

ORIGINALDecision No. 45540

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 BARTON F. McGLOTHLEN and MARY JANE
 McGLOTHLEN, his wife, for a certifi-
 cate of Public Convenience and
 Necessity and for authority to increase
 rates for water service in San
 Bernardino County.

Application No. 29418
 (Amended.)

ORDER MODIFYING DECISION, DENYING REHEARING,
 AND REOPENING FOR FURTHER HEARING

On February 6, 1951, the Commission issued Decision No. 45336 in the above application (as amended), which made permanent the interim rates prescribed in its Decision No. 43463 of November 1, 1949, affirmed the McGlothlens' transfer of the instant properties to Pioneer Gardens Water Company, a corporation, under Decision No. 44535 of August 1, 1950, in Application No. 31559, and granted the latter a certificate of public convenience and necessity as a public water system embracing certain territories delineated in Exhibit "A" to the said Decision No. 45336, effective February 26, 1951.

On February 24, 1951, applicant, Pioneer Gardens Water Company, a corporation, petitioned for rehearing and reconsideration for modification of the opinion and order in Decision No. 45336, alleging, among other things, that certain statements therein respecting service conditions, existing and prospective customer areas, operating, managerial, and accounting practices were at variance with the record and possible of misinterpretation prejudicial to petitioner in its attempts to effect financing. Petitioner requests clarification of the language in Decision No. 45336.

Upon further consideration of the matters contained in said petition, we are of the opinion that said decision should be ampli-

fied with a view to clarification of the language as to certain of the aforesaid matters therein.

It is accordingly ordered that:

1. The following language appearing in Decision No. 45336 be and the same is hereby stricken from said decision:

"Numerous complaints were registered at the hearings by consumers regarding low pressure conditions, sand in the mains, unpleasant odors, and warm water. . These conditions appear to be existent, generally, throughout all areas."

2. The following language be and the same is hereby substituted for the language ordered stricken in paragraph 1 above:

"With the consent of the parties, consumer complaints were registered at the hearings by a single spokesman (chairman of the committee selected to represent the water-users of the entire Pioneer Water Gardens Company area) who stressed low pressure conditions, sand in the mains, and warm water, one or more of which were stated to be existent generally. The record shows, however, that applicant effected during 1949 and 1950 certain improvements to the water system and expended about \$15,000 thereon, which somewhat alleviated said conditions."

3. The following language appearing in Decision No. 45336 be and the same is hereby stricken from said decision:

"However, the record does not disclose any substantial number of applications for service outside the general boundaries of the present areas being served, and the prospects for substantial development and home construction and consequent increase in number of customers were not carefully developed by the applicant. Further, the record shows that the operations of the system leave much to be desired in the maintenance of adequate operating pressures and in making the necessary additions to fixed capital in order to effect adequate standards of service. The record also shows that the managerial procedures are in dire need of improvement, particularly with respect to past accounting and bookkeeping practices and maintenance of proper basic records. Therefore, it is considered that the public convenience and necessity will best be served by restricting applicant to operations within the area delineated on the map marked Exhibit A attached to the order herein. When need for further expansion arises, and can be shown, the Commission

may be petitioned for the granting of additional certificated area."

4. The following language be and the same is hereby substituted for the language ordered stricken in paragraph 3 above:

"The record, however, does not disclose any substantial number of applications for service outside the general boundaries of the present areas being served, and the prospects for substantial development and home construction, and consequent increase in number of customers, appear inconclusive. Further efforts in the maintenance of adequate operating pressures and in the making of necessary additions to fixed capital are essential to effect adequate standards of service. Also, further improvement in accounting and bookkeeping practices and in the maintenance of proper basic records, including the establishment of a 'work order system,' is necessary. Therefore, it is considered that the public convenience and necessity will best be served by restricting applicant to operations within the area delineated on the map marked Exhibit A attached to the order herein. When need for further expansion arises, and can be shown, the Commission may be petitioned for the granting of additional certificated area."

5. The petition for rehearing of Decision No. 45336, as amended above, is hereby denied.

6. Application No. 29418, as amended, is hereby reopened for further hearing for the purpose of determining whether Decision No. 45336 should be further amended by enlarging or reducing the area for which a certificate of public convenience and necessity was issued by said decision, and for the further purpose of determining whether or not any certificate issued to applicant should or should not be restricted so as to require a further certificate before any extensions may be made outside of the area specified in such certificate.

Dated at San Francisco, California, this 4th day
of April, 1951.

R. T. [unclear]
James F. [unclear]
Lawrence [unclear]

Commissioners