

ORIGINAL

Decision No. 58529

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PAUL W. RATCLIFF and FRED T. ROLLS,)
)
 Complainants,)
)
 vs.)
)
 DEER LAKE WATER CORPORATION,)
)
 Defendant.)

Case No. 6002

L. S. Howry and Amy Howry; John Sturdy)
 and Olive Sturdy; Bruce Fenton and)
 Winifred Fenton; Robert Hollands and)
 Delma Hollands; Gordon Lukasky and Lois)
 Lukasky; Horace Arter and Irene L. Arter;)
 Winifred Fenton, Administratrix of the)
 estate of Stanley Guy, deceased,)
)
 Complainants,)
)
 vs.)
)
 Deer Lodge Park Tract Water System,)
)
 Defendant.)

Case No. 6006

Horace Kalik, for Deer Lake Water Corporation,
defendant.

Bruce Fenton, for complainants.

James G. Shields, for the Commission staff.

INTERIM OPINION

Public hearing in these matters was held before Examiner Grant E. Syphers on February 20, 1958, at San Bernardino, California.

The Deer Lake Water Corporation operates a water distribution system (designated in Case No. 6006 as Deer Lodge Park Tract

Water System) in the area of Deer Lodge Park which is a subdivision of a portion of the NE 1/4 of Section 8, T2N, R3W, San Bernardino County, and is located about four miles northeast of Blue Jay, California. The company was purchased in December of 1957 by one William M. Noe. Previously it had been operated by one Charles Krause. There are approximately 50 dwellings in this tract, all of which receive water from the water system. The source of water supply is a long tunnel which has been blocked at each end and in which water accumulates. This water is pumped therefrom to the various users in the Deer Lodge Park subdivision. There are also seven users in another area known as Grass Valley Creek. The users in Deer Lodge Park pay for their water at the rate of \$24 a year. The users in Grass Valley Creek do not pay for their water and allegedly are using it under deeds which give them a right thereto.

The complaints herein arose as a result of two conditions: (1) alleged defects in the service, and (2) the fact that the users were notified by the new owner that effective January 1, 1958 the water rate would be increased from \$24 to \$36 a year.

At the hearing testimony was presented as to these matters, and the new owner stated that he was willing to be declared a public utility. Likewise both the complainants and the owner requested a Commission investigation.

It is apparent from this record that the Deer Lake Water Corporation is operating as a public utility under the terms of Section 2701 of the Public Utilities Code. It is furnishing water to the public and receiving compensation therefor. Accordingly it will be declared a public utility water company in the ensuing order.

From this situation there arise certain problems which should be resolved. The original cost of the utility plant and related depreciation reserve, estimated, if not known, and the expenses of maintaining and operating the system must be ascertained. Rates must be established for this utility. Since there are complaints as to service, these matters should be inquired into. It should be determined whether or not the seven users in Grass Valley Creek are customers of this utility or constitute a mutual water company which is receiving water from the same source as the utility. These matters will be inquired into by an order of investigation which will be issued by this Commission and by further hearings on the complaints herein filed. Pending final determination of fair and reasonable rates, an interim flat rate of \$24 per year will be established.

INTERIM ORDER

A public hearing having been held in the above-entitled matter, the Commission being advised in the premises and hereby finding that the Deer Lake Water Corporation is serving water to the public for compensation, and good cause appearing,

IT IS ORDERED:

(1) That the Deer Lake Water Corporation be and it is hereby declared to be a public utility water company subject to the applicable provisions of the Public Utilities Code.

(2) That said corporation is authorized and directed to file, within thirty days after the effective date of this order, the rates set forth in Appendix A attached to this order, together with rules and a tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96. Such rates, rules, and tariff service area map shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

(3) That said corporation shall file, within sixty days after the effective date of this order, four copies of a comprehensive map drawn to an indicated scale not smaller than 600 feet to the inch, delineating by appropriate markings various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of said corporation.

(4) That said corporation shall file, within sixty days after the effective date of this order, a report setting forth the original cost of utility plant and related depreciation reserve, estimated if not known; the estimated expenses of maintaining and operating the system; and the proposed improvements to the system, if any, together with the estimated costs thereof.

This order is interim in nature, and further hearings will be held to inquire into the rates and operations of this utility.

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

Dated at San Francisco, California, this 15th day of April, 1958.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

C-6002) DR *
C-6006)

APPENDIX A

Schedule No. 2

GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all water service.

TERRITORY

The unincorporated community of Deer Lodge Park, approximately four miles northeast of Blue Jay, San Bernardino County.

RATE

Per Year

For each service connection..... \$24.00

SPECIAL CONDITION

The above annual charge applies to service during the 12-month period commencing January 10, and is due in advance.