

ORIGINAL

Decision No. 50263

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 MOUNTAIN PROPERTIES, INC., (now)
 Pacific Water Co.) to increase rates)
 for its Mesa Acres Water System.)

Application No. 34239
 as amended

DAN R. HODGE, et al.,)
)
 Complainants,)

vs.)

Case No. 5468

MOUNTAIN PROPERTIES, INC., a corpora-)
 tion,)
)
 Defendant.)

James Vizzard, in propria persona and for
 petitioners L. R. and Della Scroggins,
Oran and Lucille Fike, Harold and Iva Cox.
Moss, Lyon & Dunn, by George C. Lyon, for
 respondent Pacific Water Co.
Roy Gargano, County Counsel, by Clayton T.
Cochran, Deputy County Counsel, for County
 of Kern; Robert Gunning, for Third
 Supervisorial District, Kern County;
Gordon Moore, for himself and for James
Norman; Floyd E. Smith, for Appraiser,
 Veterans Administration; Gilbert J. Martin,
 for Bakersfield Meadows Co.; Charles B.
Webster, for Briggs Oil Co. and Gallon Swim
School; Pat Leonetti, for Patrick F. Paola,
 interested parties.

OPINION ON FURTHER HEARING

The Commission by order dated May 25, 1954 reopened these proceedings for the purpose of considering a petition by L. R. Scroggins and others for modification of prior Commission orders (Decision No. 49415, December 8, 1953; Decision No. 49720, February 23, 1954), which directed Pacific Water Co. not to furnish water from its Bakersfield system to new or additional subdivisions without a satisfactory showing to the Commission that it had procured

an adequate water supply. Petitioners allege that they purchased property in the vicinity of the company's distribution facilities but that the company refused to serve them upon the ground that to do so would constitute a violation of the Commission's order. The company by its answer alleges that petitioners are located within a new subdivision or tract within the meaning of subsection B of its main extension rule; that said rule is applicable to the service of water to petitioners and that consequently the Commission's order forbidding service to new or additional subdivisions is likewise applicable. The company further alleges that it is in a position to serve not only the petitioners but also 11 additional lots within its service area which the company alleges also constitute a subdivision within the meaning of the restriction.

A hearing upon the issues raised by the petition and answer was held before Examiner Gregory at Bakersfield on June 9, 1954. Present at the hearing, in addition to petitioners and their counsel, were other persons interested in securing water service either to individual lots, commercial establishments, or to subdivisions within or without the company's present service area.

The issues as stated by the company in its answer to the petition are twofold: (1) whether petitioners' lots and premises similarly situated constitute subdivisions which the company has been forbidden to serve without proof of availability of adequate supplies of water; (2) whether the company can presently supply water to persons such as petitioners and other lot owners without interfering with adequate service to existing consumers.

The evidence shows that on June 30, 1953 the company had available approximately 1857 gallons per minute of water from its then operative wells with which to supply a total of 1370 consumers, 1184 of whom were metered and 186 of whom were served under flat

rates, or an average of 1.36 gallons of water per minute per consumer.

As of May 30, 1954 the company had a total of 1800 consumers, including 1414 served under metered rates and 386 under flat rates. ⁽¹⁾ The record shows that on the basis of the firm water supply available to the company for its present consumers--that is, water other than temporary supply or that developed from wells for the purpose of supplying specific subdivisions now under construction--there is available only an average of 1.4 gallons per minute for each of said 1800 consumers. Careful study of the company's testimony establishes that it has fallen far short of securing a substantial part of the 1,000 gallons per minute of additional water supply ordered by the Commission in Decision No. 49720. With the exception of a possible additional 200 gallons per minute from Magunden Well No. 6, there has been nothing in the way of substantial addition to the firm supply of water, over and above that already dedicated to specific subdivisions, to meet the demands of 430 new customers of whom 230 are being served through meters and the balance under flat rates.

In view of the lack of anything approaching a normal standard of water supply per customer on this system, it becomes unnecessary to decide the question of whether or not petitioners' premises constitute a "subdivision" within the meaning of the restriction imposed by the Commission's prior orders. The record

(1) The Commission by Decision No. 49720, issued February 23, 1954, in the proceeding involving rates and service of the company's Bakersfield system, as part of its order authorized the company to file a temporary flat rate service schedule pending re-arrangement of piping and the placing of existing consumers on metered service. As of June 9, 1954, the date of hearing, a substantial amount of the piping improvements had been completed.

makes it plain that the company is faced with a serious problem in supplying even its existing consumers let alone attempting to take on individual consumers or subdivisions not having a developed source of supply of their own.

We recognize that an expanding company such as Pacific Water Co. is faced with innumerable problems upon the acquisition of new systems. It is also apparent that this utility is under considerable pressure to supply water for new residential and commercial construction in the Bakersfield area and is also concerned with the problem of financing its program of improvements. A water utility, however, has a primary obligation to maintain its facilities to serve those who are entitled to service and who are currently paying the rates therefor. If it does not have available sufficient water to provide existing consumers with adequate service it must either secure additional supplies or forego the benefits of attaching new customers.

We find from the evidence that Pacific Water Co. does not have available in its Bakersfield system a firm supply of water adequate for its existing consumers. We further find that no additional individual consumers or subdivisions can be supplied from such system without injuriously withdrawing the supply wholly or in part from existing consumers.

We conclude, therefore, that the Commission's order forbidding service to new or additional subdivisions in or adjacent to the company's Bakersfield system, except as heretofore modified by Decision No. 49587, should be continued in effect and said restriction should be broadened to include any new or additional individual consumers as well.

O R D E R

Public hearing having been held upon petition of L. R. Scroggins and others, the matter having been submitted for decision, the Commission now being fully advised and basing its order upon the findings and conclusions contained in the foregoing opinion,

IT IS ORDERED that:

(1) Pacific Water Co. is directed to meter all services on its Bakersfield system within the next thirty days following the effective date of this order, and to report to the Commission in writing within five days after said thirty-day period whether or not said metering has been accomplished.

(2) Pacific Water Co. shall not furnish water from its Bakersfield system to any additional individual consumers or to any additional subdivisions, other than those having a developed source of water supply, except upon a showing by the company, based upon a supplemental application herein, that it has procured a firm supply of water for rendition of adequate service to existing consumers as well as to new or additional consumers seeking service in the normal course of the company's business, and until the Commission, upon such a showing, shall have vacated or modified this order.

(3) The petition of L. R. Scroggins and others, filed herein April 21, 1954, be and it is hereby denied without prejudice.

Finding that the public interest so requires, IT IS FURTHER ORDERED that this order shall be effective on the date hereof.

Dated at Sau Francisco, California, this 12th day of July, 1954.

John L. Mitchell
President
Justus J. Cresswell
Kenneth L. Tatter
Verne Scroggins

Commissioners