

At the hearing, held at Bakersfield on December 12, 1955, before Examiner John M. Gregory, petitioner withdrew its request to serve Tract 1781 and, by an exhibit filed after the hearing, substituted a revised contract for service to Tract 1736, owned by Leo Schneider.

Evidence developed at the hearing discloses that the original agreement Pacific proposed to enter into with Schneider was not in accordance with the provisions of its main extension rule inasmuch as it required a \$1,200 advance for a share of the cost of drilling a well and provided an option to the refund provisions of the main extension rule for the purchase by Schneider of 3% Class C Preferred stock in lieu of long term refunding provisions.

The revised contract with Schneider, dated December 21, 1955, in substance provides that Pacific will construct and install the water system in accordance with a plan, described as Exhibit "A" of the instrument (a copy of Exhibit "A" is not attached to the copy of the revised contract, Exhibit 2), for which Schneider is to advance \$3,688 to Pacific prior to commencement of construction, the advance to be subject to adjustment after completion of the work and within 60 days after Pacific has ascertained the actual cost. Pacific agrees to refund to Schneider annually, without interest, during the month of April after commencement of rendition of service by Pacific through said system, a sum equal to 22% of the estimated annual revenue per residential and business customer for the prior calendar year collected by Pacific from consumers whose lines are directly connected to facilities installed under the agreement. Payment of all refunds is to continue for a period

not exceeding 20 years. Pacific's obligation to continue such payments is stated to be subject to the terms and conditions of Paragraph V of the agreement, which makes detailed provision for payment of refunds in the event of acquisition of the water system from Pacific by any public agency, or if Schneider's right to receive payments of refunds is transferred to others.

The agreement contains the usual recital, found in Chapter X of General Order No. 96, to the effect that it is at all times subject to such changes or modifications as this Commission may from time to time direct in the exercise of its jurisdiction.

The evidence adduced by Pacific at the hearing indicates that the tested production of Pacific's East Bakersfield wells, as of November 29, 1955, amounted to about 3748 gpm, or approximately 1.7 gpm per customer including the 20 lots to be served in Tract 1736. Well No. 11, recently drilled and included in the above production figure, has produced 423 gpm with its presently installed 100 hp pump and has been test pumped at 1300 gpm.

We find from the evidence of record that Pacific Water Co. has sufficient capacity in its East Bakersfield water supply, at the present time, to provide reasonably adequate service to its present consumers, as well as those to be served in the 20 lots comprising Tract 1736.

We conclude, therefore, that petitioner has justified its request for modification of the subdivision service restriction, contained in Decision No. 49415 and subsequent orders in this proceeding, to the extent that petitioner may now be authorized to carry out the terms and conditions of its agreement with Leo Schneider, dated December 21, 1955, and

render water service in Tract 1736 in its East Bakersfield System.

O R D E R

Public hearing having been held on the petition of Pacific Water Co. filed herein July 2, 1955, 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. be and it hereby is authorized to carry out the terms and conditions of an agreement, Exhibit 2 herein, dated December 21, 1955, providing for construction and installation of water facilities, and for refunding advances therefor, in connection with supplying water to and within Tract 1736, in East Bakersfield, Kern County, California.

2. Pacific Water Co., within 30 days after execution of the agreement herein authorized, shall file with the Commission two copies of said agreement as executed.

3. Decision No. 49415, issued in these proceedings on December 8, 1953, be and it hereby is modified to permit rendition of water service by Pacific Water Co., in accordance with the terms and conditions of an agreement, dated December 21, 1955, to and within Tract 1736, located in a portion of the area bounded by Pioneer, Fairfax, Eucalyptus and Sterling Streets, in East Bakersfield, Kern County, California.

4. Except as modified by this order, the restriction against service by Pacific Water Co. to subdivisions in its East Bakersfield water system, originally set forth in Decision No. 49415 in these proceedings and modified and restated by Decision

No. 50544 herein, shall be and remain in full force and effect.

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

Dated at San Francisco, California, this 7th day of February, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner Rox Hardy, being necessarily absent, did not participate in the disposition of this proceeding.