

Decision No. 82002

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Elmer L. Cupp, an Individual, for a Certificate under Section 50 of the Public Utilities Act to establish and maintain public utility water service in that portion of Contra Costa County, California known as the Orbisonia Heights, a Subdivision, and property immediately adjacent thereto, and to establish and maintain water rates.

ORIGINAL

Application No. 22591.

Elmer L. Cupp, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding Elmer L. Cupp requests the Commission to grant him a certificate of public convenience and necessity to operate a water works as a public utility in a subdivision known as Orbisonia Heights and in certain territory adjacent thereto, located about three and one-half miles southwest of the City of Pittsburg, in Contra Costa County.

A public hearing in this matter was held before Examiner M. R. MacKall in Pittsburg.

According to the evidence Elmer L. Cupp in 1929 subdivided a ten-acre tract called Orbisonia Heights and drilled a well thereon, constructed a 5,000-gallon elevated tank and installed a pump and such appurtenant facilities as were necessary to serve water to prospective residents. Thereafter a second well was drilled and additional storage furnished by a 15,000-gallon tank. About the year 1936 a

certain parcel of land lying immediately adjacent to and southerly of Orbisonia Heights was subdivided into lots by a party named McGinnis who installed a water system to furnish water to purchasers of lots in the tract now known as Pittsburg Terrace. This water works including the well, turbine pump and pressure tank together with the distribution system was acquired in 1937 by Mr. Cupp, and the two systems have since been interconnected. The well and pressure tank of the McGinnis plant are now the principal operating units of the combined water works, the original Orbisonia Heights well being now non-operative. Under present operating conditions the pressure provided varies from 10 pounds to 50 pounds per square inch. The storage tanks are so connected as to feed into the distribution system during periods of heavy draft. There are now 33 consumers being served through a total of 2,895 feet of distribution mains ranging from 1½ to 2½ inches in size. The present base rate for residential service is a flat rate charge of \$2.50 per month. The proposed service area includes approximately 23 acres.

Applicant has kept no records of the original cost of the utility properties nor of the current operating expenses and no testimony was presented by him or in his behalf covering these items. A report was submitted by John C. Luthin, one of the Commission's engineers, in which the original cost of the utility properties was estimated to be \$6,703 as of May 3, 1939, including an item of \$770 for materials and supplies on hand consisting mainly of 48 Trident meters recently purchased but as yet not installed. Annual operating expenses for the immediate future were estimated to be \$850, including a depreciation annuity of \$125 computed by the 5% sinking fund method. Under the existing rates the revenues now amount to about \$1,000 per annum.

The schedule of flat and meter rates requested by applicant appears to be unreasonably high under present operating methods and

service conditions. In addition to this it should be noted that the service area of this utility is now in its early development stages and shows a rapid and healthy growth indicating a quite fully settled area in the not too distant future. Under such circumstances the rates fixed in the following Order will provide for a reasonable return upon the investment over and above proper and normal operating costs including depreciation and they compare favorably with charges by public utilities operating under like circumstances and similar conditions in this section of the state.

From the evidence it appears that applicant desires to install meters on practically all service connections and will do so as soon as a meter rate is established. While the installation of meters unquestionably will reduce the waste and careless use of water with some slight resultant increase in pressure conditions, yet it is very apparent that the small size of the mains together with the lack of high elevated storage have resulted in most unsatisfactory pressure conditions and in serious lack of sustained delivery capacity. The existing small mains make it impossible to provide adequate water at reasonable operating pressures during periods of peak load demands. Conditions will grow steadily worse with the consistent increase of new consumers. It will be necessary to install, without delay, a primary feeder pipe line not less than 4" in diameter traversing the entire length of the Orbisonia Heights tract, and also southerly to or near Shell Street in Pittsburg Terrace. Connecting the cross lines to this large main should result in vastly improved water pressure and delivery capacity. This certificate will be granted contingent upon the installation of such a main within a reasonable time, such time appearing to be not later than the first day of May 1940.

Applicant has secured from the county authorities all permits

necessary for the crossing of county roads and highways at this time. No protests were filed in this proceeding and it appears from the evidence to be to the best interests of the public that a certificate of public convenience and necessity be granted.

O R D E R

Application as entitled above having been filed with the Railroad Commission, a public hearing having been held thereon, the matter having been duly submitted and the Commission now being fully advised in the premises,

The Railroad Commission of the State of California hereby declares that public convenience and necessity require the operation of a water system by Elmer L. Cupp in that tract known as Orbisonia Heights and certain additional and adjacent land situated southerly thereof, all located about three and one-half miles southwesterly of the City of Pittsburg, County of Contra Costa, and as shown on the map marked Exhibit "A" attached to the application and on the map marked Exhibit No. 2, both of which are hereby made a part of this Order by reference, the entire service area being more particularly described as follows:

Commencing at the intersection of Bailey Road and the County Road, which intersection is at the center of Section 14, T. 2 N., R. 1 W., M.D.B. & M.; thence running westerly to the westerly boundaries of a proposed tier of lots fronting on the west side of Bailey Road; thence running southerly along the westerly boundaries of said proposed lots to the extension of the south boundary of Lot 8, Block 2 of Pittsburg Terrace; thence running easterly along the extension of said south boundary of said Lot 8 and continuing along the south boundary of said Lot 8 and of Lot 43, Block 2 of Pittsburg Terrace to the center line of Willow Avenue; thence northerly along said center line of Willow Avenue to its intersection with the center line of Shell Street; thence easterly along said center line of Shell Street to the east boundary of Pittsburg Terrace; thence along the east boundary of Pittsburg Terrace and its extension running along the east boundary of Orbisonia Heights to the north side of said County Road; and thence running westerly along said north side of the County Road to the point of beginning.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Elmer L. Cupp to operate a public utility for the sale and distribution of water within the territory hereinbefore described.

IT IS HEREBY FURTHER ORDERED as follows:

1. That Elmer L. Cupp be and he is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this Order, the following schedule of rates to be charged for all water service rendered to his consumers subsequent to the 31st day of May, 1939:

FLAT RATES

- | | |
|---|--------|
| (1) Residence per month..... | \$1.75 |
| (2) For each additional residence on same premises occupied by a tenant, per month... | \$1.00 |

METERED RATES

Monthly Minimum Charges:

For 5/8" meter.....	\$1.75
For 1" meter.....	\$2.50
For 1 1/2" meter.....	\$3.75
For 2" meter.....	\$5.00

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following Monthly Quantity Rates:

Monthly Quantity Rates:

For 500 cubic feet, or less.....	\$1.75
Next 500 cubic feet per 100 cubic feet...	\$.20
All over 1,000 cubic feet per 100 cubic feet...	\$.15

Meters may be installed at the option of either the Company or the consumer.

2. That Elmer L. Cupp be and he is hereby directed to submit within thirty (30) days from the date of this Order rules and regulations governing relations with his consumers to become effective only upon approval by this Commission.
3. That the certificate of public convenience and necessity herein granted shall terminate on the first day of May 1940 unless applicant shall install or cause to be installed on or before said date a feeder main of not less than 4 inches in internal diameter extending from the southerly boundary to the northerly boundary of the utility service area, said feeder main to be installed,

connected and in operation in a manner satisfactory to the Railroad Commission on or before said first day of May 1940, unless otherwise ordered.

For all other purposes the effective date of this Order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 31st day of May, 1939.

Ray Goodfriend
Frank R. Dwyer
Ray A. Riley
W. H. Kelly
Justin J. Casner
COMMISSIONERS.