

ORIGINALDecision No. 56732

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Neven R. George,
 Dos Rios Water System, to increase }
 present established rates for water } Application No. 39219
 service. }

FIRST SUPPLEMENTAL ORDER

Dos Rios Water System is seeking authority, by supplemental order, to delay construction of the 10,000 gallon redwood tank required by the Commission in paragraph 4, page 7 of Decision No. 56387. The Commission on March 17, 1958 ordered that the tank be completed and placed in operation by June 1, 1958 and the owner, Mr. Neven R. George, now seeks to extend this order for one year. He alleges the following reasons in support of his request:

1. It was necessary for him to employ a maintenance worker at Dos Rios to replace the former employee who was forced to resign because of ill health. Said employee, Mr. George's father-in-law, has done maintenance work in the past on the system upon call without receiving compensation; Mr. George lives and works in San Bernardino. The new employee was hired in December 1957 at a \$35.00 a month salary which is alleged to be a reasonable amount for this system in this area.

2. It was necessary in January 1958 to expend funds to purchase liability and workmen's compensation insurance covering the system, and the new maintenance employee.

3. Funds were expended on March 28, 1958 to purchase office equipment at an expense of \$239.21.

4. A cash reserve should be available by the utility to meet the possible demands for meter installations if requested by the consumers or deemed necessary by the utility. Decision No. 56387 provided for installation of meters at the option of either the consumer or the utility.

5. A one year operational experience under the new rates is necessary in order to compile and present financial information to prospective lending agencies for the purpose of ascertaining the risk involved in advancing funds on this utility.

This request by this system resolves itself into a conflict of priorities. It may be acknowledged that the above expenditures and plans would be reasonable and necessary under other circumstances. But in this case the construction of the tank required in Decision No. 56387 takes priority over other expenditures because of the compelling reasons set out in said decision. It was clearly indicated by the applicant at the hearing held in Dos Rios on December 3, 1957 that if a rate increase were granted the funds to be obtained would be used toward the service improvements conceded to be indispensable. Although we appreciate Mr. George's dilemma the fact remains that steps to insure proper water delivery take precedence over all and any disbursements however indispensable they may seem to be. If part of the funds expended by Mr. George prior to the rate increase granted in March 1958, along with the expenditures made after the increase, were applied toward the tank construction cost it may be that a fund would have been available at this time to meet down payment requirements.

The rates set forth in Appendix A to said Decision No. 56387 are reasonable for this system under the conditions and circumstances described in the opinion of said decision but only if

there is adequate water delivery. Water distribution, without the tank ordered, will be inadequate this summer. Accordingly the request for a year's extension will be denied. However, in view of the circumstances surrounding the time involved and difficulties facing Mr. George an extension will be granted to September 1, 1958. If the tank is not completed and ready for operation and storage of water by said date the Commission will consider reopening the proceedings for the purpose of rescinding the relief granted by Decision No. 56387.

Good cause appearing,

IT IS ORDERED that Decision No. 56387 be amended to read as follows:

That paragraph 4, page 7 of said decision be amended in part to read:

"Neven R. George shall cause to be constructed a 10,000 gallon redwood tank at a site, near the Dos Rios schoolhouse, between the 1,160 and 1,200-foot elevation. Said tank shall be completed and placed in operation by applicant by September 1, 1958. Neven R. George shall inform the Commission in writing of the completion of the installation and placing in operation of said tank within ten days thereafter."

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 27th day of May, 1958.

[Signature]
President
[Signature]
[Signature]
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Commissioners