

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of JOHN A. McGOVERN for authority  
to increase rates.

} Application No. 6748.

In the Matter of the Application  
of JOHN A. McGOVERN for discon-  
tinuance of water service at Wasco,  
California.

} Application No. 6945.

Irwin & Laird, by Rollin Laird, for  
Applicant.

BY THE COMMISSION.

O P I N I O N

The above applications relate to a small water system serving five consumers in Wasco, Kern County. Authority is sought in Application No. 6748 to increase present rates, which range from \$1.00 to \$2.50 per month, to rates ranging from \$16.00 to \$40.00 per month. By Application No. 6945 authority is sought to discontinue service on the ground of inadequacy of return and that consumers can, without inconvenience, secure similar service at reasonable rates.

A public hearing was held by Examiner Westover at Wasco, at which both applications were consolidated for hearing and decision, and the interested parties were given an opportunity to be present and heard.

The plant consists of a 6-inch cased well, 102 feet deep, from which water is pumped by a 1 h.p. electric motor into a 3,000 gallon galvanized iron storage tank located in a three-story frame tank house. The greater portion of the distribution system was installed by the consumers.

Mr. M. R. MacKall, one of the Commission's engineers, submitted an appraisal of the plant and system, agreed to by the applicant, in which the estimated original cost was shown as \$972 and the replacement annuity \$15, calculated by the 6% sinking fund method. The amount of \$186 was recommended as a reasonable allowance for the future annual operation and maintenance expense.

The evidence fails to show that applicant's consumers can be supplied with water from any other source. Apparently they will be wholly without water service if the application to discontinue service be granted. It must, therefore, be denied.

In considering the matter of rates, Mr. MacKall's estimates are considered fair and reasonable and they are adopted. Using his estimates for replacement, maintenance and operation, and allowing a fair return upon the estimated investment, shows the total estimated annual charges to be \$279. The revenue for the year 1920 was \$132. It is evident, therefore, that the applicant is entitled to an increase in revenue. Mr. MacKall reports that his allowance for annual operating expenses can be reduced considerably by installing an automatic electric float switch control, which he recommends. The following schedule of rates is designed to yield sufficient revenue to provide the applicant with all reasonable and necessary costs of operation, maintenance, depreciation, and provide a fair return under the circumstances upon the amount invested in used and useful public utility property.

O R D E R

John A. McGovern having made application in the above entitled matters, a public hearing having been held therein and the matters having been submitted,

It Is Hereby Found as a Fact that the rates now charged by John A. McGovern for water supplied his consumers are unjust and unreasonable in so far as they differ from the rates herein established, and that the rates herein established for water service are just and reasonable rates for such service;

And basing its order on the foregoing finding of fact and on the statements of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that the application of John A. McGovern for authority to discontinue water service, Application No. 6945, be and the same is hereby denied.

IT IS HEREBY FURTHER ORDERED that John A. McGovern be and he is hereby authorized and directed to file with the Railroad Commission within twenty (20) days from the date of this order the following rates for water served to his consumers in the town of Wasco, Kern County, such rates becoming effective for service rendered subsequent to November 1, 1921:

Monthly Flat Rates applying to premises now occupied by -

E. P. Cormack . . . . .	\$4.25
Balaam Vulcanizing Works. . . . .	2.50
Wasco Mercantile. . . . .	2.50
Frank Anderson. . . . .	2.50
Henry Schmidt . . . . .	1.65

IT IS HEREBY FURTHER ORDERED that John A. McGovern file

with the Railroad Commission within thirty (30) days from the date of this order, rules and regulations governing service to his consumers, said rules and regulations to be effective on the date of their acceptance for filing by the Commission.

Dated at San Francisco, California, this 21<sup>st</sup> day of October, 1921.

H. D. Loveland

Charles J. ...  
D. J. ...  
Commissioners.