

ORIGINAL

Decision No. 25097

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of F.T. Turk, doing business under the fictitious name of C.E. Gidley Water System, for authority to adjust water rates.

Application No. 18171.

F.T. Turk, in propria persona.  
Albert P. Keck, for F.P. Hornaday,  
a consumer.  
F.B. Mull, a consumer.

BY THE COMMISSION:

O P I N I O N

F.T. Turk, doing business under the fictitious name of C.E. Gidley Water System and engaged in the business of selling and distributing water for domestic, irrigation and other purposes to residents of the Gidley-Pierson Tract and vicinity, Los Angeles County, asks the Railroad Commission to authorize a readjustment of his rates.

A public hearing in this proceeding was held before Examiner Kennedy at Los Angeles.

The evidence shows that Mr. C.E. Gidley installed this water system prior to 1913 for the purpose of serving the purchasers of lots in the said tract. The effective schedule of rates was filed August 19, 1916, and is as follows:

FLAT RATE

Domestic-----\$1.00

IRRIGATION

Per miner's inch per hour-----\$0.01

Subsequent to the filing of the above rates, C.E. Gidley, without authority from the Railroad Commission, put into effect the following schedule of rates:

DOMESTIC

Minimum Charges:

1,500 cubic feet, or less-----\$1.00  
 All over 1,500 cubic feet, per 100 cubic feet----- .06-2/3

IRRIGATION

For full flow of pump, per hour-----\$1.25

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The water supply is pumped from wells directly into the irrigation mains or into an elevated storage tank and distributed by gravity through four and six-inch mains. At the present time there are two classes of irrigation service, one through concrete pipe in which the consumer takes the full flow of the pump and the other under pressure from the distribution mains which supply the domestic water. There are forty-five active consumers receiving service from this company at present.

F.T. Turk, owner of the plant, testified as to the value of the properties as set up on the books of the company and F.H. Van Hoesen, one of the Commission's hydraulic engineers, presented a report covering an appraisal setting forth a detailed appraisement of the utility's property as of June 30th, 1932, together with a study of the operating revenue and expenses for the years 1930 and 1931. Following is a summary thereof:

	<u>Turk</u>	<u>Van Hoesen</u>
Original cost of properties shown by books--\$10,191		-
Original cost of properties, estimated-----	-	\$12,177
Depreciation, 5% sinking fund method-----	-	219
Operating Expenses, 1930-----	-	1,826
Operating Expenses, 1931-----	1,826	1,861
Estimated Expenses for future-----	-	2,010
Operating Revenues, 1930-----	-	3,909
Operating Revenues, 1931-----	3,094	3,200

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Based upon the above figures, the utility shows a net return of 7.9 per cent during the year 1931 on an investment of \$12,177. It appears that applicant is receiving a reasonable revenue for the service rendered; however, the evidence shows that the present schedule of rates is more or less obsolete and does not properly provide for the present changed conditions and new classes of service demand. Therefore there should be a revision in the rate structure to more equitably spread the charges among the consumers in accordance with their actual use of water. No increase in revenues will be effected by so doing.

A number of consumers appeared and gave testimony relative to service and rates. Objection was made by certain irrigation users to the policy of the utility in placing a limit on the size of irrigation outlets connected to the domestic distribution mains. However, in view of the present capacity and working pressure of the domestic mains, it appears inadvisable as well as unnecessary to require applicant to install service connections for irrigation purposes in excess of two inches in diameter; to do otherwise, would result in most serious interference with and interruption to the domestic service. In the event any consumer desires more water for irrigation than can

be obtained from a two-inch connection, such water may and should be obtained from the regular concrete irrigation mains.

The rates provided for in this Order are designed to equalize the charges so that each consumer will pay on a basis of the amount of water actually used and should yield applicant a fair net return upon his investment under existing circumstances and conditions.

#### O R D E R

F.T. Turk, doing business under the fictitious name of C.E. Gidley Water System, 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 being now fully advised in the premises,

It is hereby found as a fact that the rates and charges of F.T. Turk, doing business under the fictitious name of C.E. Gidley Water System, for water delivered to his consumers in and in the vicinity of Gidley-Pierson Tract, Los Angeles County, in so far as they differ from the rates herein established, are unjust and unreasonable and the rates herein established are just and reasonable rates to be charged for the service rendered, and

Basing this Order upon the foregoing finding of fact and upon the further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that F.T. Turk, doing business under the fictitious name of C.E. Gidley Water System, 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 his

consumers subsequent to the 31st day of August, 1932.

DOMESTIC USE

Monthly Minimum Charges:

For 5/8 x 3/4-inch meters-----	\$1.00
For 3/4-inch meters-----	1.25
For 1-inch meters-----	1.50
For 1 1/2-inch meters-----	2.00
For 2-inch meters-----	3.00
For 3-inch meters-----	4.00

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

Monthly Quantity Rates:

First 750 cubic feet, or less-----	\$1.00
Next 2,750 cubic feet, per 100 cubic feet-----	.10
All over 3,500 cubic feet, per 100 cubic feet-----	.06

IRRIGATION USE ONLY

Per miner's inch per hour delivered - 3 cents.  
A miner's inch shall be considered the equivalent of one-fiftieth (1/50th) of a cubic foot of water per second.

Under Pressure taken from Domestic Pipe Line, to be Used in Rotation:

Monthly Minimum Charge:

2-inch outlet-----\$1.00

Monthly Quantity Charge:

Per 100 cubic feet-----\$0.05

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 22nd day of August, 1932.

*Al. Seaver*  
*James C. Wheeler*  
*W. A. ...*  
*M. B. ...*  
*Fred G. ...*  
 Commissioners.