

Decision No. 25635

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

J. Hartley Russell, Ralph A. Eusted,
Ada C. Eusted, Chas. A. Gibson, Millie
D. Gibson, James E. Townsend, Elizabeth
S. Bowie, Geo. Vivian, Louis J. Bonnet,
Mrs. S. Bruzzi, St. John Whitney,

Complainants,

vs.

San Jose Water Works, a corporation,

Defendant.

ORIGINAL

Case No. 3377.

Hubert J. Caveney, for Complainants.

Leib & Leib, by R.C. Leib, for Defendant.

BY THE COMMISSION:

O P I N I O N

In this proceeding complainants ask for an order directing the San Jose Water Works to install a four-inch water main in and along the Pierce Road from defendant's Abernathy Reservoir to supply water to their various properties situate in the County of Santa Clara.

A public hearing in this matter was held before Examiner Handford in the City Hall at San Jose.

According to the evidence, complainants are a group of orchardists living in the foothill district near the Town of Saratoga and have demanded that the San Jose Water Works install at its own expense an extension of approximately 8,000 feet of

four-inch main to supply their respective properties. This the defendant has refused upon the ground that the extension is unremunerative but it is willing so to do under either of its regular rules and regulations governing such matters. These rules provide that the utility will install at its own expense 100 feet of main for each bona fide consumer, the additional costs incurred to be paid for by the applicants for such service subject to refund, and, in the case of real estate subdivisions, they provide for prepayment by the party or parties requiring the extension of the estimated cost of the entire installation subject to full refund provided the development becomes compensatory within certain time limitations.

With one exception the complainants who testified own rather extensive parcels of land in acreage and already have their individual water supplies, which the evidence indicates are now sufficient for their own particular needs. They do intend, however, to cut up and sell portions of their holdings at some time in the future and feel that this cannot be done unless a more adequate and dependable water service is made available from the defendant's water plant. Complainant Russell stated that his property is now unimproved but that he wants water in order that he may serve a new home which he desires to build at once.

Defendant presented testimony to the effect that the proposed extension would cost ten thousand dollars (\$10,000) for a four-inch main, twelve thousand dollars (\$12,000) for a six-inch main and sixteen thousand dollars (\$16,000) for an eight-inch pipe line, exclusive of costs for rights of way, that nothing

smaller than a six-inch line could provide the proper volume and pressures and that the entire revenues to be fairly anticipated for the first year would not exceed two hundred dollars (\$200).

It is plainly evident that this extension cannot reasonably be considered compensatory at this time and that the evidence does not warrant the Commission in directing the defendant to make this installation at its own expense. The rules and regulations of this utility governing its policy in matters of extensions of service were approved by this Commission and are in substantial accord with standard practice of public utility water works. The demand for service by complainants primarily is based upon alleged favorable prospects of possible future land development. Present requirements do not justify so large an expenditure by defendant. It is to cover just such cases that the Railroad Commission was constrained to adopt proper regulatory measures to prevent public utilities from suffering possible heavy financial losses by participating in highly speculative enterprises where their failure must ultimately place an unfair burden upon the regular water consumers who are required to provide through rates a fair return on utility operations. The complaint therefore will be dismissed.

O R D E R

Complaint having been made to this Commission as above entitled, a public hearing having been held thereon, the matter having been duly submitted and the Commission being now fully

advised in the premises, and good cause therefor appearing,

IT IS HEREBY ORDERED that the above entitled complaint
be and it is hereby dismissed.

Dated at San Francisco, California, this 14th day
of February, 1933.

C. A. Sweeney

L. M. Whiteley

W. J. L.

M. B. H.

M. B. H.

Commissioners.