

Decision No. 21908

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
VICTOR WATER WORKS, a corporation,
for certificate of public convenience
and necessity and for order establishing
rates.

Application No. 16053.

Glenn West, for Applicant.

BY THE COMMISSION:

O P I N I O N

Victor Water Works has made application to the Railroad Commission for a certificate of public convenience and necessity for the establishment of public utility water service in the unincorporated Town of Victor, in San Joaquin County, and for the fixing of rates for such service.

A public hearing herein was conducted before Examiner Williams.

This water system originally was installed in 1921 for the purpose of serving water to eight fruit packing plants, one store and one apartment house, and was operated as a mutual water company until May, 1929. Stock in the mutual water company was issued to each consumer and the cost of the operation was assessed against the stock. In May, 1929, the company began serving consumers who were not stockholders and for which service a charge of \$2.00 per month has been made. The water supply is obtained from an 18-inch drilled well, production of which is retained in a redwood tank of 20,000 gallons capacity,

elevated fifty feet above the ground surface. Delivery to consumers is made through approximately 5,000 feet of 4-inch, 2-inch and 1½-inch pipe. The company is now serving thirty users. The well, pumping plant, tank and tower were installed new since May, 1929, and were completed in August of the same year. During 1928, the revenue of the company was \$223.97, and its expense during the same period was \$518.00.

Mr. D.H. Harroun, one of the Commission's hydraulic engineers, presented a report, inventory and appraisal of the physical property of the system. This report shows the estimated cost of the system to be \$7,370. and the replacement annuity, computed on a five per cent sinking fund basis, to be \$215. as of November 1, 1929. Since May, 1929, the former system has been replaced by a new well, a new pumping plant, and a new tank and tower. Because this installation has been of such a recent date, it is difficult to accurately estimate the reasonable future annual expenses.

The Secretary of the company, Mr. E.J. Mettler, estimated the following operating expenditures for the immediate future:

Power-----	\$360.00
Taxes-----	65.00
Clerk-----	150.00
Pump and Repair Man-----	<u>250.00</u>
Total-----	\$825.00

Adding the replacement annuity of \$215. to the above operating and maintenance expenses of \$825. gives a total annual operating charge of \$1,040. This amount is reasonable under present conditions and circumstances.

The water supply of this system appears adequate and its storage, transmission and distribution lines and pumping facilities are capable of rendering good service, not only to

present consumers but to any reasonable number of new consumers for several years to come. The company appears financially able to provide all necessary funds to maintain the plant. The company expects, on the certification of its business, to supply upon demand additional consumers within the area designated as the Townsite of Victor. It was stipulated by applicant that no return upon the investment is expected at this time, it being merely the desire of the company to furnish water at a rate that will equal the cost thereof. Applicant furthermore agreed that it would never claim before this Commission or any other public body a value for its franchise in excess of the cost of acquisition thereof. It appears that the company should be permitted to engage in a public utility business and that the certificate prayed for should be granted.

O R D E R

Application as entitled above having been made to this Commission, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises,

The Railroad Commission of the State of California hereby declares that public convenience and necessity require that the Victor Water Works operate a water system for the purpose of supplying water for domestic and other purposes to consumers in and in the vicinity of the Town of Victor, San Joaquin County, as more particularly delineated on the map marked "Exhibit B" in the application herein, pursuant to the franchise rights granted said Victor Water Works by Ordinance No. 393, County of San Joaquin, dated July 15, 1929.

IT IS HEREBY ORDERED that Victor Water Works be and it is hereby authorized to file with this Commission, within

