

Decision No. 70612**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the operations, rates, rules, regulations, tariff schedules, service, facilities, equipment, contracts and practices of BOUQUET CANYON WATER COMPANY.

Case No. 8228
(Filed July 21, 1965)

Investigation on the Commission's own motion into the operations, rates, rules, regulations, tariff schedules, service, facilities, equipment, contracts and practices of SOLEMINT WATER COMPANY.

Case No. 8229
(Filed July 21, 1965)

(Appearances are set forth in Appendix A)

O P I N I O N

An additional two days of public hearing herein were held before Examiner Catey at Newhall on March 8 and 9, 1966. Testimony was presented by two owners of trailer courts, by a representative of a High School District, by three representatives of real estate developers, by an engineer for the County of Los Angeles, by an engineer from the firm of consulting engineers retained by respondents, and by respondents' president. The hearings were then adjourned to a time and place to be set, for final review of respondents' compliance with previous orders herein and evaluation of respondents' master plan for future growth.

System Additions and Improvements

Decision No. 69808, dated October 19, 1965, and Decision No. 70294, dated February 1, 1966, in these proceedings, required respondents to install certain plant additions, to initiate specific

system improvements and to prepare a master plan for future growth. Respondents have been, and are, making satisfactory progress on all of those requirements. Completion of the work before the June 1, 1966 deadline is virtually assured.

Restrictions on Expansion

The orders instituting investigation into respondents' operations included prohibitions against respondents' extending service to any subdivision where no grading or other construction had been commenced as of July 21, 1965, the date of the orders. Respondents were also precluded from furnishing any construction water or any other temporary water service.

Based upon evidence presented during the first five days of hearings, it was evident that respondents had made reasonable progress on improvements recommended by the Commission's staff and that extensions of respondents' systems within their dedicated service areas would not impair service to the then existing customers. Decision No. 69714, dated September 21, 1965, continued the restriction only against extensions outside of respondents' dedicated service areas and permitted serving of construction water on an interruptible basis.

Exhibit No. 15, a map prepared by respondents, shows several areas, shaded in pink on the exhibit, which must be added to the filed tariff service area maps to show all of the present dedicated areas of service. Respondents' president pointed out that, in at least several instances, the expansion of service areas resulted from enlargement of customers' own facilities, rather than from extension of respondents' distribution mains.

Testimony presented in relation to Exhibit No. 15 indicates that there are several potential customers and subdividers with property near but outside of respondents' dedicated areas of service. Some of these potential customers could suffer financial loss and

other hardships if the restriction against respondents' serving them is continued. With the exception of one subdivision at the northernmost end of the map, the areas marked in yellow on Exhibit No. 15 are contiguous to respondents' present lines, plant or system. In the absence of specific orders to the contrary, Section 1001 of the Public Utilities Code normally permits extensions without specific Commission authorization into contiguous territory necessary in the ordinary course of a utility's business.

There are three factors which make it appropriate now to lift the present restrictions against extensions by respondents into contiguous territory. First, the improvements recommended by the Commission staff and ordered in previous decisions herein were predicated upon a projected growth to a total of 6,000 customers within respondents' service areas by the end of this year. Even if the restriction is lifted, respondents estimate that they will have less than 5,500 customers by that time. Second, the facilities installed and to be installed by respondents before June 1, 1966 are of significantly greater capacity than those required by the Commission decisions. Third, these investigations are not concluded and the restrictions could be reimposed if a later review of the actual rate of growth and of respondents' proposed master plan indicates that such action is appropriate.

Findings and Conclusions

The Commission finds that:

1. Modification of the present restrictions against respondents' expansion into contiguous territory is not adverse to the public interest.
2. Respondents' tariff service area maps do not show all of the territory presently being served.

3. During the pendency of these proceedings, whenever respondents seek to enlarge their dedicated service areas by means of tariff filings rather than by certificate applications, the Commission will need more specific information than is normally required as to acreage, number of customers and probable consumption for other than residences within the new areas.

The Commission concludes that the present restrictions against respondents' expansion should be modified as set forth in the order which follows:

O R D E R

IT IS ORDERED that:

1. After the effective date of this order, the present restriction against expansion of respondents' dedicated service areas and filing of maps related thereto, as set forth in Paragraph 2 of the order in Decision No. 69714 herein, shall no longer be in effect, but respondents shall not extend service into contiguous territory without first having complied with the tariff service area map filing requirements of General Order No. 96-A.

2. Within ten days after the effective date of this order, respondents shall file revised tariff service area maps which add the areas shaded in pink on Exhibit No. 15 in these proceedings. Such filings shall comply with General Order No. 96-A. The effective date of the revised tariff sheets shall be four days after the date of filing.

3. During the pendency of these proceedings, respondents shall add the following information to the information required by General Order No. 96-A to be provided in the Advice Letters by which tariff

service area maps are filed for extensions into contiguous territory:

- a. The approximate area (in acres) of the additional territory.
- b. The approximate ultimate number of customers to be served within the additional territory.
- c. For extensions to other than residential subdivisions and individual residences, an estimate of water consumption.

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

Dated at San Francisco, California, this 26th day of APRIL, 1966.

Frederick B. Holhoff
President
George E. Hoover
William L. Bennett
Commissioners

APPENDIX A

LIST OF APPEARANCES

FOR THE COMMISSION STAFF: B. A. Peeters and E. J. Texeira.

FOR RESPONDENTS: Knapp, Gill, Hibbert & Stevens, by Karl K. Roos.

INTERESTED PARTIES: Ralph R. Bell, for Sulphur Springs Union School District; Betty Berger, for herself; Edward L. Blincoe, for himself and for Utility Users' League of California; J. P. Bradley and James F. McKay, for Dominguez Water Corporation; Champ Butler, for Garland-Butler Construction Company; William G. Coskran and Francis H. O'Neill, for Princess Park Estates, Inc.; Joseph C. Cwik, for himself and 40 neighbors; V. C. DeLapp, for Los Angeles County Fire Department; John L. Fremon, for Fremon Co., Inc.; W. Tracey Gaffey, for Saugus Union School District; Marvin B. Hale, for Pacific Fire Rating Bureau; John Dale Hight, for Sunshine Homeowners Association, W. H. Hopke, Kaye B. Swan and John L. Williams, for North Oaks Homeowners Association, H. R. Junkin, for U. S. Army Post Engineers; Haig Kehiayan and John C. Keenan, for Woodlands Sand Canyon Association; Harold W. Kennedy, by Martin E. Weekes, and James T. Rostron, for County of Los Angeles; Neville R. Lewis and Carl H. Wiggenhorn, for E. W. Loughland Company, Woodlands Sand Canyon Development Corporation, H. & R. Development Corporation, Woodlands Sand Canyon Sales Corporation, Woodlands Sand Canyon Investment Company, and Woodlands Sand Canyon Construction Company; Robert K. Light, for Pacific Coast Properties, Inc., Emblem Homes, Inc., Bouquet Land Company, and Signature Development Company; Kenneth G. Lynch, for Santa Clarita Valley Joint Progress Committee; Elliott Maltzman, for Halell Corporation; W. V. Mueller, for himself; Ray Rainwater, for Princess Park Estates, Inc.; Assemblyman Newton Russell, for himself and constituents; Charles L. Stuart, for Southern California Water Company; Steven L. Swartz, for Golden Triangle Industrial Park; Sam M. Thompson, Jr., for Council of Home Owner and Property Owner Associations; William R. Willard, for Iron Canyon Property Owners Association.