

Decision No. 13706.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
KERN SUNSET OIL COMPANY,  
a corporation, for permission to dis-  
continue furnishing water as a public  
service corporation in the vicinity  
of the Northeast Quarter (N.E.  $\frac{1}{4}$ ) of  
Section Twelve (12), Township Eleven  
(11) North, Range Twenty-four (24)  
West, S.B.M.

ORIGINAL

Application No. 9992.

Wiley and Harvey by J. W. Wiley for applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding Kern Sunset Oil Company, a corpora-  
tion, which owns and operates a public utility water system loca-  
ted in the vicinity of Maricopa, Kern County, makes application  
for authority to discontinue furnishing water to its consumers and  
to cease operating as a public utility.

The application alleges in effect that applicant acquir-  
ed this water system from the Northern Oil Company in 1921, the  
transfer being authorized by Decision No. 11265, rendered by this  
Commission November 23, 1922; that operation of the water system  
by applicant during the past two years has resulted in a financial  
loss; and that the present consumers can be better served by other  
public utility water systems operating in this vicinity. Where-  
fore applicant asks for an order of the Commission authorizing it

to discontinue operations as a public utility.

A public hearing in this proceeding was held at Bakersfield before Examiner Satterwhite, after all consumers had been duly notified and given an opportunity to appear and be heard. No one appeared to protest the granting of the application.

This water system was originally constructed and operated by the Northern Oil Company, a corporation, which about 1908 obtained a lease of 40 acres of land for the purpose of drilling for oil. In accordance with the terms of this lease three wells were drilled to a depth of approximately 1800 feet but a large artesian flow of water was encountered, and the company decided to engage in the business of furnishing water to oil companies in this vicinity for boiler purposes and oil drilling operations, and the necessary pumping equipment and pipe distribution mains were thereupon installed. As the water is quite salty it is unsuitable for domestic purposes or for irrigation of gardens.

The records show that for a number of years the business which developed was remunerative but following the introduction of gas engines and electric power in the oil fields the demand for water for boiler purposes greatly diminished. In 1918, with 30 consumers, the total quantity of water sold was 1,430,518 barrels, and in 1922, after the system had been transferred to applicant, the water sales had diminished to 481,536 barrels, with an average of 20 consumers served.

The evidence shows that the pipe mains of the Western Water Company and of August Oil Company, public utility water systems, extend into this territory at convenient locations to render service to practically all of applicant's present consumers; further, that during the past few months a number of applicant's con-

sumers have already transferred their patronage to the latter utilities and that there now remain on the system only 5 active consumers.

H. A. Noble, one of the Commission's hydraulic engineers, made a field investigation of the system prior to the hearing and interviewed local representatives of those oil companies which are the remaining consumers on the system, and found that they are prepared either to take water from the above mentioned utilities or to obtain their supply by reclaiming water now going to waste from their own oil wells.

After careful consideration of all the evidence submitted and particularly the facts set out above, it appears that public convenience and necessity do not require that this utility continue to operate its water system for the benefit of the few remaining consumers, and it is evident that the application should be granted. However, a reasonable period of time should be allowed the present consumers to secure other sources of supply.

### O R D E R

Kern Sunset Oil Company, a corporation, having made application to the Railroad Commission as entitled above, a public hearing having been held thereon, the matter having been submitted, the Commission being now fully informed in the matter, and it appearing that the application should be granted,

IT IS HEREBY ORDERED that Kern Sunset Oil Company, a corporation, be and it is hereby authorized to discontinue service of water to its consumers in the vicinity of Maricopa, Kern County, on September 1, 1924, and thereafter be relieved from public utility obligations, provided that within ten (10) days after the ef-

fective date of this order each consumer on the system be given written notice of applicant's intention to discontinue water service; and provided further that applicant file with this Commission on or before September 1st, 1924, a certified statement to the effect that its consumers have been notified of its intention to discontinue water service.

Dated at San Francisco, California, this 16<sup>th</sup> day of June, 1924.

Oliver S. ...  
W. H. ...

Egerton Shore

Commissioners.