

Decision No. 50338**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 BUENA VISTA CANAL, INC., EAST SIDE)
 CANAL COMPANY, THE FARMERS CANAL)
 COMPANY, KERN ISLAND CANAL COMPANY,)
 KERN RIVER CANAL AND IRRIGATING)
 COMPANY, and STINE CANAL, INC., for)
 an order (1) approving a special rule,)
 and (2) authorizing special rates for)
 water delivered from storage in)
 Isabella Reservoir during 1954.)

Application No. 35517

OPINION AND ORDER

By the above-entitled application filed June 14, 1954, applicants seek an order of this Commission authorizing them to charge a special rate per acre-foot for stored irrigation water obtained from the Isabella Dam and Reservoir. Said stored water will be obtained for distribution under an interim contract with the United States of America which provides for the payment to the United States of \$1.50 per acre-foot measured at the reservoir for all water withdrawn from storage for use by applicants during the calendar year 1954. Said interim contract, a copy of which is attached to the application as Exhibit C, was executed because the negotiations for a permanent repayment contract for water conservation use of Isabella Reservoir will probably not be completed during the 1954 runoff season.

In their application applicants state that seepage and evaporation losses between the head gate and delivery points of the canal systems of the applicants are on the average 35% of the amount of water withdrawn from storage. Hence the cost to each applicant for storage charges attributable to one acre-foot of

water delivered to a customer will be approximately 100/65th of \$1.50 or \$2.30. To this amount applicants propose to add their established rates for regular irrigation service.

The rates now in effect for regular irrigation service and the rates proposed for stored irrigation service are as follows:

<u>Name of Applicant</u>	<u>Rate per Acre-Foot of Water Delivered</u>	
	<u>Regular Irrigation Service</u>	<u>Proposed Stored Irrigation Service</u>
Buena Vista Canal, Inc.	\$ 1.20	\$ 3.50
East Side Canal Company	1.62	3.92
The Farmers Canal Company	1.63	3.93
Kern Island Canal Company	1.60	3.90
Kern River Canal and Irrigating Company	1.44	3.74
Stine Canal, Inc.	1.63	3.93

Applicants propose that the effective date of the special rates for stored water be the first date upon which any stored water is delivered to their customers and that such rates continue in effect until the end of the calendar year 1954 or the prior expiration of the term of the above referred to interim contract with the United States.

As disclosed by the application the operating expenses of each applicant for the year 1953 have been in excess of the revenues derived by such applicant from the sale and delivery of irrigation water.

An investigation of the operations of applicant has been made by the staff of the Commission, and the results of this investigation are set forth in a memorandum dated July 2, 1954, which has been made a part of the record in this proceeding. This memorandum adjusts the 1953 not operating loss figures by adding

thereto revenues which may be realized from the sale of stored water during 1954, over and above the charge of \$2.30 per acre-foot which it is estimated will be payable to the United States, as follows:

	1953 Net Operating Revenue	Estimated Revenues from Stored Water Sales less \$2.30 per acre-foot	Revised Adjusted 1953 Net Operating Revenue
Kern Island Canal Company	(<u>\$42,243</u>)	\$3,811	(<u>\$38,432</u>)
Buena Vista Canal, Inc.	(689)	1,716	1,027
Stino Canal, Inc.	(<u>21,506</u>)	5,086	(<u>16,420</u>)
The Farmers Canal Company	(<u>26,161</u>)	7,946	(<u>18,215</u>)
Kern River Canal and Irrigation Co.	(<u>18,306</u>)	3,370	(<u>14,936</u>)
East Side Canal Company	(<u>23,612</u>)	458	(<u>23,154</u>)

(Red Figure)

The Commission takes official notice of the publication of the State of California, Department of Public Works, Division of Water Resources, dated May 1, 1954, and entitled "Water Conditions in California". Table 9 of this publication shows that the unimpaired seasonal runoff for the Kern River in per cent of normal for the year 1952-53 was 94% and for the estimated year 1953-54 is 78%. Because of the estimated decrease in runoff for the Kern River for the year 1953-54 the Commission considers revenues to result both from the regular irrigation service and the sales of stored water will be no greater than those tabulated above for the revised, adjusted year 1953.

The small operating profit which may accrue to Buena Vista Canal, Inc., as a result of the sales of stored water will result in a rate of return of less than 2% on its depreciated utility plant stated on its books as of December 31, 1953, at \$53,533.35.

Applicants also each request authority to file a special rule in the form set forth in Exhibit G attached to the application herein.

In view of the importance of water to the customers of each of the applicants during the irrigation season and in view of the shortness of time after the filing of the application before which applicants will undoubtedly be called upon to make delivery of stored irrigation water, applicants have requested that the Commission act upon this application without hearing.

The Commission having considered the above-entitled application and being of the opinion that the rates proposed by applicants herein for stored water during the year 1954 and the proposed rule relating thereto are just and reasonable and will provide a rate of return not exceeding a reasonable rate, it is found that the request of applicants should be granted. The substance of the proposed rule will be incorporated in the special conditions of the authorized schedules of rates. It appears that a public hearing herein is not necessary.

Therefore, IT IS HEREBY ORDERED as follows:

Each applicant herein is authorized to file in quadruplicate with this Commission, after the effective date of this order and in conformance with the provisions of General Order No. 96, the applicable schedule of rates set forth in Appendices A through F attached to this order, to make said rates effective upon the first date subsequent to the date of the application herein upon which any stored water is delivered to its customers and to continue said rates in effect until the end of the calendar year 1954 or the prior expiration of the term of the Interim Contract for Conservation Use of Isabella Reservoir, a copy of which is attached to the application as Exhibit E.

The effective date of this order shall be twenty days after the date hereof.

Dated at Los Angeles., California, this 27th day of July 1954.

Edward L. Mitchell
 PRESIDENT
Justus J. Cisneros
Thommas Potter
Gene Higgins

COMMISSIONERS

APPENDIX A

Buena Vista Canal, Inc.

Schedule 1-A

MEASURED IRRIGATION SERVICE OF STORED WATER

1954 Season

APPLICABILITY

Applicable to deliveries of water from storage in Isabella Reservoir, in excess of the natural flow of Kern River.

TERRITORY

The area served by the Company's canal system in the vicinity of Bakersfield, Kern County.

RATE

Per Acre-Foot

For irrigation water, when available, delivered from storage in Isabella Reservoir	\$3.50
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SPECIAL CONDITIONS

1. This schedule will apply until the end of the calendar year 1954 or the prior termination of the Interim Contract for Conservation use of Isabella Reservoir between the United States of America and North Kern Water Storage District, Buena Vista Water Storage District, and Tulare Lake Water Storage District, and dated March 16, 1954, for water delivered from storage in Isabella Reservoir in addition to the natural flow of Kern River.
2. Applications for such water must be made not less than 15 days in advance of delivery requirements. Applications will be filled in the order received, to the extent that stored water is available and providing that there is enough water flowing in the Company's canal system to make delivery of the stored water feasible.
3. Not less than five days before the requested delivery date the Company will notify each applicant whether stored water can be supplied in accordance with the application. Such an application cannot be canceled less than 48 hours before the requested delivery date.
4. Except as otherwise specified for this schedule, the service of such stored water shall be subject in all respects to the rules and regulations of this Company.

APPENDIX B

East Side Canal Company

Schedule 1-A

MEASURED IRRIGATION SERVICE OF STORED WATER1954 SeasonAPPLICABILITY

Applicable to deliveries of water from storage in Isabella Reservoir, in excess of the natural flow of Kern River.

TERRITORY

The area served by the Company's canal system in the vicinity of Bakersfield, Kern County.

RATEPer Acre-Foot

For irrigation water, when available, delivered from storage in Isabella Reservoir	\$3.92
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SPECIAL CONDITIONS

1. This schedule will apply until the end of the calendar year 1954 or the prior termination of the Interim Contract for Conservation use of Isabella Reservoir between the United States of America and North Kern Water Storage District, Buena Vista Water Storage District, and Tulare Lake Water Storage District, and dated March 16, 1954, for water delivered from storage in Isabella Reservoir in addition to the natural flow of Kern River.
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3. Not less than five days before the requested delivery date the Company will notify each applicant whether stored water can be supplied in accordance with the application. Such an application cannot be canceled less than 48 hours before the requested delivery date.
4. Except as otherwise specified for this schedule, the service of such stored water shall be subject in all respects to the rules and regulations of this Company.

APPENDIX C

The Farmers Canal Company

Schedule 1-A

MEASURED IRRIGATION SERVICE OF STORED WATER

1954 Season

APPLICABILITY

Applicable to deliveries of water from storage in Isabella Reservoir, in excess of the natural flow of Kern River.

TERRITORY

The area served by the Company's canal system in the vicinity of Bakersfield, Kern County.

RATEPer Acre-Foot

For irrigation water, when available, delivered from storage in Isabella Reservoir	\$3.93
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SPECIAL CONDITIONS

1. This schedule will apply until the end of the calendar year 1954 or the prior termination of the Interim Contract for Conservation use of Isabella Reservoir between the United States of America and North Kern Water Storage District, Buena Vista Water Storage District, and Tulare Lake Water Storage District, and dated March 16, 1954, for water delivered from storage in Isabella Reservoir in addition to the natural flow of Kern River.
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4. Except as otherwise specified for this schedule, the service of such stored water shall be subject in all respects to the rules and regulations of this Company.

APPENDIX D

Kern Island Canal Company

Schedule 1-A

MEASURED IRRIGATION SERVICE OF STORED WATER

1954 Season

APPLICABILITY

Applicable to deliveries of water from storage in Isabella Reservoir, in excess of the natural flow of Kern River.

TERRITORY

The area served by the Company's canal system in the vicinity of Bakersfield, Kern County.

RATE

Per Acre-Foot

For irrigation water, when available, delivered from storage in Isabella Reservoir	\$3.90
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SPECIAL CONDITIONS

1. This schedule will apply until the end of the calendar year 1954 or the prior termination of the Interim Contract for Conservation use of Isabella Reservoir between the United States of America and North Kern Water Storage District, Buena Vista Water Storage District, and Tulare Lake Water Storage District, and dated March 16, 1954, for water delivered from storage in Isabella Reservoir in addition to the natural flow of Kern River.

2. Applications for such water must be made not less than 15 days in advance of delivery requirements. Applications will be filled in the order received, to the extent that stored water is available and providing that there is enough water flowing in the Company's canal system to make delivery of the stored water feasible.

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4. Except as otherwise specified for this schedule, the service of such stored water shall be subject in all respects to the rules and regulations of this Company.

APPENDIX E

Kern River Canal and Irrigating Company

Schedule 1-A

MEASURED IRRIGATION SERVICE OF STORED WATER

1954 Season

APPLICABILITY

Applicable to deliveries of water from storage in Isabella Reservoir, in excess of the natural flow of Kern River.

TERRITORY

The area served by the Company's canal system in the vicinity of Bakersfield, Kern County.

RATE

Per Acre-Foot

For irrigation water, when available, delivered from storage in Isabella Reservoir	\$3.74
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SPECIAL CONDITIONS

1. This schedule will apply until the end of the calendar year 1954 or the prior termination of the Interim Contract for Conservation use of Isabella Reservoir between the United States of America and North Kern Water Storage District, Buena Vista Water Storage District, and Tulare Lake Water Storage District, and dated March 16, 1954, for water delivered from storage in Isabella Reservoir in addition to the natural flow of Kern River.

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3. Not less than five days before the requested delivery date the Company will notify each applicant whether stored water can be supplied in accordance with the application. Such an application cannot be canceled less than 48 hours before the requested delivery date.

4. Except as otherwise specified for this schedule, the service of such stored water shall be subject in all respects to the rules and regulations of this Company.

APPENDIX F

Stine Canal, Inc.

Schedule 1-A

MEASURED IRRIGATION SERVICE OF STORED WATER1954 SeasonAPPLICABILITY

Applicable to deliveries of water from storage in Isabella Reservoir, in excess of the natural flow of Kern River.

TERRITORY

The area served by the Company's canal system in the vicinity of Bakersfield, Kern County.

RATEPer Acre-Foot

For irrigation water, when available, delivered from storage in Isabella Reservoir	\$3.93
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SPECIAL CONDITIONS

1. This schedule will apply until the end of the calendar year 1954 or the prior termination of the Interim Contract for Conservation use of Isabella Reservoir between the United States of America and North Kern Water Storage District, Buena Vista Water Storage District, and Tulare Lake Water Storage District, and dated March 16, 1954, for water delivered from storage in Isabella Reservoir in addition to the natural flow of Kern River.

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