

ORIGINAL

Decision No. 6161

Decision No. \_\_\_\_\_

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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CITY OF RICHMOND,

Complainant,

-vs-

HERBERT F. BROWN,

Defendant.

Case No. 986.

In the matter of the application of HERBERT F. BROWN for permission to change water rates in the ANDRADE TRACTS, Richmond.

Application No. 4086.

H. D. Chapman, City Attorney,  
by H. E. Jacobs, Deputy, for City of Richmond.

BY THE COMMISSION:

O P I N I O N

In Case No. 986, City of Richmond by its complaint alleges that the flat rate of \$1.50 per month per consumer, charged by defendant Brown, was arbitrarily fixed without public authority, and prays that the Commission determine what is a just and reasonable rate. The answer is that the flat rate of \$1.50 is a reasonable rate for the consumers to pay, but an unreasonably low rate for defendant to charge, and prays the establishment of that rate. Subsequently,

Mr. Brown filed Application No. 4086, requesting authority to establish a metered rate of 55¢ per thousand gallons with a minimum charge of \$1.25 per month, in lieu of the previous \$1.50 flat rate.

A public hearing was held by Examiner Westover at Richmond. By stipulation of the parties, both proceedings were consolidated for hearing and decision.

Water is pumped from a well into a 25,000 gallon tank on a 50 foot tower and distributed to a total of 72 consumers in the so-called Andrade Tracts in Richmond, Contra Costa County. Of these 36 are tenants in apartment houses owned and operated by Mr. Brown, and from whom a separate water rate is not collected, water bills being included in house rent.

Applicant's principal business is developing and selling real estate, the water service being provided primarily for the service of tracts in which he is interested. His accounts concerning the water system are not sufficiently segregated from real estate operations to permit a showing of actual cost of the system. The system has a capacity some four or five times the present demands with an average of 305 feet of main per consumer.

As applicant states that he does not ask a return upon the investment at this time as the system was built principally as an aid to real estate operations and is admittedly greatly overbuilt, it is unnecessary in this proceeding to present an estimate of its cost.

By stipulation, Mr. C. I. Rhodes, one of the Commission's assistant hydraulic engineers, has presented since the hearing an estimate of the cost of maintenance and

operation agreed upon with Mr. Mero, the manager of the system, showing a total of \$1268 per year. Mr. Rhodes computes \$233 as the appropriate sinking fund annuity for the depreciation.

As applicant's consumers have been using water under flat rates, the normal water use under metered rates for his system is not known. However, if water use were in the same proportion as that on a system in the vicinity which has long been operated under metered rates, about 15 of applicant's consumers would use less than 300 cubic feet per month each and the remaining 57 would use approximately 590 cubic feet per month each.

The rates found in the order, applied to probable water use, should produce the annual cost of maintenance and operation, with a surplus applicable to other purposes. The new rates are substantially the equivalent of those requested, but expressed in cubic feet.

#### O R D E R

A public hearing having been held in the above entitled case and upon the above numbered application, Herbert F. Brown to establish measured rate, both matters having been submitted and now ready for decision.

THE RAILROAD COMMISSION HEREBY FINDS that the rates hereinafter in this order described are just and reasonable rates under all of the circumstances, and that the rate complained of is unreasonable.

Based on the above findings and upon the findings of fact in the opinion preceding this order.

IT IS HEREBY ORDERED that Herbert F. Brown be and he is hereby authorized to file with the Commission

within thirty days from date hereof and thereafter charge and collect the following schedule of monthly metered rates for water served by him upon the so-called Andrade Tracts in Richmond, Contra Costa County.

For the first 300 cu.ft. or less -----\$1.00  
Over 300 cu.ft. per 100 cu.ft. ----- .25  
Minimum monthly charge \$1.00

IT IS HEREBY FURTHER ORDERED that within 30 days <sup>Brown</sup> said/ file a draft of proposed rules and regulations governing service of water through his said system, subject to approval by this Commission.

IT IS HEREBY FURTHER ORDERED that said Brown install meters upon all services within three months from date hereof.

Dated at San Francisco, California, this 25<sup>th</sup> day of February, 1919.

Edwin O. Egert  
H. S. ...  
Frank ...  
H. V. Brundige  
Commissioners.