

Decision No. 8880

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
FRESNO CANAL AND LAND CORPORATION.)
for Authority to Increase the Rates)
charged by it for Water for Irriga-)
tion Purposes.)

Application No. 5656.

L. L. Cory for Applicant.

MARTIN, Commissioner.

O P I N I O N

This is an application of the Fresno Canal and Land Corporation, a public utility engaged in the business of distributing and selling water for irrigation purposes in the vicinity of the City of Fresno. In this proceeding applicant asks for authority to increase its rates, it being alleged that the present rates do not produce an income sufficient to equal maintenance and operation expenses, replacement annuity and an adequate return on the investment.

A public hearing was held in this matter at Fresno, California. Applicant is negotiating the sale of all of its properties to the Fresno Irrigation District, with the exception of the Lone Tree Channel and its branches, and for this reason the evidence was limited to that affecting the distribution of water through these ditches.

It appears that the total area served is about 10,000 acres divided into 686 parcels. Sixty-five of the consumers were receiving

water under contracts which terminated February 1, 1921. The Company has never delivered the water directly to all of the consumers, but has operated only the main canals delivering a stated amount of water at the heads of the laterals which in turn were operated by the consumers themselves, and were known as "farmers' ditches".

To give efficient and adequate service the Company should operate the laterals as well as the main canals and deliver the water to each farmer's turnout. Of course, this will put the company to a greater expense for which it should be compensated. In the final analysis, this part of the rate is not an increase to the consumer, as he has heretofore assisted in operating the laterals at probably a greater expense than the additional amount he will be required to pay the Company. The service also will be bettered. Quite often the farmers have not been able to get a fair distribution of water on account of certain individuals being located advantageously and taking all the water they desired regardless of the inconvenience or loss caused other consumers on the same ditch. This condition will doubtless be much improved by the altered operating program.

After carefully considering all the evidence, it is believed that the sum of One Dollar and Fifty Cents (\$1.50) per acre per year is a fair rate for both the Company and consumers.

The estimates for maintenance and operation expense have been liberal and the Commission will expect the Company to provide efficient and adequate service to the consumers.

O R D E R

Fresno Canal and Land Corporation having applied to the Railroad Commission for authority to increase its rates for water

delivered through the Lone Tree Channel, a public hearing having been held, and the Commission being fully apprised in the premises,

IT IS HEREBY FOUND AS A FACT that the rates and charges of Fresno Canal and Land Corporation, in so far 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 upon the further statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that the Fresno Canal and Land Corporation be and it is hereby authorized to file with the Railroad Commission of the State of California, within twenty (20) days from the date of this order and thereafter charge the rate of One Dollar and Fifty Cents (\$1.50) per acre per annum.

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 ^{April}~~May~~, 1921.

H. J. Howard
H. J. Bunker
James MacLean
Charles H. Powell
Commissioners.