

Decision No. ✓

ORIGINAL

Decision No. 3125

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of)
MOSS BEACH REALTY COMPANY for per-) Application No. 2029.
mission to establish water rates.)

Charles B. Smith for applicant.
Daniel A. Ryan for J. F. Weinke.
George O. Rich in propria persona.

BY THE COMMISSION.

O P I N I O N.

This is an application on behalf of Moss Beach Realty Company for authority to establish and collect water rates. Public hearings were held in San Francisco on January 12th and February 9th, 1916. From the evidence it appears that Moss Beach Realty Company, a corporation, operates a water system incident to its real estate subdivision business at Moss Beach, San Mateo County. Applicant owns the tract known as Moss Beach Heights, upon which it has ten consumers; it also furnishes water to the tracts known as Moss Beach, upon which there are ten or twelve consumers; Moss Beach Addition No. 1, upon which there are an equal number of consumers; and Moss Beach Addition No. 2, upon which there are three or four consumers.

Applicant, or its predecessor in interest, has been furnishing about thirty-five consumers with water since 1908

without having received any direct compensation from the individual consumers, and applicant now asks permission to charge a minimum of \$1.25 per month for the first 300 cubic feet and 30¢ per 100 cubic feet in excess of the minimum.

The pipe lines on these various tracts were installed by their respective owners to make it possible to sell parcels of land to prospective residents; and the owners, although under no obligation whatever to furnish free water, did not make any serious effort to collect from the individual consumers, having apparently been waiting for the district to become more thickly settled before having water rates established. The proprietors of the tracts own the respective distributing mains situated thereon, but upon the suggestion of this Commission the owners of Moss Beach, Moss Beach Addition No. 1 and Moss Beach Addition No. 2 agreed to transfer all their interests in the mains on their respective properties to applicant free of charge, subject to proper safe-guards, upon condition that applicant would furnish all consumers on all of the tracts with water on an equal basis and at reasonable rates. Applicant has agreed to accept this condition and, accordingly, we shall consider for the purpose of this decision all of the mains as constituting one system.

Moss Beach is located about 20 miles south of San Francisco on the ocean shore and the four tracts above named contain about 266 acres. The population is somewhat transient, a number coming for week-ends and holidays throughout the winter.

The water supply furnished by applicant was formerly secured from a perennial creek flowing on the northerly side of the district, a hydraulic ram forcing what water was needed into a 15,000 gallon wooden tank, which was installed at a proper elevation to supply the settlement. In 1911, however, the Board of Health of San Mateo County condemned this source of water and applicant thereafter purchased its water from Montara Realty Development Company. Applicant entered into a contract with that company under which it agreed to purchase the water at wholesale at 25¢ per 1,000 gallons (or 18-3/4¢ per 100 cubic feet). Applicant receives its water from the Montara Company at a point about 1/2 mile north of its tank and carries the water in a 2 inch pipe over that distance. The total amount of pipe now used in all of the tracts is approximately as follows:

2" transmission main metered to tank...	2,000 ft.
2" distribution pipe through the tracts.....	<u>4,250 ft.</u>
Total.....	6,250 ft.
1 1/2" distribution laterals.....	<u>12,600 ft.</u>
Grand Total.....	18,850 ft.

We have not included in this total the pipe connected with the ram; and the ram should be eliminated from consideration as it is not now used nor is there any likelihood that it will be used in the future.

The depreciation allowance upon the entire system, including the 35 meters and services to be installed at a cost of approximately \$350.00, should not exceed \$160.00 per year.

The proper operation of the plant will require a small portion of one man's time, and we feel that \$15.00 per month is all that the plant could at present afford for this item.

We cannot at this time require the consumers to pay a rate that will provide any interest return upon applicant's investment, for the plant is built upon such an extended scale as to be all out of proportion to present requirements.

Under all the circumstances we feel that a minimum rate of \$1.00 for the first 300 cubic feet per month and 30¢ for each additional 100 cubic feet will be fair to all parties concerned.

O R D E R.

MOSS BEACH REALTY COMPANY having applied to this Commission for an order authorizing applicant to establish rates for water to be furnished to the inhabitants of Moss Beach, Moss Beach Heights, Moss Beach Addition No. 1 and Moss Beach Addition No. 2 in the County of San Mateo, and public hearings having been held at which both applicant and consumers appeared, and evidence having been introduced by the various parties concerned, and the Commission being fully advised in the premises,

WE HEREBY FIND AS A FACT:

1. That the rates hereinafter authorized are just and reasonable.

Basing our conclusions upon the foregoing finding of

fact and upon the further findings of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that Moss Beach Realty Company be and it hereby is authorized to publish and file with this Commission, and thereafter charge and collect from its consumers the following rates:

For the first 300 cubic feet or less,
per month..... \$1.00

For each additional 100 cubic feet,
per month..... .30

Dated at San Francisco, California, this 25th day
of February, 1916.

H. H. Overland

Edwin O. Edgerly

Frank R. Decker
Commissioners.