

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

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In the Matter of the Application  
of MOORE PARK WATER, LIGHT AND  
POWER COMPANY, a corporation, for  
certificate that public convenience  
and necessity require the exercise  
of franchise rights.

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) Application No. 3558  
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In the matter of the application of  
MOORE PARK WATER, LIGHT AND POWER COM-  
PANY, a corporation, for authority  
to increase rates.

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) Application No. 3559  
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Messrs. Bowker and Sheridan  
by Robert M. Sheridan  
for Applicant.

BY THE COMMISSION:-

O P I N I O N

Applicant requests authority to increase rates charged  
for domestic service of water in Moorpark, Ventura County, and for  
a certificate that public convenience and necessity require it to  
exercise certain franchise rights.

A public hearing upon both applications was held by  
Examiner Westover at Moorpark.

A comprehensive history of the development of applicant's  
system and its financing is contained in Decision No. 3332 of May  
13, 1916, Vol. 10, Opinions and Orders of the Railroad Commission  
of California, page 91.

At the time of the hearing of application No. 2079, upon  
which the above Decision No. 3332 is based, it was supplying 63  
active services. At the time of the hearing it had 88 active services.

Applicant develops water in the hills near Moorpark  
by tunnels, from which it is led by gravity to storage

tanks with a total capacity of 35,000 gallons, and thence distributed to its consumers.

Applicant estimates that the flow of its tunnel in May, 1917, amounted to 1.24 miner's inches, and that in January, 1918, before the seasonal rains, the flow was about 0.9 of a miner's inch. To conserve this limited water supply applicant proposes to meter all services, a plan of which we heartily approve.

Applicant presented an appraisal of its assets, based principally, so far as physical properties are concerned, upon war prices, and placing a value of \$5000 upon its 5 acres of water bearing land. Based on such estimate, applicant claims \$11,525.94 as a proper rate base.

The testimony shows that highly developed lands in the immediate vicinity, in bearing orchards of walnuts or apricots sell at about \$500 or \$600 per acre, and that so-called hill lands similar to applicant's water bearing lands, can be bought at \$100 to \$200 or \$300 per acre, depending upon quality and location. It also appeared in evidence that applicant has an option to purchase a lot for \$150 from which it believes that an ample water supply can be developed by a well.

In view of all the testimony, it seems to us that the <sup>present</sup> rate payers should not be required to pay upon a larger valuation than cost for the 5 acres of land, and that amount will be allowed for that purpose.

Mr. C. H. Loveland, one of the Commission's hydraulic engineers, made an appraisal of the system, basing costs on average prices for ten years preceding the war period. His estimated ~~present~~ cost now of the

physical properties, excluding real estate, is \$6758, and the annual depreciation on a 5% sinking fund basis \$140.

The actual cost of the system to applicant, including the water bearing lands, was approximately \$5308. In view of the fact that Moorpark is still in its development stage and is sparsely settled, it will be dealing liberally with applicant if interest on the cost of its system to date is included in the rate base.

For the year ended December 31, 1917, applicant reported a gross income of \$1350.65 from its present flat rates, and operating expenses of \$538.35, not including depreciation or any salary for management. Mr. Loveland estimates the total annual charges for operation of the system fully metered, including interest at 6% per annum on applicant's actual investment, cost of maintenance and operation including managerial salary and an ample annuity for depreciation, at the total sum of \$1600. It is estimated that the schedule of rates found in the order will produce at least that sum annually. Under the circumstances there is no need to modify applicant's existing flat rates, which upon investigation appear to be ample.

Applicant reports that in extending mains, the County of Ventura required it to procure a franchise which is contained in Ordinance No. 202, adopted January 2, 1918. In Application No. 3558, it seeks authority to exercise the rights acquired under said franchise. Such

authority is contained in the order, together with the rates which it is believed will produce a suitable return to applicant upon its investment after suitable allowance is made for maintenance and operation of the system, and for annual depreciation.

O R D E R.

Moore Park Water, Light and Power Company having applied for authority to exercise certain franchise rights and to increase its rates charged for domestic service of water in Moorpark, Ventura County, a public hearing having been held, the matter having been submitted and being now ready for decision,

IT IS HEREBY ORDERED that Moore Park Water, Light and Power Company be and it is hereby ordered to install meters upon all of its domestic service within six months from date hereof.

IT IS HEREBY FURTHER ORDERED that Moore Park Water, Light and Power Company be and it is hereby authorized to establish and file with the Commission within thirty (30) days from date and thereafter to charge and collect for water served through meters the following schedule of monthly rates.

500 cu. ft. or less \$1.00  
Next 1500 cu. ft. 15¢ per 100 cu. ft.  
Over 2000 cu. ft. 10¢ per 100 cu. ft.  
Water furnished tank wagons 5¢ per barrel.  
Minimum tank wagon charge 50¢ for each filling.

IT IS FURTHER ORDERED that applicant's present flat rates shall remain in effect until its system is fully metered and be applied to unmetered services. As rapidly as meters are installed, above measured rates shall be applied.

THE RAILROAD COMMISSION OF CALIFORNIA hereby declares that public convenience and necessity require the exercise by Moore Park Water, Light and Power Company of the rights and privileges conferred by Ordinance No. 202 of the County of Ventura, adopted January 2, 1918,

PROVIDED that said Moore Park Water, Light and Power Company shall first have filed with the Railroad Commission a stipulation duly authorized by its Board of Directors declaring that it, its successors and assigns will never claim before the Railroad Commission or any court, tribunal or other public body a value for said rights and privileges in excess of the actual cost to said Moore Park Water, Light and Power Company of acquiring said rights and privileges, which costs shall be set forth in the stipulation, and shall thereafter have received from the Railroad Commission a supplemental order declaring that such stipulation has been filed in form satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 3d  
day of December, 1918.

*Edwin J. Edgerton*  
*H. D. Hayward*  
*Stanley Dewey*

Commissioners.