

Decision No. 9008

BEFORE THE RAILROAD COMMISSION OF THE STATES OF CALIFORNIA.

In the Matter of the Application of)
EMORY E. KNIPE and WALTER C. CLARK)
for permission to raise the price of)
water rate per hour to \$1.75 an hour.)

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Application No. 6532.

Emory E. Knipe in propria persona.

Walter C. Clark in propria persona.

BRUNDIGE, Commissioner.

O P I N I O N

Emory E. Knipe and Walter C. Clark, the applicants in the above entitled proceeding, are the owners of a small pumping plant serving irrigation water to five consumers near Garden Grove, Orange County, California.

Applicants allege in effect that the present rate of \$1.25 per hour for the full flow of the pump does not produce a revenue sufficient to pay the cost of maintenance and operation, and ask that they be given authority to increase the rate to \$1.75 per hour.

A hearing in the above entitled matter was held before Commissioner Brundige, at Los Angeles, on March 25, 1921, of which applicants' consumers were notified and given an opportunity to appear and be heard.

The plant as operated by the applicants consists of a well, and an electrically driven pump, discharging 75 to 85 miner's

inches. Water is delivered through a short transmission main and stand-pipe into a distribution main mutually owned by the consumers, through which it is conveyed by gravity to its point of use.

F. H. Van Hoosen, one of the Commission's hydraulic engineers, after a field investigation submitted a report which shows the estimated original cost of all used and useful properties to be \$2,185, and a replacement annuity of \$53, computed by the sinking fund method, which sum accumulated annually will provide a proper fund for the replacement of worn-out properties. The reasonable annual maintenance and operation expense of the system he estimates to be \$630. No other estimate was submitted, and as these figures appear to be reasonable they will be used for the purposes of this proceeding.

A summary of the above estimates shows the following to be a reasonable annual charge:

Return on \$2,185 at 8%	\$175
Replacement Annuity	33
Maintenance & Operation Expense, . . .	<u>630</u>
Total Estimated Annual Charges, . .	\$838

The operating revenue received during the past year for 474 hours of pumping, amounted to \$592.50. It is therefore apparent that applicants are entitled to an increased rate.

A study of the water use for the past year and an estimate of the use that can reasonably be expected for 1921, discloses the fact that a charge of \$1.75 per hour as requested by applicants will produce a revenue approximating the above estimated annual charges.

O R D E R

Emory E. Knipe and Walter C. Clark having applied to the Railroad Commission for authority to increase the rate for irrigation water served their consumers near Garden Grove, Orange County, California, a public hearing having been held and the matter having

been submitted.

IT IS HEREBY FOUND AS A FACT, that the irrigation rate charged by Emory E. Knipe and Walter C. Clark, in so far as it differs from the rate herein established, is unjust, unremunerative and unreasonable, and that the rate herein established is a just and reasonable rate,

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 Emory E. Knipe and Walter C. Clark be and they are hereby authorized to file with the Railroad Commission within twenty (20) days of the date of this order the following rate for irrigation water, said rate to apply to all service rendered subsequent to July 1, 1921:

For each hour plant is operated at full capacity with the equipment in good repair, developing not less than 75 miner's inches, the charge shall be \$1.75. The minimum charge for any operation of the plant shall be \$1.75.

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 26th day of May, 1921.

W. H. D. ...

H. S. ...

Dwight Martin

W. H. ...
Commissioners.