

Decision No. 12920.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of )  
L. C. HANSEN, )  
conducting the Empire Water System )  
at Empire, County of Stanislaus, )  
State of California, for authority )  
to discontinue and abandon said wa- )  
ter service. )

Application No. 9366.

T. B. Scott, for applicant.

S. F. Sanger, representing consumers.

WHITTLESEY, Commissioner:

O P I N I O N

L. C. Hansen, who owns and operates a small public utility known as the Empire Water System, which furnishes water for domestic purposes to residents of the town of Empire, Stanislaus County, asks authority to discontinue the operation of the plant.

The application alleges in effect that the water works was acquired by the present owner in 1921 and since that time has supplied approximately twelve consumers. It is further alleged that the revenues received from the sale of water are not sufficient to cover the cost of maintenance and operation of the system.

A public hearing in this matter was held at Modesto after all interested parties had been duly notified and given an

opportunity to be present and be heard.

This water system consists of a 2 inch centrifugal pump driven by an electric motor, and a distribution system consisting of small sized pipe. A 5,000 gallon tank provides storage.

The testimony of Mr. Hansen shows that the revenues derived from the sale of water in 1922 were \$216 and the operating expenses \$510. It appears however that several items properly chargeable to capital were included in operating expense, and that the actual amount is considerably less than is indicated by the owner's testimony, which also estimates the revenue for 1923 as \$180 and the operating expenses \$242. None of the foregoing figures include any charges for depreciation or a return upon the investment.

The testimony also shows that applicant resides at Modesto, a distance of about seven miles from Empire, and on account of the small number of consumers cannot afford to give the system his personal attention, as a result of which it is necessary to hire a caretaker and collector. The owner is willing to dispose of the plant to the water users at a price fixed by any disinterested parties, or at a figure which may be fixed as a fair value of the plant by the Railroad Commission.

S. F. Sanger, who represented a number of consumers at the hearing, stated that the revenues as shown by Mr. Hansen's testimony did not represent true conditions, as, through carelessness on applicant's part, a number of persons were obtaining water from the system from whom no collections were made.

From the evidence submitted it is apparent that continued operation of the plant can only result in loss of money by the owner. The present rates charged for water service are \$1.50 per month with the exception of two consumers who are charged

\$3.00, and there is every indication that should these rates be increased to such an extent as would theoretically place the plant upon a profitable basis and insure a fair return on the investment, consumers would install their own plants and discontinue service.

Under the conditions it is evident that applicant should be permitted to discontinue the operation of the water system after giving consumers a reasonable time in which to acquire this plant or to secure other sources of water supply.

### O R D E R

L. C. Hansen having made application to this Commission as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully informed in the matter,

It is Hereby Found as a Fact that public convenience and necessity do not require the continued operation of the public utility known as the Empire Water System, which supplies water for domestic purposes to residents of the town of Empire, Stanislaus County.

And basing the order upon the foregoing finding of fact and upon the statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that L. C. Hansen be and he is hereby authorized to discontinue the operation of the public utility known as the Empire Water System, located in the town of Empire, Stanislaus County, on June 30, 1924.

IT IS HEREBY FURTHER ORDERED that within twenty (20) days from the date of this order L. C. Hansen be and he is hereby directed to notify in writing each of the consumers now being supplied with water by this plant, of his intention to discontinue

the operation of the system on June 30, 1924.

IT IS HEREBY FURTHER ORDERED that L. C. Hanson be and he is hereby directed to furnish this Commission within thirty (30) days from the date of this order an affidavit setting forth the fact that each of his consumers at Empire was duly notified of such intention to discontinue the operation of the water system on June 30, 1924.

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 12<sup>th</sup> day of December, 1923.

C. S. Seavey

H. B. Burdick

Dwight Martin

Egerton Shaw

J. P. Whitting  
Commissioners.