

ORIGINAL

Decision No. 8449

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, to execute and deliver	)	
mortgage to secure existing indebt-	)	
edness and to execute and deliver	)	Application No. 6028
note or notes and mortgage to secure	)	
additional loans and for authority	)	
to increase its rates and scale of	)	
charges to patrons for service.	)	

Harry W. Hansen for applicant,

W. Mark Durley for Moorpark Chamber  
of Commerce and various other  
water users.

BY THE COMMISSION.

O P I N I O N

Moore Park Water Light & Power Company applies for author-  
ity to execute note and mortgage and increase its rates for water  
served in and about Moorpark, Ventura County.

A public hearing was held by Examiner Westover upon the  
application at Los Angeles.

Water is obtained from tunnels or springs stored in tanks  
of about 5,000 gallons,<sup>capacity</sup> and distributed through pipes to 135 con-  
nections all but ten of which are metered, and these the utility  
plans to meter in the near future. Laterally it has been obliged  
to purchase water to supplement its gravity supply. This added  
supply comes from the well of J. M. Robinson who furnishes 7,000  
gallons additional storage at his well.

At the time of the hearing, considerable complaint was made of the quality of applicant's service, which the testimony showed was poor at times during peak hours, because of insufficient capacity of pipes in some portions of the system and because of inadequate storage facilities. The Commission is informed, however, that since the hearing, larger pipe has been procured and that applicant is proceeding in good faith to remedy these conditions and furnish good service.

Applicant presented no engineering testimony, but relies upon the report of the Commission's engineers. They estimate the original cost of used and useful property at \$10,013.00; the replacement annuity at \$164.00; maintenance and operation at \$954.00; and purchase of water (based on 1920 purchases at 35 cents per 1000 gallons) at \$1,287.00, making the total estimated annual charges \$3,206.00. The gross annual revenue of the Company shown by its annual reports has been as follows: 1913 \$685.58, 1914 \$671.84, 1915 \$866.00, 1916 \$1060.30, 1917 \$1350.85, 1918 \$1380.17 and 1919 \$1568.01. The operating expenses for 1919, including purchase of water, were \$1,759.30, thus showing a deficit of \$191.29. The increase in operating expenses in 1920 is due to heavy increase in quantity of water purchased. During 1920 (the latter part of the year being estimated) this amounted to 3,676,000 gallons, for which the utility paid 50 cents per thousand gallons. The Commission's engineers have estimated the cost depreciation and operating expenses of the plant from which the water is purchased, and find the fair cost of such water to applicant to be 35 cents per thousand gallons, which is the agreed cost for the future.

The proposed improvements of the system, it is believed, will remedy the service complaints and enable applicant to furnish the high standard of service required by the Commission. Consumers

expressed willingness to pay reasonable increases in rates, provided they receive in return first class service. It is estimated that schedule of rates found in the order will pay the annual charges of the system as it existed at the time of the valuation, and that the steady increase in business illustrated by the growth in revenue in recent years, will provide an adequate return upon the additions and betterments.

Applicant is indebted to Farmers Bank of Moorpark in the sum of \$3,750.00; \$1,750.00 of which, secured by mortgage upon its plant, became due August 30, 1919, and \$2,000.00 of which is evidenced by a six months unsecured note, dated April 7, 1919, both bearing interest at 7 per cent. per annum. The improvements to the plant installed and now being installed applicant estimates will cost about \$2,065. (bringing its total estimated investment up to \$12,078.) Applicant asks permission to extend the time of payment of the two present notes and borrow such additional sums as may be necessary from time to time to provide needed improvements to its system. Arrangement should be made to consolidate these several loans and suitable authority therefor will be found in the order. We cannot give blanket authority for indefinite future loans.

#### O R D E R

Moore Park water Light and Power Company having applied for authority to issue notes, execute mortgage and increase its schedule of water rates; a public hearing upon the application having been held, the matter being submitted and ready for decision, and it appearing that the proceeds of said notes are reasonably required for the purposes specified in this order, which purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

THE COMMISSION HEREBY FINDS that the present rates of applicant are inadequate and noncompensatory, but that the rates hereinafter set forth are just and reasonable rates. Basing its order upon the above finding and upon all findings or statements of facts contained in the opinion preceding this order,

IT IS HEREBY ORDERED that Moore Park Light & Power Company be and it is hereby authorized and directed to file within twenty days from the date hereof its schedule of water rates set forth below and thereafter charge and collect the following rates:

Service Charge, per month	\$ .50
All Water to be Used to be Charged at the following Rates:	
From 0 to 500 cu.ft., per month	.35 per 100 cu.ft
All Water Used Above 500 cu.ft., per month	.30 " 100 "
Water furnished Tank Wagons, per month	.05
No minimum Tank Wagon Charge.	
Flat Rates, per month	1.75

IT IS HEREBY FURTHER ORDERED that said Moore Park Water Light and Power Company be, and it is hereby, authorized and empowered to issue its note or notes in sums aggregating not more than \$6,000.00 for a period or periods not to exceed three years, at a rate of interest not exceeding 7 per cent, per annum, and to execute and deliver mortgage securing the payment of all or part of said indebtedness substantially in the form of mortgage accompanying the application as an exhibit thereto, said mortgage to be a first lien upon the property described in the schedule attached hereto as Exhibit "A", providing the aggregate term or terms of maturity of said notes shall not exceed the period of three years.

The proceeds to be derived from the issue of said note or notes shall be used as follows: \$3,750.00 to retire notes in favor of Farmers Bank of Moorpark, and \$2,250.00 to pay for the improve-

ments to applicant's system now being made or contemplated, and for improvements thereto hereafter to be made as more particularly set forth in statement filed with the Commission on November 13, 1920.

The above authority is granted upon the following conditions:

- (a) That said note or notes shall be issued and sold at par without the payment of commission or allowance of discount.
- (b) Moore Park Water Light and Power Company, shall keep such record of the issue of the notes herein authorized as will enable it to file on or before the twenty-fifth day of each month a verified report as required by the Commission's General Order No.24, which order, in so far as applicable, is made a part of this order.
- (c) The authority herein granted shall not become effective until applicant has paid the fee prescribed by the Public Utilities Act.
- (d) The authority herein granted shall apply only to such notes as may be issued on or before sixty days from date hereof.
- (e) Within ten days after the mortgage herein authorized is executed, certified copy thereof shall be filed by applicant with the Commission.

(f) The approval herein given of said mortgage is for the purpose of this proceeding only and an approval in so far as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said mortgage as to such other legal requirements to which said mortgage may be subject.

Dated at San Francisco, California, this 20<sup>th</sup> day of December, 1920.

Commissioners of the State of California  
DEC 25 1920  
JAN 3 1920  
H. M. Mathison

Edwin O. Edgerton  
H. B. Leonard  
H. B. Brundage  
Dwight Martin  
Commissioners.

Exhibit "A" to be attached to Opinion and Order  
upon application No. 6028.

Description of Property to be covered by Mortgage

EXHIBIT "B"

All that certain real property situate in the Rancho Simi, County of Ventura, State of California, and particularly described as follows:

Part of Lot "U" and "V", as the same are designated and delineated upon that certain map entitled "Map of a part of Tract "L" of Rancho Simi, Ventura County, California, showing the townsite of Moorpark and lands of Madeline R. Poindexter, a resub-division of Fremont Tract," and recorded in the office of the County Recorder of said Ventura County in Book 5 of Miscellaneous Records (Maps), at page 5, and particularly described as follows:

BEGINNING at a point, which is common to the north-west corner of said lot "V" and the North-east corner of said Lot "U", as delineated upon the above described map; thence from said point of beginning.

1st - South 89 55' West 148.50 feet along the North line of said Lot "U" to a point; thence,

2nd - South 733.22 feet to a point; thence,

3rd - North 89 55' feet East 297.00 feet; at 148.50 feet a point in the boundary line between said Lots "U" and "V"; at 297.00 feet a point; thence

4th - North 733.22 feet to a point in the North line of said Lot "V"; thence along same,

5th - South 89 55' West 148.50 feet to the point of beginning and containing 5.00 acres.

Also the transmission pipe line owned by the corporation beginning at the tunnel on the real estate hereinabove described, and running therefrom to a tank owned by the corporation and located on the following described real estate in the Town of Moorpark, California, to-wit:

Lot 42 Wicks Subdivision of Moorpark.

and consisting of a six inch concrete pipe.

The distributing water system of the company, owned by the corporation, and laid in and located in the streets of the Town of Moorpark, including the pipe line leading up to the water meter of J. B. Fox located in Walnut Canyon on Lot "O", adjacent to Lot 1, Walnut Canyon Tract, said distributing system consisting of a two inch pipe line North of the Railroad Tracks and a one and one-half inch pipe line South of the railroad tracks of the Southern Pacific Railroad Company, together with a small amount of one inch pipe, including all service meters owned by the corporation and used in connection with said distributing system or in the possession of the applicant at Moorpark, California.