

**ORIGINAL**Decision No. 63582

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE STOCKTON LAND ASSOCIATION, a corporation, and CALIFORNIA WATER SERVICE COMPANY, a corporation, for an order authorizing (1) the sale and transfer to California Water Service Company of the water system of The Stockton Land Association, and (2) the discontinuance of service by The Stockton Land Association in the territory in the City of Stockton now served by The Stockton Land Association and the extension of service into said territory by California Water Service Company.

Application No. 44059

O R D E R

By Decision No. 63506 signed April 3, 1962, the Commission found that proposed metered rates and charges for the area to be acquired by California Water Service Company have not been justified.

Prior to the effective date of the order contained in said decision a letter was received from The Stockton Land Association with a copy of a letter from California Water Service Company directed to The Stockton Land Association attached. In these letters it is pointed out that The Stockton Land Association is in financial difficulty in its effort to finance needed work on the water system of The Stockton Land Association. It is estimated and alleged by California Water Service Company that the cost of rebuilding the system will be approximately \$69,000 made up as follows: \$52,000 for mains, \$10,000 for services and \$7,000 for meters.

The above expenditure, when added to the \$3,500 to be paid for the system, will result in an average investment per customer

of \$277, compared to the average rate base per customer in California Water Service Company, Stockton District, of \$233, with operating expenses per customer within The Stockton Land Association system being at least equal to operating expenses per customer of the California Water Service Company's Stockton District.

Good cause appearing,

IT IS HEREBY ORDERED as follows:

1. The aforesaid letters from and to The Stockton Land Association are hereby received as Exhibit 1 in this proceeding.
2. The last two lines on sheet 5 of Decision No. 63506 and the first two lines on sheet 6 thereof are stricken.
3. Paragraph 3 of the Findings and Conclusions set forth in Decision No. 63506 is amended to read as follows:

"3. The proposed increases in rates are justified and the present rates applicable to the service area of The Stockton Land Association, to the extent they differ from the proposed rates, are for the future unjust and unreasonable."

4. Ordering Paragraph 7 of Decision No. 63506 is amended to read as follows:

"7. California Water Service Company is authorized, after the date of actual transfer, to apply its presently effective rate schedule for general metered service, Stockton District, and the rules for its Stockton District to the present service area of The Stockton Land Association. California Water Service Company may file, within thirty days after the date of transfer, in conformity with General Order No. 96-A, and in a manner acceptable to this Commission, such tariff sheets, including tariff service area maps, as are necessary to provide

for such application of said rate schedule and rules. Said rate schedule and rules shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided."

The effective date of this order and of Decision No. 63506, as amended herein, shall be ten days after the date hereof.

Dated at San Francisco, California, this 17<sup>th</sup> day of APRIL, 1962.

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

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