

Decision No. 7020

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of THE RICHMOND COMPANY, Inc. } Application No. 4085.
for permission to change its water }
rates. }

F. A. Mero for The Richmond Company, Inc.
McKee and Tashcira by A. G. Tashcira, for
East Bay Water Company.
Pillsbury, Madison & Satro, by C. C.
Sullivan and Warren H. McBryde for Hercules
Powder Company.

BY THE COMMISSION:

O P I N I O N

This is a proceeding brought by The Richmond Company, Inc. a public utility water company delivering water to the inhabitants of what is locally known as the Rose-Andrade tract, located north of San Pablo, in Contra Costa County, California, for the establishment of a rate schedule.

A public hearing herein was held by Examiner Westover.

The Richmond Company, Inc., applicant herein, purchased a tract of land known as the Rose-Andrade tract, subdivided and marketed it. A water system was constructed to aid in the sale of this tract, and applicant is now delivering water to some nineteen consumers. The tract is still in its

development stage, and is very sparsely settled.

At the hearing herein, the Commission's engineers submitted an estimate of cost of the property, with estimate of replacement fund, and operating expenses. The tabulation of the annual charges based upon these estimates follows:

Return on \$11,373 @ 8%.....	\$910.00
Replacement fund.....	231.00
Maintenance and Operation Expense.....	<u>702.00</u>
Total.....	\$1,843.00

Representative of applicant stated at the hearing that it was not asking at this time for a return upon the investment, in view of the few consumers now being served. They ask that a rate of 26 cents per 100 cu. ft. with a minimum of \$1.25 per month be established. Based upon water use of this and other similar systems in the state the rate which applicant herein asks to have established would yield only approximately \$300 annually. It is therefore apparent that it is unnecessary to further discuss annual charges.

Applicant now purchases its water from East Bay Water Company at that company's current rates, which average approximately 23 cents per 100 cubic feet in addition to the established service charge. The rate which is herein asked is 26 cents or a differential of only 3 cents per 100 cu. ft. to cover all operating costs.

After considering all of the facts herein, it appears that the rate which applicant asks is not unreasonable.

O R D E R

THE RICHMOND COMPANY, INC. having applied to this Commission for authority to charge certain rates, and a public hearing having been held and the Commission being fully apprised in the premises,

IT IS HEREBY FOUND AS A FACT that the rates heretofore charged by The Richmond Company, Inc. insofar as they differ from the rates herein established, are unjust and unreasonable and that the rates herein established are just and reasonable rates.

Basing its order upon the foregoing finding of fact and upon the further statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that The Richmond Company, Inc. be and it is hereby authorized to file with this Commission within twenty (20) days of the date of this order, and thereafter charge, the following rates for water delivered to its consumers.

26 cents per 100 cu. ft.
Minimum charge, \$1.25 per month.

Dated at San Francisco, California, this

9th day of January, 1920.

Edwin C. Edgerton
H. D. ...
H. D. ...
Commissioners.