

ORIGINAL

Decision No. 7540

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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CITY OF RICHMOND,

Complainant,

vs.

McEWEN BROS.

Defendants.

Case No. 988.

D. J. Hall for complainant.
Alberta Anderson for defendant.

BY THE COMMISSION:

O P I N I O N

The complaint alleges that defendants charge a flat rate of \$1.50 per month for water served a majority of its consumers and a measured rate of 35¢ per thousand gallons with a minimum of \$1.50 per month; but that the measured rate is discriminatory and not just, fair or reasonable. The answer denies that the measured rate is discriminatory and not just, fair or reasonable, and alleges that it is the measured rate fixed by city ordinance.

A public hearing on the case was held by Examiner Westover at Richmond.

Defendant corporation is primarily engaged in the business of subdividing and selling lands. The construction and operation of the system in question was incidental to defendants' main business. Water is pumped from wells and stored in wooden tanks from which it is distributed to 171 services, of which 81 are metered. Meters were installed primarily to conserve water. As has been stated many times by the Commission the measured system of selling water conduces to a more equitable distribution of the charges to the consumers, a conservation of the water supply and economy in operation. Therefore it is recommended that applicant should proceed with some comprehensive program for metering its entire system.

A field investigation was made by Mr. F. D. Andrews, one of the Commission's hydraulic engineers. His report submitted in evidence shows that the system, constructed for the purpose of promoting real estate sales in this locality, is largely overbuilt to serve the present consumers and therefore in estimating the annual charges to be returned by the rates he recommends a partial return for interest on plant investment. Considering this fact he concludes that the rates in effect provide a reasonable return to the utility.

However, after a careful consideration of the evidence and a comparative study of the rates in effect and of the water use, it appears that an adjustment of the schedule of flat and metered rates would more equitably distribute the charges among the consumers.

To this end the rate schedule set out in the following order has been computed and is designed to return to the utility the reasonable annual charges of the system as at present operated.

O R D E R

THE CITY OF RICHMOND having complained that the metered rates of defendant are discriminatory, unjust, unfair and unreasonable, defendant having answered 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 present rate schedule of the water system owned and operated by McEwen Bros., in so far as it differs from the rate schedule herein-
and discriminatory
after set out, is unjust and unreasonable/and that the rates herein established are just and reasonable rates to be charged for water by said McEwen Bros.

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

IT IS HEREBY ORDERED that McEwen Bros. be and they are hereby directed to file with this Commission within twenty (20) days of the date of this order, and thereafter charge the following rates:

Meter Rates.

1. Monthly Minimum payments.
For 3/4 inch or 5/8 inch meters\$1.00
For 1 inch meter..... 1.75
For 1 1/2 inch meter..... 2.50
For 2 inch meter..... 3.50

2. Monthly quantity rates.
For use from 0 to 1500 cu. ft.
per 100 cu. ft..... 0.26

For use over 1500 cu. ft. per
100 cu. ft..... 0.22

3.

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..... 0.10
For each additional bathtub or toilet... 0.15
For each private barn, not more than 2 horses or cows..... 0.50
For each additional horse or cow..... 0.20
2. Private boarding houses, for each boarder in addition to the family. 0.10
3. Irrigation of lawns, shrubbery, gardens, etc. payable each month in the year, per 100 sq. ft. 0.03
4. Stores and 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 FURTHER ORDERED that said McEwen Bros. file with this Commission within thirty (30) days of the date of this order full and sufficient rules and regulations to govern their dealings as a water utility with their consumers.

Dated at San Francisco, California, this 3^d day of May 1920.

Elin O. Edginton
H. D. Lloyd
James H. Martin
H. B. Brundage
Commissioners.