

Decision No. 10187.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
C. W. KELLOGG)
for a certificate of public conven-) Application No. 7484
ience and necessity covering the op-)
eration of a domestic water plant.)

C. W. Kellogg, in propria persona.

BY THE COMMISSION.

ORIGINAL

O P I N I O N

The amended application in the above entitled proceeding asks for a certificate of public convenience and necessity covering the operation of a water system in Kellogg's Orange Acres, a tract of land located in the East one half of Section twenty-eight (28), Township twenty-nine (29) South, Range twenty-eight (28) East, Mount Diablo Base and Meridian, in Kern County, near Bakersfield.

A public hearing was held at Bakersfield, before Examiner Satterwhite. All interested parties were duly notified and were given an opportunity to be present and to be heard.

This water system was constructed in 1921 by applicant as an emergency measure, after the supply formerly furnished by another water system had proved inadequate. No other public utilities operate in this territory and the utility which previously supplied the tract with water has given its sanction for the construction and operation of applicant's system.

The rates charged for water furnished consumers are as follows:

Monthly Meter Rates:

From 0 to 4000 gallons, per 1000 gallons.	\$0.25
" 4000 to 16000 " ; " " "	0.20
Over 16000 " ; " " "	0.12

Monthly Minimum Charges:

5/8 inch meter	\$1.00
3/4 " "	1.25
1 " "	1.75
1 1/2 " "	2.50
3 " "	7.50
6 " "	15.00

The water system consists of a 12 inch well, 150 feet deep; a Sterling deep-well turbine pump driven by a 15 horse power electric motor, automatically controlled; a 50,000 gallon capacity reinforced concrete storage tank; approximately 2900 feet of 3 and 4 inch distribution pipe lines; and 35 metered services. Twenty-eight consumers are now served, and the plant is capable of supplying approximately 180 consumers.

Mr. M. I. Reed, one of the Commission's hydraulic engineers, presented a report based upon an investigation of the system, which set forth the cost of the system as \$14,113. Depreciation annuity, computed by the sinking fund method, was shown as \$240. Operating expenses for the first five months the plant has been in operation were \$635, and revenues amounted to \$321.

It is apparent that for some time to come applicant cannot expect to receive a return upon the investment as the project is in its initial stages, and it would be manifestly unfair to the present few consumers to compel them to pay rates sufficiently high to achieve this result. The present rates charged by applicant are the same as those of other utilities operating in the vicinity and are fair and reasonable rates for the service rendered.

No one appeared in opposition to the application and it is apparent that a certificate of public convenience and necessity should be granted.

O R D E R

C. W. Kellogg having made application as entitled above, a public hearing having been held thereon, and the matter having been submitted,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation of a water system by C. W. Kellogg in Kellogg's Orange Acres, a tract of land located in the East one half of Section twenty-eight (28), Township twenty-nine (29) South, Range twenty-eight (28) East, Mount Diablo Base and Meridian, in Kern County, near Bakersfield.

IT IS HEREBY ORDERED that C. W. Kellogg be and he is hereby authorized and directed to file with this Commission, within twenty (20) days of the date of this order, the following schedule of rates to be charged consumers in Kellogg's Orange Acres:

Monthly Meter Rates:

From 0 to 4000 gallons,	per 1000 gallons.	...	\$0.25
" 4000 to 16000	" ; " "	...	0.20
Over 16000	" ; " "	...	0.12

Monthly Minimum Charges:

5/8 inch meters.	...	\$1.00
3/4 " "	...	1.25
1 " "	...	1.75
1 1/2 " "	...	2.50
2 " "	...	5.00
3 " "	...	7.50
4 " "	...	10.00
6 " "	...	15.00

IT IS HEREBY FURTHER ORDERED that C. W. Kellogg be and he is hereby directed to file with this Commission, within thirty (30)

days from the date of this order, rules and regulations to govern relations with consumers, such rules and regulations to become effective upon their acceptance by the Commission.

Dated at San Francisco, California, this 14th day of March, 1922.

W. D. Leonard

Chas. H. Brown
W. F. Pennington
Commissioners.