

ORIGINAL

Decision No. 35108

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ERNEST E. HANSEN and NANCY HANSEN,
his wife, for an order granting to
them Certificate of Public Convenience
and Necessity to operate a water sys-
tem.

Application No. 24524

Amend & Amend, by Frank B. Amend, for Applicants.

BY THE COMMISSION:

O P I N I O N

In this proceeding, Ernest E. Hansen and Nancy Hansen, his wife, operating under the fictitious firm name and style of Meadowbrook Water Association, ask the Railroad Commission for a certificate of public convenience and necessity to furnish water service in Tract No. 1944 located about two miles south of Lake Arrowhead in the County of San Bernardino. The Commission is also asked to establish a schedule of rates for the service rendered.

A public hearing in this matter was held at Los Angeles by Examiner E. L. Clark.

Tract No. 1944 is a forty-acre parcel of land subdivided into 408 lots placed upon the market for sale in about 1924 or 1925. This property is at an elevation of about 5,000 feet above sea level located in the San Bernardino Mountains at the junction of the Big Bear Lake Highway, also called Rim of the World Drive, and Arrowhead Lake Road.

The original water system was installed to aid in the general development scheme. The source of supply is a spring and a small reservoir formed by a dam in the same ravine in which the spring is located. Water is pumped into a storage tank located on the highest point on the tract. The capacity of this supply of water depends upon the seasonal rain and snowfall. Past experience

indicates that these two sources can not be relied upon to furnish an adequate amount of water during the summer and fall months even to the small number of consumers (40) applicants now are attempting to serve. The development of additional water is problematical. No evidence was submitted showing the availability of any other substantial quantity obtainable at a reasonable cost. Any attempt to supply very many new consumers, without an increased water supply, would injuriously withdraw the service in whole or in part from those who have heretofore and are now being furnished water, or who now are rightfully entitled to receive adequate water deliveries from the applicants.

The distribution mains are from 1" to 2 $\frac{1}{2}$ " in diameter and located in easements. The system, according to the testimony of Mr. Hansen, cost \$10,100. This figure is based upon information obtained from the original subdividers, but is unsupported by any properly admissible evidence. F. H. Van Hoesen, one of the Commission's hydraulic engineers, submitted a report in which he estimates the original cost of the physical properties involved to be \$7,325, as of November 21, 1941.

Applicants requested an annual meter rate of \$24, for which 3,600 cubic feet of water could be used at any time during the year, additional water to be charged for at the rate of 30¢ per 100 cubic feet. The evidence presented on costs of operation was wholly insufficient to base thereon a proper rate structure. The proposed charges are higher than those in effect on any other public utility operating in the San Bernardino Mountains area under similar conditions. The rate herein established necessarily must be fixed to meet local conditions upon a basis fair and reasonable to both applicants and consumers.

The request for authority to charge each consumer for the cost of installing the service connection, including a meter, is not in line with the Commission's policy, which requires the facilities for commodity delivery to be furnished at the expense of the utility. No evidence was introduced that would warrant departure from this practice. This request, therefore, will be denied.

A review of the record of this proceeding clearly shows that while the certificate should be granted, nevertheless the uncertainty of the present

water supply shows the necessity of placing certain restrictions upon further extension of service to new consumers until such time as an adequate and sufficient supply of water has been developed. Modification of the order in this respect may be made hereafter in the event applicants can make proper showing before this Commission that an adequate supply of water has been obtained.

O R D E R

Application as entitled above having been filed with the Railroad Commission, a public hearing having been held thereon, the matter having been duly submitted and the Commission now being fully advised in the premises,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation of a public utility water system by Ernest E. Hansen and Nancy Hansen, his wife, in Tract No. 1944, San Bernardino County, as said tract is delineated on the map attached to the application and marked Exhibit "B" and which is hereby made a part hereof by reference.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and it is, hereby granted to Ernest E. Hansen and Nancy Hansen, his wife, to operate, under the fictitious name and style of Meadowbrook Water Association, a public utility for the sale and distribution of water within the territory hereinabove described.

IT IS HEREBY FURTHER ORDERED that Ernest E. Hansen and Nancy Hansen, his wife, operating under the fictitious name and style of Meadowbrook Water Association, be, and they are, hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this order, the following schedule of rates to be charged their consumers residing in Tract No. 1944 in the County of San Bernardino, for all water delivered on and after the 1st day of April, 1942, which schedule of rates is hereby found to be just and reasonable for the service to be rendered.

ANNUAL METERED RATESAnnual Minimum Charges payable on January 1st:

5/8 x 3/4 Inch Meter	\$18.00
3/4 " "	22.00
1 " "	26.00
1 1/2 " "	30.00
2 " "	36.00

Each of the foregoing annual minimum charges will entitle the consumer to the quantity of water which that minimum annual charge will purchase at the following quantity rates.

Annual Quantity Rates

0 to 3,600 cubic feet, per 100 cubic feet, . . .	\$0.50
Next 1,400 " " " " " " " "30
All over 5,000 " " " " " " " "20

Meters will be read on the 1st of January, April, July and October and a statement rendered each consumer within ten (10) days of said date, showing the meter readings and a statement of the balance of water, if any, due under the annual minimum charge, or bill for excess water over the annual minimum allowance in cases where this quantity has been exceeded.

IT IS HEREBY FURTHER ORDERED that Ernest E. Hansen and Nancy Hansen, his wife, shall supply water service only to those lots and parcels heretofore served, together with lots and parcels for which application for water has been made on or before the date of the order herein, and to such other lots and parcels upon which buildings are actually under construction on the date of this order, unless and until otherwise ordered by this Commission.

IT IS HEREBY FURTHER ORDERED that Ernest E. Hansen and Nancy Hansen, his wife, operating under the fictitious name of Meadowbrook Water Association, be, and they are, hereby directed as follows:

1. That within thirty (30) days from the date of this Order, Ernest E. Hansen and Nancy Hansen, his wife, be, and they are, hereby directed to submit to this Commission for its approval four sets of rules and regulations governing relations with their consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale upon a sheet 8 1/2 x 11 inches in size, delineating thereupon in distinctive markings the boundaries of the authorized service area, and the location thereof with reference to the surrounding territory; provided further, however, that such map or sketch shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.

2. That Ernest E. Hansen and Nancy Hansen, his wife, shall file with this Commission, within sixty (60) days from the date of this Order, four copies of a comprehensive map, drawn to an indicated scale of not less than 400 feet to the inch, upon which shall be delineated by appropriate markings the various tracts in the territory for which the certificate is granted herein. This map should be reasonably accurate, show the source and date hereof, and include sufficient data to determine clearly and definitely the location of the various properties comprising the entire utility area of service; provided, however, that such map shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.
3. Within sixty (60) days from the date of this Order, Ernest E. Hansen and Nancy Hansen, his wife, shall file with this Commission an affidavit to the effect that they will never claim before this Commission or any other public body an amount for the certificate of public convenience and necessity granted herein in excess of the actual cost of acquiring it.
4. Within twenty (20) days from the date of this Order Ernest E. Hansen and Nancy Hansen, his wife, shall file with this Commission a statement, showing the number of consumers heretofore and now being supplied with water and the lot number or numbers of each such premises; the names and lot number or numbers of the premises of all parties who have applied on or before the date of this Order for water service, and the name of the applicant for water service and the lot number or numbers of the premises upon which building construction has been commenced on or before the date of this Order.

For all other purposes, the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 10th day of

March, 1942.

Justus J. Galloway
Ray L. Rice

Frank R. Havens
Richard H. ...

Commissioners