

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of BLACK DIAMOND WATER CO., a cor-)
poration, for an order of the)
Railroad Commission of the State)
of California, authorizing appli-)
cant to increase its rates and)
charges for water furnished to its)
consumers.)

Application No. 4787.

B. D. Marx Greene for applicant.
R. N. Wolfe, City Attorney for City of Pittsburg.
W. C. Whittlaid for consumers.

BY THE COMMISSION:

SUPPLEMENTAL OPINION

On September 30, 1919, this Commission made its order (Decision No.6688) in the above entitled proceeding, authorizing and directing the Black Diamond Water Company to add a temporary surcharge of fifteen (15) per cent to all its tolls and charges in order to care for the emergency expense which it was estimated would be incurred in operating a barge for delivering fresh water to the system during the period of low flow of the river when the water at the intake becomes brackish.

It was further ordered in this decision that monthly statements be filed with the Commission setting forth in detail the operating expenditures and revenues.

In rendering said decision, it was estimated from available data that the expense of operating this barge for a period of three months would be \$6000, of which amount \$1800 was included in the annual charges which the rates heretofore established by the Commission were designed to produce.

Due to the unusually low flow of the Sacramento River

this season, the water has been so saline as to be unfit for human consumption for a period much longer than the estimated three months for which provision was made in establishing the rate schedule set out in Decision No. 6588. Present conditions indicate that it will be necessary to continue the operation of the barge until at least November 15th, which will entail largely increased expenditures.

The following is a compilation from the statement of operating expenditures and revenue submitted by the applicant showing the cost of operating the barge the past three months, also the gross revenue produced by the rates in effect during this period:

<u>Month</u>		<u>Operating Revenue without surcharge</u>	<u>Operating Expenses of Barge</u>
July, 1919,		\$ 2144.79	\$ 827.20
August, "		2122.90	2385.28
September, "		<u>2058.95</u>	<u>2261.98</u>
Total,-		\$ 6326.64	\$ 5474.46

The surcharge collected for September totaled \$309.75. Using the actual operating expenses as a basis, it is estimated that the total expense incurred for operating this barge to the middle of November will be about \$9000, and it would take approximately 2½ years to recoup this one season's barge expense, if the 15% surcharge now in effect is continued. It is evident that this condition will be unreasonable inasmuch as it will probably be necessary to again operate the barge next season.

Pursuant to Decision No. 6588, applicant has filed a detailed statement of operating expenses and revenues covering the period from July 1st to August 30, 1919, and therewith calls the Commission's attention to the urgent necessity for an increase in the surcharge now in effect.

By Decision No. 6655 rendered September 6, 1919, the property of the Black Diamond Water Company was authorized to be

transferred to the Pittsburg Water Company, its successor, and all future proceedings involving this utility will therefore be in the name of Pittsburg Water Company.

In this connection it is to be noted that under the new management the affairs of the company are efficiently conducted, and recently the voucher system of bookkeeping has been introduced and the accounts are segregated in accordance with the uniform system of accounting prescribed by this Commission.

After carefully considering the facts set out herein and the facts introduced at the previous hearings, it appears unnecessary to hold further public hearing. Clearly the surcharge should be increased to provide for the additional emergency expenditure necessitated by the operation of this barge.

It is estimated that the surcharge established in the following order will produce approximately \$800 additional revenue per month:

SUPPLEMENTAL ORDER

Black Diamond Water Company having applied to this Commission for the establishment of a surcharge, and this Commission, by its Decision No. 6688 in the above entitled proceeding having established a 15 per cent surcharge, and it appearing, upon further investigation that because of the continued drought conditions the surcharge heretofore established will not produce a fair and just sum to meet this emergency expense,

IT IS HEREBY ORDERED that this Commission's Decision No. 6688, dated September 30, 1919, in so far as it relates to the percentage surcharge to be added to the tolls and charges of Black Diamond Water Company, be and the same is hereby set aside.

IT IS FURTHER ORDERED that Black Diamond Water Company be and it is hereby authorized and directed to add to all its tolls and charges a surcharge of forty (40) per cent in addition to the tolls and charges computed in accordance with its rate schedule established

by this Commission in its Decision No. 6470, dated June 30, 1919, effective for all bills rendered subsequent to the date of this order, and shall file with this Commission within twenty (20) days of the date of this order the above surcharge to supersede the surcharge of fifteen (15) per cent heretofore filed.

IT IS FURTHER ORDERED that in all other respects Decision No. 6688 shall remain in full force and effect.

Dated at San Francisco, California, this 25th day of October, 1919.

Edwin O. Edgerton
H. D. Loveland
Frank D. Devlin
H. T. Boudreau

Commissioners.