

Decision No. 28430

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
E.G. THOMPSON to acquire, and the
Estate of Edgar Bishop to sell, the
water system of Ben Lomond Redwood
Park Corporation (a defunct corpora-
tion) and to fix the rates for the
sale of water for said water system
adjacent to Ben Lomond.

Application No. 19885.

Eugene E. Trefethen,
for Cordelia Bishop Alderson,
Administratrix of the Estate
of Edgar Bishop.
E.G. Thompson, for himself.
Thorvald Brown, for himself and
certain consumers.

BY THE COMMISSION:

O P I N I O N

This is an application to sell the public utility water works supplying the subdivision known as Ben Lomond Redwood Park situated in the County of Santa Cruz near the Town of Ben Lomond. Heretofore the Commission authorized the transfer of this system to Ben Lomond Redwood Park Corporation, a defunct corporation. This sale never was consummated. The subdivision served is primarily a summer colony, there being but six permanent residents in a total of seventy consumers. By reason of the inadequate water service supplied by this plant during the years prior to 1933, innumerable complaints have been filed with this Commission, some of which have resulted in formal cases.

A public hearing in this proceeding was held before Examiner MacKall at Ben Lomond.

The evidence indicates that title to this water system lies in the Estate of Edgar Bishop. Cordelia Bishop Alderson, as Administratrix thereof, has obtained an order from the Superior Court of the State of California, in and for the County of Alameda, authorizing the said estate to sell all of its interests in this system to E.G. Thompson for a consideration of one thousand dollars (\$1,000.00). Said Thompson who joins in this application has secured quitclaim deeds covering whatever interests, if any, the stockholders of the former Ben Lomond Redwood Park Corporation may have had in this water works.

For the past two years E.G. Thompson has operated the system and at his own expense has enlarged the water supply, installed new mains and improved service conditions in general. However, a considerable amount of new capital must be invested in order to provide proper service throughout the entire system and insure an adequate and dependable water supply, which latter can be obtained most advantageously through a stand-by connection with the adjoining water works operated by Public Utilities California Corporation. Said Thompson is willing to install the necessary additional improvements provided a rate schedule is established which will make the future plant operation compensatory. Consumers present approved the transfer to the proposed purchaser and stated their willingness to pay whatever reasonable increase in existing water charges may be required to enable this utility to give good service.

Existing facilities were appraised by R.E. Savage, one of the Commission's engineers, at seven thousand four hundred and eighty-eight dollars (\$7,488.00) as of October 1, 1935, exclusive of lands, rights of way and easements. Present annual revenues were estimated to be eight hundred forty dollars (\$840.00) and operating expenses six hundred ninety-seven dollars (\$697.00), including depreciation.

The record shows that existing spring sources of supply are inadequate during periods of peak demand in summer and early fall months and that in certain zones additional storage and new and larger mains will be required to provide continuous and adequate water. A stand-by water connection with the utility serving Ben Lomond and adjacent territory will require a booster pumping plant for proper use. Present revenues under the existing rate schedule will not provide sufficient funds to compensate for the operation of this plant upon the installation of the necessary and essential improvements, including meters. The schedule of rates established in the following Order should yield sufficient increased revenues to enable the prospective owner of this utility to install the required improvements and thereafter operate the system at a fair and reasonable profit. While this schedule will be made effective commencing January 1, 1936, the Commission, in order to protect the consumers, will reserve the right to cancel said schedule in the event the terms of this Order are not satisfactorily complied with, in which event the present schedule of rates may be ordered effective, i.e.:

ANNUAL FLAT RATE CHARGE

To all consumers, domestic service---\$12.00

O R D E R

Application as above entitled having been filed with the Railroad Commission, a public hearing having been held thereon, the matter having been duly submitted and the Commission now being fully advised in the premises,

It is hereby found as a fact that the schedule of rates now charged by the public utility water works supplying water to the residents of Ben Lomond Redwood Park in the County of Santa Cruz, in so far as they differ from the rates herein established, are unjust and unreasonable and that the rates herein established are just and reasonable rates to be charged for the service rendered, and

Basing its Order on the foregoing findings of fact and upon the further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED as follows:

1. Cordelia Bishop Alderson, Administratrix of the Estate of Edgar Bishop, be and she is hereby authorized to transfer to E.G. Thompson the water system supplying Ben Lomond Redwood Park in the County of Santa Cruz, as said water system is more particularly described in the deeds attached to the application herein, which are made a part hereof by reference, subject to the following conditions:
 - (a) The authority herein granted shall apply only to such transfer as may have been made on or before the first day of March, 1936, and a certified copy of the final instrument of conveyance shall be filed with this Commission by the said Cordelia Bishop Alderson, Administratrix of the Estate of Edgar Bishop, within sixty (60) days from the execution of said instrument of conveyance.

(b) The consideration for the transfer herein authorized shall not be urged before this Commission, or any other public body, as a finding of value for rate-fixing or any purpose other than the transfer herein authorized.

2. E.G. Thompson be and he is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this Order, the following schedule of rates to be charged for all service rendered consumers in Ben Lomond Redwood Park, Santa Cruz County, effective for the calendar year of 1936 and thereafter until and unless modified by order of this Commission:

FLAT RATE

Annual Charge payable in advance for calendar year-----\$18.00

METERED RATES FOR ACTUAL PERMANENT RESIDENTS

Monthly Meter Minimum:

5/8 x 3/4-inch meter-----\$ 1.50
3/4-inch meter----- 3.00

Each of the foregoing "Monthly Meter Minimum" charges will entitle the consumer to the quantity of water which that monthly meter minimum charge will purchase at the following "Monthly Quantity Rates."

Monthly Quantity Rates:

For the first 1,000 cubic feet, per 100 cubic feet-----\$0.30
Over 1,000 cubic feet, per 100 cubic feet----- .25

A permanent resident under this classification is one who resides throughout the entire year in Ben Lomond Redwood Park and who has done so for a period of twelve consecutive months immediately prior to application for this Permanent Resident Classification.

RATES FOR SUMMER RESIDENTS

Flat Rate:

Annual Charge payable in advance for calendar year-----\$16.00

Meter Rate:

An annual charge of sixteen dollars (\$16.00), payable in advance for the calendar year, entitling the consumer to a use of 500 cubic feet of water for June, July, August and September, and 200 cubic feet of water for each of the other months in the year. Water used above the quantities of 500 cubic feet during the months of June, July, August and September and 200 cubic feet for each of the other months of the year shall be charged for each month at the above quantity rates as established for permanent residents.

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3. E.G. Thompson be and he is hereby directed to install or cause to be installed a stand-by service pipe main of not less than two (2) inches internal diameter, connecting the water system herein authorized to be acquired by him with the water works operated in Ben Lomond and vicinity by Public Utilities California Corporation, and said E.G. Thompson is further ordered and directed to install or cause to be installed such additional and auxiliary facilities as reasonably may be required to make available to the consumers on the system supplying Ben Lomond Redwood Park the proper use of said stand-by service pipe; provided further that said stand-by service pipe shall be installed and in operation in a manner satisfactory to this Commission not later than the first day of June, 1936.
4. E.G. Thompson be and he is hereby ordered and directed to install or cause to be installed on the water system serving Ben Lomond Redwood Park storage facilities of not less than ten thousand (10,000) gallons in capacity for the purpose of remedying the present unsatisfactory service conditions now existing in certain of the intermediate service zones, said storage facilities to be installed and in operation in a manner satisfactory to this Commission on or before the first day of June, 1936.

For all other purposes, the effective date of this Order

shall be thirty (30) days from and after the date hereof.

Dated at San Francisco, California, this 9th day
of December, 1935.

Leon Arthur

M. A. Cur

M. B. Harri

Robert M. Harri

Frank R. Harri

Commissioners.