

ORIGINAL

Decision No. 74782

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

GRACE V. EARLE, dba WEST LANE HEIGHTS)
WATER CO., and CALIFORNIA WATER SERVICE)
COMPANY, a corporation,)

for an order authorizing (1) the sale and)
transfer to California Water Service Company)
of the water distribution system and certi-)
ficate of public convenience and necessity)
of the West Lane Heights Water Co., (2) the)
discontinuance of service by Grace V. Earle)
in the territory now served by the West Lane)
Heights Water Co., and (3) the commencement)
of service in said territory by California)
Water Service Company at existing flat)
rates of West Lane Heights Water Co., and,)
as meters and new services are installed,)
at the rates then applicable in the balance)
of California Water Service Company's)
Stockton district.)

Application No. 50264

C. G. Ferguson, for applicants.
Victor Prinze, interested party.
Tedd F. Marvin and John J. Gibbons, for
the Commission staff.

O P I N I O N

This application was granted by Decision No. 74469 on July 30, 1968. That decision provided that buyer, after bringing the system up to its own Stockton District standards, might apply to the Commission for authorization to assess its presently filed Stockton District rates in the purchased area.

Buyer filed a Petition for Modification of the Order on August 2, 1968. It recites that buyer is not willing to proceed

with the purchase unless assured in advance that it can impose its own rates on a progressive basis as facilities are improved and meters installed. Upon receipt of this petition the Commission set the matter for hearing at Stockton on August 20, 1968. It was heard and submitted on that date.

Only two customers appeared and one of these was the applicant seller, Mrs. Earle, who pointed out, in her testimony, that she will become a customer if California Water Service Company takes over service in this area. One hundred and eighty-seven mail notices were sent out.

Buyer's president testified in its behalf. He was of the opinion that, if buyer assessed rates in West Lane Heights which were higher, lower or different from those assessed elsewhere in its Stockton District, it would be guilty of preference and discrimination. The buyer, he testified, would be unwilling to place itself in this position.

In view of the fact that a public hearing has been held, that consumer interest proved to be negligible, and that there is a possibility of potential discrimination, the petition for modification will be granted.

The Commission finds that the Stockton District rates should be applied when and if California Water Service Company brings the system in West Lane Heights up to the distribution standards presently prevailing in its Stockton District.

The Commission concludes that the petition for modification should be granted as hereinafter provided.

O R D E R

IT IS ORDERED that:

1. Finding No. 3 on Sheet 2 of Decision No. 74469 in this proceeding is amended to read as follows:

"3. It is reasonable for buyer to apply the present rates of seller in this service area until each segment of the distribution system therein is brought up to the standards of buyer's Stockton District system and meters installed and thereafter the application of its Stockton District rates will be justified."

2. Said Decision No. 74469 is hereby further amended by striking therefrom Finding No. 4 on Sheet 2 thereof and inserting therein a new Finding No. 4 to read as follows:

"4. After each segment of the distribution system in West Lane Heights has been brought up to the standards prevailing in its Stockton District and meters installed it would be preferential, discriminatory and unreasonable for California Water Service Company to assess or collect any rates other than those rates which are on file and applicable to its Stockton District."

3. Ordering paragraph No. 7 in said Decision No. 74469 is amended to read as follows:

"7. When each segment of the distribution system in West Lane Heights shall have been brought up to buyer's standards and meters shall have been installed, buyer may thereafter apply its own filed (Stockton District) rates rather than seller's rates to each meter service."

4. As herein amended, Decision No. 74469, dated July 30, 1968 in this proceeding is continued in full force and effect.

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

Dated at Los Angeles, California, this 8th day of OCTOBER, 1968.

William J. Lyons, Jr.
President
D. E. Batchellor
William W. Bennett
Augusta
Shed P. Morrissey
Commissioners