

**ORIGINAL**

Decision No. 74846

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

N. Warren Sheldon  
24383 Loma Prieta Avenue  
Los Gatos, Calif. (Santa Cruz Co.)

Percy H. Weston  
24333 Loma Prieta Avenue  
Los Gatos, Calif. (Santa Cruz Co.)

William Steyding  
24404 Loma Prieta Avenue  
Los Gatos, Calif. (Santa Cruz Co.)

Complainants,

vs.

SUMMIT GROUP, RICHARD ALDERSON and  
RONALD DUNTON, General Partners (et al.),  
a public utility in the State of  
California and doing business under the  
name of LOMA PRIETA WATER COMPANY,

Defendants.

Case No. 8742  
(Filed January 5, 1968)

WILLIAM STRANG, Jr., DOROTHY E. STRANG,  
JACK STRANG, and RUTH STRANG,

Complainants,

vs.

SUMMIT GROUP, RICHARD ALDERSON and  
RONALD DUNTON, General Partners (et al.),  
a public utility in the State of  
California and doing business under the  
name of LOMA PRIETA WATER COMPANY,

Defendants.

Case No. 8752  
(Filed January 18, 1968)

In the Matter of the Application of  
the SUMMIT GROUP, by RICHARD ALDERSON  
and RONALD DUNTON, General Partners,  
a California public water utility, for  
an order authorizing said utility to  
raise its water rates.

Application No. 50203  
(Filed May 1, 1968)

E. E. Dadmun, for complainants in Case No. 8742.  
William H. Strang, Jr., for complainants in  
Case No. 8752.  
Ronald Dunton, for respondents in Cases Nos. 8742  
and 8752 and applicants in Application No. 50203.  
Joseph A. Lawry, for George E. Cox, Leonard C. Coit  
and Lillian Meyer, interested parties.  
W. B. Stradley, for the Commission staff.

### O P I N I O N

By Decision No. 72108 in Case No. 8356 the Commission, on March 7, 1967, found the "Summit Group" to be a public utility water system. Summit Group is a partnership of Richard Alderson and Ronald Dunton as general partners and other persons as limited partners. Since they transact their water business as the Loma Prieta Water Company, they will hereinafter sometimes be referred to as Loma Prieta.

The complainants in Case No. 8356 were Sheldon, Weston and Steyding, who are also complainants in Case No. 8742. For convenience they will be referred to as the Sheldon Group. The complainants in Case No. 8752 are members of the Strang Family (Strang Group) who are the occupants of two of a group of three houses located in the settlement at a short distance from the properties of the Sheldon Group. The Strang Group did not appear in Case No. 8356. Decision No. 72108 ordered the water supply to be devoted exclusively to supplying the Sheldon Group. The Strangs, however, were not parties to that case. No evidence relating to the Strang Group was offered in Case No. 8356.

In Application No. 50203 Loma Prieta, by the title, appears to be seeking authority to increase water rates but actually it seeks an extension of its service area to include what are commonly called the Cox and Jeske houses. This application will be granted for reasons suggested by the discussion on the Strang Case, No. 8752, hereinafter set forth.

Before proceeding to examine the Strang case, a preliminary matter must be disposed of. At the January 22 hearing William Strang, Jr., was given authority to file "documents" as late-filed Exhibit No. 1. On February 9, 1968, Strang filed an affidavit and a letter from one Neal C. Thurman, his grantor. When these were received, in spite of obvious deficiencies they were in the record at least for identification, to be disposed of at subsequent hearings. There are statements of fact in both documents and in the affidavit there is some legal argument. The affiant testified orally in this case. In such testimony he included all the facts concerning which he was competent to testify.

A portion of the affidavit is inadmissible hearsay. The remaining portion was completely covered by oral testimony and is therefore redundant. The Thurman letter was never tested by cross-examination. It appears that Exhibit No. 1 in its entirety should be stricken from the record.

On April 23, Loma Prieta Water Company filed a counter affidavit and motion to the Strang affidavit requesting that that affidavit not be considered or, in the alternative, that Loma Prieta be allowed to respond to it. The motion of Loma Prieta will be granted.

Strang's oral testimony was that in 1953 or 1954 he had moved into the house he now occupies. He further stated that he had been served with water by the Wright Estate and its successors until it was shut off in compliance with our order in Decision No. 72108.

The service rendered by the Wright Estate and successors to its various users has been adjudged to be a public utility service (Decision No. 72108). There is not a shred of evidence

anywhere in this record that the holding out to one set of customers differed in any respect from the holding out to the others. It follows that the decision in Case No. 8752 must be for complainants.

From our discussion of Case No. 8752 it will be apparent that Application No. 50203, an application to serve Cox and Jeske, should be granted. The Cox and Jeske houses have been served on the same basis as those of the Sheldon and Strang Groups.

The Summit Group, namely Alderson and Dunton and the limited partners, acquired the Wright Ranch from the estate in the autumn of 1965 and as an incident of this purchase they became the owners of the Loma Prieta Water System. The system was very old and in poor condition. It appears from the evidence that the service troubles of Loma Prieta came to a head after the acquisition by the Summit Group. It is these service difficulties that inspired first, Case No. 8356 and later Case No. 8742, the oldest of the three filings in the present group of proceedings.

It cannot be denied that the present owners have expended both time and money in an attempt to remedy the deficiencies of this system. A major difficulty lies in the fact that the water supply available is very limited and has a tendency to fail completely at times. The springs which supply the Loma Prieta System and a well drilled to supply a commercial building have a poor yield.

The evidence showed, however, that a spring and one or more tanks have been disconnected from the system. This could not possibly be in compliance with the duties of a public utility water system when, under the best of conditions, the water supply is inadequate.

The Commission is of the opinion that the three Strang Group houses and the Cox and Jeske buildings are within the service

area of Loma Prieta Water Company. We are also of the opinion that service improvements are necessary.

The Commission finds that:

1. In 1954 and for an unknown number of years prior to that, the system now called the Loma Prieta Water Company has rendered service to certain residences and other buildings in a community near the intersection of Soquel Road and Summit Road in Santa Clara and Santa Cruz Counties.

2. In the year 1954, William Strang, Jr., acquired, from one Neal C. Thurmond, a house in said community.

3. From the time of acquisition of the house referred to in finding No. 2, William Strang, Jr., received water from the Summit Group, Richard Alderson, Ronald Dunton and their predecessors in title in the water system now known as Loma Prieta Water Company.

4. On March 7, 1967, this Commission issued its Decision No. 72108 in Case No. 8356, adjudging Loma Prieta Water Company to be a public utility water system as to Messrs. Sheldon, Weston and Steyding. The Strangs, complainants in Case No. 8752, were not a party to that proceeding. No evidence was received as to the Strang rights.

5. Summit Group has dedicated the services of the Loma Prieta Water System to the cluster of houses, two of which are inhabited by complainants in Case No. 8752 and also to the buildings known as the Cox and Jeske residences.

6. That Loma Prieta Water Company has an inadequate supply of water. The two springs taken together do not produce sufficient water for the system during the dry season and it has, in the recent past, been necessary to haul water to the system in trucks.

7. A portion of the water supply available to the Loma Prieta System and represented by a second spring is not connected to the system.

8. Storage facilities in place and available to the Loma Prieta Water System are not connected to it.

9. Even with the second spring added and all available storage facilities connected up, the water supply of the Loma Prieta System would be inadequate.

10. It is essential that the second spring and all reasonably available storage facilities be included in the system.

The Commission concludes that:

1. The buildings heretofore served by Loma Prieta Water Company and designated as the Cox, Jeske, William Strang, Jr., and Jack Strang residences and the house adjacent to the two Strang residences are within the dedicated service area of the Loma Prieta Water Company.

O R D E R

IT IS ORDERED that:

1. The motion of Richard Alderson, Ronald Dunton and others is granted and the letter and affidavit constituting Exhibit No. 1 in Case No. 8752 are hereby stricken from the record in this proceeding.

2. Within ten days after the effective date of this order, the Summit Group, comprised of Richard Alderson and Ronald Dunton as general partners, and others as limited partners, shall file a revised schedule of rates by adding thereto George E. Cox, the Jeske residence, William Strang, Jr., Jack Strang and the residence adjacent to the two Strang houses as customers to be served under such

rates and said Summit Group shall file a tariff service area map clearly indicating a service area including the residences of Sheldon, Weston, Steyding, Cox, Jeske, William Strang, Jr., Jack Strang and the house adjacent to the two Strang houses. Such filing shall comply with General Order No. 96-A and the revised sheets shall become effective on the fourth day after the date of filing.

3. Within thirty days after the effective date of this order, Summit Group shall reconnect to this system the spring now disconnected therefrom and any tank or tanks in the vicinity of the tank already connected to the system.

4. Within thirty days after the requirements of paragraph 3 of this order have been accomplished, Summit Group shall report such completion in writing to the Commission.

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, 1968.

William Synors, Jr.  
President  
W. E. Lattin  
William C. Bennett  
Augustin  
Frank P. Monissey  
Commissioners