

Decision 93037 ^{MAY 19 1981}

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of Tehachapi Mountain Water)	Application 60235
Service to extend the time to)	(Filed February 2, 1981)
comply with D.91122 for one year.)	

ORDER DENYING EXTENSION OF TIME

Techachapi Mountain Water Service requests an extension of time to comply with the requirements of Ordering Paragraph 2 of Decision 91122 in Application 59044, issued on December 18, 1979. The ordering paragraph provides as follows:

"By July 31, 1981 provide a minimum of 250 gpm water supply for the system. Capacity to be confirmed by pump test made to show the capacity of the well or wells in gallons per minute, static and pumping levels, discharge pressures, pump efficiencies, and a description of the equipment. The results of the tests to be provided to the Commission staff."

Background

In 1970 the utility was first ordered by the Commission to take action which would provide an adequate water supply. Ordering Paragraph 11, of Decision 78094, ordered the utility to connect Well No. 3 to its system within 90 days.

In 1973 the Commission issued Decision 81132 which again ordered the utility to connect Well No. 3 to Well No. 2, no later than December 31, 1973.

In 1977 Decision 88080 ordered the utility to perform pump tests on its Wells No., 1 and 2 and, if, the combined capacity were less than 250 g.p.m., the utility was to submit plans to provide the required 250 g.p.m.

On January 4, 1979 Decision 89823 issued by the Commission authorized the sale and transfer of the utility to the present owner. Ordering Paragraph 7 of this decision ordered the utility by July 31, 1979 to connect Well No. 3 into the system and to have pump tests made to show the capacity of the well, etc. On July 31, 1979 the utility owner wrote the Commission stating he had made system repairs totalling \$5000 including work to refurbish Well No. 2 which shortly thereafter failed. As he could not afford spending additional money to activate Well No. 3 and felt there was no reason to do so he requested an extension of time to comply with the above order. Decision 91122, which granted the extension until July 31, 1981, stated that the owner would apply to the Department of Water Resources (DWR) for a Safe Drinking Water Bond Act (SDWBA) loan in order to make the improvements.

Utility Action Since July 1979

According to DWR staff, the utility on August 27, 1979 requested an application form and information about the SDWBA low interest loan program, which was sent on September 13, 1979. On December 10, 1980 the utility wrote DWR asking for a grant to make the repairs. In January of 1981 the utility's ineligibility for a grant was confirmed in writing to the utility.

On February 4, 1981 the Commission issued Resolution W-2782 granting the utility a rate increase but making the 4.6% rate of return subject to cancellation if the utility failed to increase the water supply by July 31, 1981. ✓

On February 10, 1981 the utility applied to DWR for a SDWBA loan, requesting \$60,000 which it stated would cover the costs to activate two wells, provide storage and install meters and valves. According to DWR staff, the utility has made no effort to correct the application deficiencies which were pointed out to it in a March 1981 letter. The application must include a signed DWR form, a credit recommendation, proof that it has pursued alternate financing, neighboring utility service information and CEQA documents and a health permit completed by the local health department.

Discussion

It is clear that there has been no compliance with the Commission order issued eleven years ago. The 26 customers (five former customers have installed their own wells) have suffered repeated outages and poor pressure. It is also clear that the present owner inherited the physical problems of the system and the history of non-compliance by the former owners. He apparently has infused some of his own capital to remedy the problems. Unfortunately, this has not resulted in the standard of service the Commission has ordered and to which the customers are entitled.

The previous owners did not have the SDWBA loan program available to them for making the improvements. The present owner has been aware of this program since August of 1979 and has had ample time to obtain a loan and to improve the system. The owner has provided no justification for the long delay in making a loan application to DWR, which has resulted in the continuation of poor water service enjoyed by the customers. At the direction of the Administrative Law Judge, applicant notified all its customers of the request for an extension of time. As of April 15, two customers had responded in opposition to applicant's request.

It is unknown if applicant will be able to increase its water supply as ordered by July 31, 1981. It appears that its best avenue is to be diligent in its pursuit of a SDWBA loan.

In the event that it is unable to comply with the order of Decision 91122, the customers will be entitled to pay lower rates, reflecting the cancellation of the estimated rate of return authorized on February 4, 1981, until such time as the water supply has been improved as ordered by the Commission. Appendices A and B provide the revised tariff schedule which applicant should file with the Commission in the event that the compliance date of July 31, 1981 is not met.

On or before July 31, 1981 the utility shall inform the Executive Director of the status of the ordered improvements. If the improvements have not been completed applicant at that time will file the revised tariff schedule delineated on Appendices A and B. Upon

completion of the ordered improvements applicant should notify the Executive Director who will authorize the reinstatement of the tariff schedules reflecting the authorized rate of return.

Findings of Fact

1. Public hearing in this matter is not necessary.
2. Applicant has not obtained a Safe Drinking Water Bond Act Loan in order to make the required improvements ordered in D. 91122.
3. Applicant has provided no justification for an extension of time.

Conclusions of Law

1. Applicant's request to extend the date of compliance with Paragraph 2 of D 91122 should be denied.
2. Applicant should make all efforts possible to augment its water supply as promptly as possible.
3. Applicant should be prohibited from providing water service to new connections, other than previously authorized, until further order of this Commission.
4. Applicant may suspend or curtail use of water for irrigation as deemed necessary pending augmentation of its supply.

IT IS ORDERED that:

1. Tehachapi Mountain Water Service's request to extend the date of compliance with Ordering Paragraph 2 of Decision 91122 is denied.
2. Applicant shall not provide water service to new connections other than previously authorized, until further order of this Commission.
3. Applicant may suspend or curtail use of water for irrigation as deemed necessary pending augmentation of its supply.
4. Applicant shall send a copy of this decision to its customers within 30 days of its issuance.
5. Applicant shall notify the Executive Director of this Commission by July 31, 1981 regarding the status of the improvements ordered in Decision 91122, Ordering Paragraph 2. ✓

6. If the water supply does not total 250 gpm by July 31, 1981 applicant shall file the revised tariff schedules provided on Appendices A and B and shall charge its customers using this schedule beginning September 1, 1981. ✓

7. This revised tariff schedule shall remain in effect until further notice by the Executive Director or the Commission.

This order becomes effective 30 days from today.

Dated MAY 19 1981, at San Francisco, California.

Jul E. Bryan PRESIDENT

Robert D. Gandy

Samuel J. Smith

Victor Carter

Frank C. Green COMMISSIONERS

APPENDIX A

Tehachapi Mountain Water Co.

Schedule No. 1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service, including that for irrigation service.

TERRITORY

Tracts Nos. 2359 R/S and 2439 R/S, and vicinity, located five miles west of Tehachapi, Kern County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 300 cu.ft., per 100 cu.ft.	\$ 0.45
Over 300 cu.ft., per 100 cu.ft.	0.60
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 9.50
For 3/4-inch meter	11.75
For 1-inch meter	14.50
For 1 1/2-inch meter	18.00

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

APPENDIX B

Tehachapi Mountain Water Co.

Schedule No. 2

FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat water service, including that for irrigation service.

TERRITORY

Tracts Nos. 2359 R/S and 2439 R/S, and vicinity, located five miles west of Tehachapi, Kern County.

RATES

Quantity Rates:	<u>Per Month</u>
For a single-family residence or business establishment.....	\$11.00
For each additional single-family residence on the same premises and served from the same service connection.....	6.50
For each house trailer connected to water on the same lot as a single-family residence.....	6.50

SPECIAL CONDITIONS

1. Combination residential and irrigation service may be terminated in the event that irrigation service is not curtailed upon request of the utility. In that event a separate service shall be utilized to provide domestic and irrigation usage.

2. The utility may schedule irrigation usage.

3. The above flat rates apply to service connection not larger than 1" in diameter.

4. All service not covered by the above classification shall be furnished on a metered basis.

5. For service covered by the above classification, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, Metered Service.