

ORIGINAL

Decision No. ~~3300000~~ 5764.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

---oOo---

In the matter of the application of A. FERGUSON for permission to increase water rates at Oildale, Kern County, California.) Application No. 3783.

E. J. Emmons for applicant. Walter Osborn for water users.

BY THE COMMISSION:

O P I N I O N

This is an application for authority to increase rates for domestic water served to about 58 consumers in Oildale, a suburb of Bakersfield.

A public hearing was held by Examiner Westover at Bakersfield, at which oral and documentary evidence was introduced, and it was stipulated that a valuation of applicant's property might subsequently be made and submitted by Mr. R. W. Hawley, the Commission's hydraulic engineer. Mr. Hawley's report has been received and placed in evidence, and the matter is now ready for decision.

Applicant's plant consists of well, pump, motor, tank with tower, and about 3000 feet of 2" distributing mains. Services have been installed by consumers and are not claimed by applicant.

The testimony of consumers showed that pressure is frequently poor; that at times water is not available; that at other times it contains sediment and rust, evidently due to poor circulation; and that during the summer time the water is very warm, owing to the fact that considerable pipe is exposed or very near the surface.

The testimony further shows that lack of water and of water pressure is largely due to carelessness in leaving faucets open and in failure to properly conserve water. The reduction in the amount of water used, if served through meters, would result in very material reduction in the cost of pumping. Mr. Hawley estimates that the use of meters and selling of water under measured rate would result in a saving of about half the amount of water now pumped yearly with a similar reduction in the cost of pumping.

Mr. Hawley estimates the cost of the plant and system as \$2542, including \$100 for the rear third of the lot on which the plant is located, as being used and useful; and that the cost of lowering the 2" mains, placing them twelve to eighteen inches underground, and installing fifty meters, would cost about \$790, and installing about 150' of 2 inch main to connect the present lines and improve the circulation would cost about \$60, making a total added investment of about \$850. He also estimates that the annuity on a 5% sinking fund basis to cover depreciation in plant will amount to about \$154 per year.

Applicant showed expenditures for the year ending June 1, 1918 of \$291.28, \$140 of which was of unusual

character and will not recur in equal amount each year. No allowance for superintendence is included in the above \$291.26. Mr. Hawley estimates the annual needs of the system as follows:

Power.	\$70.00
Supplies and repairs	140.00
Superintendence	360.00
Depreciation annuity	154.00
Return on investment of say \$3400 at .8%	272.00
	<u>\$996.00</u>

Based on the records of water used in towns that have been metered for a considerable time, it is estimated that the rates fixed in the order will produce sufficient revenue to meet the charges above shown.

O R D E R

A. FERGUSON having applied for authority to increase rates for domestic water served by him in Oildale, a suburb of Bakersfield, a public hearing having been held thereon, the matter being submitted and now ready for decision,

IT IS HEREBY FOUND that present rates, in so far as they differ from the rates herein established are unjust and unreasonable and that the rates herein established are just and reasonable rates, and,

Basing its conclusion upon the above findings of fact and the findings of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that A. Ferguson be and he is hereby authorized and empowered to charge and

collect the following rates for water served in Oildale,
after filing schedule showing the following rates, to wit:

For water used between 0 and 800 cu. ft.
monthly, 25¢ per 100 cu. ft.
For water used above 800 cu. ft. monthly
10¢ per 100 cu. ft.
Minimum charge for each meter in use
\$1.00 per month.

IT IS HEREBY ORDERED that the distributing
mains be placed at least one foot underground and that
all services be metered.

IT IS FURTHER ORDERED that within thirty
days from date applicant install 2" main at approximate-
ly right angles with the main now installed in Hughes
Avenue, connecting it at or near its end with the main
installed in the alley between Hughes Avenue and Ferguson
Avenue.

Dated at San Francisco, California, this 16th
day of ~~August~~^{Sept.}, 1918.

Edwin O. Edgerton
H. D. Loveland
Alvin G. Foster
Frank R. Burton
Commissioners.