Decision No. 25899

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of R.E. Morgan.

Application No. 18330.

H.A. Sanders, Edw. C. Purpus and George A. Glover, for applicant.

Lester P. Penry and Walter T. Casey, for Estate of Harrison Investment Company.

S.J. Johnson, for bondholders of Santa Fe Valley Land Company.

H.O. Harrison, for Rio Vista Del Mar Corporation.

J.F. McKitrick, for himself.

Mrs. Grace M. Mitchell, for herself.

BY THE COMMISSION:

## <u>OPINION</u>

The Railroad Commission is asked to issue a certificate of public convenience and necessity for the operation of a water works by R.E. Morgan to supply water to a tract of land of approximately 550 acres located in and near the Rancho Santa Fe, County of San Diego, said tract being more fully delineated and set forth on that certain map designated as Exhibit "A" attached to the application herein. It is further requested that the Commission establish the rates to be charged for the service.

Public hearings in this matter were held before Examiner Johnson at San Diego and Los Angeles.

According to the evidence, R.E. Morgan in the year 1927 subdivided the above mentioned 550-acre tract in and near the Rancho Santa Fe and, as an aid to the sale of lots therein, said R.E. Morgan and Emily Del Morgan, his wife, agreed by contract to supply the lots with water at specified rates of fifteen dollars (\$15.00) per acre foot per year with a minimum charge of seven dollars and fifty cents (\$7.50) per year for one-half acre foot. Thereafter, the water works was sold to one K.O. Harrison but subsequently repossessed during the summer of 1932. Since about the year 1927, the water has been supplied by Morgan and/or said Harrison to consumers in the above tract under the private written contract. Several protests were made against the granting of this certificate, one on behalf of the bondholders of the Santa Fe Valley Land Company, a corporation, in which said bondholders dispute the right of applicant herein to develop water at or near the present source of supply for the use and irrigation of lands nonriparian to the so-called San Dieguito River basin, and another protest to the effect that applicant is not the owner of the property upon which certain of the impounding facilities are now located. Both of these matters are now in litigation.

In view of the above, there appears to be grave doubt as to the right of applicant to distribute waters from his present sources of supply to all of the lands in which he seeks authority to serve and furthermore the record clearly shows that applicant has failed to give reasonable assurance of an adequate supply of water or the ability to obtain additional water to meet both his present and reasonably anticipated future demands. Under such

-2-

circumstances, it is evident that no certificate of public convenience and necessity should be granted at this time but that the request should be denied without prejudice.

## ORDER

R.E. Morgan having made application as entitled above, public hearings having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises,

IT IS HEREBY ORDERED that the above entitled proceeding be and the same is hereby denied without prejudice.

The effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this /87 day of May, 1933.