

ORIGINAL

Decision No. 6694

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of	:	
Contra Costa Realty Company, a	:	
corporation, for authority to in-	:	Application No. 4608.
crease rates for water service.	:	
	:	
.....	:	

A. F. Bray for applicant

Albert C. Hart in propria persona.

MARTIN, Commissioner:

O P I N I O N

Applicant in the above entitled proceeding alleges in effect that the present rates charged for water delivered to consumers are inadequate and asks the Commission for authority to increase its charges.

A public hearing was held in Martinez on September 11, 1919.

Applicant is operating a water system supplying consumers who reside immediately adjacent to the city limits of Martinez. The system consists of a well, pump, motor, tanks and a distribution pipe system. The well originally supplied all the water served to consumers but, owing to increased demands upon the system, will not now furnish sufficient water to meet all requirements. Applicant, therefore, is purchasing water from the municipal system owned by the town of Martinez and is pumping from its own well only enough water to supply consumers who are located upon high ground above the elevation which can be reached by the municipal system.

The town of Martinez has recently constructed a large reservoir at an elevation sufficient to furnish adequate service to all of applicant's consumers and, as soon as this reservoir is placed in service, applicant proposes to purchase its entire supply from the municipal system through a master meter and to distribute water to consumers through its own pipe system.

The present rates charged consumers are as follows:

FLAT RATES

For residence of not more than four rooms including toilet and bath	\$1.00	per month		
For each additional room	0.25	"	"	
For stores	3.00	"	"	
For Lodging Houses	3.00	"	"	
For hotels	5.00	"	"	

METER RATES

400 cubic feet or less	\$1.00	"	"
From 400 to 1000 cubic feet, per 100 cubic feet	0.20		
Over 1000 cubic feet, per 100 cu.ft.....	0.15		

At the present time all water is sold at flat rates but applicant has recently purchased meters and intends to charge at metered rates.

There are from 40 to 45 consumers on the system and the revenues from the sale of water from July 1, 1918 to July 1, 1919 were \$446.50. Operating expense for the same period amounted to \$1519.04.

Water is purchased from the Martinez municipal system at the rate of \$0.35 per 1000 gallons and applicant asks permission to put into effect the following rates for water delivered to consumers:

400 cubic feet (3000 gallons) or less\$1.50 per month

Over 400 cubic feet at the rate of \$0.373 per
100 cubic feet which is equivalent to
\$0.50 per 1000 gallons.

These rates are the same as those charged by the Martinez municipal system for service of similar character in the immediate vicinity.

It is estimated that the differential of 15 cents between the rate per 1000 gallons at which water is purchased and the rate at which it is sold to consumers will yield a revenue of \$30 per month to applicant, assuming 42 consumers using an average of approximately 5000 gallons per month.

The revenue derived from this differential will be used to pay for repairs to the distribution pipe system, repairs to meters and services, bookkeeping, billing, collection, "meter slippage", and all other expense in connection with the operation of the system.

It was shown that during the month of August service to some consumers on the higher levels was inadequate, but it developed that the poor service occurred at a time when a pump bearing was being repaired and that a satisfactory supply is now being furnished.

Under the circumstances it appears that the proposed rates are reasonable.

O R D E R

Contra Costa Realty Company having made application for permission to increase rates for water delivered to its consumers in the vicinity of Martinez, a public hearing having been held thereon and the Commission being fully informed in the matter,

It is hereby found as a fact that the rates now charged by Contra Costa Realty Company for water delivered to its consumers are unjust and unreasonable insofar as they differ from the rates set forth in this order and that the rates so set forth in this order are just and reasonable rates to be charged by Contra Costa Realty Company.

Basing its order upon the foregoing finding of fact and upon the statements of fact contained in the preceding opinion.

IT IS HEREBY ORDERED that Contra Costa Realty Company be and it is hereby authorized and directed to file with the Railroad Commission, within 20 days from the date of this order, and thereafter charge the following rates for water delivered to its consumers in the vicinity of Martinez.

RATE SCHEDULE

400 cubic feet (3000 gallons) or less\$1.50 per month

Over 400 cubic feet at the rate of \$0.373 per
100 cubic feet which is equivalent to
\$0.50 per 1000 gallons.

AND IT IS HEREBY FURTHER ORDERED that the collection of the rates herein authorized is expressly conditioned upon the furnishing by Contra Costa Realty Company of an adequate supply of water to its consumers.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 2nd day of
October 1919.

Edwin G. Edgerton
H. D. Loveland
Frank W. Wilson
Irving Martin

Commissioners.