

Decision No. 50949

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of OAK GROVE WATER COMPANY)
to operate a water system in Oak Grove)
Manor, Contra Costa County; to estab-)
lish rates and to issue a \$33,884.00)
note.)

Application No. 35837
(Amended)

Howard C. Ellis, for applicant.
W. B. Stradley, for the Commission Staff.

O P I N I O N

Oak Grove Water Company, a California corporation, seeks a certificate of public convenience and necessity to operate a public utility water system in the area called Oak Grove Manor, Tract 2036, Contra Costa County. Authority is requested to issue stock for acquisition of properties. Applicant further requests authority to file rates for water service.

A public hearing was held before Examiner Carl Silverhart at Walnut Creek on December 9, 1954, and the matter, which was unopposed, was submitted on such date.

The tract contains 54 residential building lots, each having an area of approximately one third of an acre, and is located approximately four miles northeast of Walnut Creek. Maps attached to the application set forth location of the wells, tanks, mains and service connections.

The source of water supply is two wells, each equipped with a 25-horsepower electric motor connected directly to a deep-well turbine pump. One of the wells is to be equipped with a 57 horsepower auxiliary gasoline engine. A pressure of about

50 pounds per square inch will be maintained by pumping the water through a 10,000-gallon pressure tank at each well. The distribution system consists of approximately 4,400 feet of 6- and 4-inch asbestos cement pipe, and 800 feet of 2-inch galvanized pipe.

Oak Grove Manor, Tract 2036, is owned by Ralph Sommarstrom and James A. Ganley, as is the presently installed water system.

The cost of the system is reported as \$39,116.39, all of which has been paid, except the sum of \$5,801.54 which is to be expended for additional facilities. This latter sum is to be paid from cash on hand or from Sommarstrom & Ganley's personal funds.

The record indicates that a county franchise is not required. It appears that there is no other public water supply immediately available to serve the proposed area.

Applicant proposes to charge rates the same as the rates presently authorized for California Water Service Company in its Contra Costa service area.

Applicant's articles of incorporation, filed with the Secretary of State August 16, 1954, provide for a capital structure which consists of 2,500 shares of capital stock having a par value of \$10 per share and an aggregate par value of \$25,000. Applicant proposes to issue 2,500 shares of capital stock at par to James A. Ganley and Ralph H. Sommarstrom for the transfer of the water system and easements appurtenant thereto.

We conclude from the evidence of record that applicant should be granted the requested certificate and that it should be authorized to issue the shares of stock for the purposes hereinabove mentioned.

The rates proposed by applicant have been modified to provide rates more nearly comparable with those authorized by the Commission for other like water utilities rendering service

under generally similar conditions. The rates set forth in Appendix A attached to the following order are hereby found to be reasonable and will be authorized.

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 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 will require the construction and operation of a public utility water system by applicant at Oak Grove Manor, Tract 2036, Contra Costa County, California, in the area delineated on maps attached to the application; therefore,

IT IS HEREBY ORDERED:

1. That a certificate of public convenience and necessity be and it is hereby granted to Oak Grove Water Company, a corporation, to construct and operate a public utility water system for the distribution and sale of water within the territory hereinbefore described.

2. That applicant shall:

- a. File in quadruplicate the rates set forth in Appendix A attached to this order, to be effective on or before the date service is first rendered to the public, together with rules and tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96.
- b. File, within forty days after the system is placed in operation, four copies of a comprehensive map, drawn to an indicated scale not smaller than 100 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various properties of applicant.
- c. Notify this Commission in writing of the completion of the system for which this certificate is granted, within thirty days thereafter.
- d. Base the accruals to depreciation upon spreading the original cost of the plant, less estimated net salvage and depreciation reserve, over the estimated remaining life of the property. Applicant shall review the accruals when major changes in plant composition occur and for each plant account at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

3. Applicant, after the effective date hereof and on or before May 1, 1955, may issue, at not less than \$10 per share, 2,500 shares of its capital stock for the purpose set forth in the foregoing opinion, it being hereby found that the money, property or labor to be procured or paid for by the issuance of such stock is reasonably required by Oak Grove Water Company, for the purpose herein stated, which purpose is not in whole or in part reasonably chargeable to operating expenses or to income.

4. Applicant shall file with the Commission monthly reports as required by the Commission's General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

The authorization herein granted will expire if not exercised within one year from the effective date hereof.

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

Dated at San Francisco, California, this 4th day of January, 1955.

John E. McNeil
President

Justus F. Casper
Rachel L. Luterer

Commissioners

APPENDIX A

Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area known as Oak Grove Manor located on Oak Grove Road $\frac{3}{4}$ mile south of its intersection with Ygnacio Avenue, approximately 4 miles northeast of the city of Walnut Creek, Contra Costa County.

RATES

Quantity Rates:	<u>Per Meter per Month</u>
First 500 cu.ft. or less	\$2.25
Next 1,500 cu.ft., per 100 cu.ft.....	.30
Next 3,000 cu.ft., per 100 cu.ft.....	.25
Over 5,000 cu.ft., per 100 cu.ft.....	.20
 Minimum Charge:	
For $\frac{5}{8}$ x $\frac{3}{4}$ -inch meter	\$ 2.25
For $\frac{3}{4}$ -inch meter	3.00
For 1-inch meter	4.25
For 1- $\frac{1}{2}$ -inch meter	8.00
For 2-inch meter	12.00

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