

Decision No. 41679**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 the CENTRAL VALLEY WATER COMPANY  
 for Authority to Discontinue the  
 present Public Utility Water --  
 Service at Central Valley, Calif.

Application No. 29123

Bernard R. Steffen for himself;  
Mrs. R. Livingston for El Rancho  
 Grande Restaurant.

O P I N I O N

In this application Bernard R. Steffen, doing business as Central Valley Water Company, asks that this Commission grant him authorization to discontinue water service in the unincorporated town of Central Valley, Shasta County. The application alleges that the residents of this community have formed the "Shasta Dam Area Public Utility District," a publicly owned corporation, which has taken over the furnishing of water service in this area.

A public hearing was held on this application in Redding before Examiner Ross. The record shows that each of applicant's customers was notified of the application and of the time and place of the hearing thereon. No protest was made to the discontinuance of service by any of the customers.

Applicant's predecessor commenced service in Central Valley in 1938, relying exclusively upon wells as a source of water supply. Applicant acquired the utility in 1945 as authorized by this Commission's Decision No. 38141 (Application No. 26617), dated August 14, 1945, and has continued to secure water from wells except during dry periods when it became necessary to haul water from the United States Government's Shasta reservoir to augment the well supply.

Applicant's system at present consists of about 20,500 feet of pipe, mostly 3- and 4-inches in diameter, six wells and two 10,000 gallon tanks, together with certain related real estate. Six customers are being served currently. Prior to February 15, 1948 when the utility district initiated service, applicant was serving 171 customers, but the number was reduced to the present six customers by April 15, 1948.

Applicant testified that all six of his remaining customers are located within the boundaries of the utility district, and that one's premises was located three feet from the nearest utility district pipe line, one 60 feet, one 120 feet, two 300 feet and one about 1,000 feet. The latter customer has dug a well and notified applicant that service may be discontinued, but the other five customers have not made provision for securing water from any other source. Applicant testified that it was his understanding that the utility district is currently making a charge of from \$25 to \$30 to connect a water meter, and that the district's rates are higher than applicant's for small consumptions, but lower for large usage. Applicant alleged that he had made specific offers of assistance to three of the remaining customers, in two cases to sell a well and pump, and in the other case to provide black pipe if the customer would dig it up and relocate it, but the customers had not accepted the offers.

Applicant estimated that the average monthly total of bills rendered these six customers would be \$18, but that five of the six customers were already in arrears in payments ranging from one month to almost two years. He estimated that his average monthly out-of-pocket cost of operation was \$78, to which should be added \$60 for depreciation and \$250 for his own time, aggregating \$388 per month without provision for any return on his investment.

Applicant testified that he had offered to sell the greater part of his facilities to the utility district in April, 1947 for \$8,500 but that the district had not accepted. However, in September of that year the district purchased 4,100 feet of pipe line from applicant. He expressed the opinion that the district is not interested in acquiring any additional pipe lines from him.

The record shows that applicant cannot continue operating the system without suffering a heavy financial loss and that the remaining six customers are located within the boundaries of the utility district. Under the circumstances, applicant's request to discontinue water service will be granted.

O R D E R

Application having been filed with the Public Utilities Commission, public hearing having been held thereon, the matter having been duly submitted and the Commission being now fully advised in the premises,

IT IS HEREBY ORDERED that Bernard R. Steffen, doing business as Central Valley Water Company, be and he is hereby authorized to abandon and discontinue all water service in the unincorporated community of Central Valley and environs, on and after the first day of July, 1948, and thereon and thereafter shall stand relieved of all public utility obligations and liabilities heretofore incurred in connection with such service, subject to the following terms and conditions:

- (1) On or before the 31st day of July, 1948, Bernard R. Steffen shall refund to all customers all deposits or credits due them, if any, arising from advances made to guarantee payment of water bills, for main extensions, meters, service connections and for any other purposes whatsoever emanating from this phase of his operation under the jurisdiction and control of this Commission.

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- (2) Within forty-five (45) days from and after the effective date of this Order, Bernard R. Steffen shall file with this Commission a sworn statement showing the disposition of any such amounts.

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

Dated at San Francisco, California, this 28<sup>th</sup> day of May, 1948.

B. J. [Signature]

[Signature]

[Signature]  
Commissioners.

