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Decision No.

ORIGINAL

Decision No. 2787

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA.

In the Matter of the Application of)
FRANK GRIMM for an order authoriz-)
ing the sale of property to ANTE-)
LOPE CREEK AND RED BLUFF WATER COM-)
PANY.)

Application

No. 1679.

Elliott McAllister for applicant.

BY THE COMMISSION.

O P I N I O N

This is an application by FRANK GRIMM, the owner of a water plant located in Sunnyside Addition to the City of Red Bluff, for authority to sell the distributing system of pipes connected therewith to the Antelope Creek and Red Bluff Water Company, a company engaged in furnishing water for domestic purposes to the citizens of Red Bluff in general. The company joins in the application.

At the hearing held in Red Bluff on September 25th, testimony was presented showing that the

plant now owned by Mr. Grimm was constructed about fourteen years ago and is now supplying water in Sunnyside Addition to thirty-two consumers; that the system was bought by him in January, 1915, from the estate of J. C. Hammans at administrator's sale, together with sixteen lots remaining unsold in said Sunnyside Addition, for the lump sum of \$1,590. The water system was not purchased or valued separately. Mr. Grimm considers the lot on which the well is located to be worth \$400. and the remaining lots worth \$75. each.

If Mr. Grimm's system were to be continued it would be necessary to soon replace the 20,000 gallon capacity tank with one of a capacity of 50,000 gallons at a cost of \$700, the increased size being installed to meet probable future growth of the neighborhood.

Antelope Creek and Red Bluff Water Company, in considering the price to be paid for the distributing system, considers that the increased business to be secured, with the value of the service connections, is worth to it \$150. to \$200; the pipe is sufficiently large to supply the service and shows no physical depreciation, so far as found upon slight investigation. No evidence was offered tending to show the value or cost of pipe or the labor of installing it, and the evidence shows that these elements were not known. The question of value of the

distributing system has been submitted to the Commission's engineers and they offer no objection to the purchase and sale on that ground.

The company has been engaged for a great many years in the business of selling water for domestic purposes to the inhabitants of Red Bluff. Its supply is derived from Antelope Creek at a point about nine miles east of Red Bluff, from which point it is carried in a pipe line to two storage tanks located on a slight eminence at about the elevation of the highest point in Sunnyside Addition.

The amount of the gravity supply is 36,000 gallons per hour. This supply is supplemented by wells, from which an electric pumping plant furnishes 60,000 gallons per hour. The company also has a steam emergency plant capable of supplying 50,000 gallons per hour additional. It is able to furnish ample water to all consumers in Sunnyside Addition of a quality equal to that they now receive.

The company has been receiving some complaints from users because of insufficient pressure, and it plans to raise the level of the water in its tanks some twelve feet, either by elevating the tanks or by increasing their height. It expects to do this before attempting to serve customers in Sunnyside Addition. A physical connection has been made with Mr. Grimm's system of distributing pipes and a test made to determine the pressure in Sunnyside Addition which would result from ser-

vice through the present system of the company. This test shows that the pressure in Sunnyside Addition would be lessened in every instance, and three services would be unable to procure water.

Of the thirty-two patrons of the Grimm system, twenty-three have petitioned the company to acquire and operate the system. One of the reasons stated therefor is the statement that there is now insufficient pressure to afford adequate fire protection.

The low pressure which the company is experiencing appears to result largely from the waste of water. Mr. Otto Von Geldern, the company's engineer, has submitted to it a detailed report showing that about one-third of the water passing through its system is wasted. The company contemplates action which it hopes will materially reduce, or entirely eliminate, this element of waste.

It appears to be for the public interest that the purchase and sale in question be authorized, provided the water pressure of consumers in Sunnyside Addition is not reduced.

O R D E R

FRANK GRIMM and ANTELOPE CREEK AND RED BLUFF WATER COMPANY having applied to the Railroad Commission for an order authorizing the sale and purchase of a distributing system of water pipes, consisting of 700 feet of four inch pipe, 1,800 feet of three inch pipe and 800 feet of two inch pipe, laid and used in Sunnyside Addition to the City of Red Bluff, and a hearing having been had upon said application;

IT IS HEREBY ORDERED that Frank Grimm be, and he is hereby, authorized to sell and Antelope Creek and Red Bluff Water Company be, and it is hereby, authorized to purchase said distributing system for the sum of \$600.

This order is made upon the following conditions, and not otherwise, to wit:

1. The purchase price is not to be considered, before this Commission or any other public authority, as representing for rate fixing or purposes other than this application, the actual value of the property.

2. Said distributing system shall not be used by Antelope Creek and Red Bluff Water Company, or in connection with the water system now operated by it, until provision be made to maintain the water pressure at services throughout Sunnyside Addition to Red Bluff at least equal to that now furnished at said points.

3. The authority hereby given must be exercised on or before January 1, 1916.

4. Applicants shall report to this Commission within ten days after consummating said purchase the fact that it has been consummated and that said purchase price has been paid.

Dated at San Francisco, California, this 30th day of September, 1915.

Max Shelton
Alvin Gordon
Edwin O. Edgerton
Francis R. O'Connell

Commissioners.