

**ORIGINAL**Decision No. 57803

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JOSEPH M. STADLER and  
 CLAIRE A. STADLER (SKYWOOD WATER  
 COMPANY) to operate a water system  
 on the applicants' property located  
 near the intersection of Skyline Blvd.  
 and La Honda Road, San Mateo County,  
 California.

Application No. 40223

✓ Hubner & Taylor, by Ralph A. Taylor, for applicants.  
Charles C. Gunker, in propria persona, protestant.  
Martin Abramson, for the Commission staff.

O P I N I O N

Applicants seek a certificate of public convenience and necessity to supply water to a 140-acre tract located at the intersection of Skyline Boulevard and the La Honda-Woodside Road in San Mateo. Public hearing was held before Examiner John Power at Redwood City on August 6, 1958, and the matter was submitted subject to the receipt of late-filed exhibits. The last of these was received on November 12, 1958, and the matter is ready for decision.

Applicants propose to subdivide their tract into approximately 70 homesites ranging in area from one to seven acres. The majority of sites will average about 1-1/2 acres in extent. Elevations vary from about 1,600 feet above sea level at Skyline Boulevard to 1,100 feet in the lower part of the tract.

The source of water consists of three wells, two vertical and one horizontal. Main reliance will be on the two vertical wells. These are 8 inches in diameter by 217 feet deep and 10 inches by 200 feet. In each a 5 hp submersible pump has been installed and

each will deliver 32 gallons per minute. The larger well will do this continuously but the smaller will only deliver water two thirds of the time. The average available well supply is thus approximately 53 gallons per minute.

These pumps deliver water into a 63,000-gallon metal storage tank located at the high point within the area requested. Static pressures adjacent to this tank are approximately twenty pounds per square inch. At the lower tract levels the pressures are controlled by a 6-inch pressure reducing valve and the pressures are maintained at approximately 80 pounds. Applicants propose to build another 63,000-gallon tank at some future time. When the lots adjacent to the tank are developed it will be necessary to increase minimum pressures. Mains, presently installed to serve the first 43 lots to be sold, consist of about 2,300 feet of 6-inch and 3,820 feet of 4-inch diameter, class 150 asbestos cement pipe.

Applicants have been supplying water to an adjacent mutual water company. The protestant who appeared was a customer of the mutual, not a resident of Skywood Acres, the tract applicants seek to serve. Applicants have executed a contract to supply 400,000 gallons per month to this mutual. A copy of this contract is in evidence as Exhibit No. 9 (late-filed). The mutual had 38 customers at the time of the hearing.

Authorization to enter into a contract providing for the sale of water by applicants to the mutual water company has not been sought by applicants nor granted by this Commission. Consequently, any such contract is null and void until such time as Commission authorization has been properly obtained. The rates hereinafter authorized are the only rates on file for all service to be furnished by this utility.

The applicants have developed a water supply sufficient to meet the needs of the area for which a certificate is requested and, in addition, have some water to meet the present requirements of the mutual. It is, however, necessary to place a limitation,

both on a monthly and a daily basis, on the water delivered to the mutual water company. This is necessary so that any increase in the requirements within the mutual will not adversely affect the utility's future customers. The order which follows will restrict applicants from extending their water system outside the boundaries of the area certificated by this decision without further order of this Commission. Applicants also will be required to limit the quantity of water which may be sold to the mutual water company to 3,400 cubic feet in any one day in addition to the limitation of 400,000 gallons (53,500 cubic feet) per month contained in Exhibit No. 9.

Applicants propose a meter rate based on a minimum charge of \$2.70 for a 5/8 x 3/4-inch meter, that amount entitling the user to 300 cubic feet. These rates gradually decrease through five additional consumption blocks to a terminal rate block of sixty cents per hundred for water in excess of 3,200 cubic feet. The highest meter rate is \$26 for a 4-inch meter. In support of this rate schedule the application contains a schedule of its investment and another of estimated operating expense. Neither is accurate and both may be substantially overstated. The order which follows will authorize the filing of a modified schedule of rates.

The Commission finds and concludes that public convenience and necessity require that the certificate applied for be granted. It further finds and concludes that the rates set forth in the appendix to the following order are fair and reasonable.

The certificate granted in and by the following order 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 for any amount of money in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as 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 ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Joseph M. Stadler and Claire A. Stadler to construct and operate a public utility system for the distribution and sale of water in the subdivision known as Skywood Acres, San Mateo County, as shown on a map Exhibit "B" of the application. Applicants shall not extend their water system outside the boundaries of the area certificated herein without further order of the Commission.

IT IS FURTHER ORDERED as follows:

1. (a) Applicants are authorized to file, after the effective date of this order, the rates set forth in Appendix A attached to this order, to be effective on or before the date service is first furnished 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. Such rates, rules and tariff service area map shall become effective on five days' notice to the public after filing as hereinabove provided.
- (b) Applicants shall notify this Commission, in writing, of the date service is first furnished to the public under the rates and rules authorized herein, within ten days thereafter.
- (c) Applicants shall file, within forty days after the system has been placed in operation under the rates and rules authorized herein, four copies of a comprehensive map, drawn to an indicated scale not smaller than 100 feet to the inch, delineating by appropriate markings the tract of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicants.
- (d) Applicants shall determine the accruals for depreciation by dividing the original cost of the utility plant, less estimated future net salvage, less depreciation reserve, by the estimated remaining life of the plant. Applicants shall review the

accruals as of January 1st of the year following the date service is first rendered to the public under the rates and rules authorized herein and thereafter when major changes in utility plant composition occur and at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

2. Applicants may sell not to exceed 53,500 cubic feet of water per month to Skyline Village Water Co., a mutual water company, provided however that no more than 3,400 cubic feet shall be delivered in any one day.

3. Within sixty days after the water system is placed in operation under the rates and rules authorized herein, applicants shall install and place in operation a meter of suitable capacity to measure and record the quantities of water delivered to Skyline Village Water Co., and within ten days thereafter applicants shall report to this Commission in writing of the completion of such installation.

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

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

Dated at San Francisco, California, this 30<sup>th</sup> day of December, 1954.

E. Lynn Fox  
President  
W. J. [illegible]  
[illegible]  
[illegible]  
Commissioners

## APPENDIX A

## Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area including the subdivision known as Skywood Acres located adjacent to the intersection of Skyline Boulevard and La Honda-Woodside Road, San Mateo County.

RATES

Per Meter  
Per Month

## Quantity Rates:

|  |         |
|--|---------|
| First 300 cu.ft. or less .....         | \$ 2.70 |
| Next 1,200 cu.ft., per 100 cu.ft. .... | .70     |
| Next 2,500 cu.ft., per 100 cu.ft. .... | .60     |
| Over 4,000 cu.ft., per 100 cu.ft. .... | .50     |

## Minimum Charge:

|                                |       |
|--------------------------------|-------|
| For 5/8 x 3/4-inch meter ..... | 2.70  |
| For 3/4-inch meter .....       | 3.75  |
| For 1-inch meter .....         | 5.00  |
| For 1 1/2-inch meter .....     | 6.25  |
| For 2-inch meter .....         | 10.50 |
| For 3-inch meter .....         | 18.50 |
| For 4-inch meter .....         | 26.00 |

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