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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of MALIBU WATER COMPANY, a corporation,
for an order authorizing it to enter
into a contract to extend its service
on the terms and conditions therein
provided, and for other relief.

Application No. 41112

F. B. Yoakum, Jr., for applicant.

C. O. Newman and Richard R. Entwistle,
for the Commission staff.

O P I N I O N

Public hearing was held in this matter before Examiner Grant E. Syphers on June 19, 1959, at Los Angeles, at which time evidence was adduced and the matter submitted. It now is ready for decision.

The Malibu Water Company is a California corporation engaged in the business of distributing and selling water primarily for domestic purposes in certain areas along the shoreline of the Pacific Ocean between Las Flores Canyon in Los Angeles County on the east and approximately the Ventura County line on the west.

In the instant application it proposes to extend service in the area known as La Chusa Highlands, Inc., consisting of approximately 143 acres. This area which is contiguous to some of the territory presently served by applicant, is located on the Pacific Coast Highway between Encinal Canyon Road on the east and La Chusa on the west. It is a subdivision which has been divided into 39 lots.

The subdivider has agreed to install a water distribution system which is described in some detail in the application and as a matter of fact the evidence discloses that most of this system has

been completed. The water supply comes from a well located on Lot No. 34 which was drilled about two years ago. It has a tested capacity of 140 gallons per minute with a draw down of 123 feet from a static level of 245 feet below the top of the casing. The testimony disclosed that this water has a high fluoride content and that therefore it may be necessary to blend it with water from existing wells of the company.

The subdivider proposes to convey to the utility as a donation the blending system, an easement to the well, the tanks, pumps and related fixtures. Additionally, the subdivider will install the water mains under the standard refund agreement as provided in Rule 15-C (2) (b) which rule is now on file with this Commission. The services from the mains to the property lines will be paid for and installed by the utility as they become necessary. The evidence discloses that the proposed construction will meet the requirements of General Order No. 103 of this Commission.

The subdivider testified that he was willing to enter into these arrangements even though he recognized he was making certain donations of facilities to the utility. However, he stated that these were to be considered as development costs. The subdivider also agreed to make an effort to provide a standby well in that he will drill one well and if this is not successful he will then drill another. If the second well should prove unsuccessful then the proposal of the applicant is to use other water resources of the Malibu Water Company for standby. It was the opinion of the applicant, however, that the present well is more than adequate to supply the area.

There was no opposition to this proposal and the facts were not controverted. It should be noted that the proposal to blend water from the well on Lot No. 34 with other water of the applicant company has been reviewed by the California Department of Public Health

and that department has no objections thereto so long as adequate testing procedures are maintained. The applicant has agreed to make frequent and adequate tests of this matter.

There was also presented in evidence a hydrological report of the area which concludes that there are three locations where wells can be drilled which can produce adequate water supply.

While this application concerns an extension of service into contiguous territory, which this applicant could do under the provisions of Section 1001 of the Public Utilities Code without authority from the Commission, the application was filed in order to secure approval of the type of construction and the terms on which the extensions are to be made.

"The Commission may properly regulate the terms on which extensions into new areas may be voluntarily made and it may regulate the service which must be given within an area to which the utility is dedicated." (Cal. Water & Tel. Co. v. Public Util. Com. 51 A.C. 480.)

Accordingly, in the ensuing order the applicant will be authorized to execute the proposed agreement with the subdivider and to make the construction and to extend its service as requested herein subject to the conditions hereinafter set out.

The rates proposed to be charged are the same as those presently authorized for this applicant in other areas.

O R D E R

Application as above entitled having been filed, public hearing having been held, the Commission being fully advised in the premises and hereby finding it to be not adverse to the public interest,

IT IS ORDERED:

1. (a) That the Malibu Water Company be, and it hereby is, authorized to enter into an agreement with La Chusa Highlands, Inc., a subdivider, setting out the terms and conditions under which the water company will provide service to a subdivision consisting of 143 acres, which agreement is attached to the application herein.

(b) That applicant shall file with the Commission within thirty days after the effective date of this order two certified copies of the contract as executed, together with a statement of the date on which the contract is deemed to have become effective.

2. That applicant shall file within thirty days after the effective date of this order, in quadruplicate, sample copies of printed forms used in connection with customers' services and a revised tariff service area map, acceptable to this Commission and in accordance with the requirements of General Order No. 96. Such forms 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 applicant shall, within sixty days after the effective date of this order, file four copies of a revised comprehensive map drawn to an indicated scale not smaller than 600 feet to the inch, delineating by appropriate markings the 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 applicant.

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

Dated at San Francisco, California, this 21st
day of July, 1959.

Ernest R. Page
President
Walter B. Hill
Matthew Pool
Theodore Deiner
Commissioners