

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
the City of Auburn to fix compensation
to be paid for the municipal water
system of Pacific Gas and Electric
Company.

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)
) Application No. 3745.
)

F. P. Tuttle, Jr., F. P. Tuttle, Sr., and
A. C. Lowell for City of Auburn.
Charles P. Cutten, for Pacific Gas and Electric
Company.

LOVELAND, Commissioner.

OPINION.

The above entitled matter is a proceeding brought by the City of Auburn under the provisions of Section 47 of the Public Utilities Act, requesting that the Railroad Commission fix and determine the just compensation to be paid by said City of Auburn to Pacific Gas and Electric Company for its public utility water system which delivers water for domestic purposes to consumers in Auburn.

Hearings were held in this proceeding in San Francisco, at which all interested parties were given an opportunity to appear and be heard, briefs have been filed and the matter is now ready for decision. Appraisals were filed by engineers representing the City of Auburn, the Pacific Gas and Electric Company and the Railroad Commission.

The City's appraisal was based upon prices of labor and material prevailing during the six year period from 1911 to 1916 inclusive. The appraisal presented by the Pacific Gas and Electric Company was based upon prices of labor and material prevailing on May 10, 1918, the date of filing the application herein. The Engineering Department of the Railroad Commission made extensive field investiga-

tion of the water system in question, and based its appraisals upon the data thus secured and from an inspection of the Company's records.

Two appraisals were filed by the engineers for the Commission; one based upon prices of labor and material prevailing during the five year period from 1913 to 1917, inclusive; the second appraisal being based upon prices prevailing during a six months construction period ending May 10, 1918, the date of the filing of the application. Thus the principles heretofore established have been adhered to: i.e., the date of the valuation is as ~~that~~ of the date of the filing of the application, and prices of labor and material prevailing over a reasonable construction period prior to the date of the appraisal have been used in estimating unit costs. All factors relating to the condition of the properties in question were taken into consideration in arriving at an estimate of reproduction cost less depreciation.

Inasmuch as it was stipulated at the hearing in this matter that the Commission might add to its findings of value the value of any additions, betterments and improvements of the system which were made a part of the system subsequent to May 10, 1918, the date as of which the valuation was submitted, in accordance therewith the net expenditures of the company for betterments and improvements during the period May 10, 1918 to April 30, 1920, are included in the findings herein.

After a careful consideration of all of the elements pertinent to a final conclusion herein, and all of the items going to make up the value of the properties sought to be acquired by the City of Auburn in this proceeding, as outlined above, it appears that the just compensation to be paid by said City of Auburn to Pacific Gas and Electric Company for said properties is the sum of \$52,000, and I accordingly submit the following findings:

F I N D I N G S

CITY OF AUBURN, a municipal corporation, having filed with the Railroad Commission an application as entitled above, the Railroad Commission having proceeded under the provisions of Section 47 of the Public Utilities Act, to fix and determine the just compensation to be paid by said City of Auburn to Pacific Gas and Electric Company for the public utility water system owned by it and serving consumers in the City of Auburn, the description of said system and properties being as follows:

"That certain tract, parcel or piece of land lying and being in the northeast quarter of Section 10, Township 12 North, Range 8 East, Mount Diablo Base and Meridian, containing 1.12 acres, and upon which is located the storage reservoir used in supplying water to consumers in the City of Auburn.

"Also all water mains, pipes, services, valves, fittings, meters, meter boxes, valve boxes, rights-of-way for pipe lines, etc., the same being the public utility water system of Pacific Gas and Electric Company supplying the inhabitants of the City of Auburn on April 30, 1920."

and the Commission being fully advised in the matter,

IT IS HEREBY FOUND AS A FACT that the just compensation to be paid by the City of Auburn to Pacific Gas and Electric Company for its public utility water system supplying water to con-

sumers in said city, and more particularly described in the preceding paragraph and made a part of the finding herein, is the sum of \$52,000.

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

Dated at San Francisco, California, this 27th day of September, 1920.

Edwin O. Edgerton
H. J. Loveland
Frank R. Devlin
H. B. Brundage

Commissioners.