

Decision No. 12239

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of ANGLO-CALIFORNIA TRUST COMPANY,)
a corporation, as administrator)
with the will annexed of the es-)
tate of W.B. HELLINGS, deceased,)
and as Trustee of the creditors)
and Stockholders of North Richmond)
Land & Ferry Company, for an order)
discontinuing water service near)
San Pablo, Contra Costa County,)
California.)

Application No. 8130

ORIGINAL

H. F. Sullivan, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application, Anglo-California Trust Company, a corporation, asks for an order authorizing it to discontinue operation of a water system located near San Pablo, Contra Costa County, and to sell or otherwise dispose of the said water system.

A public hearing in this matter was held at Richmond, before Examiner Satterwhite. All interested parties had been duly notified and given an opportunity to be present and to be heard. No one appeared to protest the granting of the application.

In February, 1912, W.B. Hellings and North Richmond Land and Ferry Company, a corporation, entered into an agreement to sell to F. S. Morsman and F. L. Keller a thirty acre tract of land, known as North Richmond Land and Ferry Company's Tract No. 1, being part of Lot No. 198 of Rancho San Pablo in Contra Costa County. In March 1915, deeds were executed and the sale consummated.

In October 1912, North Richmond Land and Ferry Company, a corporation, entered into an agreement to sell to Truman Investment Company, a corporation, a tract of land containing 34 acres, being

a part of Lot No. 198 of Rancho San Pablo. Subsequently a deed was executed and the transfer concluded.

In the first of these agreements W.B. Hellings and North Richmond Land and Ferry Company agreed to install a water system on the tract for the purpose of supplying water for domestic purposes, to each house which should be built upon the tract, and to charge for such water service the sum of \$1.00 per month.

In the second agreement a similar obligation was assumed by North Richmond Land and Ferry Company.

Approximately 80 lots in these tracts were sold, mostly to non-residents, and testimony shows that at no time have more than five consumers been supplied with water. Three of the consumers being located on land owned by the proprietors of the tracts and two on adjacent land.

The water system has been continuously operated at a loss as the revenues are approximately \$60 per annum, while the expense of operation, exclusive of taxes, depreciation, repairs and return upon the investment, is approximately \$200 per annum. The owners of the water system, therefore, ask permission to discontinue service and to sell or otherwise dispose of the plant.

It is apparent that any water rate which would return to the owners of the plant, even the bare cost of operation and maintenance would be an undue burden upon the consumer and would also be more than the service is worth.

It was suggested that East Bay Water Company take over and operate this system and after an examination thereof that Company agreed to the plan with the proviso that releases be secured from lot owners so that the established rates of East Bay Water Company could be substituted for the agreed rate of \$1.00 per month. This could not be accomplished as the lot owners are practically all non-residents and are scattered over a large portion of the United States.

It is a well established principle in law that the State cannot compel the continued operation of a public utility at a loss, and applicant should, therefore, in the showing made at the hearing in this matter, be relieved of such public utility obligations as exist regarding the service of water to consumers on the tracts of land covered by this application. A reasonable period of time should, however, be allowed consumers to secure another source of supply.

O R D E R

Application having been made to this Commission as entitled above, a public hearing having been held thereon, the matter having been submitted, and the Commission being now fully informed in the matter,

IT IS HEREBY FOUND AS A FACT that the applicant herein should be relieved of such public utility obligations as exist regarding service of water to the tracts covered by the application herein.

And basing the order upon the foregoing finding of fact and upon the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that on and after November 1, 1923, Anglo-California Trust Company, a corporation, as administrator with the will annexed of the estate of W.B. Hellings, deceased, and as Trustee of the creditors and stockholders of North Richmond Land and Ferry Company, be and the same is hereby relieved of such public utility obligations as may have heretofore existed regarding service of water to consumers on the tracts of land described in the application herein.

Dated at San Francisco, California, this 21st day
of June, 1923.

Cl Seamy
H. B. Brandley
Waring Martin
Egbert Shore

Commissioners.