

Decision No. 6276

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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CITY OF RICHMOND,

Complainant,

-vs-

EAST RICHMOND LAND COMPANY,
a corporation,

Defendant.

Case No. 992.

In the matter of the application
of the CONTRA COSTA REALTY COMPANY
for a certificate that public con-
venience and necessity require it
to serve water in and adjacent to
Richmond and for an order fixing rates
for water service.

Application No. 4075.

H. E. Jacobs and H. D. Chapman for
City of Richmond.
A. F. Bray for Contra Costa Realty Company.

BY THE COMMISSION:

O P I N I O N

The complaint alleges that defendant is a public utility corporation arbitrarily charging and collecting water rates not fixed by any lawful authority and praying that the Railroad Commission fix rates at which water should be sold to the city and its inhabitants. The answer denies that defendant is a public utility but prays that if the Commission concludes that it is in fact a public utility

that it fix rates to cover costs of furnishing water.

After the complaint was filed property of defendant was acquired by applicant, Contra Costa Realty Company, which has since operated the system as a public utility. No question of the legality of the transfer was raised before the Commission and it is not passed upon. Applicant asks authority to establish the same schedule of rates as that charged by East Bay Water Company, serving Oakland, Berkeley and a portion of Richmond, and prays that the Commission declare that public convenience and necessity require applicant to serve water in the territories which it supplies.

A public hearing upon above case and application was held by Examiner Westover in Richmond.

Applicant operates separately two distinct small water systems in Richmond and vicinity, one supplying 14 services in a subdivision known as Richmond Traffic Center Tract, in Richmond and El Cerrito, and the other supplying 24 services in subdivisions known as East Richmond Boulevard Tract and Tewksbury Heights, in Richmond and unincorporated territory.

In determining whether or not the rates requested are just and reasonable rates to be charged in each instance, the Commission has caused its engineers to compute the estimated average water bill per consumer which would be necessary to produce operating expenses and also depreciation and return on investment in systems sufficient to serve the present consumers. This computation shows that the rates requested are not sufficient to provide cost of maintaining and operating the systems because of the small number of consumers and the greatly overbuilt conditions of both systems; and

that a rate providing a full return would result in average monthly water bills of over \$6.00 per consumer on the smaller system and \$3.40 per consumer on the larger system, bills which would be unreasonably large for consumers to pay.

Under the circumstances, and as applicant recognizes that the present consumers cannot properly be asked to pay the entire cost of providing adequate service, we grant the application and establish the same rates as those in force by East Bay Water Company in adjacent territory. It appears to be unnecessary to make a detailed valuation or set forth operating expenses which we are satisfied are reasonable.

The only utility serving water in the immediate vicinity is East Bay Water Company. By communication just received it advises that it has no desire to undertake service within either of the three tracts served by applicant.

O R D E R

Public hearing having been held in the above entitled case, No. 992, and Application No. 4075, both matters having been submitted and being now ready for decision,

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require and will require that Contra Costa Realty Company, its successors and assigns, serve water for domestic purposes in Contra Costa County in the subdivision known as Richmond Traffic Center Tract lying in Richmond and El Cerrito and in the subdivisions known as East Richmond Boulevard Tract and Tewkesbury Heights Tract, lying in Richmond and unincorporated territory; provided applicant shall first have filed with the Railroad Commission stipulation duly authorized by its Board of Directors declaring that Contra Costa Realty

Company, its successors and assigns will never claim before the Railroad Commission or any Court or other public body a value for any franchise rights or privileges possessed by it ⁱⁿ excess of the actual cost of acquiring said rights and privileges, which cost shall be stated in such stipulation; and provided further that it shall have received from the Railroad Commission a supplemental order declaring that such stipulation in form satisfactory to the Commission has been filed with the Commission.

IT IS HEREBY FURTHER ORDERED that Contra Costa Realty Company be and it is hereby authorized to file within 20 days from the date hereof and thereafter to charge and collect for water served in the territory hereinabove described the following schedule of monthly rates, to-wit:

Flat rate	\$1.50 per mo.
Meter rates:	
Service or Stand-by charges--	
5/8" meter50 per mo.
1" meter	1.50 per mo.
1-1/2" meter	2.50 per mo.
2" meter	4.50 per mo.

Water used to be charged at rate of 23 cents per 100 cubic feet up to 50,000 cubic feet;
For water used above 50,000 cubic feet at rate of 19 cents per 100 cubic feet.

IT IS HEREBY FURTHER ORDERED that within 20 days after date, applicant file with the Commission, subject to its acceptance and approval, a complete set of rules and regulations governing the service of water on its two

systems described in the Opinion, and thereafter put into effect rules and regulations so approved.

IT IS FURTHER ORDERED that the complaint be dismissed.

Dated at San Francisco, California, this ^{19th}
day of ~~March~~ ^{April}, 1919.

Ernest O. Egan
H. S. Fox
Frank W. Horn
H. C. Brundage

Commissioners.