

Decision No. 7714.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application)
of Hannah Gilbert, owner of a)
public utility water plant, for) Application No. 5295.
an increase in rates for both)
domestic and irrigation service.)

Hannah Gilbert, in propria persona.

LOVELAND, Commissioner.

O P I N I O N

Hannah Gilbert, applicant herein, is the owner of a water plant located on Baker Avenue, between Wilcox and Walker streets, on what is known as the Walker Berry and Alfalfa Tract, near Bell, Los Angeles County, California. In this proceeding applicant asks for an increase in rates for both domestic and irrigation service, it being alleged in effect that the revenue received from this system does not provide an amount sufficient to meet operating expenses, depreciation and provide a fair interest return on investment.

A public hearing in this proceeding was held in Los Angeles and a field investigation was made by a representative of the Commission's Engineering Department.

Hannah Gilbert acquired possession of the water system in question under authority of this Commission, dated October 27, 1919, in its Decision No. 6799, In the Matter of the Application of Walter and Walter J. Ogden for authority to sell a water utility to Mrs. Hanna Gilbert. The plant consists of a 12" well, 440 feet deep pumped by means of compressed air, a 4000 gallon tank and a small

amount of vitrified pipe. Applicant owns no pipe lines outside the limits of her own land.

The Commission's engineers submitted an estimate of the original cost of this plant in the amount of \$4,132, with a replacement fund of \$81, computed by the sinking fund method. This was the only estimate submitted and the above figures will be used for the purposes of this proceeding.

Evidence was introduced showing that the average annual charges computed, with the above valuation as a basis, would be as follows:

8% interest on \$4,132,.....	\$331
Replacement annuity,.....	81
Power,.....	360
Repairs,.....	<u>50</u>
Total,.....	\$822

The rate schedule in effect is as follows:

Domestic use, 75 cents per month -- flat rate.

Irrigation use, \$1.00 per hour for run of pump.

There are only six domestic consumers and four irrigation consumers, irrigating a total of ten acres. It is evident that a rate to produce a return of \$822 would be prohibitive. Applicant, however, states that there are good prospects of increasing the number of consumers, and it would appear that this is the only way in which the plant can be made to produce a remunerative income. However, applicant is entitled to a reasonable increase and the order herein will so provide.

I recommend the following form of order:

O R D E R

Hannah Gilbert having applied to the Railroad Commission for authority to increase the rates charged for water for domestic and irrigation uses, a public hearing having been held and the Commission

being fully advised in the premises.

IT IS HEREBY FOUND AS A FACT, that the rates and charges of Hannah Gilbert, insofar as they differ from the rates herein established, are unjust, unreasonable and unremunerative, and that the rates and charges herein established are just and reasonable rates,

And basing its order on the foregoing finding of fact and on the further statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that Hannah Gilbert be, and she is hereby authorized to file with the Railroad Commission of the State of California, within 20 days of the date of this order, the following schedule of rates, the same to be and become effective on and after July 1, 1920:

DOMESTIC SERVICE

For all residences.....\$1.50 per month.
For each automobile..... .20 per month.
For all cattle and horses per head..... .20 per month.

IRRIGATION SERVICE

Three (3) cents per miner's inch hour measured under a four-inch pressure.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 16th day of June, 1920.

Edwin O. Egan

W. H. Stewart

Dwight Martin

Commissioners.