

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the PULLMAN WATER COMPANY for authority to increase rates for domestic water service. ) Application No. 2529.

City of Richmond, Complainant, vs. Fred Meyers, Defendant. Case No. 991.

D. J. Hall, City Attorney, for Complainant and Protestants.

C. A. Odell for Applicant and Defendant.

BY THE COMMISSION.

O P I N I O N

Pullman Water Company, Fred Meyers, sole owner, makes application to this Commission for authority to increase rates charged for water to consumers in the various tracts served within the city limits of Richmond and territory adjacent thereto in Contra Costa County, upon the ground that the present rates are inadequate to meet the annual charges.

The complaint in Case No. 991 alleges in effect that the present metered rates charged are discriminatory and unjust as compared with the flat rates, and complainant asks this Commission to establish just rates and give such other relief as appears necessary.

A public hearing upon both matters was held by Examiner Westover at Richmond, at which it was stipulated that they might be consolidated for hearing and decision.

To obtain a water supply for certain of the various tracts in Richmond the promoters thereof prevailed upon Mr. Meyers to undertake the service, and agreed to pay him a bonus of \$1.25 to \$1.75 per lot, fronting on water mains laid by him at his own expense. The evidence shows that agreements to this effect were executed in behalf of nine different tracts and mains were laid in accordance therewith between February, 1911, and March, 1913. The total bonus received was \$7,014 for a total of 5195 lots.

The utility obtains its water supply by pumping from six 10-inch wells. There are four electric pumping plants located on different tracts and the water is delivered into three elevated redwood tanks and thence into the distribution mains, serving the tracts. These mains are principally 1-1/2", 2" and 4" in diameter.

Mr. Meyers began supplying water in 1911 with about ten consumers. To date 263 services have been installed. The present pumping equipment is sufficient for approximately double the number of consumers now served. It is evident that the system is largely overbuilt and still in a development stage. The present consumers should therefore not be required to pay a full return upon the investment in plant.

Sufficient data has not been kept by the utility from which original cost of plant, or cost of maintenance and operation or actual revenue can be determined. The map submitted, showing the distribution mains, has been recently compiled from memory and is only approximately accurate. Revenue for 1918 is shown in the annual report to the Commission as \$4,160.73 and is reported by the Commission's auditor as \$3,861.80; collections for 1918 were reported by applicant at the hearing as \$3,389.60,

not including \$250 in water bills outstanding uncollected. It is necessary, therefore, to resort largely to estimates in determining the annual charges of the system. Applicant must keep his records and accounts as required by law in the method directed by the Commission, making it possible for the Commission to reach a more exact determination in subsequent proceedings.

A field investigation was made by Mr. H. A. Noble, one of the Commission's hydraulic engineers. He estimates the original cost of the entire system as \$45,504; annuity for replacements as \$959.57; and the annual cost of maintenance and operation as \$3,225.

It is estimated that the rates set forth in the accompanying order will provide sufficient revenue to yield operating costs and replacements, but only a partial return upon plant investment because the system is overbuilt to serve present consumers.

The system at present is only about 40 per cent metered. It is impossible to compute a rate by which the expenses can be equitably distributed among the consumers under a flat rate method of delivery. The benefits of a completely measured system of delivery are well known and it is recommended that this utility proceed with a plan for the gradual metering of the whole system.

#### O R D E R

FRED MEYERS, doing business under the fictitious name of Pullman Water Company, having made application for authority to increase water rates, a public hearing having been held upon it and Case No. 991, and the Commission being fully apprised in the premises,

IT IS HEREBY FOUND AS A FACT that the rates now being charged by said Meyers are unjust and unreasonable in so far as they differ from the rates herein established, which latter rates are found to be just and reasonable rates.

Basing its order on the foregoing findings of fact and on all statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that Fred Meyers, doing business under the fictitious name of Pullman Water Company bc, and he is hereby authorized to file with the Railroad Commission within twenty (20) days from the date of this order, and thereafter charge and collect the following rates for water served to his consumers:

Monthly Meter Rates.

1. Monthly Minimum Payments.

For 3/4 inch or 5/8 inch meter.....	\$ 1.00
For one-inch meter .....	1.75
For 1-1/2 inch meter.....	2.50
For two-inch meter .....	3.50

2. Monthly Quantity Rates.

For use from 0 to 1500 cu. ft., per 100 cu. ft....	.26
For use over 1500 cu. ft., per 100 cu. ft., .....	.22

3. Meters may be installed at the request of any consumer or at the option of the utility.

Monthly Flat Rates.

To apply on all users on separate premises in whatever ownership.

1. Residences of not more than 5 rooms with not over one bathtub and toilet .....	\$ 1.40
For each additional room .....	.10
For each additional bathtub or toilet .....	.15
For each private barn, not more than two horses or cows .....	.50
For each additional horse or cow .....	.20
2. Private boarding houses, for each boarder in addition to the family .....	.10
3. Irrigation of lawns, shrubbery, gardens, etc., payable each month in the year, per 100 sq. ft. ....	.03
4. Stores or shops according to the use of water, \$1.00 to \$3.00	
5. Municipal fire hydrants, 2" and over, each .....	1.00
6. Sewer Flushing, street sprinkling and all other municipal use at the metered rate.	

IT IS HEREBY FURTHER ORDERED that said company shall in-

install a system of bookkeeping and keep the accounts of this utility in conformity with that prescribed by the Railroad Commission of the State of California; also, that readings of all active meters shall be taken and recorded in a suitable book monthly and all water bills rendered strictly according to meter readings.

IT IS HEREBY FURTHER ORDERED that before thirty days from the date of this order, said company shall submit to this Commission for its acceptance a schedule of rules and regulations for the service of water to its consumers.

Dated at San Francisco, California, this 26<sup>th</sup> day of April, 1920.

H. S. Loveland  
Frank P. Dwyer  
H. W. Bondage  
Commissioners.