

Decision No. 24524

RECEIVED
JUL 10 1909

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
C.W. Browning for a certificate of
public convenience and necessity.

Application No. 18856.

Max B. Jamison, for applicant.

Sherrill Halbert, for Richgrove
School District and other
interested parties.

BY THE COMMISSION:

O P I N I O N

Applicant C.W. Browning is engaged in the business of supplying water for domestic and commercial uses in and about the unincorporated town of Richgrove, Tulare County, California. In this proceeding he asks for a certificate of public convenience and necessity and for authority to charge a rate that will be sufficient to cover the cost of operation and maintenance of the water system and provide an allowance for depreciation.

A public hearing in this proceeding was held before Examiner Satterwhite at Richgrove.

The testimony shows that the water system was installed in the year 1909 by the Richgrove Development Company as an adjunct to a land-selling project now known as the Townsite of Richgrove. Thereafter, the Richgrove Development Company transferred its interests in the water system and the real estate business to the Richgrove Land Company, a corporation. The water works subsequently

was acquired by C.W. Browning. In view of the fact that the water system was installed in the year 1909 and that water has been sold generally to the residents of Richgrove for compensation since that date, it was stipulated by all of the interested parties that this water system has been and is now in fact a public utility and that the facilities were dedicated to public use at its inception prior to the effective date of the Public Utilities Act of this State. Therefore no certificate of public convenience and necessity is required at this time. The only remaining issue is the matter of rates.

The Richgrove Land Company at the time of the acquisition of the system by applicant herein was making the following charges:

Southern Pacific Railroad-----	\$ 11.00 monthly
S.R. Shoup - store building-----	5.00 monthly
Busby Ranch - domestic use-----	2.50 monthly
Tommie Eddlemon - service station-----	2.50 monthly
C.G. Dooley-----	2.50 monthly
Richgrove Jasmine Citrus Association - citrus packing plant-----	100.00 yearly
Richgrove School District-----	45.00 yearly

ooo

In 1933 applicant arbitrarily and without authority from this Commission adopted and placed in effect the following charges:

Southern Pacific Railroad-----	\$ 5.00 monthly
S.R. Shoup - store building-----	10.00 monthly
Tommie Eddlemon - service station-----	5.00 monthly
C.G. Dooley-----	5.00 monthly
Richgrove Jasmine Citrus Association-----	150.00 yearly
Richgrove School District-----	100.00 yearly
Sarah Wheeler (a portion of the original Southern Pacific service)-----	2.50 monthly

ooo

As a result of the protest by the consumers against increased rates, no collections thereunder were made by the utility

and this proceeding was instituted to settle the controversy.

The water system consists of a drilled well twelve inches in diameter and four hundred feet deep, from which water is pumped into a 5,000-gallon tank on a fifty-foot steel frame. The water is distributed through approximately six thousand feet of pipe ranging in size from three-quarters of an inch to three inches in diameter.

A report submitted by C.F. Mau, one of the Commission's engineers, appraised the utility property at five thousand eighteen dollars (\$5,018), based upon the estimated original cost as of July 1, 1933. In this report the reasonable annual maintenance and operating expenses were estimated to be five hundred seventy-seven dollars (\$577), including an allowance of eighty-seven dollars (\$87) for depreciation. This figure is based on a continuance of the present method of operation but it was shown that a saving in operating cost could be made and more reliable service provided by substituting automatic pump control for the present manual method and by the modernizing of the pumping facilities.

The annual gross revenue under the old rate was four hundred twenty-seven dollars (\$427), while the estimated revenue from the proposed rate would have amounted to five hundred eighty dollars (\$580); neither figure included charges for the service rendered applicant's hotel properties and citrus grove. Other incidental sales for stock water purposes, etc., similarly also were omitted, such sales amounting to about seventy-five dollars (\$75) per annum. The inclusion of the above unreported items would increase the estimated annual revenue under the old rates to approxi-

mately six hundred ten dollars (\$610).

Applicant's system is largely overbuilt, having been installed originally to serve a large subdivided area which has never been fully developed and thus supplying at present only a few scattered homes. Under such circumstances, it is clear that applicant cannot expect to earn a full return on the entire capital investment. Therefore, the rates authorized in the Order following are designed to be just and reasonable and compare favorably with the charges authorized for other utilities comparably situated and providing a similar class of service and should provide maintenance and operating expenses including depreciation.

Applicant is requested to keep an accurate record of all utility transactions and full credit must be given the utility for all water sold whether it is served to applicant's own property or not.

O R D E R

Application having been made to the Railroad Commission as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission now being fully advised in the premises,

IT IS HEREBY ORDERED that C.W. Browning be and he is hereby authorized and directed to file with the Railroad Commission, within thirty (30) days from the date of this Order, the following rates for water delivered to his consumers in and adjacent to the townsite of Richgrove, Tulare County, California, said rates to become effective for all service rendered subsequent to the 30th day of November, 1933:

FLAT RATES

1. Residences, stores, etc., per month-----\$ 2.00
2. For irrigation of lawns, gardens and shrubbery, per 100 square feet of surface actually irrigated, chargeable during any period of six consecutive months in any one calendar year, per month----- .02
3. For stock watering, per head per month----- .02
4. For service to Richgrove Jasmine Citrus Association for all uses, including employees' living quarters, per month-----10.00
5. For service to Richgrove Grammar School District for all uses, per month----- 7.50
6. For service to Richgrove Hotel for all uses, per month-----10.00

METER RATES

Monthly Minimum Charges:

5/8 x 3/4-inch meter-----	\$2.00
3/4-inch meter-----	2.50
1-inch meter-----	3.00
1 1/2-inch meter-----	4.50
2-inch meter-----	6.50

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following "Monthly Quantity Rates."

Monthly Quantity Rates:

First 500 cubic feet, per 100 cubic feet-----	\$0.40
Next 1,000 cubic feet, per 100 cubic feet-----	0.30
Over 1,500 cubic feet, per 100 cubic feet-----	0.20

For Service to Tank Wagons:

Per 100 cubic feet-----	\$0.20
-------------------------	--------

ooo

IT IS HEREBY FURTHER ORDERED that C.W. Browning be and he is hereby directed to file with the Railroad Commission, within

thirty (30) days from the date of this Order, rules and regulations governing relations with his consumers, said rules and regulations to become effective upon their acceptance for filing by this Commission.

For all other purposes the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 20th day of November, 1933.

C. L. Leary
Leon Whitwell
W. H. Lee
M. B. Harris
William H. Ware
Commissioners.