

Decision No. 7245

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application)
of MAX A. SHIRESOHN to increase) Application No. 6406.
water rates.)

Max A. Shiresohn, in propria persona.
M. Nakamura, for Japanese Consumers.

BY THE COMMISSION.

O P I N I O N

Max A. Shiresohn, the applicant herein, owns and operates a public utility pumping plant on his farm situated two miles east of San Gabriel, Los Angeles County, serving water for irrigation to his neighbors. In this application he asks authority to increase the rate charged from \$1.00 per hour to \$1.25 per hour, alleging in effect that the increased cost of power, labor and supplies has rendered the former rate insufficient to produce a proper revenue.

A public hearing in this matter was held before Examiner Satterwhite in Los Angeles.

Applicant obtains his supply of water from a well equipped with an electrically driven centrifugal pump which formerly discharged approximately 100 miner's inches against a head of 60 feet. Because of a lowering of the water plane during recent years, the capacity has been reduced to 60 or 70

miner's inches. The water is distributed from a standpipe at the plant through several hundred feet of concrete pipe to the boundaries of applicant's property.

Mr. C. H. Monett, one of the Commission's hydraulic engineers, presented a report covering the results of a field investigation, an appraisal of the property and a study of the cost of maintenance and operation. His appraisal shows an estimated original cost of the system of \$3845 and \$128 as a proper replacement annuity, computed by the 6 per cent sinking fund method. This report also recommends the sum of \$1960 as a fair and reasonable estimate of the future annual cost of maintaining and operating this system.

These estimates were not questioned at the hearing and appear fair.

The following is a summary of the annual charges as indicated above:

Return on \$3845 at 8%.....	\$ 708.00
Replacement Annuity.....	128.00
Maintenance and Operation Cost.....	1960.00
Total Estimated Annual Charges.....	<u>\$2796.00</u>

The total revenue from this system for the years 1919 and 1920 was respectively \$2157.50 and \$2273.25. This would indicate that applicant is entitled to an increase of revenue.

Based upon the number of hours the plant was operated during the year 1920, the suggested rate of \$1.25 per hour would have produced the sum of \$2819. Assuming that the operating period will be approximately the same in 1921 as in 1920, it is seen that the rate of \$1.25 per hour is reasonable.

ORDER

Max A. Shiresohn having applied for authority to increase the rate charged for irrigation water served to his consumers, a public hearing having been held, and the Commission being fully

apprised in the premises.

IT IS HEREBY FOUND AS A FACT that the rate now charged by Max A. Shiresohn, in so far as it differs from the rate herein established, is unjust 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 upon the further statements of fact contained in the opinion which precedes this order.

IT IS HEREBY ORDERED that Max A. Shiresohn be and he is hereby authorized to file with the Railroad Commission within twenty (20) days from the date of this order the following rate:

For each hour plant is operated at full capacity in furnishing irrigation water to consumers the charge shall be.....\$1.25

The minimum charge for any operation of the plant shall be.....\$1.25

The above rate shall become effective for all service rendered subsequent to July 15, 1921.

Dated at San Francisco, California, this 16th day of ~~June~~ ^{July} 1921.

H. V. Brundage
H. D. Loveland
Dwight Martin

Commissioners.