

Decision No. 9805

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application of)
the C. H. HOLT REALTY COMPANY, a cor-)
poration, for an order of the Railroad)
Commission of the State of California.)
authorizing applicant to serve water)
for domestic use to the residents of)
Emerald Lake Park and Oak Knoll Manor.)
being tracts of land located near)
Redwood City, San Mateo County, State)
of California.)

Application No. 6663.

George H. Appell, for applicant.

BY THE COMMISSION.

O P I N I O N

C. H. Holt Realty Company, a corporation, makes application for a certificate of public convenience and necessity authorizing it to supply water for domestic purposes to subdivisions of land known as Emerald Lake Park and Oak Knoll Manor, contiguous to the city limits of Redwood City, San Mateo County, and to establish rates for the service rendered.

A public hearing was held at Redwood City before Examiner Satterwhite, of which all the consumers were notified and given an opportunity to be present and be heard.

Applicant is engaged in a general real estate business. It subdivided these tracts and installed the water system in 1917 under the corporation name of Lavelle-Holt Realty Company. In 1918

the name was changed to C. E. Holt Realty Company, applicant herein.

A portion of the subdivided area is within the city limits of Redwood City and this area is supplied with water by the Redwood City Municipal Water System.

Water is obtained from the municipal system at its regular rates and pumped into storage tanks, from which it is distributed to the consumers.

Applicant has the same meter rates in effect that are charged by the Municipal System. These rates vary according to use, and range from thirty cents per 1000 gallons for the first 15,000 gallons to sixteen cents per 1000 gallons for use over 400,000 gallons. The minimum meter charge on applicant's system is \$1.00 per month, and the flat rate charge is \$1.50 per month.

At present there are about 120 live services, of which about 70 are metered. Many of the consumers have temporary buildings, and it was shown that about 40 occupy their premises during the summer months or week ends and holidays.

Applicant did not present an appraisal of its properties, but it was testified that the sum of \$12,806.70 was expended in installing the system. However, no return is asked on this amount. No estimate of operating charges was submitted. The revenues for six months were shown to be \$486.

The Commission's engineer submitted an estimate of \$2,370 as a reasonable annual operating charge. No estimate was made of the investment or depreciation, as the system is in its development stage and these elements cannot reasonably be used in establishing a rate.

The rates established in the following order are considered reasonable for the service rendered, and will produce suf-

ficient revenue to approximate the estimated operating expenses. The margin of revenue over expenses will increase as the tract grows and new consumers are added to the system.

O R D E R

C. E. Holt Realty Company having applied to the Railroad Commission for a certificate of public convenience and necessity and for the establishment of rates, a public hearing having been held and the matter having been submitted,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity require that C. E. Holt Realty Company be granted a certificate authorizing it, its successors and assigns, to supply water for domestic purposes in Oak Knoll Manor and Emerald Lake Park, being subdivisions of land near Redwood City, San Mateo County; that the rate schedule now in use, in so far as it differs from the schedule herein set forth, is unjust and unreasonable, and that the rates herein established are just and reasonable rates to be charged for such service;

And basing its order upon the foregoing finding of fact and the statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED as follows:

1. That C. E. Holt Realty Company be granted a certificate of public convenience and necessity, authorizing it, its successors and assigns, to supply water for domestic purposes in Oak Knoll Manor and Emerald Lake Park, all located in San Mateo County;

2. That C. E. Holt Realty Company be and it is hereby authorized and directed to file with this Commission within twenty

(20) days from the date of this order, the following schedule of rates, said schedule to be effective for all service rendered subsequent to January 1, 1922:

FLAT RATES

Minimum annual charge, payable in advance, which entitles consumer to six months' service..... \$12.00
For each additional month..... 2.00

METER RATES

Minimum annual charge, payable in advance, which entitles consumer to a maximum of 400 cubic feet of water per month for six months..... \$ 9.00
All use during other months, 400 cubic feet or less, per month..... 1.50
All use above 400 cubic feet in each month, per 100 cubic feet..... 0.30

3. That C. E. Holt Realty Company be and it is hereby directed to file with the Railroad Commission within thirty (30) days from the date of this order, rules and regulations governing service to its consumers, said rules and regulations to become effective upon their acceptance for filing by this Commission.

Dated at San Francisco, California, this 23rd day of November, 1921.

H. B. Brundage

Erving Martin

Charles H. Brown

W. H. Tompkins

Commissioners.