

ORIGINAL

Decision No. 63981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of JAMES and THERESA CARPIGNANO, dba WEST SAN MARTIN WATER WORKS for a certificate of public convenience and necessity to operate a water system in West San Martin and for authority to increase the rates for service.

Application No. 43450

Norris Udell, for applicants.

Arthur C. Fegan, for the Commission staff.

SECOND INTERIM OPINION AND ORDER

By this application, James and Theresa Carpignano (West San Martin Water Works) have sought a certificate of public convenience and necessity and authority to increase water rates. By this Commission's Decision No. 62887, issued December 5, 1961, applicants were found to be operating as a public utility, were accorded interim rate relief designed to halt financial losses, were directed to prepare a detailed report and program for bringing the water system up to the standards of this Commission's General Order No. 103, and were prohibited from serving additional customers until further order of the Commission. Action respecting applicants' request for a certificate was deferred, pending further hearings in the matter.

Applicants retained the services of a firm of registered civil engineers and filed their report with the Commission on June 6, 1962. Thereafter, on June 22, 1962, an additional day of public hearing was held with respect thereto before Examiner F. E. Emerson at San Martin. At this hearing, applicants presented evidence regarding the improvements they propose to make, the possible program of construction and the costs thereof. The Commission staff

presented testimony respecting minimum needs of the water system. An applicant for new water service, who had by letter appealed to the Commission for a lifting of the prohibition against serving new customers, attended the hearing and his situation was explored on the record.

Applicants' proposal is to provide a new source of supply for the system, rehabilitate the existing well and pumping facilities, install over 4,400 feet of new water mains in public roads so as to permit disconnection of nonutility lines which now cross private parcels of lands, and to provide means whereby the lines may be flushed out. They are ready and willing to proceed with the necessary construction upon receiving approval of their plans.

Applicants' plans and construction specifications, which have a total estimated cost of about \$40,000, have been carefully checked by engineers of the Commission's staff and the staff has reported favorably thereon. However, the construction would provide larger mains than those now needed to meet the minimum requirements of General Order No. 103 and would enable applicants to serve many more customers than are presently connected to or available for connection to the system. Reducing the size of the proposed new mains from the specified 8-inch and 6-inch mains to the lesser sizes of 6-inch and 4-inch mains, as recommended by the staff engineer, would reduce the over-all cost of the project by about \$5,615.

In view of the evidence, the Commission finds that applicants' construction project should be approved and that the same, as modified by the recommendations of the staff engineer, is needed in order adequately to serve the consuming public in San Martin. Should applicants install the larger mains which they propose, service to the public will be enhanced; however, the additional costs thereof may not properly find their way into rate base until such

time as future system growth would warrant such inclusion. Applicants will be directed to undertake no less than the required improvements.

In connection with applicants' project, certain rearrangements of customers' lines and the relocation of meters will be necessary. It is the responsibility of applicants to provide, in accordance with their rules on file with this Commission, the connection from the main to the customer's property line and to set the new meter. It is the responsibility of the customer to rearrange his piping to accept service at the new location. The cooperative effort of utility and customer is expected in each instance.

In view of the evidence respecting the adequacy of the present system to serve one additional customer, applicants will be directed to establish a residential service connection to the property of O. F. Spann on West San Martin Avenue west of Sewell Avenue.

Action respecting the issuance of a certificate will be deferred pending completion of applicants' construction project and a determination as to the adequacy of the system at the time of such completion.

Applicants have requested that final action respecting their request for increased rates be deferred pending completion of the construction project and the determination of the actual costs thereof. This matter, therefore, will be held in abeyance, and further hearing thereon will be undertaken following such completion.

Based upon the evidence and the foregoing finding,

IT IS ORDERED that:

1. Applicants, by not later than January 31, 1963, shall have installed and in proper operation no less than the facilities specified in their engineers' report, as modified by the recommendations of the Commission staff engineer as set forth in the record in this proceeding and as hereinabove discussed; and within ten days thereafter, applicants shall notify this Commission, in writing, of the completion of the same.

2. Applicants shall proceed to establish one new residential service connection to the property, on West San Martin Avenue, occupied by O. F. Spann.

3. Until further order of this Commission applicants shall not establish a new service connection (1) to any new customer, other than that established in accordance with paragraph 2 above, or (2) to any parcel of land not served by applicants' water system on or before December 31, 1961.

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

Dated at San Francisco, California, this 24th day of JULY, 1962.

George H. Grover
President

W. S. Butchell

Frederick B. Holoboff

Arthur H. Keagy

Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.