

Decision No. 45860

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CALIFORNIA-PACIFIC UTILITIES COMPANY,)
a corporation, for a Certificate of)
Public Convenience and Necessity)
Authorizing Applicant to Extend its)
Water Service Into a Portion of Napa)
County, California and to Exercise)
Rights or Privileges Under a Franchise)
Which Applicant Contemplates Securing)
From the County of Napa, State of)
California.)

Application No. A-32214

Orrick, Dahlquist, Neff & Harrington, by
Warren A. Palmer, for applicant; City of
Napa, by Ralph Trower, City Attorney,
interested party; John D. Reader, for
the Commission staff.

O P I N I O N

California-Pacific Utilities Company, a California corporation, in this proceeding asks for a certificate of public convenience and necessity to construct, maintain and operate a water pipe line system in Napa County, to exercise the rights and privileges of a franchise granted to it by the Board of Supervisors of Napa County and to make effective rates, charges, rules and regulations applicable to and governing service from such system to domestic, commercial and industrial consumers.

A public hearing in this matter was held before Examiner Emerson on June 12, 1951, in Napa, California.

Applicant is engaged, among other utility operations, in supplying public utility water service in the City of Benicia, Solano County, and it and its predecessors for many years have supplied water to such area from two primary reservoirs located in

Solano County and commonly known as Lake Paddy and Lake Herman. The watersheds feeding these reservoirs have frequently experienced dry seasons with resultant water shortages which, on occasion, were severely critical. Resort to barging in of water, hastily sunk wells and other temporary means of alleviating water shortages have been made repeatedly. Such conditions, coupled with growth of the community, set the present water company searching for a means of permanently surmounting the past difficulties and assuring a permanent and economical water supply for the Benicia system. During the early part of 1950, applicant entered into negotiations with the City of Napa for such an assured supply and thereafter, under a twenty-year contract, made a pipe line connection with the city's supply from Conn Lake Reservoir. The first water from this new source was pumped into the Benicia system on December 6, 1950, and for the first time in some 70 years the area became assured of a wholly adequate water supply.

Connection with the transmission pipe line of the City of Napa is made at the south boundary line of certain property known as Shipyard Acres on State Highway Route 8 in Napa County. From such connection point applicant has constructed a pipe line along and adjacent to State Highway Routes 8 and 74 to the south boundary line of Napa County and thence continuing by way of State Highway Route 74, private rights-of-way and Spring Road through Vallejo Township in Solano County to Lake Herman Reservoir north of Benicia. During and following the construction of this line applicant received numerous requests for service along the route of the line in Napa County. To date 53 persons have signed service applications on file with applicant and within an area of one-half mile either side of the pipe line in Napa County there appear to be some 200 persons who will desire service within the next year. In this area

people have private wells but the water obtainable therefrom is at best very hard and of disagreeable taste. In addition, many of the wells go dry during the summer season and water must be hauled in during such period. Because of these circumstances and in view of its now assured and adequate supply applicant seeks authority to construct all water mains, service extensions and appurtenant facilities required, or that will be required, to furnish water service within its proposed service area in Napa County.

Applicant has obtained a franchise from the Board of Supervisors of Napa County, a copy of which was received as Exhibit No. 5 in this proceeding. Said franchise was granted by Ordinance No. 171, dated May 8, 1951, and became effective 30 days thereafter. It was issued in accordance with the Broughton Act, has a term of 50 years, and specifically sets forth the area within which applicant may operate in Napa County. A fee of 2% of the gross receipts arising from the use, operation or possession of the franchise is payable annually to the County, payments thereof not being required, however, during the first 5 years the franchise is in force. The costs incurred by applicant in obtaining the franchise are stated to have been \$1,102.55, which amount does not include costs incident to this application.

No objection to the granting of the certificate has been entered.

Applicant proposes to make effective for the Napa County area the same rules and regulations governing the furnishing of

water service in the City of Benicia. Rates proposed for the area are as follows:

METER RATES

Monthly Minimum Charges:

For 5/8 or 3/4-inch meter	\$ 2.25
1-inch meter.....	3.00
1 1/2-inch meter.....	5.00
2-inch meter.....	10.00
3-inch meter.....	20.00
4-inch meter.....	35.00
6-inch meter.....	65.00

Monthly Quantity Rates:

First 300 cu. ft., per 100 cu. ft.	\$ 0.55
Next 700 cu. ft., per 100 cu. ft.48
Next 4,000 cu. ft., per 100 cu. ft.43
Next 5,000 cu. ft., per 100 cu. ft.38
Over 10,000 cu. ft., per 100 cu. ft.33

FLAT RATE FOR FIRE HYDRANT SERVICE

Per fire hydrant, per month \$ 5.00

The proposed metered rates are somewhat lower than those now in effect in Benicia while the proposed fire hydrant rate is 2-1/2 times the Benicia rate. In justification of such differences, applicant's witness testified that the water to be served within Napa County would require neither pumping nor purification treatment and, further, that on a per-customer basis there was involved a lower distribution capital cost. Applicant's witness, Mr. E. K. Albert, Vice President and Chief Engineer, further stated that serving the Napa County customers would eventually take some of the economic burden off the Benicia customers and would thereby permit eventual lowering of Benicia rates to those proposed for Napa County service. The water contract with the City of Napa provides, however, that in no case shall the minimum monthly payment to the City be less than \$1.50 per service connection supplied in the Napa County service area.

With respect to the proposed fire hydrant rate it was averred that such rate was directly comparable to that charged by the City of Napa and, further, that the costs of maintaining fire hydrants would be greater because of their being installed at widely separated locations.

We are in accord with applicant's position respecting metered rates. With respect to fire hydrant rates, however, the requested rates appear to be high when compared with the charges in other communities being served under similar conditions. It appears that it is not necessary that fire hydrant rates be established at this time in view of the fact that applicant presently has no requests for such service and, further, applicant has the right to provide such service under contract with the proper authorities at the time such service may be desired.

We are of the opinion that public convenience and necessity require and will require the establishment of the proposed service, that the rates hereinafter authorized are fair and reasonable for such service, and that applicant should be authorized to exercise the rights and privileges of the franchise granted to it by the County of Napa.

The certificate of public convenience and necessity herein granted is subject to the following provision of law:

"That the Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or a political subdivision thereof as the consideration for the grant of such franchise, 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 FOUND AS A FACT that public convenience and necessity require and will require the construction and operation of a public utility water system by California-Pacific Utilities Company in the following described area in Napa County, and that public convenience and necessity require and will require the exercise of the right, privilege and franchise granted to applicant by Ordinance No. 171 of the Board of Supervisors of Napa County for operation therein:

Commencing at the intersection of the south property line of the Federal Housing Authority, commonly called "Shipyard Acres", and State Highway Route 8, in the County of Napa, State of California; thence south one-half ($\frac{1}{2}$) mile on each side of the center line of said State Highway Route 8 to the intersection of said State Highway Route 8 with State Highway Route 74; thence south one-half ($\frac{1}{2}$) mile on each side of the center line of said State Highway Route 74 to the south boundary line of said County of Napa, State of California.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and is granted California-Pacific Utilities Company to exercise the rights and privileges granted by the Board of Supervisors of the County of Napa by Ordinance No. 171 adopted May 8, 1951, and to construct, operate and maintain a public utility water system in the hereinabove described area.

IT IS HEREBY FURTHER ORDERED as follows:

1. Applicant shall file in quadruplicate with this Commission, after the effective date of this order and on or before September 1, 1951, the rates set forth in Exhibit A attached to this order, together with rules and regulations governing customer relationships acceptable to this Commission and in conformity with General Order No. 96, and to make said rates, rules, and regulations effective August 1, 1951.

EXHIBIT A

Schedule W-L-B

METER RATES FOR WATER SERVICEAPPLICABILITY

Applicable to all metered water service for domestic, commercial, and industrial uses.

TERRITORY

Within the entire service area on both sides of State Highway No. 74 and No. 8 from the southern boundary line of Napa County to the Shipyard Acres Housing Project.

RATES

Quantity Charge:

	<u>Per Meter</u> <u>Per Month</u>
First 300 cu. ft., per 100 cu. ft.	\$ 0.55
Next 700 cu. ft., per 100 cu. ft.48
Next 4,000 cu. ft.; per 100 cu. ft.43
Next 5,000 cu. ft.; per 100 cu. ft.38
Next 10,000 cu. ft.; per 100 cu. ft.33

Minimum Charge:

For 5/8 or 3/4-inch meter	\$ 2.25
For 1-inch meter	3.00
For 1½-inch meter	5.00
For 2-inch meter	10.00
For 3-inch meter	20.00
For 4-inch meter	35.00
For 6-inch meter	65.00

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

- 2. Applicant shall file with this Commission, within sixty (60) days after the date of this order, four (4) copies of a comprehensive map, drawn to an indicated scale of 400 feet to the inch, delineating by appropriate markings thereon the land and territory served and the location of the various properties of applicants.

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

Dated at San Francisco, California, this 21st day of June, 1951.

R. T. Anderson
Justin J. Green
Harold Hill
Ernest F. Fetter
John E. McCall
 Commissioners.