

**ORIGINAL**

Decision No. 73263

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RONALD L. JOHNSON, ET AL,  
 Complainants,  
 vs.  
 WILBUR H. STARK and MARY E. STARK,  
 Defendants.

Case No. 8626  
(Filed May 11, 1967)

Ronald L. Johnson, for complainants.  
Wilbur H. Stark and Mary R. Stark, for  
 defendants.  
Jerry J. Levander, for the Commission  
 staff.

O P I N I O N

Complainants Ronald L. Johnson, et al, seek an order of this Commission requiring defendants Wilbur H. Stark and Mary R. Stark, <sup>1/</sup> husband and wife, to provide complainants with reasonable water service and fire protection service.

Public hearing was held before Examiner Catey at Ridgecrest on August 17, 1967. Testimony was presented by three of the complainants, by one of the defendants and by a Commission staff engineer. The matter was submitted on August 27, 1967, without receipt of defendants' late filed Exhibit No. 4.

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<sup>1/</sup> Incorrectly shown as Mary E. Stark in the filed complaint.

Complainants and Defendants

Complainants are house-trailer residents of an area known as Lane Acres, located in Kern County about four miles west of Ridgecrest, on State Highway 178. Lane Acres is not a recorded subdivision, but is a 15-acre portion of NE 1/4 Sect.26, T26S, R39E, MDB&M.

Defendants are the owners and operators of the water system serving Lane Acres. They formerly owned the 15-acre service area but sold parcels to others, some of whom split their portions into smaller parts and sold them to present owners. Defendants are real estate brokers and have handled the sale and resale of much of the Lane Acres property. They also have a controlling interest in Northern Mojave Lands, Inc., which owns a 50-acre undeveloped parcel adjacent to Lane Acres.

Water System

Approximately three years ago defendants installed the water system serving Lane Acres. At the time of the hearing, it consisted of a well, a submersible pump and motor, approximately 2,000 feet of distribution mains consisting of used, bare, 3-inch boiler tubing, and 22 active service connections. Defendants testified that they had almost completed the installation of a 15,000-gallon tank, into which the well water will be pumped, and a booster pump to deliver the stored water into the system.

Utility Status of Defendants

Defendants admit that they were aware of the public utility status of their water operations before they installed the water system, but were under the mistaken impression that the Commission was not concerned with such operations in the early stages of development. On the contrary, one of the important benefits, both

to the utility and the public, of the certification procedure prescribed by Section 1001 of the Public Utilities Code is the Commission's review of the adequacy of proposed facilities, the economic feasibility of the proposed operation, and the financial resources of the utility, prior to the construction of facilities by the utility and dependency on such facilities by the public. It is more economical to install an adequate system at the outset than to correct deficiencies at a later date.

Rates

Service has been and is being rendered by defendants at a flat rate of \$5.00 per customer per month. At the present time there is apparently only one house trailer on each customer's lot but at some future time some customers might add additional residential units. The staff recommends in Exhibit No. 2 that defendants be authorized to add an additional monthly charge of \$3.00 for each such additional unit until such time as metered service is provided to multi-unit customers. This appears reasonable and is authorized by the order which follows.

Defendants intend ultimately to provide metered service and now request authority to establish the same meter rates as are charged by Antelope Valley Water Co. in the nearby community of Inyokern. The Inyokern rate schedules were incorporated in this record by reference and the rate schedules of other nearby communities are shown in Exhibit No. 2. The following Table I presents a summary of these rates, modified in format for purposes of comparison.

Table I

Summary of Monthly Rates

<u>Item</u>		(a) <u>Inyokern</u>	(b) <u>Ridgecrest</u>	(c) <u>China Lake</u>	(d) <u>Ridgecrest Hts.</u>
First	400 cu.ft. or less	\$2.50	\$4.50	\$3.50	\$5.00
Next	100 cu.ft.	.375	.00*	.00*	.00*
Next	300 cu.ft., per 100 cu.ft.	.375	.00*	.40	.00*
Next	300 cu.ft., per 100 cu.ft.	.375	.00*	.40	.30
Next	100 cu.ft.	.30	.00*	.40	.30
Next	300 cu.ft., per 100 cu.ft.	.30	.30	.40	.30
Next	500 cu.ft., per 100 cu.ft.	.30	.30	.35	.30
Next	200 cu.ft., per 100 cu.ft.	.30	.30	.35	.25
Next	500 cu.ft., per 100 cu.ft.	.30	.25	.35	.25
Next	300 cu.ft., per 100 cu.ft.	.225	.25	.35	.25
Next	200 cu.ft., per 100 cu.ft.	.225	.25	.25	.20
Next	2,100 cu.ft., per 100 cu.ft.	.225	.20	.25	.20
Next	4,700 cu.ft., per 100 cu.ft.	.188	.20	.25	.20
Over	10,000 cu.ft., per 100 cu.ft.	.188	.20	.20	.20

a. Antelope Valley Water Co., Community of Inyokern  
Tariff Area

b. Ridgecrest County Water District

c. Antelope Valley Water Co., Inyokern Tariff Area

d. Ridgecrest Heights Land and Water Company

\* Included in minimum charge for 5/8 x 3/4-inch meter.

In the absence of data on probable consumption per customer, the establishment of a new schedule for metered service which will be commensurate with the present flat rate is a matter of judgment. The meter rates requested by defendants would result in a charge equal to the present flat rate when the metered consumption is between 1,000 and 1,100 cubic feet per customer-month. Even with the desert climate encountered in the area, this quantity should be quite adequate for a house trailer with limited garden irrigation. The meter rates requested by defendants, modified slightly and rounded to express consumption in cubic feet rather than gallons, are authorized by the order which follows.

Land and Rights of Way

Defendants testified that they own the land upon which the well and pressure tank are located, that they have an easement for only a short section of their distribution main, and that the rest of the distribution main is laid in an electric utility's easement at the rear of customers' lots. Inasmuch as defendants' customers are also customers of the electric utility, it is unlikely that defendants will be requested to remove their water main from the easement. It is unfortunate, however, that defendants did not reserve or acquire appropriate rights to use of the easement before installing the main.

Adequacy of System

Complainants allege that the supply of water is inadequate and the water pressure is often low or nonexistent, especially at the connections farthest from the well which are slightly higher in elevation than those nearer the well site. The testimony of the customers supports these allegations.

Defendants recently installed a larger pump at a greater depth in their well. Exhibit No. 3, a pressure chart taken after installation of the new pump, shows that the increased production capacity, without storage, still is not sufficient to supply peak periods of demand.

At the time of the hearing, defendants had almost completed the installation of a 15,000-gallon forebay storage tank and related booster pump which they felt would maintain adequate system pressure even during peak periods. A Commission staff engineer testified that, in his opinion, there would still be periods of low pressure. Defendants were authorized to file by August 27, as late-filed Exhibit No. 4, a system pressure chart to be taken with the forebay tank and booster pump in operation. They failed to file the exhibit.

If defendants had sought authority from this Commission prior to construction, as required by the Public Utilities Code, they would have been made aware of the minimum standards for construction and service set forth in General Order No. 103. Consideration could have been given to a request for deviation from the general order, based upon acceptable evidence of subnormal water consumption by trailer house residents or other pertinent evidence. To comply now with the minimum construction standards of General Order No. 103 would require replacement of most of the present system. It is possible, however, that less drastic measures would provide adequate service. We find reasonable the staff engineer's recommendation that defendants be required to prepare a program of improvements which would provide for continuous water service at pressures meeting the requirements of General Order No. 103.

Findings and Conclusions

The Commission finds that:

1.a. For approximately three years defendants have operated a water system in the area known as Lane Acres, have sold and delivered water to customers in that area, and are a public utility subject to the regulation of this Commission.

b. The rate now charged by defendants is a flat rate of five dollars per customer per month.

c. The rates authorized herein for (1) future additional single-family residential or trailer units served from the same flat rate service connection and (2) metered service bear a reasonable relationship to defendants' present flat rate.

2. Defendants have not prepared an up-to-date system map as required by General Order No. 103.

3. Defendants have not applied to local health authorities for a public water supply permit as required by General Order No. 103.

4. Defendants have not established books and records in conformity with the applicable uniform system of accounts prescribed by this Commission.

5. Defendants' present water system is not adequate to serve additional territory without danger of deterioration of service to customers in the present service area.

6.a. Defendants' present water system has no provision for maintaining continuity of service during inevitable shutdown of the booster pump or storage tank for routine maintenance and emergency repairs.

b. No evidence has been presented to show that the present system can provide adequate service.

The Commission concludes that defendants should be required to take the actions set forth in the order which follows.

#### O R D E R

IT IS ORDERED that:

1. Within ten days after the effective date of this order, defendants Wilbur H. Stark and Mary R. Stark shall file the schedules of rates set forth in Appendix A to this order, a tariff service area map clearly indicating the area actually being served, appropriate general rules, and copies of printed forms to be used in dealing with customers. Such filing shall comply with General Order No. 96-A. The tariff schedules shall become effective on the fourth day after the date of filing.

2. Defendants shall prepare and keep current the system map required by Paragraph I.10.a of General Order No. 103. Within sixty days after the effective date of this order, defendants shall file with the Commission two copies of this map.

3. Within thirty days after the effective date of this order, defendants shall file in this proceeding a copy of a water supply permit issued by the appropriate Department of Public Health, or a copy of the application which defendants shall have filed for such permit if the permit shall not yet have been issued.

4.a. Within ninety days after the effective date of this order, defendants shall file in this proceeding a report setting forth in detail a determination of the original cost, estimated if not known (historical cost appraisal) of the properties used and useful in providing water service, and also the depreciation reserve requirement applicable to such properties. The report shall designate which items are supported by vouchers or other like documentary evidence and which items are estimated, and shall show the basis upon which any such estimates were made.

b. Defendants shall determine the depreciation rate by (1) subtracting the estimated future net salvage and the depreciation reserve from the original cost of plant; (2) dividing the result by the estimated remaining life of the plant; and (3) dividing the quotient by the original cost of plant. Defendants shall review the depreciation rates at intervals of five years and whenever a major change in depreciable plant occurs. The results of each review shall be submitted promptly to the Commission.

5. Until authorized by further order of the Commission, defendants shall not extend water mains to serve additional customers.

6. Within sixty days after the effective date of this order, defendants shall file in this proceeding:

- a. A program of improvements to provide for continuous water service at pressures meeting the requirements of General Order No. 103.
- b. Estimates of the cost of each such improvement.
- c. A time schedule for completion of each such improvement.
- d. A statement of the source of funds to be used in carrying out the improvement program.

7. Until the improvement program filed in accordance with the preceding paragraph 6 is completed, defendants shall file in this proceeding monthly statements showing the progress of the improvements.

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

Dated at San Francisco, California, this 27<sup>th</sup> day of OCTOBER 1967.

[Signature]  
President

[Signature]

[Signature]

[Signature]  
Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Schedule No. 1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Lane Acres Tract, and vicinity, located four miles west of Ridgecrest, Kern County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 400 cu.ft. or less .....	\$ 2.50
Next 700 cu.ft., per 100 cu.ft. ...	.38
Next 1600 cu.ft., per 100 cu.ft. ...	.30
Next 2600 cu.ft., per 100 cu.ft. ...	.23
Over 5300 cu.ft., per 100 cu.ft. ...	.19
Minimum Charge:	
For 5/8 x 3/4-inch meter .....	2.50
For 3/4-inch meter .....	3.50
For 1-inch meter .....	5.00
For 1½-inch meter .....	7.50
For 2-inch meter .....	10.00

The Minimum Charge will entitle the customer to the quantity of water which that minimum charge will purchase at the Quantity Rates.

Schedule No. 2

FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

Lane Acres Tract, and vicinity, located four miles west of Ridgecrest, Kern County.

RATES

	<u>Per Service Connection Per Month</u>
For a single-family residential unit, or trailer unit, including premises .....	\$5.00
For each additional single-family residential unit, or trailer unit, on the same premises and served from the same service connection .....	3.00

SPECIAL CONDITIONS

1. The above flat rates apply to a service connection not larger than one inch in diameter.
2. If the utility so elects, a meter shall be installed and service provided under Schedule No. 1, Metered Service.