

Decision No. 9024

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.
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In the Matter of the Application of)
CROWN WATER COMPANY, a corporation,)
for an order fixing a charge of)
\$2.00 per hour's run of the pump for)
irrigation use.)

Application No. 6457.

G. E. Campbell, for Applicant.

ORIGINAL

BY THE COMMISSION.

O P I N I O N

The Crown Water Company, a public utility water system supplying water for domestic and irrigation purposes to some 12 consumers at Perry, Los Angeles County, asks for authority to increase its irrigation rates to \$2.00 per hour's run of the pump. This petition is based on the allegation that due to the increased costs of power, labor and materials, the income from the present irrigation rate does not yield maintenance and operation expense, replacement fund and a return on the investment.

A public hearing in the matter was held at Los Angeles before Examiner Westover, of which all of applicant's consumers were notified and given an opportunity to appear and be heard. At the hearing, applicant amended its petition to the effect that the Commission should establish a fair and just rate for the service indicated above.

The present rates in effect were established by the Commission in Decision No. 3839, Application No. 2349.

and in Decision No. 5830, Application No. 3538, Vol. 11, page 1004, and Vol. 16, page 117, Opinions and Orders of the Railroad Commission, to which reference is made for the history of the company, and a description of the system.

The irrigation rate in effect at present is:

Per hour's run of pump. . . . \$1.50

D. H. Harroun, one of the Commission's hydraulic engineers, submitted a report covering a field investigation, appraisal of properties and a study of the cost of maintenance and operation. This report shows the estimated original cost of the system to be \$4068.00 and \$77.00 as the replacement annuity, computed by the sinking fund method. The report also recommended the sum of \$1317.00 as a fair and just estimate of the future annual cost of operating this system. These estimates were not questioned at the hearing or subsequently.

The total estimated income from the operation of this system for the year 1921, at present rates, is \$1445.00, of which \$1253.00 would accrue from irrigation service. It does not appear that there will be any appreciable increase in the near future by reason of increased consumption. It is apparent that an increased gross revenue is warranted, and the rate established in the following order, together with the revenue from domestic sales, is designed to return to applicant the proper cost of maintenance and operation, replacement annuity and a fair return on the investment.

Attention is called to the fact that no alteration is asked or made in any rate of this utility other than the rate for water furnished for irrigation purposes.

O R D E R

Crown Water Company having applied to the Railroad Commission for authority to increase the rate charged for water served

for irrigation purposes to consumers on its water system, 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 the Crown Water Company, 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 the Crown Water Company be and it is hereby authorized to file with the Railroad Commission within twenty (20) days of the date of this order the following rate for water for irrigation use, said rate to apply to all service rendered subsequent to June 1, 1921:

For each hour plant is operated at full capacity, i. e., 43 miner's inches, or 0.86 cubic feet per second, the charge shall be.....\$1.85

Dated at San Francisco, California, this 28th day of May, 1921.

H. A. Boudreau
H. B. Loveland
James W. Martin
Charles H. Hooser
J. H. Anderson
Commissioners.