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Decision No. ✓

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

Decision No. 3426

In the matter of the application
of NORTH FORK DITCH COMPANY for
an order authorizing an increase
in rates charged for water in
Cardwell Colony.

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Application
No. 2292.

Dexter J. Hinsdale for Applicant.

A. F. Lacey for water users of Cardwell
Colony.

BY THE COMMISSION.

O P I N I O N

This is an application by NORTH FORK DITCH
COMPANY for an order authorizing an increase in the
rates charged for water sold by petitioner in what
is known as the Cardwell Colony.

Applicant is now entitled to charge its con-
sumers in Cardwell Colony Twenty (\$20.) Dollars per
miner's inch year for water delivered at the Penstock
Reservoir, collections being made from individual con-
sumers. It has purchased from Philip S. Driver and B.

F. Driver, the pipe line system now being used to distribute water to Cardwell Colony and claims that the purchase, rehabilitation, maintenance and operation of this system entitle the applicant to charge the individual consumers of Cardwell Colony the rate charged to consumers on the Main ditch and laterals, or Thirty (\$30.) Dollars per miner's inch year.

A public hearing in this proceeding was held at Folsom on June 7, 1916. Evidence was presented by petitioner herein and in behalf of consumers in Cardwell Colony.

In Decision No. 3165, decided March 17, 1916, the Railroad Commission authorized the rates which should be charged by applicant to all of its consumers. The rate provided for the consumers of Cardwell Colony was Twenty (\$20.) Dollars per miner's inch year, one miner's inch being equal to 1/50 cubic foot per second. The rates as set were intended to be such as would give a fair rate of return on the cost of the property then owned and operated by the Company. It appears that the increase in rate from Twenty (\$20.) Dollars to Thirty (\$30.) Dollars per miner's inch year in Cardwell Colony is urged solely on account of the additional annual charges due to the control by the Company of the Cardwell Colony Pipe System.

No appraisal of this distribution pipe system was presented at the hearing. According to the evidence its cost by purchase to the North Fork Ditch Company was \$1,000. The Company's engineer, George S.

Nickerson, testified that it would be necessary to spend from \$4,000. to \$5,000. in the next few years to rehabilitate the pipe lines in the colony. But it appears that the greater part of this expense would be due to service to a larger number of consumers than exist at present. As pointed out by Milo E. Brinkley, one of the Commission's engineers, the principal expense to give adequate service to the existing consumers would be the installation of meters and repairs which would eliminate the excess leakage now occurring in the pipe lines.

At the hearing, the petitioner made no claim that they be allowed interest on their investment in the distribution pipe system of Cardwell Colony. It appears that the capacity of the main pipe lines if properly repaired is much greater than is necessary for the present consumers and the company is content with an increase in rates, which increase will pay the expense of operating this distribution system.

The company introduced evidence in regard to the probable annual expense of maintenance and operation of the Cardwell Colony pipe system. The lowest estimate of Mr. Nickerson was \$200. per year for reading meters, operating the system and keeping up repairs. An allowance of \$200. per annum appears to be reasonable to the present consumers for maintenance and operating expenses of the Cardwell Colony pipe system.

The testimony showed that applications for water amounting to twelve or fifteen inches had been received from the colonists this season and that the probable

total applications would amount to twenty inches. The increase in rate of \$10. per miner's inch year, due to the operation of this distribution system, would give \$200. additional revenue per year on the basis of twenty inches use. This appears to be just sufficient to pay the operating expenses of the distribution system and justifies the increase in rate to \$30. per miner's inch year.

Evidence was presented by the consumers to the effect that they could not afford to pay an increased rate and would have to leave their ranches if the \$30. rate was put in effect. On investigation of this claim, however, it is found that the rates paid by the consumers on the main ditch and laterals of the North Fork Ditch Company are the same as the rate which the petitioner asks for Cardwell Colony. As these communities adjoin Cardwell Colony and have paid these rates for many years, this claim does not appear to be well founded. There has been complaint of service among the colonists and the petitioner has declared its intention of improving the service by repairing the pipe lines and installing meters, so that the colonists may be able to obtain the water for which they are charged. The increase in rate herein established is fixed with the understanding that the company will be required to provide adequate service.

O R D E R

NORTH FORK DITCH COMPANY having applied to the Railroad Commission for an order authorizing an increase in the rate charged by said company for water sold in Cardwell Colony,

And a public hearing having been held herein,

THE RAILROAD COMMISSION HEREBY FINDS AS A FACT that the rate now charged by North Fork Ditch Company in said colony is unjust and unreasonable in so far as it differs from the rate herein established, and that the rate herein established is a just and reasonable rate to be charged by North Fork Ditch Company in Cardwell Colony.

Basing its order on the foregoing finding of fact and on the findings of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that the North Fork Ditch Company be, and the same is hereby, authorized to file with the Railroad Commission the following irrigation rate to be charged in Cardwell Colony:

Thirty (\$30.) Dollars per miner's inch year.

The term miner's inch used herein means one-fiftieth cubic foot per second.

Dated at San Francisco, California, this 16th day of June, 1916.

Max Thelen
H. S. Cleveland
W. E. Gordon
Edwin O. Edgerton