

Huntington Park Realty Company joins in the above application, and in Application No. 5074 seeks authority to revise its schedule of water rates charged consumers of the system previously operated by it in Huntington Park, a subdivision of San Bruno, and the systems being acquired.

Public hearings upon said applications were conducted by Examiner Westover at San Bruno, at which by stipulation both applications were consolidated for hearing and decision.

All of the applicants herein were engaged in subdividing and selling real estate in San Bruno. The systems referred to were constructed as an incident to the development and sale of said subdivisions.

On June 21, 1919, Hensley-Green Company transferred its water system without authority from the Commission to Huntington Park Realty Company for a consideration of \$7,166.47. Prior thereto it had conveyed all of its real property to the latter company. By deed dated February 20, 1919, Mrs. Stine transferred all her real property located in San Bruno to Huntington Park Realty Company, together with the water system serving that part of San Bruno, known as Belle Air Park, also without authority of this Commission. That part of the consideration agreed upon as representing the water system, was \$17,237.00.

Since acquiring the properties referred to, Huntington Park Realty Company has expended \$5,975.83 in additions and betterments, consisting principally of meters. The three systems have been operated as one for a number of months. They now supply about 509 domestic services, of which about 302 are metered. These services are scattered over a large and irregularly shaped area. Heretofore different rates have been charged in the different subdivisions. This has led to considerable confusion in the matter of

adjusting and collecting rates. It is clear from the testimony that the three systems should be operated as one, and that the Huntington Park Realty Company is able and willing to furnish better service than has been furnished in the past to those served by the system sought to be transferred.

Applicant presented no appraisal or engineering testimony but left the question of appraisal or rate base to the Commission's engineers.

Mr. R. E. Child, one of the Commission's assistant hydraulic engineers, estimated the original cost of the consolidated properties at \$54,635, the annuity for replacements at \$925.00 and the expense of maintenance and operation for the year 1920 at \$5,402.00. The consolidated system is admittedly largely overbuilt. Present consumers should not be required to pay rates sufficient to produce a full return on the estimated investment. Applicant suggested a return of 6 per cent on the estimated cost found by Mr. Child. Under all the circumstances it is considered fair to treat \$35,000.00 of the estimated cost as that portion of the investment upon which present consumers should provide an interest return.

The annual charges thus found are:

Return on \$35,000 at 8 per cent	\$ 2,800.00
Maintenance and Operation	5,402.00
Annuity for replacements	<u>925.00</u>
Total Annual Charges	\$ 9,127.00

Records of the revenue derived from operation for eleven months of 1919 were available, showing a total of \$5,516.23. On this basis the total gross revenue for the entire year would be approximately \$6,100. It is apparent, therefore, that the rates should not only be adjusted and harmonized, but also increased, if the company is to be placed in a position to render adequate service.

No records of water use by applicant's consumers is available. It is therefore necessary to base the estimate of income that will be produced by the rates established herein upon use of water in similar localities. Basing the estimate of income upon the data of water use submitted by the Commission's engineers at the hearing, it appears that the rates set forth in the following order will produce the above annual charges.

Complaints were made of poor pressure, air in the pipes, faulty meter readings, and inequality of rates. With the improvements already installed and those in contemplation by the company, with unified management and the uniform rates herein provided, it is believed that these causes of complaint will be eliminated. All one inch pipe in the consolidated system classed as mains and serving more than one consumer should be replaced with pipes not less than 2 inches in diameter. Part of this work has been done. Some of the dead ends in the distributing system have recently been cross connected. This work should be continued until there is good circulation throughout the consolidated system. The meters should be read at regular intervals and bills promptly rendered. The estimate of operating expenses allows for sufficient efficient help to accomplish the above results.

O R D E R

Isabel L. Stine and Hensley-Green Company having made application for authority to sell, and Huntington Park Realty Company having joined in said matter and made application for authority to purchase certain water works, properties and systems supplying water to consumers in the City of San Bruno, said properties being more particularly described in the application herein, and it appearing that said application should be granted,

IT IS HEREBY ORDERED that said application be, and the same hereby is granted upon the following conditions:

1. The consideration given for the transfer of said public

utility water properties shall not be urged before this Commission or any other public body as a finding of value of said properties for rate fixing or any purpose other than the transfer herein authorized.

2. The authority herein granted to transfer said properties shall apply only to such transfer or transfers as may have been made on or before December 31, 1920, and a certified copy of the instrument or instruments of conveyance transferring the properties herein authorized to be transferred shall be filed with the Commission by Huntington Park Realty Company within thirty (30) days of the date on which they are executed.

3. Within ten (10) days of the date on which Isabel L. Stein and Hensley-Green Company actually relinquish control and possession of the properties herein authorized to be transferred, a certified statement shall be filed by them with the Railroad Commission, indicating the date upon which they relinquished such control and possession.

In the Matter of the Application of Huntington Park Realty Company for permission to file a new and revised schedule of water rates,

It is hereby found as a fact, that the rates heretofore charged for service upon the systems described herein, in so far as they differ from the rates set out in the following schedule, are unjust and non-compensatory, and that the rates hereinafter set out are just and reasonable rates to be charged by Huntington Park Realty Company for water served through its enlarged and consolidated system in San Bruno, and

Based on its order upon the foregoing finding of fact and upon all of the statements of fact contained in the opinion preceding this order,

IT IS HEREBY FURTHER ORDERED that said Huntington Park Realty Company be and it is hereby authorized to file with the Railroad Commission within twenty (20) days after the date of this

order, and thereafter charge and collect the following schedule of rates for water served by it in San Bruno:

Monthly Meter Rates

500 cu.ft. or less	\$1.25
For each 100 feet additional up to 10,000 cu.ft. ....	.15
For each 100 cu.ft. in excess of 10,000 cu.ft. ....	.10

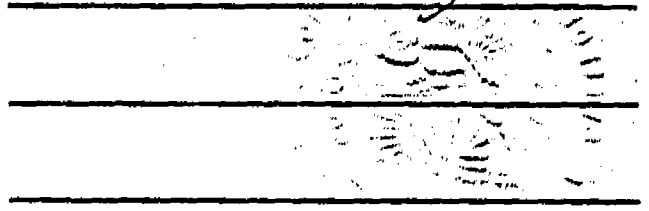
Monthly Flat Rates

1. Residences, boarding houses, apart- ments, lodging houses, tenements or flats of five rooms or less, with one bath and one toilet	\$1.50
For each additional room .....	.25
Private garage, 1 automobile .....	.25
For each additional automobile .....	.25
Private barn with one horse or cow .....	.50
For each additional horse or cow .....	.25
2. Sprinkling or irrigation of lawns, gardens, shrubbery, etc. per sq. yd.....	.02
3. Stores, shops, warehouses, theatres, billiard parlors, and all buildings used for commercial or industrial purposes not otherwise listed	3.00
4. Creameries, slaughter houses and laundries	5.00
5. Office building, for each room.....	.50
6. Restaurants, chop houses and cafes per unit of seating capacity .....	.15
7. Additional for each bath tub, toilet or urinal in Nos. 1 to 6, inclusive.....	.30
8. Steam engines per horsepower .....	.10
9. Building work, for mortar and to dampen 1,000 bricks .....	.35
For each barrel of cement .....	.15
10. Public drinking fountain	1.50
11. Public water trough	2.50
12. For each 2-inch fire hydrant off 4" main or larger	1.00
Off main smaller than 4-inch .....	.25
13. Street sprinkling per 100 cu.ft. ....	.15

14. Other public use at metered rates.

Dated at San Francisco, California, this 24th day
~~of April~~ ^{May} 1920.

Edwin O. Colquhoun



H. B. Underage

Desiring Martin

Commissioners.