

ORIGINAL

Decision No. 59119

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of PACIFIC WATER CO., a California
corporation under Section 1001 of
the Public Utilities Code to extend
its certificated areas in Orange
County, California.

Application No. 36592
Petition for Modification
of Decision No. 53862

Moss, Lyon & Dunn, attorneys, by George C. Lyon,
for applicant.
J. R. Gillanders for the Commission staff.

O P I N I O N

Pacific Water Co., a corporation, on July 3, 1959, filed a Petition for Modification which would relieve it from the requirement contained in ordering paragraph 1.(i) of Decision No. 53862, dated October 1, 1956, in the above-numbered application. Said paragraph 1.(i) directed the applicant to, within ninety days after the effective date of the order and every ninety days thereafter, report in writing to the Commission its progress with respect to subparagraphs (f), (g), and (h) of the order in said decision until further order of the Commission. Said subparagraphs (f), (g), and (h) are quoted as follows:

- (f) That Pacific Water Co. shall employ a permanent staff competent to: (1) provide continuous studies to insure maintenance of adequate service in existing systems; (2) prepare, and submit to management, studies of future requirements for supplies and facilities whenever and as major expansion occurs within the present systems.

- (g) That Pacific Water Co. shall provide a coordinated program for direct supervision of operation and maintenance personnel and for lines of communication to permit placing management decisions into effect promptly.
- (h) That Pacific Water Co. shall create and maintain adequate maps and statistical records of facilities and service in the various operating districts of the company.

A public hearing on the Petition for Modification was held before Examiner Stewart C. Warner on August 5, 1959 at Los Angeles. The matter was submitted subject to the receipt of late-filed exhibits by August 7, 1959. Such exhibits have been received and the matter is now ready for decision.

In the mimeographed opinion of Decision No. 53862, the Commission, on page 15, stated that it was greatly concerned over Pacific's inefficient operating record in Orange County, its lack of headquarters management organization, and its inadequate financial condition, but that despite this concern, it was evident that certification of additional areas was justified with appropriate limitations and upon specific conditions. Further, on page 18 of said opinion, the Commission stated that the applicant would be directed to carry out the staff recommendations contained on pages 47 and 48 of Exhibit No. 107. Paragraphs 1(f), -(g), and -(h) comprise a portion of such recommendations.

The record in the instant proceeding shows that since October 1, 1956, the applicant has filed seven reports of its compliance with the ordering paragraphs (f), (g), and (h). Said reports were dated January 14, 1957, May 17, 1957, July 17, 1957, October 31, 1957, October 9, 1958, April 22, 1959, and May 12, 1959,

and are contained either in the formal file or as Exhibits Nos. 1 and 2 of this proceeding. ✓

A witness for the applicant, its secretary-treasurer, testified, and Exhibit No. 3 shows, that with respect to paragraph 1.(f) the applicant has employed a permanent staff in accordance with the requirements of said paragraph and as shown on its various organization charts filed with its reports, and as shown on its management organization chart of August 1, 1959 which is Exhibit No. 3 in this proceeding.

With respect to compliance with paragraph 1.(g), applicant's witness outlined in detail the coordinated program for direct supervision of operation and maintenance personnel, and for lines of communication which applicant has provided.

With respect to compliance with paragraph 1.(h), applicant's witness testified that maps and statistical records of facilities and service in the various operating districts of the company had been created and were being maintained.

Another witness for applicant, its customer and public relations manager, testified that public meetings had been called to receive complaints of customers in applicant's Hawaiian Gardens and Independence Square operating districts regarding water service and to explain the causes of unannounced water service interruptions which said causes in the past had been largely or primarily due to the breaking of water mains by independent sewer contractors without notification to the utility. About 300 customers in said districts attended such meetings. In addition, each service complaint was being investigated in applicant's Westminster district, and house-to-house calls were being made therein to explain to customers the

water service conditions and problems in said district, and to outline plans for the improvement thereof. This witness also testified that the city councils, the county boards of supervisors and other public agencies in all of applicant's operating districts were being contacted to request that the applicant be advised of street and other improvements which might affect water service. This witness testified that the reports of all such meetings and of investigations of complaints had been and would continue to be made directly to applicant's president; that such reports were referred by the president to the operation and construction departments for action, with time limits imposed thereon; and that reports of action taken were made to both the president and the customer and public relations manager by the operation and construction manager and the field superintendents. He testified that these procedures regarding the investigation and handling of complaints of water service had greatly reduced the number of such complaints.

Findings and Conclusions

From a review of the record it is evident that the applicant has substantially complied with the ordering paragraphs (f), (g), and (h) and should be relieved of the ninety-day reporting requirement of paragraph 1(i) of Decision No. 53862. However, it appears that vacancies exist in the management organization, as shown in Exhibit No. 3, and that applicant, in the interest of maintaining good service and operating practices, should exercise diligence in filling such vacancies promptly and permanently.

O R D E R

Petition for Modification of Decision No. 53862 having been filed, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED as follows:

1. That Decision No. 53862, dated October 1, 1956, in Application No. 36592, be and it is modified, and that Pacific Water Co., a corporation, be and it is relieved of the reporting requirement contained in paragraph 1(i).

2. That in all other respects Decision No. 53862 shall 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 16th day of October, 1959.

[Signature] President
[Signature]
[Signature]
[Signature]
Commissioners

Everett C. McKeage
Commissioner Matthew J. Dooley being
necessarily absent, did not participate
in the disposition of this proceeding.