

Decision 93543 SEP 15 1981**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Tehachapi Mountain Water)
Service to extend the time to)
comply with D.91122 for one year.)

Application 60235
(Petition for Modification
filed August 21, 1981)

ORDER GRANTING PETITION
FOR MODIFICATION OF DECISION 93037

Applicant Tehachapi Mountain Water Service (Tehachapi) filed its petition on August 21, 1981 requesting the Commission to rescind Ordering Paragraph 6 of Decision (D.) 93037. Ordering Paragraph 6 of D.93037 reads as follows:

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

Tehachapi has not achieved the 250 gpm level of supply specified in the above-cited order. However, Tehachapi did obtain and expend about \$8,000 to recover and rebuild Well 2. A staff engineer of the Hydraulic Branch made a field investigation of Tehachapi's system on August 28, 1981 and filed a report dated September 2, 1981 on the results of the investigation. It shows that Tehachapi has increased its supply from some 30 gpm, the production of Well 1, to an estimated total of about 130 gpm from Wells 1 and 2.

Groom, owner of Tehachapi, asserts that his current rates barely cover pumping costs of Well 1, much less pumping costs of Wells 1 and 2. His July 1981 pumping cost was \$240 compared to

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total operating revenues of \$460 for the same period. Present rates will not provide revenues sufficient for recovery of the recent \$8,000 capital expenditure. A reduction in Tehachapi's rates as required by Ordering Paragraph 6 of D.93037 would only worsen its financial situation.

Tehachapi has made a good faith effort, belated though it may have been, to improve service to its customers. The present supply is still below standard but should furnish at least a temporarily sufficient supply.

To reduce Tehachapi's rates at this time does not appear to be a productive act. We will not grant Tehachapi's petition to rescind the ordered rate reduction, but will extend the deadline one year. We expect Tehachapi to continue its efforts to further increase its water supply, especially if funds become available from the application for a Safe Drinking Water Bond Act loan. It has been asserted by some customers that Tehachapi has provided service to new connections after and in disregard of the Commission's order in D.93037, Ordering Paragraph 2, issued May 19, 1981. To order disconnection of any such new connections may constitute an undue hardship to those customers. However, Tehachapi is again directed to not establish any new connections until its supply reaches 250 gpm or until further order of the Commission. It is put on notice of this Commission's power to impose fines for noncompliance with Commission decisions and to impose contempt sanctions.

Tehachapi's customers were served with a notice describing its petition to rescind the rate decrease order. No protests to the petition have been received.

Findings of Fact

1. Public hearing in this matter is not necessary.
2. Tehachapi increased its water supply on September 1, 1981 from 30 gpm to about 130 gpm.
3. The present supply is below standard but is a significant improvement over former supply levels.

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4. Tehachapi's pumping costs will probably exceed its total operating revenues.

Conclusion of Law

Tehachapi's petition to rescind Ordering Paragraph 6 of D.93037 should ^{not} be granted, *but the deadline should be extended one year.*

Because of the effective date of the rate reduction ordered by D.93037, this order should be effective on the date signed.

dl *extended one year (July 31, 1980)* *the deadline is* IT IS ORDERED that Ordering Paragraph 6 of D.93037 is ~~rescinded~~ and Tehachapi Mountain Water Service shall not establish any new connections until its water supply reaches 250 gpm or until further order of the Commission.

This order is effective today.

Dated SEP 15 1981 at San Francisco, California.

John E. Bayon

President
Richard W. ...

Thomas W. ...

Arthur ...

Pratt ...

Commissioners