

Decision No. 22628

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application
of GEO. R. BLISS for an order
authorizing a revision of rates.

Application No. 16526.

Geo. R. Bliss, in propria persona,
for applicant.

BY THE COMMISSION:

C O P I N I O N

Geo. R. Bliss who, among other things, is engaged in the business of distributing and selling water for irrigation purposes to certain lands located near Carpinteria, Santa Barbara County, alleges that the present rates do not produce sufficient revenue and asks the Railroad Commission for authority to increase the charges for such service.

A public hearing in this proceeding was conducted by Examiner Satterwhite at Carpinteria.

On February 24, 1925, this Commission in its Decision No. 14586 established the following schedule of rates to be charged for the irrigation service delivered by this utility:

0 to 1,000 cubic feet, per 100 cubic feet-----	\$ 0.06
Above 1,000 cubic feet, per 100 cubic feet-----	0.05
Minimum charge per irrigation-----	2.50

Applicant voluntarily submitted to the Commission the following reduced rate for service which was accepted for filing March 1, 1927, and is now in effect:

By contract for a period of five years,
 per 100 cubic feet-----\$.03½
 Minimum quantity per year-----250,000 cubic feet

Very few changes in the water system have taken place since the last proceeding establishing rates for this utility. A plot of land on which the well and pump are located has been deeded to applicant for utility purposes and certain minor pipe line extensions have been made.

Water is developed from a 12-inch well and pumped directly into the irrigation mains which consist of approximately 12,000 feet of 8-inch and 10-inch concrete pipe, supplying a territory of approximately 235 acres.

Attached to the application as Exhibit "C" is an inventory prepared by R.M. Faletti, showing the original cost of the system as of March 15, 1930, as shown by the company's books. At the hearing a report and appraisal of the system was submitted by F.E. Van Hoesen, one of the Commission's hydraulic engineers. In the following tabulation is set out a summary of the above appraisements, together with operating revenues and expenses, depreciation and the results of operation based thereon:

	: Faletti :	Van Hoesen :
	: for :	for :
	: Company :	Commission :
Estimated original cost	\$13,013.11	\$12,224.00
Replacement annuity - 5% sinking fund	-	352.00
Depreciation - Straight Line - 1929	616.21	-
Maintenance & Operating Expense - 1928	1,835.71	1,219.76
Maintenance & Operating Expense - 1929	1,875.86	1,892.28
Maintenance & Operating Expense - estimated future	-	1,635.00
Operating revenue - 1928	-	2,448.07
Operating revenue - 1929	-	2,548.80
Net return based on 1928 M. & O.	-	7.1%
Net return based on 1929 M. & O.	-	2.5%
Net return based upon estimated future M. & O.	-	4.5%

The testimony indicates that the engineer for the Commission did not include any value for a pipe line easement 1,750 feet in length and which is reasonably worth \$350. The sum of \$12,500. will be considered as a reasonable rate base for the purposes of this proceeding and a fair allowance for annual maintenance and operation expense for the immediate future, including depreciation, is \$2,000.

The service conditions in the territory served by this utility are such that little or no material increase can be anticipated in the future from new consumers. Such being the case, it is apparent that applicant is entitled to a slight re-adjustment in the present rate schedule.

O R D E R

Geo. R. Bliss having made application to this Commission as entitled above, a public hearing having been held thereon, the matter having been duly submitted and the Commission now being fully advised in the premises,

It is hereby found as a fact that the rates and charges of Geo. R. Bliss for water delivered to his consumers, in so far as they differ from the rates herein established, are unjust and unreasonable and that the rates herein established are just and reasonable rates to be charged for the service rendered, and

Basing this order upon the foregoing findings of fact and on the further statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that Geo. R. Bliss be and he is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this order, the follow--

ing schedule of rates to be charged for all service rendered subsequent to the 5th day of July, 1930:

Public *July*
IRRIGATION SERVICE

Meter Quantity Rate:

Per 100 cubic feet-----\$0.04

Minimum Irrigation Charge:

The minimum charge per irrigation shall be based upon the full flow of the pump for a 24-hour period computed at the above meter quantity rate.

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

Dated at San Francisco, California, this 3rd day of July, 1930.

Edward J. ...

Leon ...

John ...

Commissioners.