

ORIGINAL

Decision No. 65775

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Independence Water)
 Company to increase rates for water)
 service, Independence, Inyo County,)
 California.)

Application No. 41104
 (Filed May 1, 1959, Reopened
 June 12, 1962)

O'Melveny & Myers, by Lauren M. Wright, and Everett L. Clark, for applicant.

Boyd A. Taylor, District Attorney, and George C. Chatterton, Assistant District Attorney, for County of Inyo, interested party.

Nina A. Brinton, for Independence Garden Club, protestant.

Donald B. Steger, for the Commission staff.

O P I N I O N

On June 12, 1962, this application was reopened for further hearing for the following purposes:

1. To determine whether Independence Water Company has fully complied with the provisions of ordering paragraph 5 of Decision No. 59476, dated January 5, 1960 and, if not, the reasons for any noncompliance therewith. Said paragraph states as follows:

"5. Applicant shall continue to carry out the acquisition and installation of the contemplated 1959 additions to utility plant substantially as outlined in its Exhibit No. 2 introduced in evidence in this proceeding, including but not limited to the following major items:

- (a) Rapid sand filter, with necessary piping and accessories, to be installed in connection with the existing diversion works.
- (b) Install necessary length of 4-inch pipe in vicinity of Citrus Avenue to connect existing dead ends in blocks east and west of State Highway (Edwards Street).

- (c) Replace existing 2-inch pipe with 4-inch pipe along State Highway (Edwards Street) north of Inyo Street to airport area.

Applicant shall complete such installations and place them in operation within six months after the effective date hereof and shall notify the Commission in writing of the completion thereof within ten days after each major item has been placed in operation."

2. To determine whether Decision No. 59476 should be altered or amended in any respect, including modification of the rates therein authorized.

3. To issue such order or orders as may be appropriate in the exercise of the Commission's jurisdiction.

Public hearings for said purposes were held before Examiner Coffey at Independence, Inyo County, on September 5, 1962, and at San Francisco on November 20, 1962. The reopened proceeding was submitted on the latter date.

Four public witnesses complained of dirty water, excessive chlorination, and alleged that drinking the water caused illness to consumers thereof in the springtime. One of these witnesses expressed the desire that the customers receive a refund on the ground that they had been overcharged subsequent to the last rate increase inasmuch as the sand filter had not been installed.

The staff presented six exhibits and testimony that field investigations of the operations of the Independence Water Company, made on June 20, July 19 and 20, 1962, disclosed that a sand filter had not been installed. Investigation of service conditions revealed sand and sediment present in each residential water service observed.

By letter dated May 9, 1960, applicant advised that the ordered pipeline constructions were completed and requested an

extension of time to complete the installation of the required sand filter. Said letter stated that the sand filter was under construction, but that its installation had been hampered by inadequate water supply. By order dated July 26, 1960, the time for compliance with the requirements of paragraph 5(a) of Decision No. 59476 was extended to and including October 31, 1960. By letter dated December 6, 1960, the utility reported as follows:

"The installation has been completed on October 31, 1960, as per plans."

Applicant's president testified that on September 14, 1960 he had ordered filter pipe materials; and that in October 1960, the California Department of Public Health had advised him that a permit from that Department to install the filter was required. In anticipation of the early issue of the permit and completion of the filter, applicant's witness stated he had made a gross error in advising the Commission of the completion. On August 27, 1962, a domestic water permit was issued to applicant.

Exhibits indicate that in response to an application dated May 2, 1960, filed by the applicant herein with the State Board of Public Health for a permit to construct a sand and gravel bed debris removal structure, the Department of Public Health conducted sanitary surveys on October 18, 1960 and November 7, 1961; that the Department had sought to incorporate in the requested permit conventional rapid sand filter design requirements substantially in excess of those contemplated by the cost estimate of \$2,700 incorporated in Decision No. 59476; and that on August 27, 1962, the Department issued a domestic water permit which permitted the installation of the debris removal structure as proposed by applicant.

Applicant's president having testified that construction of the structure ordered by this Commission could be completed by November 1, 1962, the hearing was adjourned to November 20, 1962. At the adjourned hearing applicant's president reported that the construction of said debris removal structure had been completed on October 19, 1962, that it was properly functioning, and that the Commission had been notified by letter received on November 7, 1962.

A staff engineer inspected the structure on November 1, and 2, 1962, and found that construction of the ordered filter system had been completed, that the system was in operation, and that customers whom he interviewed were of the opinion that the quality of water service had substantially improved with the operation of the debris removal structure.

We find that on November 7, 1962, applicant complied with ordering paragraph 5 of Decision No. 59476. While cause appears for the delay in compliance with the order of this Commission, applicant's attention is called to Sections 2101 through 2113 of the Public Utilities Code which set forth penalties for the failure or neglect to comply with any order, decision, decree, rule, direction, demand, or requirement of this Commission. Further, applicant is cautioned to submit in the future to this Commission accurate and prompt reports and to promptly request any necessary extensions of time for purposes of compliance.

Applicant's president testified that substantial water treatment plant had been installed subsequent to Decision No. 59476; that he had borrowed \$3,500 to finance the construction of the debris removal structure, and that further borrowings would be required if the Commission ordered refund of the rates. In view of the foregoing

and since the rates authorized by Decision No. 59476 were not contingent upon the completion of the ordered construction, and to insure the continuation of applicant's credit and ability to continue to render service, we find it reasonable not to modify the rates authorized in Decision No. 59476.

The domestic water permit issued by the Department of Public Health provides that the stream supply shall at all times receive effective dual chlorination treatment and that at least two samples per month be collected from the system and analyzed in an approved laboratory for coliform organisms. The staff witness recommended that applicant proceed with a systematic program of flushing mains to eliminate accumulations of sand and sediment and that this flushing be coordinated with the chlorination program. We find the recommendations of the staff witness reasonable.

O R D E R

IT IS ORDERED that:

1. On or before October 1, 1963, applicant shall file with this Commission a report by a registered professional engineer in the field of civil engineering on the operation of the debris removal structure, evaluating the resulting quality of water, and recommending the means of effecting any further required improvement of water quality.

2. On or before October 31, 1963, applicant shall file with this Commission a report setting forth all service complaints received from its customers between December 31, 1962, and July 1, 1963. Said report shall set forth the action taken to satisfy each complaint and an explanation of the status of any unresolved complaints. Applicant

shall thereafter file with this Commission five consecutive half-yearly reports, within thirty calendar days after January 1 and July 1 of each year, covering all complaints filed since the previous report.

3. On or before October 1, 1963, applicant shall submit a written report acceptable to the Commission as to the operation, inspection and maintenance of its chlorination equipment in a manner to meet public health requirements and to minimize excessive chlorination of the supply.

4. On or before October 31, 1963, applicant shall submit a written report acceptable to the Commission of its program of removal of sand and sediment from mains by flushing, including how the need for and the frequency of flushing is determined.

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

Dated at San Francisco, California, this 30th day of JULY, 1963.

William L. Brundage
President
George D. Hoover
Frederick B. Hallock
Commissioners