

Decision No. 40162

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of the Application of  
CASITAS ROAD WATER COMPANY for  
Authority to Increase Rates.

Application No. 28043

Schauer, Ryan & McMahon, by Thomas H. Mullen,  
for Applicant.

Casitas Road Water Company, a corporation, supplies water for agricultural irrigation purposes to approximately 225 acres of citrus groves, located 1½ miles easterly of the City of Carpinteria in Santa Barbara County. The Commission is asked for authority to increase its present rate of 4.8 cents per 100 cubic feet to 5.8 cents per 100 cubic feet.

A public hearing in this matter was held before Examiner M. R. Mackall in Carpinteria.

A certificate of public convenience and necessity to operate a public utility water system was granted George R. Bliss, under Decision No. 14586, dated February 24, 1925. On August 8, 1932, the Commission's Decision No. 25038 authorized the transfer of the system to the Casitas Road Water Company, a corporation, and authorized said corporation to issue stock. The water supply for this system is obtained from a 12-inch drilled well, 445 feet deep. A deep-well turbine pump, directly connected to a 45 horsepower natural gas engine, discharges the water into the distribution mains and is conveyed to 18 customers through approximately 13,200 feet of 8 and 10-inch concrete pipe.

The present schedule of rates was established by agreement of all consumers, effective February 13, 1935, and is a metered charge of 4.8¢ per 100 cubic feet for all water delivered.

Mr. R. Faletti, a certified public accountant, testifying for applicant, stated that revenue for 1946 did not meet operating expenses and that for the past six years an average return of only 2.09% was realized on the capital invested.

Mr. Henry Bliss, manager for the company, testified that the customers have adopted a more beneficial production practice of using less water for the irrigation of their citrus groves and obtain a greater yield by not following the former practice of continuous 24-hour irrigation. Water deliveries are now irregular and more on an accommodation basis determined by climatic conditions and moisture content of the soil. Delivery of water on unscheduled demand has increased materially the costs of distribution and has reduced the total water requirements to the end that revenues have suffered a substantial decrease.

Mr. John D. Reader and Mr. C. F. Norris, Commission engineers, prepared a report submitted by Mr. Reader covering an appraisal and investigation of the operations of the system. In this report the original cost of the property was estimated to be \$20,540, as of March 1, 1947, with a corresponding depreciation annuity of \$359, computed by the 5 per cent sinking fund method. The annual operating expenses for the immediate future, including taxes and depreciation, were estimated to be \$2,703 under the present rates charged, and \$2,835 under the rates requested in the application. Annual revenues for the same period were estimated to total \$3,027 at the present rates in effect and \$3,658 at the proposed rates. The results of operation show a net return of 1.58 per cent under the present rates and 4.01 per cent under rates requested. No protest was made by any of the consumers against granting the increase requested. In view of the fact that the consumers all desire the present method of unscheduled water deliveries and that those consumers present at the hearing testified that all consumers were agreeable to the proposed rate, it will be approved and authorized in the following order:

ORDER

Application as entitled above having been filed with the Public Utilities Commission of the State of California, a public hearing having been held thereon, the matter having been duly submitted, and the Commission now being fully advised in the premises,

IT IS HEREBY FOUND AS A FACT that the rates now charged by the Casitas Road Water Company, a corporation, for water delivered to its consumers near the City of Carpinteria, in the County of Santa Barbara, are unjust and unreasonable in so far as they differ from the rates herein established, and that the rates herein established are just and reasonable rates to be charged for the service rendered, and basing its Order upon the foregoing findings of fact and upon further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that the Casitas Road Water Company, a corporation, be and it is hereby authorized and directed to file with the Public Utilities Commission of the State of California, within thirty (30) days from the date of this Order, the following schedule of rates to be charged for all water service rendered on and after the date of this Order:

SCHEDULE No. 1

METER RATES

Applicability:

For all water service rendered on a metered basis.

Territory:

In that certain area consisting of some 225 acres, more or less, along Casitas Pass Road, about 1½ miles southeast of the City of Carpinteria, Santa Barbara County.

Rates:

Monthly Quantity Charge:

For all water delivered, per 100 cubic feet . . . . . \$0.058

The effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of April, 1947.

Harold H. Hulse  
Justice J. G. Quinn  
Walter Powell  
R. T. Johnson  
James H. Pottel  
 Commissioners.