

Decision No. 24857

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
G. G. McDANIEL,
for a certificate of public convenience and necessity to operate a water system and for the approval of rates.

Application No. 17992

R. O. POST, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application G. G. McDaniel asks that the Commission grant a certificate of public convenience and necessity authorizing him to operate a water system for the purpose of supplying water service to certain portions of the subdivisions of the City of Visitacion, County of San Mateo, and certain territory adjoining and adjacent thereto. The application sets forth a suggested schedule of rates and charges.

A public hearing in this matter was held before Examiner Johnson at South San Francisco.

According to the testimony, the water system was installed in 1931 by Paul Margolis in order to assist in the sale of lots in certain subdivisions called Visitacion City but popularly known as Brisbane. There are now sixty consumers being served on a flat rate basis but this number is gradually being increased as a result of sales of additional lots. Water is obtained from the Water Department of the City of San Francisco (formerly Spring Valley Water Company) under the terms of certain

contracts entered into in the past by and between Spring Valley Water Company and the predecessors of the present tract owners in consideration of grants of certain rights of way. These contracts provide for the sale of water at a rate of 15 cents per 1,000 gallons, the use thereof being restricted to a 250-acre tract of land, a portion of which now comprises applicant's proposed service area. As practically all of the area served by this system lies at a higher elevation than can be reached through the normal working pressure of the Spring Valley transmission main, it is necessary to pump the water received therefrom to give consumers proper service. Under present system demands, all water required can be purchased at the above contract rates.

According to an agreement of sale dated February 13, 1932 and filed in this proceeding as Exhibit No. 3, G. G. McDaniel has agreed to issue in payment for the water system, to which reference is made herein, a \$4,000. promissory note payable three years after its date, without interest until maturity. The agreement recites that if required by law the parties thereto will petition the Railroad Commission for an order allowing the transfer of the properties. The petition shows that the domestic water service has been established and in operation since on or about December 1, 1931. Though this application contains no specific request for permission to transfer properties and issue a note, we believe that the Commission should authorize the execution of the agreement filed as Exhibit No. 3 and thereby permit the transfer of the properties and the issue of the note.

It appears that Paul Margolis, the present real estate promoter of this tract, before supplying water service to the lot purchasers, required the majority thereof to sign a so-called supplemental agreement for water pipe installation wherein such purchaser was required to pay varying sums of money, in most instances twenty (\$20.) dollars and twenty-five(\$25.) dollars per lot for the installation of said water pipe service connections. The evidence presented does not indicate definitely whether said connections included a part of the plumbing inside of the property line or not. As the practice of charging consumers

for the installation of service connections from the street main to the property or curb line is not permitted public utilities except in rare instances by this Commission, steps should be taken by applicant whereby the amounts charged consumers for all service pipe connections installed from the street main to the curb or property line be refunded. Hereafter no further charges for such purposes will be permitted applicant. In view of the present conditions, it appears reasonable that a period of three years from the date of the Order herein should be allowed for the refunding of these charges. They may be made by applicant either by cash refunds or by the allowance of credits on the monthly water bills until such refunds have been entirely satisfied on or before the end of the three-year period.

The type of rate schedule submitted by applicant is wholly unworkable and not applicable to the conditions existing in the area served. The rates established in the following Order under the present conditions should be just and proper charges for the service to be rendered, giving due consideration to the fact that practically all of the water purchased from the City of San Francisco must be pumped before delivery to consumers.

Pipe lines and water mains have been installed in the subdivision prior to the dedication of the streets therein to the public use. For this reason no county franchise or other permit is necessary at this time and for the purpose of this proceeding.

O R D E R

Application as entitled above having been made, 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 the operation of a water system by G. G. McDaniel for the purpose of sup-

plying water for domestic, commercial and/or other purposes to consumers residing in a portion of a certain subdivision shown on Amended Map of Subdivision One (1), Two (2) and Three (3), of the City of Visitacion, County of San Mateo, as per map dated October 14, 1908, and recorded in Book Six (6) of Maps at Page Forty-five (45), Records of San Mateo County, and the territory adjoining now owned by Paul Margolis and Nellie B. Margolis with Anglo-California Trust Company, a corporation, as Trustee, and as more particularly set forth and delineated on the map attached to the application herein.

IT IS HEREBY ORDERED that G.G. McDaniel be and he is hereby authorized to file the following ~~following~~ schedule of rates to be charged for all service rendered to his consumers in the area indicated above on and after the 1st day of July, 1932.

FLAT RATES

Per consumer, per month-----\$1.75

METER RATES

Monthly Minimum Charges:

| | |
|---------------------------|--------|
| 5/8 x 3/4-inch meter----- | \$1.75 |
| 3/4-inch meter----- | 2.50 |
| 1-inch meter----- | 3.00 |
| 1 1/2-inch meter----- | 5.00 |
| 2-inch meter----- | 8.00 |

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----- | \$0.35 |
| Next 2,000 cubic feet, per 100 cubic feet----- | .30 |
| Next 1,500 cubic feet, per 100 cubic feet----- | .25 |
| Over 4,000 cubic feet, per 100 cubic feet----- | .20 |

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IT IS HEREBY FURTHER ORDERED, that said G. G. McDaniel file with this Commission, within thirty(30) days from the date of this Order, rules and regulations governing service to his consumers, said rules and regulations to become effective upon their acceptance for filing by this Commission.

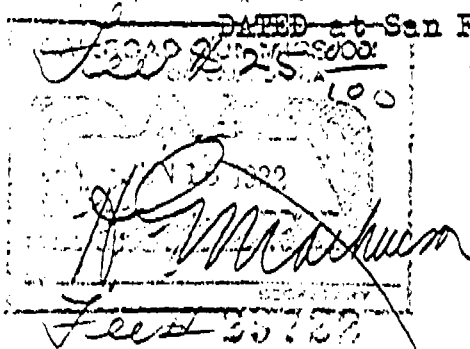
IT IS HEREBY FURTHER ORDERED, that said G. G. McDaniel refund or cause to be refunded within three years from the date of this Order, either by cash or by the granting of credits on the monthly water bills until satisfied, all charges heretofore made against the consumers for the so-called water pipe service connections from the street main to the property line, and that hereafter no such charges shall be assessed or made against any consumer desiring and demanding water service from this system.

IT IS HEREBY FURTHER ORDERED, that said G. G. McDaniel do, and he is hereby, directed to file with this Commission as of the first day of July, and as of the thirty-first day of December, within ten(10) days after each of said dates, and for a period of three years, a statement indicating the amount of the deposit heretofore paid by each consumer and the amount refunded as of the date of said statement.

IT IS HEREBY FURTHER ORDERED, that G. G. McDaniel and Paul Margolis and Nellie B. Margolis may, after the payment of the minimum fee prescribed by Section 57 of the Public Utilities Act, execute an agreement similar in form to that filed in this proceeding as Exhibit No. 3 and transfer the properties and issue the \$4,000.00 note, referred to in said agreement, said note to be issued in payment of said properties.

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 13th day of June, 1932.



C. C. Sawyer
Leon Whitehill
W. B. Clark
Fred G. Stebbins
Commissioners