

Decision No. 61128

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SANTA TOMAS WATER CO.,
a corporation, for a certificate of
public convenience and necessity;
to construct and operate a public
utility water system in Santa Barbara
County; to establish rates; and to
issue stock.

Application No. 42529

O P I N I O N

Santa Tomas Water Co., filed this application on August 1, 1960. It seeks a certificate of public convenience and necessity to provide domestic water service in Tract 10036, Santa Barbara County. It also seeks authority to issue 1,594 shares of capital stock having a par value of \$100 per share.

The area to be served lies at the southeast quadrant of the intersection of Betteravia and Black Roads. It extends about 4,360 feet east from Black Road and from 775.72 feet to approximately 965 feet south from Betteravia Road. The legal description is as follows:

"Beginning at the intersection of the center lines of Betteravia and Black Roads as the same is shown on the subdivising map of Tract 10036, recorded in the County Recorder's Office of said County in Book 53, page 53 of Maps; thence, along the centerline of said Black Road South 00° 02' 25" West 775.72 feet to the southwest corner of said tract; thence, along the southerly line thereof South 89° 45' 43" East 4360 feet to a point; thence North 912 feet, more or less, to a point on the centerline of Betteravia Road; thence generally West along last said centerline to the point of beginning."

The nearest operating systems to this property are all more than a mile away. The two nearest are Santa Maria Water Co.

and the Santa Maria airport installation of that city's water department. None of the nearby systems has displayed interest in this tract, and none has protested the application. No public hearing appears to be necessary.

The tract to be served is 85 acres in extent. 67 acres are divided into 322 residential lots. The remaining 18 acres will be used for an estimated 18 commercial establishments.

A 16" well now exists in the residential section and a 14" well will be drilled in the commercial area. In each a deep-well turbine pump, driven by a natural gas engine will be installed. Each well will deliver 900 gallons per minute. A butane standby engine will be provided at the commercial location. These pump stations and wells are estimated to cost \$48,080.

This production system will discharge into two distribution systems, one commercial, one residential. Both will employ cement mortar lined pipe (CML pipe) and nominal diameter (N/D) sizes will be given. Outside diameters are, in each case, slightly greater. It is estimated that the commercial system will consist of 2,320 linear feet of 8-inch N/D pipe, seven fire hydrants, and associated valves, services and meters including fire sprinkler service outlets. It is estimated to cost \$14,456.

The residential distribution system is estimated to cost \$77,375. It is proposed to install 5,040 feet of eight-inch, 5,640 feet of six-inch and 5,200 feet of four-inch N/D pipe. Necessary services, valves, meters and blow-offs are included. Thirteen fire hydrants are proposed. It is alleged that the production and distribution systems meet the requirements of Santa Barbara County as well as those of the Commission's General Order No. 103.

The Commission finds that public convenience and necessity require that a certificate be granted as prayed for.

It will be noted that the production and distribution facilities will cost \$139,911. To this sum should be added \$11,000 for real estate and \$8,489 for miscellaneous equipment, services and other necessities, for a total estimated expenditure of \$159,400. Applicant requests authority to issue 1,594 shares of its \$100 par value common capital stock in order to acquire this property. The authority to issue stock will be granted subject to the following:

- (a) The Commission finds that the money, property or labor to be procured or paid for by the issue of the securities herein authorized is reasonably required for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.
- (b) In issuing our order herein, we place applicant and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return applicant should be allowed to earn on its investment in plant and that the approval herein given is not to be construed as a finding of value of applicant's stock or properties nor as indicative of amounts to be included in a future rate base for the determination of just and reasonable rates.

Applicant proposes to quote measured rates for the water to be supplied. The minimum charge of \$3.50 per month for 5/8 x 3/4" meters will entitle customers to 600 cu.ft. of water. The terminal block rate will be 20 cents per 100 cu.ft. over ten thousand cu.ft. Minima are to be quoted for seven meter sizes up to 4" meters. Fire sprinkler and fire hydrant rates are proposed. The fire sprinkler rates, however, will be modified somewhat to make them more equitable on the basis of the potential flow through the several sizes of connection. In addition, a uniform rate will be authorized for all public fire hydrants in lieu of the separate rates requested for the business and residential zones. These modifications will not

result in any appreciable change in revenue for the service anticipated by applicant to be furnished under these schedules. The Commission finds that the rates attached to the following order are reasonable.

The certificate hereinafter granted shall be 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

Application having been filed and the Commission basing its decision on the findings and conclusions set forth in the foregoing opinion,

IT IS ORDERED that:

1. A document consisting of 27 pages and three maps and entitled "Santa Tomas Water Company, Specifications for Construction" be, and it is, included in this record as Exhibit No. 1.
2. A certificate of public convenience and necessity be, and it is, granted to Santa Tomas Water Co. to construct and operate a public utility system for the distribution and sale of water within the territory described by metes and bounds in the foregoing opinion.

IT IS FURTHER ORDERED that:

1. Applicant is 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 rendered to the public under the authority herein granted, together

with rules and a 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 upon five days' notice to this Commission and to the public after filing as hereinabove provided.

2. Applicant shall notify this Commission, in writing, of the date service is first rendered to the public under the rates and rules authorized herein, within ten days thereafter.

3. Applicant shall file, within thirty days after the system is placed in operation under the rates and rules authorized herein, four copies of a comprehensive map, drawn to an indicated scale not smaller than 200 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 applicant.

4. Applicant 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. Applicant 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.

5. Applicant may issue not to exceed 1,594 shares of its common capital stock of the par value of \$100 per share (total par value \$159,400) to the owners of the water system referred to in the foregoing opinion for the purpose of acquiring said system.

6. Applicant shall file monthly reports as required by General Order No. 24-A which order, insofar as it is applicable, is hereby made a part of this order.

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

Dated at San Francisco, California, this 23rd day of NOVEMBER, 1960.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated area including Tract No. 10036, and vicinity, located approximately 2 miles southwest of the City of Santa Maria, Santa Barbara County.

RATES

	<u>Per Meter Per Month</u>
Quantity Rates:	
First 600 cu.ft. or less	\$ 3.50
Next 1,600 cu.ft., per 100 cu.ft.35
Next 1,800 cu.ft., per 100 cu.ft.30
Next 6,000 cu.ft., per 100 cu.ft.25
Over 10,000 cu.ft., per 100 cu.ft.20
Minimum Charge:	
For 5/8 x 3/4-inch meter	\$ 3.50
For 3/4-inch meter	4.50
For 1-inch meter	5.50
For 1 1/2-inch meter	11.25
For 2-inch meter	16.00
For 3-inch meter	26.00
For 4-inch meter	40.00

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

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished for privately owned fire protection systems.

TERRITORY

The unincorporated area including Tract No. 10036, and vicinity, located approximately 2 miles southwest of the City of Santa Maria, Santa Barbara County.

RATES

	<u>Per Month</u>
(a) For each 4-inch diameter service connection	\$15.00
(b) For each 6-inch diameter service connection	23.00
(c) For each 8-inch diameter service connection	32.00

SPECIAL CONDITIONS

1. The minimum diameter of the connection for fire protection service will be 4 inches and the maximum diameter will be the diameter of the main to which the service is connected.
2. The fire protection service connection will be installed by the utility at the cost of the applicant. Such cost shall not be subject to refund.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed by the utility at the cost of the applicant. Such cost shall not be subject to refund.

(Continued)

Schedule No. 4 (Continued)

PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS

4. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install, at its own cost, the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water.

5. For water delivered for other than fire protection purposes, charges will be made at the quantity rates under Schedule No. 1, General Metered Service.

6. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.

Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized or incorporated fire districts or other political subdivisions of the State.

TERRITORY

The unincorporated area including Tract No. 10036, and vicinity, located approximately 2 miles southwest of the City of Santa Maria, Santa Barbara County.

RATES

Per Hydrant
Per Month ✓

For 6-inch hydrants:

With two 2½-inch outlets	\$4.00
With two 2½-inch and one 4-inch outlets	8.00

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the quantity rates under Schedule No. 1, General Metered Service.
2. The cost of installation and maintenance of hydrants will be borne by the utility.
3. Relocation of any hydrant shall be at the expense of the party requesting relocation.
4. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.