcalf Street. The well is 64 feet deep, with 500 feet of laterals. It was dug in 1947, and during a two-week test produced approximately 27 gallons per minute, or 38,880 gallons on a 24-hour basis, with a 17-foot drawdown to 40 feet. The well has been inoperative since 1947, there being no pumping installation therein. A turbine pump specification, introduced as Exhibit No. 3, shows the estimated cost of effecting the pump and electric motor installation to be \$805.40 plus tax. Electric power service is available at the well site. Applicant proposes to install a 1,000-gallon pressure tank at the well site. This water has not been tested for potability, but applicant stated it would be before being utilized for the water system.

The distribution system presently installed consists of 550 feet of 3-1/2-inch outside diameter welded steel pipe which will be relaid when streets are built. All streets are to be dedicated. The distribution system will comprise 4-inch inside diameter and 3-1/2-inch outside diameter steel pipe, and 1-inch galvanized steel pipe. It is proposed to install fire hydrant risers and hydrants to be paid for, operated, and maintained by applicant. Applicant also proposes to install meters throughout the proposed service area for all water users.

From a review of the record regarding the sources of water supply, as outlined hereinabove, it appears that the water supply available to the applicant is adequate to serve the proposed area.

Applicant stated that it has not been necessary to secure a franchise from San Diego County, but that he would be willing to secure such a franchise if it were found at a later time to be necessary.

There are no other public utility water systems in contiguous or immediately adjacent areas.

The record shows that the matters of the application and the hearing therein were discussed with a Mr. Geyer, General Manager of the Escondido Mutual Water Company, and that he was present at the hearing. Although applicant's proposed service area lies in part within the service area of Escondido Mutual Water Company, the latter made no formal appearance at the hearing.

A report, introduced as Exhibit No. 6, by a Commission staff engineer, shows that the amount of \$1,183.75 has been spent on the well, including the cost of test holes. Other costs incurred were \$199.50 for 550 feet of 3-1/2-inch outside diameter welded steel dipped pipe, and \$79 for 100 feet of 1-inch pipe and fittings. Engineering and Public Utilities Commission costs amounted to approximately \$150. The value of the Class "B" stock of the Escondido Mutual Water Company is estimated at \$1,267.50. This is a value of \$6.50 per share for the 195 shares, and is an estimate of the market value of the stock at the time the land was purchased. The price of the stock was included in the purchase price of the land, but is not appurtenant thereto.

Applicant's proposed meter rates include a \$2 minimum charge for a 5/8-inch meter; \$3 for a 3/4-inch meter; and \$4 for a 1-inch meter. The minimum charge includes the first 1,000 cubic feet of water usage per meter per month, with the next 9,000 cubic feet at 20 cents per 100 cubic feet per meter per month, and all over 10,000 cubic feet at 15 cents per 100 cubic feet per meter per month.

The rates as proposed appear to be justified, and they will be authorized.

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 taken herein shall not be construed to be a finding of the value of the property of Virgil Deaver.

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 FOUND AS A FACT that public convenience and necessity will require the operation of a public utility water system by Virgil Deaver, an individual, in the unincorporated area known as Rock Springs Subdivision, and an additional parcel immediately adjacent thereto on the north, all comprising some 18.4 acres located approximately one-half mile west of the City of Escondido, San Diego County, California; this entire area being located on the north side of Lincoln Avenue in the vicinity of Metcalf and High Streets, and being more particularly delineated on the map filed as Exhibit No. 1 at the hearing in this proceeding; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to Virgil Deaver 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 August 21, 1950, 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. File, within thirty (30) 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 Los Angeles, California, this 1st day of August, 1950.

Justus J. Greiner  
Grant Powell  
Harold P. Hule  
Samuel P. Patten  
Commissioners.

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Within the authorized service area comprising some 18.4 acres in the unincorporated area known as Rock Springs Subdivision, and an additional parcel immediately adjacent thereto on the north, located approximately one-half mile west of the westerly city limits of Escondido, San Diego County, California, on the north side of Lincoln Avenue in the vicinity of Metcalf and High Streets.

RATES

Quantity Charge:		<u>Per Meter</u> <u>Per Month</u>
First	1,000 cubic feet or less .....	\$ 2.00
Next	9,000 cubic feet, per 100 cubic feet .....	.20
Over	10,000 cubic feet, per 100 cubic feet .....	.15

Minimum Charge:

For	5/8 x 3/4-inch meter .....	\$ 2.00
For	3/4-inch meter .....	3.00
For	1-inch meter .....	4.00

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