

ORIGINAL

Decision No. 24421

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of J.C. Lewis for certificate of
public convenience and necessity
to operate water system at Kettle-
man City, California.

Application No. 17651.

Clark Clement, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding J.C. Lewis applies for a certificate of public convenience and necessity to operate a water system at Kettleman City, Kings County, and asks for the establishment of rates to be charged for the service rendered.

A public hearing was held in this matter before Examiner Johnson at Kettleman City.

Kettleman City, an unincorporated community situated on the west edge of Tulare Lake adjoining the Kettleman Hills oil fields, was subdivided in February, 1929, by A. Manford Brown, a real estate operator. The residents mainly are employed in the Kettleman Hills oil fields and are entirely dependent for a livelihood upon the extent of activity of the local oil industry. The water system was installed and placed in operation by said Brown on or about July 3, 1929, and to date no charges have ever been made for water service. The source of water supply is a drilled well 235 feet deep from which the water is pumped by a direct

connected, electrically-driven pump into two 4,500-gallon galvanized iron storage tanks. The distribution system consists of some 4,050 feet of 3-inch pipe and 8,000 feet of 2-inch pipe. There are sixty consumers being served at present.

Testimony was presented in behalf of the applicant to the effect that the physical properties exclusive of lands had cost \$10,736. This amount, however, includes property not now operative and embraces certain items more properly chargeable to maintenance and operation expense. The used and useful physical properties were appraised at \$8,257 as of November 30, 1931, by D.E. Harroun and C.F. Mau, engineers for the Commission, on the basis of estimated original cost and the corresponding depreciation annuity set at \$173 computed on the sinking fund basis of five per cent. The annual operating expenses for the system were estimated to be \$1,625, including depreciation.

Mr. Lewis testified that he contemplates increasing the storage capacity of the system and also the height of the tanks to produce an increased pressure, renewing about 1,500 feet of pipe, placing those mains underground which are now exposed, and installing meters on all consumers' premises at such time in the future as he financially is able. These improvements are very necessary in order to provide proper service to the community. The town is situated in an arid, desert region, necessitating a very high consumption of water during the months of warm weather. It therefore is recommended that applicant install meters as soon as funds become available in order to reduce waste of water and provide a method of charging for the service in accordance with the actual use of water.

No protest was made against the granting of a certificate

of public convenience and necessity nor was there any protest made against fixing a reasonable rate for the service to be rendered. As no other public utility water system is operating in this territory, it is in the public interest that such a certificate be granted. The rate schedule set out in the following Order is based on the rates in effect on other systems in the vicinity rendering a similar class of service.

Applicant has obtained an order from the Board of Supervisors of Kings County granting him permission to lay pipe lines in and along the dedicated streets within Kettleman City townsite and vicinity, including also the roads and highways throughout the proposed service area and has stipulated at the hearing that neither he nor his successors or assigns will ever claim, before the Railroad Commission or any other public body, a value for the above franchise in excess of the actual cost of securing same.

O R D E R

Application having been made to the Railroad Commission as entitled above, a public hearing having been held thereon, the matter having been 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 that J.C. Lewis operate a water system for the purpose of supplying water within the townsite of Kettleman City as such is more particularly set out and described in the application herein, and

IT IS HEREBY ORDERED that J.C. Lewis be and he is hereby authorized and directed to file with the Railroad Commission, within twenty (20) days from the date of this Order, the following rates

for water delivered to his consumers in the town of Kettleman City and vicinity, Kings County, California, said rates to become effective for all service rendered subsequent to the 31st day of January, 1932:

METER RATES

Monthly Minimum Charges:

5/8 x 3/4-inch meters-----	\$2.50
3/4-inch meters-----	3.00
1-inch meters-----	3.50
1 1/2-inch meters-----	5.00
2-inch meters-----	7.00

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:

First 500 cubic feet, per 100 cubic feet-----	\$0.50
Next 1,000 cubic feet, per 100 cubic feet-----	.40
Over 1,500 cubic feet, per 100 cubic feet-----	.30

Any consumer is entitled to metered service upon application therefor and the utility may meter any and all service connections.

FLAT RATES

For all uses-----\$2.50 per month

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IT IS HEREBY FURTHER ORDERED that J.C. Lewis be and he is hereby directed to file with the Railroad Commission, within thirty (30) days from the date of this Order, rules and regulations governing his relations with his consumers, said rules and regulations to become effective upon their acceptance for filing

by this Commission.

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 25th day of January, 1932.

W. J. Conroy
Leon Whiteley
M. J. Conroy
W. B. Harris
Fred G. Stewart
Commissioners.