

Decision No. 4603S

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ACHILLE MARX for a Certificate of)
Public Convenience and Necessity to)
install and operate a water system)
within a subdivision known as)
Broadmoor Acres, near Santa Rosa,)
Sonoma County.)

Application No. 32274
(Amended)

Bernard C. Plover, attorney, for applicant;
Charles Heiman, interested party;
George F. Tinkler, for the Commission staff.

O P I N I O N

Achille and Viola K. Marx in the above-entitled application, filed April 6, 1951, and as amended on June 29 and July 27, 1951, ask the Commission for an order granting a certificate of public convenience and necessity to operate a public utility water system to be known as Broadmoor Acres Water Company within a subdivision known as Broadmoor Acres situated approximately 2½ miles southwest of Santa Rosa, Sonoma County, and to charge the rates set forth in said application as amended.

A public hearing in this proceeding was held before Examiner Emerson at Santa Rosa on July 27, 1951.

Applicant is the owner of approximately 50 acres of land which is to be developed, on a subdivision basis, into 102 so-called "space" lots for residences. The initial development comprises 19 lots at the westerly end of Yuba Drive. Applicant has six homes under construction and plans to build homes on each lot. At the present time a 400-foot well, perforated at 200 feet, and a 3,500-gallon steel pressure tank are installed on Lot 14 of Block 3.

The well has been tested and will produce 500 gpm at a depth of 200 feet. A turbine pump has been contracted for and may be installed within a 10-day period. Five samples of water from the well have been examined for bacteriological content and have been found to be of safe quality. The well site is approximately 85 feet by 50 feet and surface drainage has been blocked to a depth of 40 feet. From the well site applicant has installed 1,300 feet of mains and ten 1½-inch service pipes. System costs to date are \$8,420. In order to provide for future development a second well site has been reserved on Lot 1, Block 1. The cost of the completed system is estimated to be in excess of \$25,000.

Residents in areas adjoining Broadmoor Acres have individual shallow wells for domestic water supply. It appears that no public supply is available to the general area.

Applicant has proposed the following rates:

Flat Rates

	<u>Per Month</u>
For each single-family dwelling, including 5,000 square feet of garden or lawn	\$2.50
For additional garden or lawn, per 100 square feet05

Meter Rates

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 500 cu. ft. or less	\$1.50
Next 1,000 cu. ft., per 100 cu. ft.25
Next 3,500 cu. ft., per 100 cu. ft.20
Next 5,000 cu. ft., per 100 cu. ft.15
Over 10,000 cu. ft., per 100 cu. ft.10
Minimum Charge:	
For 5/8 x 3/4-inch meter	\$1.50
For 3/4-inch meter	2.00
For 1-inch meter	4.00

The system has been financed on a cash basis and applicant asserts such basis will be continued.

Estimates of operating revenues and expenses for service to the initial development of 19 lots and for the first 12 months of operations have been presented by applicant and the Commission staff. Revenues, at flat rates, are estimated at \$570. Expenses, including taxes and a provision for depreciation on a straight-line basis are estimated to be \$1,030. It is apparent that during the developmental stage the system will produce little or no return on the investment. Excluding depreciation expense, however, the system should not operate at an out-of-pocket loss. When the entire subdivision is occupied by residences, applicant may earn a reasonable return.

The rates proposed by applicant were not objected to at the hearing and, in so far as flat rates are concerned, appear to be just and reasonable. Applicant's proposed meter rates, however, appear to be inconsistent when compared with the flat rates and applicant's assertion that meters are intended only to control or prevent wastage of water. Applicant's proposed flat rates will be authorized. The meter rates will be set at a comparable level.

Applicant testified that no franchise or other permits are required for construction and operation of the system. In view of the record in this proceeding, it appears that public convenience and necessity require and will require that applicant be granted a certificate for the area set forth on the map marked Exhibit No. 3 in this proceeding. The certificate of public convenience and necessity hereinafter issued 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, 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 Achille and Viola K. Marx (Broadmoor Acres Water Company) in Sonoma County, California, within the area delineated on the map marked Exhibit No. 3 in this proceeding; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted Achille and Viola K. Marx to construct and operate a public utility water system, to be known as Broadmoor Acres Water Company, for the distribution and sale of water within the territory hereinabove described.

IT IS HEREBY FURTHER ORDERED that applicants shall:

1. File in quadruplicate the rates set forth in Exhibit A attached to this order, to be effective on September 1, 1951, 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 forty (40) days after the system is placed in operation, four (4) 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 applicants.

The authorization herein granted will lapse if not exercised within one (1) year after 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 August, 1951.

Justin J. Craven
Harold P. Kula
Lawrence H. Potter
John E. Mitchell

Commissioners.

EXHIBIT A
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Schedule No. 1

DOMESTIC FLAT RATE SERVICE

APPLICABILITY

Applicable to all unmeasured water service rendered to domestic or residential consumers.

TERRITORY

Throughout the entire territory served, as delineated on maps included in the tariff sheets.

RATES

	<u>Per Month</u>
For each single-family dwelling, including 5,000 square feet of garden or lawn.....	\$2.50
For additional garden or lawn, per 100 square feet.....	.05

SPECIAL CONDITIONS

1. Charges are payable monthly in advance.
2. Meters may be installed at the option of the utility or the consumer, in which event service thereafter will be rendered only on the basis of Schedule No. 2, General Metered Service. A consumer's request for change from flat rate to metered service must be made in writing.

EXHIBIT A
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Schedule No. 2

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all domestic metered water service.

TERRITORY

Throughout the entire territory served, as delineated on maps included in the tariff sheets.

RATES

	<u>Per Meter Per Month</u>
Quantity Charge:	
First 500 cu. ft. or less	\$2.00
Next 1,000 cu. ft., per 100 cu. ft.25
Next 3,500 cu. ft., per 100 cu. ft.20
Next 5,000 cu. ft., per 100 cu. ft.15
Over 10,000 cu. ft., per 100 cu. ft.10
Minimum Charge:	
For 5/8 x 3/4-inch meter	\$2.00
For 3/4-inch meter	3.00
For 1-inch meter	4.50

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