

Decision No. 25507

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of the Application of  
EMERALD LAKE WATER COMPANY, a cor-  
poration, formerly known as C.E.  
HOLT REALTY COMPANY, for an emergency  
order authorizing an increase in rates.

Application No. 18113.

J.E. Morris, for applicant.

Gilbert D. Ferrel, for protestant.

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION

In this proceeding the Emerald Lake Water Company, a corporation whose corporate name has recently been changed from C.E. Holt Realty Company, a corporation, has filed a supplemental application asking the Commission to continue in effect the emergency schedule of rates heretofore established in Decision No. 24975, issued on the ninth day of July, 1932.

A public hearing in this matter was held before Examiner Satterwhite in Redwood City on the twenty-eighth day of December, 1932.

On the ninth day of July, 1932, the Commission authorized C.E. Holt Realty Company, a corporation, to place in immediate effect an emergency increased schedule of rates to remain effective only for a period of approximately six months or until and including the thirty-first day of December, 1932, for the water service rendered to its consumers residing in a real estate subdivision called

Emerald Lake in San Mateo County. The name of this water works has since been changed to "Emerald Lake Water Company," a corporation. At the time of the holding of the original hearings in this matter, the utility was in severe financial distress, operating at quite a substantial loss, and, as practically its entire water supply was purchased from outside sources, it was necessary to grant an increased rate in order to provide sufficient funds to meet current expenses, such as cost of water, power and labor.

The rates established were designed to yield only bare out-of-pocket expenses, exclusive of depreciation, which were estimated to be fourteen thousand one hundred dollars (\$14,100) per annum and it was confidently hoped and expected that conditions would so improve that the increased rates could be materially reduced by the end of the year. The evidence presented in this supplemental proceeding, however, indicates that this cannot fairly be done at this time and that the present emergency rates will have to be continued. According to the testimony, the corrected and reasonable operating expenditures for 1932<sup>(1)</sup> amounted to twelve thousand six hundred seventy-three dollars (\$12,673), exclusive of depreciation, while the revenues for the same period were eleven thousand six hundred thirty-six dollars (\$11,636), a deficit of one thousand thirty-seven dollars (\$1,037). In addition to the above expenses there were certain other operating costs incurred for emergency labor, material and repairs as a result of the severe damage caused by the recent freezing of mains during the present month of December, the complete details of which are not yet available.

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(1) Month of December estimated.

The company asked that its rules and regulations be amended to permit a charge, not refundable, of a minimum fee of fifteen dollars (\$15.00) for each new service connection and the rate schedule provide for an advance payment of fifteen dollars (\$15.00) by all new consumers, for which would be given an equivalent amount of water at the regular monthly quantity rates, this latter request being made to protect the company from the expense of installing metered service connections for temporary or summer users who very frequently discontinue service after taking water for only one or two months. This class of demand represents approximately twelve per cent of the water users.

The request for authority to charge the new consumers for service connections including meters is not only contrary to the general practice of the Commission in such matters but is unnecessary where an annual advance payment is also required from new consumers which will, to all practicable purposes, accomplish substantially the same results. Under the peculiar conditions existing on this system at this time it seems advisable to authorize an advance payment from all new consumers, covering the minimum allowance of water for a period of six months.

At present all water bills must be paid by the consumers at the San Francisco office of the owners of this utility. There being no compelling reason presented by applicant which would justify or warrant the further continuation of this inconvenience to the water users, the company will be required to provide, within thirty (30) days from the date of the Order herein, some suitable and convenient place in or near Emerald Lake Subdivision or Redwood City where the patrons of this utility can pay their water bills.

It appears advisable to place some definite limitation

upon the duration of the emergency rates heretofore established and now continued in effect by this Supplemental Order. For this reason the rates will be made effective only for a period of eighteen (18) months to and including the thirtieth day of June, 1934.

FIRST SUPPLEMENTAL ORDER

Application having been filed by Emerald Lake Water Company, a corporation, formerly known as and called C.E. Holt Realty Company, a corporation, for a continuation of the present schedule of rates heretofore authorized by the Commission in the original decision issued herein on the ninth day of July, 1932, being Decision No. 24975, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises and good cause appearing therefor,

IT IS HEREBY ORDERED that Emerald Lake Water Company, a corporation, be and it is hereby authorized to continue in effect for a period ending on the thirtieth day of June, 1934, the schedule of rates heretofore established by the Commission in its Decision No. 24975.

IT IS HEREBY FURTHER ORDERED that Emerald Lake Water Company, a corporation, be and it is hereby authorized to file with this Commission within thirty (30) days from the date of this Order the following provision applicable to all new consumers:

All new applicants for water shall be required to make an advance payment of fifteen dollars (\$15.00) before service will be rendered. This payment will entitle each consumer to a maximum of 500 cubic feet of water per month for each month of a period of six consecutive months immediately ensuing. Additional water used during each month of the above period of six months will be charged for at the regular quantity rates for use in excess of 500 cubic feet. This rate for

new consumers shall be effective to and including the thirtieth day of June, 1934, unless otherwise modified by the Commission.

IT IS HEREBY FURTHER ORDERED that Emerald Lake Water Company, a corporation, on or before thirty (30) days from the date of this Order, shall provide some suitable and convenient place or method whereby the consumers may be able to pay their current water bills in or in the immediate vicinity of Emerald Lake Subdivision or Redwood City, in San Mateo County.

IT IS HEREBY FURTHER ORDERED that Emerald Lake Water Company, a corporation, shall file with this Commission quarterly statements setting forth in detail the following information:

1. The total quantity and cost of water purchased for each month during the quarterly period, segregated as to each separate source of water supply.
2. The total quantity of water sold for each month during the quarterly period.
3. The total maintenance and operating expense for each month of the quarterly period.
4. The total gross operating revenues for each month of the quarterly period.

The above statements shall be filed not later than fifteen (15) days after the expiration of each quarterly period.

IT IS HEREBY FURTHER ORDERED that the Commission hereby reserves the right to make such other and further orders from time to time in connection with this proceeding as to it may be deemed

necessary and proper in the exercise of its jurisdiction.

IT IS HEREBY FURTHER ORDERED that the Order in Decision No. 24975 shall remain in full force and effect except as modified by this Supplemental Order.

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 3/26 day of December, 1932.

C. Deane  
Leon Whitney  
M. J. Van  
W. B. Lewis  
Fred G. Hedden  
Commissioners