

ORIGINAL

Decision No. 48300

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of E. L. JELLENC and GEORGETTE M. )  
JELLENC, husband and wife, to buy )  
and BLANCHE L. HEEDER to sell the )  
public utility water system known ) Application No. 33479  
as the TROUTMERE UTILITIES in )  
San Mateo County and for authority )  
to increase the rates for water )  
service. )

E. L. Jellenc and Blanche L. Heeder,  
for applicants; John D. Reader, for  
the Commission staff.

O P I N I O N

Nature of Proceeding

Blanche L. Heeder, as seller, and E. L. Jellenc and Georgette M. Jellenc, as purchasers, request the approval of this Commission of a sale of a public utility water system located near La Honda in San Mateo County. An increase in rates is also sought.

Public Hearing

The application was filed on June 11, 1952, and a public hearing was held before Examiner Gillard in Redwood City on January 16, 1953, on which date the matter was submitted for decision. There were no protests to the application.

History and Description of System

In 1947 (Decision No. 40665 dated August 26, 1947) this water system was declared to be a public utility and a schedule of rates was ordered filed. The present application is the first requested rate increase. In November, 1950 Blanche L. Heeder sold her home and the water system to the Jellencs for \$8,500.

No separate allocations were made to these two properties, although E. L. Jellenc testified that he considered the home and the water system to be equal in value. This application was filed when the parties discovered that Commission approval of the sale is required.

The water system is located two miles west of La Honda. At the date of purchase herein it consisted of two parcels of land, a spring, a well with a 5 hp motor and pump delivering 20 gallons per minute, a 20,000-gallon storage tank and approximately 5200 feet of mains varying in size from 2-1/2 inches to 3/4 inch in diameter. There are 23 consumers: one commercial, six permanent residents and sixteen summer or week-end residents.

#### Purchasers' Qualifications

The Jellencs have paid cash for the water system and have expended in excess of \$2,000 in improvements since that time, consisting principally of 840 feet of 2-inch mains, and a new 10 hp motor capable of delivering 60 gallons per minute. Additional improvements or replacements planned for 1953 will cost an additional \$1,000.

#### Public Interest

Under the circumstances presented we find that the transfer is not adverse to the public interest and therefore will be authorized.

#### Present and Proposed Rates

The present rates for this water system are \$1.75 per month for 400 cubic feet on the metered service, and flat rates of \$2 per month, and \$20 for six months of seasonal usage by summer residents. Applicants propose to increase these rates to \$2.50, \$3.00, and \$30.00, respectively. Additional usage charges on the meter rates will remain unchanged except that an additional reduced

block for consumption over 2,000 cubic feet will be added, making the lowest rate 30 cents per 100 cubic feet.

#### Estimated Expenses and Earnings

Applicant E. L. Jellenc testified that he suffered a net loss of \$379 in 1951, and \$24 in 1952 without including charges for his own labor or for depreciation. He estimated his revenues for 12 months under the proposed rates would be \$876 and expenses would be \$879 for a net loss of \$3.

A Commission staff engineer testified herein that the expenses of this water system would be \$870 for the ensuing year. Revenues are estimated at \$850 under the proposed rates, exclusive of a small amount of revenue from a few cabins which is collected only during the summer months when these cabins are rented.

#### Rate Base

Applicant E. L. Jellenc computed his fixed capital to be \$3,368 at the end of 1951. Capital additions of \$2,181 during 1952, and accumulated depreciation reserve of \$2,190 result in a rate base of \$3,379.

The Commission engineer developed the capital structure in detail, and computed the total capital at the end of 1952 to be \$4,677. A depreciation reserve of \$1,689 and estimated capital additions in 1953 result in a 1953 depreciated rate base of \$3,650.

#### Conclusions and Findings

On this record we find that the increased rates have been justified and that such rates will not produce any rate of return on the investment. A rate base of \$3,650 is reasonable and is hereby adopted.

O R D E R

Upon the evidence adduced at the public hearing held upon the application filed herein, and based upon the findings and conclusions contained in the foregoing opinion and in the following order,

IT IS ORDERED that Blanche L. Heeder may sell and transfer to E. L. Jellenc and Georgette M. Jellenc the property and public utility water system referred to herein, and the latter may acquire and operate the same; and

IT IS HEREBY FOUND AS A FACT that the increases in rates and charges authorized herein are justified and that present rates, in so far as they differ from those herein prescribed, are unjust and unreasonable; therefore,

IT IS ORDERED that E. L. Jellenc and Georgette M. Jellenc are authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with General Order No. 96, the schedules of rates and charges shown in Exhibit A attached hereto, and, on not less than five days' notice to the Commission and the public, to make said rates and charges effective for service rendered on and after April 1, 1953.

IT IS FURTHER ORDERED that the rules and regulations of Troutmere Utilities, now legally on file with this Commission, shall be refiled within thirty days from the effective date of this order, under the name of E. L. Jellenc and Georgette M. Jellenc, in accordance with the procedure prescribed by General Order No. 96, or

in lieu of such refiling, E. L. Jellenc and Georgette M. Jellenc may file a notice of adoption of said presently filed rules and regulations.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 24<sup>th</sup> day of February, 1953.

R. T. [Signature]  
President.

Justin F. [Signature]

Harold [Signature]

[Signature]

[Signature]  
Commissioners.

Schedule No. 1

SEASONAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all seasonal water service rendered on a flat rate basis.

TERRITORY

In the subdivision known as Redwood Terrace and vicinity near La Honda, San Mateo County.

RATES

Per Service  
Per Season

Seasonal Minimum Charge:

For flat rate service during each of the months April through October, inclusive . . . \$30.00

Additional Monthly Charge:

Per Month

Upon payment of the seasonal minimum charge;  
For each additional month of the same calendar year up to the annual charge specified in Schedule No. 2 . . . . . \$ 3.00  
For each additional cabin during those months service is rendered, on same premises . . . . . 3.00

SPECIAL CONDITIONS

1. The seasonal minimum charge is payable in advance upon presentation of bill on or about April 1, or when service is first required in any calendar year if prior to the season commencing April 1.

2. Meters may be installed at option of utility or customer for above classification in which event service thereafter will be rendered only on the basis of Schedule No. 3, General Metered Service, or Schedule No. 4, Seasonal Metered Service. A consumer's request for change from flat rate to metered service must be made in writing.

Schedule No. 2

ANNUAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all water service rendered annually on a flat rate basis.

TERRITORY

In the subdivision known as Redwood Terrace and vicinity near La Honda, San Mateo County.

RATES

Per Service  
Per Year

Annual flat rate for each single family dwelling or commercial establishment . . . . .	\$36.00
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SPECIAL CONDITIONS

1. The annual charge is payable in advance and is applicable for a calendar year, except as provided for in Special Condition 2.
2. Any customer who has been a permanent resident for 12 or more consecutive months may pay the bill bimonthly in advance at the rate of \$6.00 per bimonthly period.
3. Meters may be installed at option of utility or customer for above classification in which event service thereafter will be rendered only on the basis of Schedule No. 3, General Metered Service or Schedule No. 4, Seasonal Metered Service. A consumer's request for change from flat rate to metered service must be made in writing.

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## Schedule No. 3

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service, except service to seasonal customers.

TERRITORY

In the subdivision known as Redwood Terrace and vicinity near La Honda, San Mateo County.

RATES

Quantity Rates:		<u>Per Meter</u> <u>Per Month</u>
First	400 cubic feet or less . . . . .	\$2.50
Next	600 cubic feet, per 100 cubic feet . . . . .	.40
Next	1,000 cubic feet, per 100 cubic feet . . . . .	.35
Over	2,000 cubic feet, per 100 cubic feet . . . . .	.30
Minimum Charge:		
For	5/8 x 3/4-inch meter . . . . .	\$2.50
For	3/4-inch meter . . . . .	2.75
For	1-inch meter . . . . .	3.00
For	1½-inch meter . . . . .	4.00
For	2-inch meter . . . . .	5.50

The Monthly Minimum Charge will entitle the consumer to that quantity of water which that monthly minimum charge will purchase at the Monthly Quantity Rates.

SPECIAL CONDITIONS

1. Only those customers who have been permanent residents for 12 or more consecutive months will be entitled to elect this schedule. Schedule No. 4, Seasonal Metered Service, will apply until a customer has qualified as herein provided.



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## Schedule No. 4

SEASONAL METERED SERVICEAPPLICABILITY

Applicable to all seasonal metered water service.

TERRITORY

In the subdivision known as Redwood Terrace and vicinity near La Honda in San Mateo County.

RATES

Quantity Rates:	<u>Per Meter Per Month</u>
First 400 cubic feet, included in minimum charge	
Next 600 cubic feet, per 100 cubic feet . . . . .	\$0.40
Next 1,000 cubic feet, per 100 cubic feet . . . . .	.35
Over 2,000 cubic feet, per 100 cubic feet . . . . .	.30
Minimum Charge:	<u>Per Meter Per Season</u>
Seasonal minimum charge for 5/8 x 3/4-inch meter, entitling the consumer to 400 cu. ft. of water during each of the months on a noncumulative basis, April through October, inclusive . . . . .	\$25.00
Monthly minimum charge, upon payment of the seasonal minimum charge, for each additional month of the same calendar year up to a maximum of \$30 during any calendar year . . . . .	<u>Per Month</u> \$2.50

SPECIAL CONDITIONS

1. The seasonal minimum charge is payable in advance upon presentation of the bill on or about April 1 or when service is first rendered in any calendar year if prior to the season commencing April 1.

2. Charges for water used in excess of 400 cubic feet per month are payable upon presentation of the bill for such excess quantity. Bills for excess water charges may be prepared monthly or bimonthly at the option of the utility.