



Decision No. 23400

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of CHARLES LINDE for a certificate of public convenience and necessity to operate a water system and for approval of rates.

Application No. 16722.

G.C. Linde and L.A. Rogers,
for Applicant.
D. Herndon, for Brisbane Improvement Club.

BY THE COMMISSION:

O P I N I O N

This is an application for a certificate of public convenience and necessity and for the establishment of rates for water service to be supplied in that certain subdivision located on the San Francisco Bay Shore in San Mateo County, known as Visitacion City and also sometimes referred to as Brisbane.

A public hearing in this matter was held before Examiner Satterwhite at San Francisco during which request was made and granted to amend the application herein by substituting the name of Margaret Linde as the applicant in place of Charles Linde, deceased.

This water plant has been in existence for a period of fifteen years, more or less, and has delivered water to a small number of consumers practically continuously up to the present time. Originally the system was designed to supply water service to the purchasers of lots being placed upon the market by the

American Realty Company and later on was operated under the name of Guadalupe Development Company. Applicant herein, having succeeded to the ownership of the property and being now in possession thereof, has assumed and accepted the obligation to continue the service. The water supply is obtained by purchase, under a contract providing for a rate of fifteen cents (15¢) per 1,000 gallons, from the large transmission main running along San Bruno Avenue and belonging to the San Francisco City Water Department. Service, however, is rendered under a flat rate charge of one dollar and twenty-five cents (\$1.25) per month to approximately forty consumers.

The area now being supplied by this system comprises such lands only as may be reached through the working pressure derived from the city's transmission main. There has been considerable activity recently on the part of certain real estate operators selling lots and constructing houses in territory immediately adjoining that now served by this water system. This community lies in a bowl-shaped valley, the hillside slopes of which rise from sea-level to an elevation in excess of six hundred feet and, as practically all of the new development is taking place at the higher elevations beyond the gravity flow of the pipe lines, it has not been possible for applicant to render service to all of the new consumers who have applied therefor. To serve this new territory will necessitate the installation of booster pumping equipment and storage facilities. Applicant has no rules and regulations governing the methods of financing and the responsibility therefor in connection with the extensions of mains into new and undeveloped territory, and for this reason the real estate operators apparently have declined

to advance any moneys for main extensions and the installation of necessary facilities and equipment, attempting to force the applicant herein to bear the brunt of providing a water supply in tracts of land in which said operators are now selling lots to the public for residential and building purposes. While there is no other water system operating in this vicinity, it is entirely unreasonable at this time and under the existing circumstances and conditions to require the owner of this utility to extend service to these new properties solely at her own expense. The usual procedure in such cases is for the new and prospective consumers or the subdivider to advance to the utility the reasonable estimated cost of the necessary installations and facilities required to render service, the moneys so advanced to be refunded, usually at a certain definite proportion of the monthly revenues received from such extension during a period of not to exceed ten years or until satisfied. By so doing, no insurmountable burden is placed upon a small utility whose financial status cannot reasonably be expected to provide funds for such large expenditures. For this reason applicant will be granted a certificate of public convenience and necessity to supply water in the territory now being supplied by her bounded by Alvarado Road and Street, Mono Street, Sierra Point Road and San Francisco Avenue, together with the properties bordering on the extension of San Bruno Avenue from Alvarado Street to the point of intake, as more particularly described on the map filed in this proceeding and identified as applicant's Exhibit "2," and furthermore applicant will be permitted to make extensions of mains to supply territory immediately adjacent thereto under proper rules and regulations approved by

the Railroad Commission.

The evidence indicates that water is purchased by this applicant upon a measured basis from the San Francisco Water Department and delivered to consumers at a flat rate, resulting in the receipt of barely enough revenue to pay for purchased water and leaving insufficient funds to provide for necessary repairs and operating costs. The rates set forth in the following Order should provide an increased revenue and will enable applicant to some extent to take care of the necessary repairs and charges of operations, provided, however, that no extensive pumping operations are required. Should it be necessary in the near future to install booster pumping equipment and tanks, applicant will be justified in asking the Commission for a readjustment of rates to take care of the additional costs which would thereby arise.

In view of the fact that applicant must purchase water at a measured rate, it is urgently recommended that the system be metered as soon as possible, for only in this way can waste of water and the careless use thereof be satisfactorily controlled. For this purpose a metered rate will be established in this Order.

Due to the fact that the pipe lines in this system were installed prior to the dedication of the streets to the public in the area served, no franchise or other permit from the county authorities will be required for the present system.

O R D E R

Margaret Linde having made application as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises, The Railroad Commission of the State of California hereby

declares that public convenience and necessity require that Margaret Linde operate a water system for the purpose of supplying water for domestic use within that certain territory bounded by Alvarado Road and Street, Mono Street, Sierra Point Road and San Francisco Avenue, together with the properties bordering on the extension of San Bruno Avenue from Alvarado Street to the point of intake, in the subdivision known as the City of Visitacion, San Mateo County, and as such is more particularly delineated on the map filed in this proceeding and designated as applicant's Exhibit "2."

IT IS HEREBY ORDERED that Margaret Linde be and she is hereby directed to file with the Railroad Commission of the State of California, within thirty (30) days from the date of this Order, the following schedule of rates to be charged for all service rendered subsequent to the twenty-eighth day of February, 1931.

MONTHLY FLAT RATES

For each consumer-----\$1.50

METER RATES

Monthly Minimum Charges:

For 5/8-inch meter-----	\$1.50
For 3/4-inch meter-----	2.00
For 1-inch meter-----	2.75
For 1 1/2-inch meter-----	4.50
For 2-inch meter-----	7.00

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following "Monthly Quantity Rates."

Monthly Quantity Rates:

From 0 to 500 cubic feet, per 100 cubic feet-----	\$0.30
Next 2,500 cubic feet, per 100 cubic feet-----	0.22
Next 5,000 cubic feet, per 100 cubic feet-----	0.20
Over 8,000 cubic feet, per 100 cubic feet-----	0.18

IT IS HEREBY FURTHER ORDERED that Margaret Linde be and she is hereby directed to file with the Railroad Commission of the State of California, within thirty (30) days from the date of this Order, rules and regulations governing relations with her consumers, said rules and regulations to become effective upon their acceptance for filing by the Railroad Commission.

For all other purposes, the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 16th day of February, 1931.

C. C. January
Leon Whitell
M. J. [unclear]
M. B. [unclear]
Geo. G. [unclear]