

Decision No. 60915**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own
 motion into the status of OAKWOOD
 INVESTMENT COMPANY, doing business as
 THE BROCKWAY WATER CO., and into the
 operations, rates and practices of
 said company.

Case No. 6405

Franklin G. Campbell, for the Commission staff.
William D. Bowser, of Hynes, Bowser & Brunn, for
 Oakwood Investment Company.
F. L. Sinclair, of Bowers & Sinclair, for North
 Tahoe Public Utility District.

O P I N I O N

The Commission, on January 12, 1960, ordered an investigation into the status of Oakwood Investment Company, a Nevada corporation, which for many years has been supplying water, for compensation, to the general public at Brockway, California and to a few customers in adjacent territory in the State of Nevada.

Public utility status of the company was conceded by its president and otherwise fully established by the evidence at the hearing held, after due notice, at Tahoe City on June 14, 1960 before Examiner John M. Gregory. Some observations, however, concerning the circumstances under which this company is now entering the regulated water utility field may not be inappropriate here.

Oakwood Investment Company, incorporated in 1933 and successor to Brockway Land and Water Company, also a Nevada corporation and like the latter qualified to do business in California, is a closely held family corporation of the heirs of the Comstock

Estate. About 1900, members of the Comstock family purchased the Brockway Hotel, a resort originally known as Hot Springs Resort, located in Nevada until about 1872 or 1873, when a resurvey of the California-Nevada boundary line placed the property within the boundaries of California. The Comstock heirs carried on their land and water business in the area under various predecessor Nevada corporations until 1932, when the Oakwood Investment Company took over all assets and business of The Brockway Land and Water Company and thereafter conducted the water operation under the name of Brockway Water Company, which has no independent corporate existence.

The water system extends about 3 miles west of the state line into California and east less than a mile into Nevada. It serves approximately 1,100 summertime customers, including about 33 in Nevada. The casinos and clubs served in Nevada obtain water for both domestic service and private fire protection purposes. Two casinos own a 115,000-gallon reservoir and some pipelines used for private fire protection. All storage and source of supply facilities owned and operated by the company, the details of which are set forth in the record, are located in California.

In August 1959, the company had a verbal agreement with Lake Tahoe Land Development Co., Inc., concerning extension of service to the 5-acre Northlake Subdivision located at the extreme western end of the service area at Tahoe Vista. On August 24, 1959 the Commission's staff advised the Real Estate Division of the State of California and the company that the water supply available to this 23-lot subdivision could not be evaluated until the water supply agency came under the active regulation of the Commission and tariff schedules had been filed and accepted in connection

therewith. It was undoubtedly this proposed extension that was a contributing factor to institution of the present investigation.

The record also shows that North Tahoe Public Utility District, a California district, has investigated the possibility of acquiring the water system, from which it currently receives water. Neither the company's nor the district's boundaries were definitively established at the hearing, although the evidence indicates that the company serves certain areas in the vicinity which do not appear to be included within the district's boundaries. Counsel for the district has, since the hearing, advised the Commission in writing that, following consultation with the district's board of directors, "and after making a complete explanation to them of the hearing in progress, they requested that I advise you that they do not desire to take any further steps or proceedings at this time in connection with the hearing to declare Brockway Water Company a public utility". (Letter dated June 23, 1960.)

We find that Oakwood Investment Company, a Nevada corporation, has been and now is a "water corporation", as defined by Section 241 of the Public Utilities Code of California and has been and now is owning and operating a "water system", as defined by Section 240 of said Code, for supplying water, for compensation, as a public utility subject to the jurisdiction of this Commission, in certain areas in and in the vicinity of Brockway, California. The order to follow will direct the company to perform certain acts appropriate to such status.

O R D E R

Public hearing having been held herein, evidence having been received, the matter having been submitted for decision, the

Commission now being fully advised and basing its order upon the findings and conclusions contained in the foregoing opinion,

IT IS ORDERED that:

1. Within thirty days after the effective date of this order, Oakwood Investment Company shall file in quadruplicate with this Commission, in conformity with the requirements of the Commission's General Order No. 96, rates for water service which are not higher than the rates which were in effect on January 12, 1960, and rates for public fire hydrant service. Such rates shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

2. Within forty-five days after the effective date of this order, respondent shall file in quadruplicate with this Commission, in conformity with the provisions of General Order No. 96, and acceptable to the Commission, rules governing customer relations reflecting present-day operating practices, a tariff service area map and samples of printed forms which are used in connection with customers' services. Such rules, tariff service area map and forms shall become effective upon five days' notice to the public and to the Commission after filing as hereinabove provided.

3. Within one hundred twenty days after the effective date of this order, respondent shall file in quadruplicate with the Commission a 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 respondent.

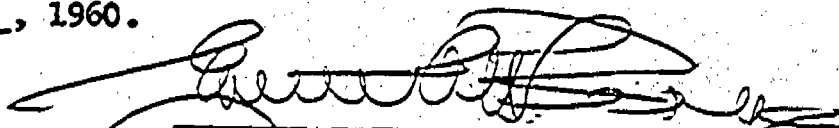
4. Within six months after the effective date of this order, respondent shall file with the Commission an inventory and original

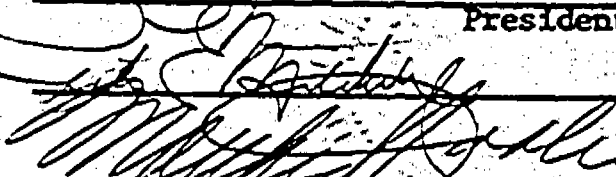
cost appraisal of the water system properties, together with the related depreciation reserve requirement.

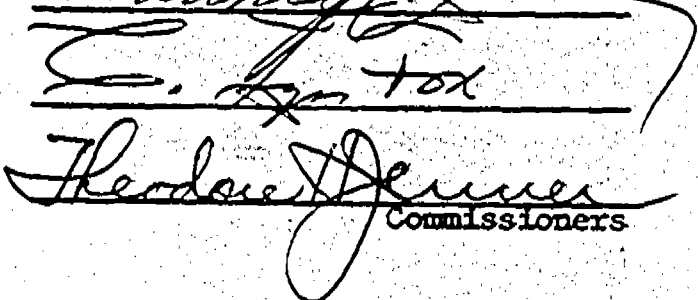
5. Accruals for depreciation shall be determined by dividing the original cost of the utility plant less estimated future net salvage less depreciation reserve by the estimated remaining life of the plant. Respondent shall review the depreciation accruals using the straight-line remaining life method whenever substantial changes in depreciable plant composition occur and at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

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

Dated at San Francisco, California, this 18th day of OCTOBER, 1960.



President


E. J. Fox


Commissioners