

ORIGINAL

Decision No. 53992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FRED A. SHAEFFER, et al.,
 Complainants,
 vs.
 AVILA WATER COMPANY, a corpo-
 ration,
 Defendant.

Case No. 5708

Fred A. Shaeffer, in propria persona, complainant.
W. L. Arnold, for Avila Water Company, defendant.
John D. Reader, for the Commission staff.

OPINION AND ORDER

The above-entitled complaint, filed December 21, 1955, alleges in essence that defendant's service is deficient and that its water rates are discriminatory. Complainants seek an order of this Commission directing defendant to improve its service, and to eliminate any rate differentials which may exist between different areas of service.

Defendant denies inadequacy of service and alleges that complainants' pressure difficulties arise from the inadequacy of their own pipes. Defendant admits that a rate differential exists between two areas which it serves, but alleges that such situation was inherited from a predecessor company, and that defendant is bound by a contract, to which the predecessor was a party, to charge lesser rates in one area.

Public hearing in the matter was held before Examiner F. Everett Emerson on August 8, 1956, at San Luis Obispo.

The record in this proceeding consists of eight exhibits and the testimony of eight witnesses.

Complainant Shaeffer owns Block 4 in Avila, such block being approximately 300 feet long by 240 feet deep and containing twelve 50- by 120-foot lots. Under the control of Shaeffer in this block are approximately six stores, twenty-seven apartments, a motor court of about nine units and a trailer park with a capacity of 42 house trailers. Water service is supplied to the entire block through one service connection and one meter, Shaeffer being the sole customer and providing water to his own operations and to tenants whose payments of rent cover use of the property plus use of water without additional charge therefor. Shaeffer has asked defendant, on at least one occasion, for an additional service connection to take care of the trailer park. Such additional service was refused, apparently on the conclusion of defendant's Superintendent that defendant's lines had adequate water and pressure to furnish reasonable service through the existing service connection provided Shaeffer had adequate lines throughout the block to make use of the utility service.

In support of its position that the utility facilities are adequate and that Shaeffer's pipes are inadequate, defendant presented charts of a recording pressure gauge which conclusively show that a sufficient and reasonable pressure exists at the service connection to the property. The matter is not so easily settled, however, for, in the informed judgment of the Commission, if Shaeffer's lines were adequate then the size of the single service connection would become inadequate, assuming unrestricted water flow throughout Shaeffer's property. In our opinion a service connection of about 2 inches in size with a 1½-inch meter is desirable. The present connection is but 1 inch or less in size.

Indeed, the 2-inch main supplying the block and adjacent properties may well prove to be undersized if the single service connection and private lines are made adequate. Under existing conditions, Shaeffer cannot draw water fast enough to fully utilize what the utility has to offer. Under normal conditions of water usage by so large an operation as Shaeffer's, main reinforcement by the utility will probably be required.

There are at least three reasonable solutions to Shaeffer's problem. The first, which follows directly from the above discussion, is for Shaeffer to install piping, from the existing service connection, adequate to his needs. The second is for Shaeffer to rearrange his piping system so as to permit additional service connections to be established by defendant. This second possible solution is the one sought by Shaeffer. It should be clearly understood, however, that by so doing the existing piping system must be positively separated into non-interconnected parts and that separate metering and billing of each part necessarily follows. Defendant's filed rules do not prohibit such treatment. The third solution, in effect but an extension of the second, is one whereby complainant would divest himself of the burden of supplying water to his store or restaurant tenants, and to so arrange his piping system as to provide for a separate utility service connection, meter and billing to each of the stores or restaurants. On the basis of the evidence in this proceeding, we find either the second or third solutions to the service problem to be fair and reasonable.

With respect to the rate differential there appears to be some confusion as to the status of a contract which brought it about. Briefly, defendant's predecessor extended water service to a tract of about forty homes located approximately $1\frac{1}{2}$ miles south

of Avila, under the terms of a contract now several years old, with the subdivider. Among other terms, the contract established a schedule of rates for water used in the tract. At best, such contract constituted a deviation from the utility's main extension rule. At worst it created a discriminatory rate situation, absent a showing as to its justification. The contract, while undoubtedly consummated in good faith by the parties, has no standing before this Commission as it has neither been filed with nor approved by the Commission. The regularly filed rates and rules of defendant's predecessor and also of defendant, should have been applied to the subdivision. From the practical standpoint the utility would have justly received greater compensation had the regular rates and rules been applied. Defendant's predecessor and defendant, in a sense, have both been penalized by their own inadvertencies. Suffice it to say, however, that defendant has no authority to apply rates to water usage in such tract that are in any way different from those rates in effect on the Avila system.

In view of the evidence and the foregoing discussion respecting certain of its elements,

IT IS HEREBY ORDERED as follows:

1. When complainant Shaeffer shall have so rearranged his piping system in Block 4 as to provide for separate services from the utility, Avila Water Company shall immediately establish adequate service connections and meters therefor, and thereafter shall separately account for and bill such service either to complainant Shaeffer or to individual applicants as the case may be.
2. Avila Water Company shall apply its regularly filed tariffs to all customers throughout its entire service area.

3. If it develops after a reasonable period of operations under the conditions to be engendered by paragraph 1 herein that reasonably adequate service is not supplied, this complaint may be reopened by the Commission for the purpose of determining what, if any, further relief may be ordered.

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

Dated at San Francisco, California, this 27th day of OCTOBER, 1956.

John E. Mitchell
President
Ralph L. ...
...
R. H. ...

Commissioners

Commissioner JUSTUS F. CRAEMER being necessarily absent, did not participate in the disposition of this proceeding.