

ORIGINAL

Decision No. 90205 APR 24 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own )  
motion into the operations, practices, )  
service, equipment, facilities, rules, )  
regulations, contracts and water )  
supply of Apple Valley Ranchos Water )  
Company, Apple Valley Ranchos (a )  
fictitious name), and Reserve Oil and )  
Gas, a California corporation. )

Case No. 10373  
(Filed July 12, 1977)

O P I N I O N

This investigation was instituted as a result of our review of respondent Apple Valley Ranchos Water Company's (Apple Valley) selective pattern of extending utility service and acknowledging its public utility obligations in Case No. 9942, David E. Parker v Apple Valley Ranchos Water Company. That matter resulted in the issuance of Decision No. 89871, dated September 20, 1977.<sup>1/</sup>

An inspection of Exhibits Nos. 4 through 6 in Case No. 9942 raised, in our opinion, a strong inference that Apple Valley had dedicated its utility service to one area surrounded by its service and to another area almost surrounded by its service.

Although Case No. 10373 was instituted prior to Decision No. 87871 in Parker v Apple Valley Ranchos Water Company, the Commission staff did not undertake investigative activity pending the outcome of the judicial review sought by Apple Valley.

---

<sup>1/</sup> Defendant's application for rehearing was denied by Decision No. 88252, dated December 17, 1977, and the California Supreme Court denied the utility defendant's request to issue a writ of review.

After the Supreme Court denied Apple Valley's request for a writ of review, counsel for Apple Valley and the utility's management met with Administrative Law Judge (ALJ) Alderson to discuss why the Commission instituted this investigation.

By correspondence to the Commission dated December 8, 1978, respondent proposes to serve two of the areas which caused us greatest concern and requests that if it serves those areas Case No. 10373 be discontinued. We receive that correspondence and two attached maps as Exhibit No. 1. The areas to which Apple Valley proposes to offer service are depicted in Appendices A and B attached hereto, which are taken from Exhibit No. 1. We also consider the evidentiary record of Case No. 9942 pursuant to Ordering Paragraph 3 of Decision No. 87871 which reads as follows: "The evidentiary record developed in Case No. 9942 is hereby incorporated with Case No. 10373."

After a review of the evidence and circumstances, we will discontinue Case No. 10373 and direct Apple Valley to serve the areas depicted in Appendices A and B hereto (which are reduced portions of Apple Valley's present service territory map), as offered by the respondent utility, pursuant to applicable tariff provisions.

We believe respondent's proposal results in a timely expense savings to the Commission as well as to respondent.

Discontinuance of the proceeding should not be taken to mean we will not process complaint cases if aggrieved parties believe they are within an area Apple Valley has dedicated to its public utility water service. However, we caution interested parties to look closely at the facts and territorial circumstances in Decision No. 87871, and Appendices A and B hereto, before hastily concluding that anyone close to or with property contiguous with Apple Valley's declared service territory automatically qualifies to demand utility service.

Finally, we note that Apple Valley has filed Application No. 58520 for authority to increase rates and is therefore seeking to establish compensable rates. Thereafter, given an adequate water supply, it would have an incentive to extend service (applying applicable main extension provisions of its tariff), because the operation would be conducted with the usual motives of a profit-making enterprise.

The Commission makes the following findings:

1. Apple Valley has offered to serve the area depicted on Appendices A and B hereto.
2. Apple Valley has an adequate water supply to serve the additional areas as depicted in Appendices A and B hereto.
3. The application of main extension provisions of Apple Valley's tariff insures that its proposed provision of service to the areas depicted in Appendices A and B hereto will not constitute a financial hardship to the utility or jeopardize its ability to provide service to existing customers.

Conclusions

1. Apple Valley should be directed to revise its filed service territory map to serve the additional areas depicted in Appendices A and B hereto.
2. Case No. 10373 should be discontinued.

O R D E R

IT IS ORDERED that:

1. Apple Valley Ranchos Water Company shall within thirty days from the effective date of this order file a revised service territory map which includes in its service territory the areas depicted in Appendices A and B hereto and the area it was directed to serve pursuant to Decision No. 87871.

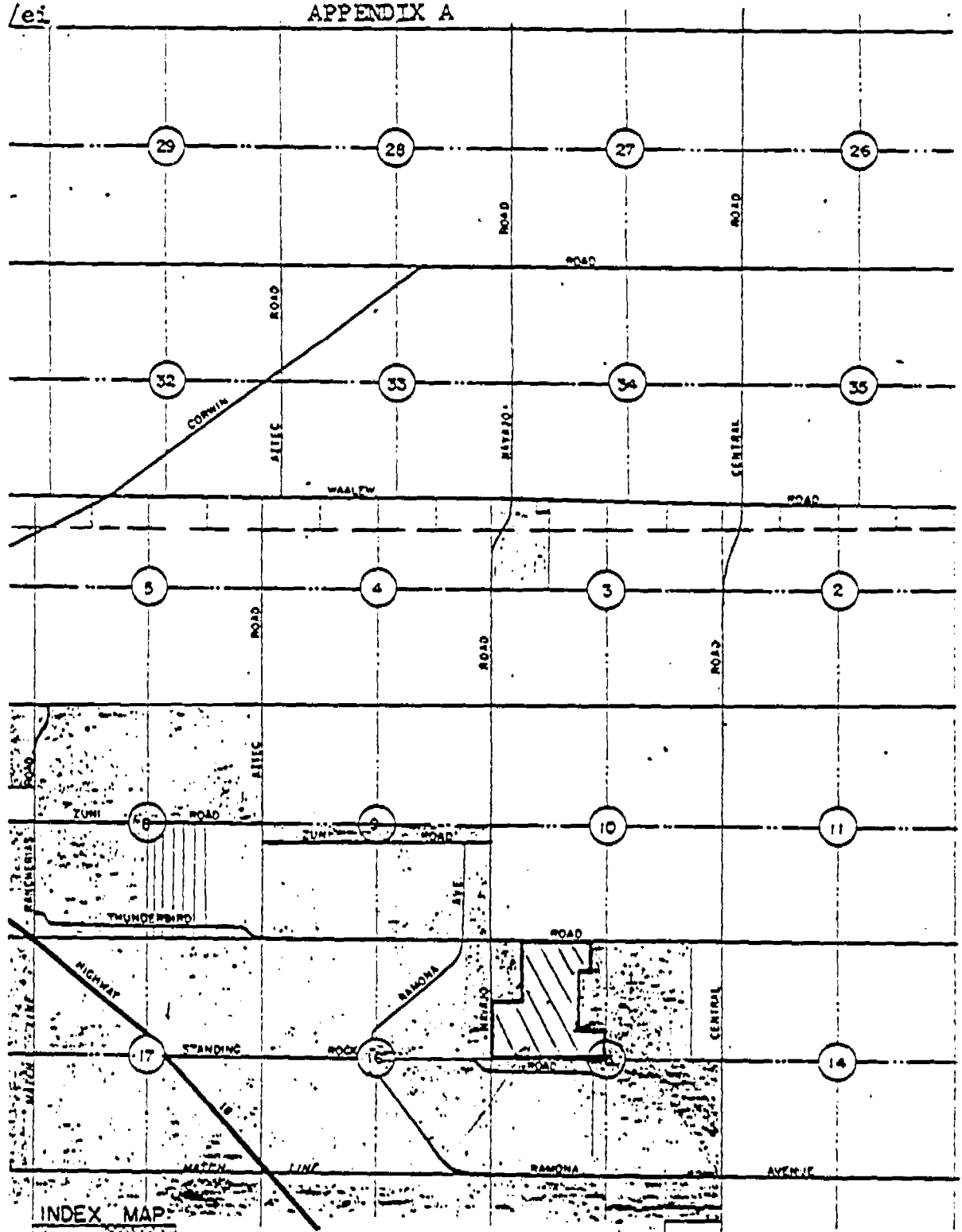
2. Apple Valley Ranchos Water Company shall within thirty days from the effective date of this order notify all residents in the areas described in the ordering paragraph above that it will provide utility service in those areas in accordance with applicable tariff provisions.

3. Case No. 10373 is hereby discontinued.

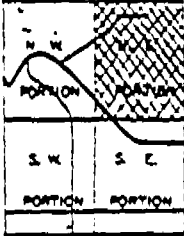
The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 24th day of APRIL, 1979.

John E. Brown  
President  
George L. Thompson  
Richard D. Hoyle  
Clare J. Delaney  
Howard L. Smith  
Commissioner



INDEX MAP



Area Apple Valley proposes to include within its service territory.

APPLE VALLEY RANCHOS WATER CO.

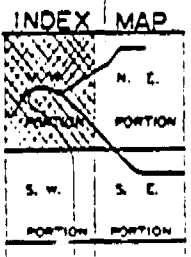
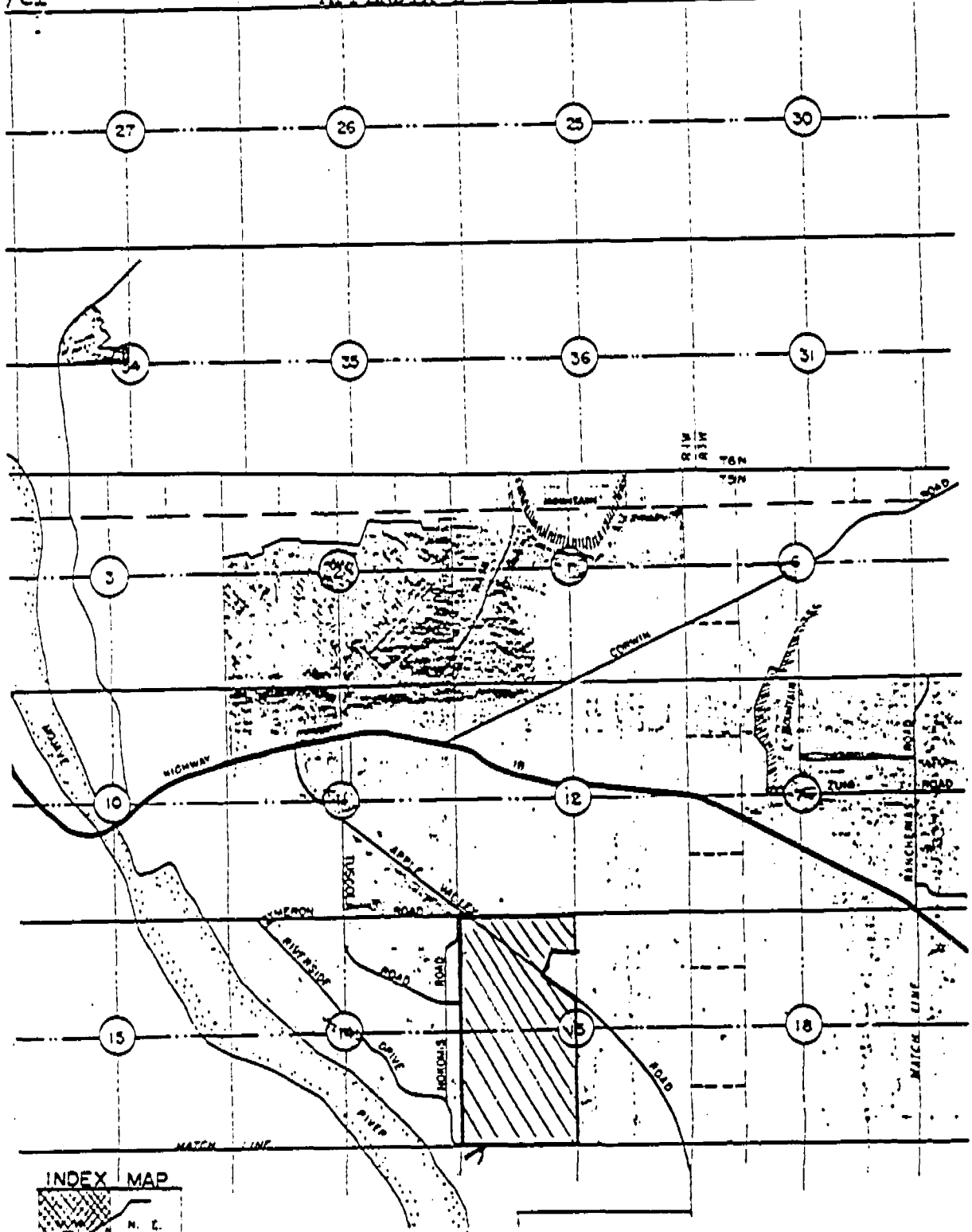
SERVICE AREA (NORTHEASTERN PORTION)

- DENOTES AREA SERVED
- DENOTES AREA TO BE SERVED
- DENOTES UNSERVED CERTIFICATED AREA

LUDWIG ENGINEERING



Scale: 1" = 2500'



Area Apple Valley proposes to include within its service territory.

APPLE VALLEY RANCHOS WATER CO.  
SERVICE AREA  
(NORTHWESTERN PORTION)

DENOTES AREA SERVED   
 DENOTES AREA TO BE SERVED   
 DENOTES UNSERVED CERTIFICATED AREA

LUDWIG ENGINEERING



Scale 1" = 2500'