

ORIGINAL

Decision No. 65153

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation on the Commission's own motion into the service, rates, charges, contracts, rules, regulations, operations, practices, or any of them, of ALDERCROFT HEIGHTS COMPANY, INC., a corporation, operating a public utility water system in a subdivided area known as Aldercroft Heights in Santa Clara County, California.

Case No. 5494  
(Petition for Modification of Decision No. 55561)

In the Matter of the Application of the ALDERCROFT HEIGHTS COMPANY, INC., for authority to increase meter rates and to make certain changes in the flat rate schedule (Section 454 of the Public Utilities Code).

Application No. 38538  
(Petition for Modification of Decision No. 55561)

Earl A. La Porte, for petitioner.

Mark F. Butler and William H. Fieldcamp, for Aldercroft Heights Improvement Association, interested party.

John D. Reader, for the Commission staff.

O P I N I O N

Aldercroft Heights Company, Inc., by a petition filed in this consolidated proceeding on December 28, 1962, requests cancellation of paragraph 7 of the order in Decision No. 55561, issued on September 10, 1957. That decision authorized the utility to increase its rates for water service rendered to about 115 customers (as of May, 1957) in the hillside community of Aldercroft Heights, near Los Gatos, and directed the company, among other things, to install additional pumps and to enlarge the mains feeding then-existing reservoirs. Ordering paragraph 7 of Decision No. 55561 provides as follows:

"(7) Aldercroft Heights Company, Inc. shall not serve any new or additional individual consumers or extend service to any tract or subdivision unless and until it has available an adequate supply of water and adequate facilities to serve existing consumers as well as such new or additional individual consumers, tracts, or subdivisions, and the Commission, upon a satisfactory showing having been made, shall first have modified this service restriction by subsequent order or orders."

The petition alleges that the foregoing restriction is harming the company financially because, although source, pumping and storage capacities have been enlarged and improved, the total number of customers has decreased from 116, in September, 1957, to 103 as of the date of execution of the petition (December 27, 1962), and prospective customers do not locate in the community due to lack of another public water supply.

Petitioner further alleges that there are no more than four or five "practical" building sites remaining in the community, due to terrain problems and county building restrictions, and that during 1962 a county road realignment caused the loss of three more customers.

The petition was heard and submitted, after due notice, at Los Gatos on February 7, 1963, before Examiner Gregory.

The record reveals that the utility now serves 103 customers, has applications for service to two new residences contiguous to its present service territory and expects to add about six more customers during the next few years.<sup>1/</sup> Petitioner now asks that the restriction, instead of being cancelled as requested in its petition, be modified to limit the total number of customers to be served by the system.

<sup>1/</sup> Petitioner did not mention the pendency, of which we take official notice, of a proceeding in eminent domain initiated in 1961 by a local county water district (Application No. 43869) to acquire the Aldercroft Heights system. Hearings in that proceeding are expected to commence in April, 1963.

The evidence shows that the utility, which formerly suffered recurring shortages in its water supply due to inadequate source, pumping, reservoir and line capacities, by July, 1962 had made significant progress in its program for rehabilitation of the system. In addition to rebuilding and enclosing its springs, it has added pumps, repaired reservoirs and replaced small pipelines with larger pipe, with the result that its entitlement of 30 gpm of water from Los Gatos Creek (limited to about 23 gpm by pumping capacity), augmented by increased spring, storage and line capacities, appears now to afford the means of considerably improved service. The work is still in progress.

The record shows that customers have noted a general improvement in the service during the last year or so. One customer, however, complained that she was out of water several days a week during the summer of 1962. This individual lives in an area the distribution lines for which are supplied by a 20,000-gallon reservoir located at elevation 1,030'. The utility plans to install a more direct pipeline in order to increase the supply available for customers in that area. That project has been delayed due to inability, thus far, of the utility and certain landowners to negotiate a right of way for the new line. The record indicates that the parties are willing to try to reach an informal settlement of the question.

The Aldercroft Heights Improvement Association, a nonprofit organization comprising some 39 property owners in the area, stated its position, on the record, to be that it has no objection to the utility's request to serve any new premises within the original certificated service area. The association, however, does oppose extensions of service, which it alleges the utility is contemplating,

to areas west of Los Gatos Creek, such as Idylwild. The company disclaimed any intention of extending its service to such areas.

We find that Aldercroft Heights Company, Inc., has improved and is continuing to improve its water system so as to warrant revision, to the extent indicated in the following order, of the service restriction imposed by ordering paragraph 7 of Decision No. 55561.

O R D E R

IT IS ORDERED that:

1. Ordering paragraph 7 of Decision No. 55561, issued in these proceedings on September 10, 1957, is amended to read as follows:

(7) Aldercroft Heights Company, Inc., shall not extend service to any tract or subdivision unless and until the Commission, upon a satisfactory showing having been made, shall first have modified this service restriction by subsequent order. New or additional individual service connections may be served provided all of the mains from the pump or tank which would serve such new or additional service connections and mains serving existing customers beyond such service connections meet the requirements of the Commission's General Order No. 103.

2. Except as granted herein, the petition is denied.

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

Dated at San Francisco, California, this 2nd day of APRIL, 1963.

George T. Grover  
President  
Robert E. Doughty  
David M. King  
Frederick B. Habeloff  
Dallan W. Burnett  
Commissioners