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Decision No. \_\_\_\_\_

ORIGINAL

Decision No. 5399

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

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In the Matter of the Application  
of MRS. NELLIE WILLIAMS for  
permission to discontinue the  
supplying of water.

)  
) Application No. 3541.  
)  
)  
)

Mrs. Nellie Williams in propria  
persona.  
C. G. Strickland, for Denny-Bar  
Company.

BY THE COMMISSION:

O P I N I O N

In this application Mrs. Nellie Williams asks  
permission to discontinue supplying water to the town of  
Callahan, Siskiyou County.

A public hearing in this proceeding was held at  
Sisson, April 25th, 1918. before Examiner Encell. Evidence  
was presented in behalf of applicant and of consumers.

This utility in 1917 asked permission to convey  
its property to the Denny-Bar Company and in Decision No.  
4922 of this Commission, such conveyance was authorized.  
It appears, however, that this sale was never consummated.  
Applicant avers that the original investment in this water  
system was \$5,000. The evidence shows, however, that it  
was built about 1898 for service to the owner and not to the

public, the service to the public being a later development.

At present the system supplies only eleven consumers, the town of Callahan having lessened in population owing to dullness in the mining industry upon which its existence is dependent. Originally a larger number of consumers were supplied. Along with the decrease in population there has been a reduction in revenue of this utility and the present income amounts to but \$185.00 annually. This revenue does not appear to be sufficient for the annual charges, totally disregarding any return on investment.

Investments have however been made by the consumers due among other things to the fact that the town had a water supply. With continued operation of the system applicant is entitled to such revenue as will compensate adequately for the service given and for the property necessary to give service to the present consumers. In order to determine the necessary annual charges an appraisal of the system must be made. Applicant has never appealed to this Commission to fix a rate which will produce a proper return. This it seems to us is the proper remedy rather than to leave a community without a domestic water supply. Applicant has signified the intention of filing application for an adjustment of rates if this application is denied, and it may be that such adjustment will mean a substantial increase in the present rates. In our opinion the service should not be taken away from consumers if it is possible for them to pay such rates as will adequately compensate applicant for the service given. Pending such determination and a test of the adjusted rates, this application will be denied.

O R D E R

A public hearing having been held in the above entitled proceeding and the matter having been submitted and being now ready for decision, and it appearing for the reasons set forth in the foregoing opinion that the application should be denied,

IT IS HEREBY ORDERED that the application in the above entitled proceeding be and the same is hereby denied.

Dated at San Francisco, California, this 16th day of May, 1918.

Max Thelen

Alex Gordon

Edwin C. Edgerton

Frank R. Doherty

Commissioners.