

Decision No. 45597**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Chas. M. Allen and Veta Irene Allen,)
 his wife, for authorization to sell)
 water and operate water works.)

Application No. 30269

FIRST SUPPLEMENTAL OPINION AND ORDER

Charles M. Allen and Veta I. Allen, by letter dated February 22, 1951, and filed on March 2, 1951, request release from public utility status. Decision No. 43475, dated November 1, 1949, under above application number, granted to applicants a certificate of public convenience and necessity to construct and operate a public utility water system to serve domestic users in the Los Flores Tract subdivision near Ridgecrest in Kern County.

Applicants claim that they have not sold any water to tract occupants since obtaining the certificate but instead have furnished water without charge. In the meantime, a mutual water company has been formed in the area and the residents are now receiving water from said mutual company. Applicants also claim that they have given their distribution pipe line to the mutual water company in exchange for supplying the subdivision with water, and have abandoned one well and sold another well to the County of Kern.

Since the certificate was granted, applicants have not filed rates, rules and regulations in accordance with the requirements of said certificate. In order to determine why the applicants did not comply with these requirements, an investigation

was made by one of our staff engineers on February 20, 1951. His findings substantiated the claims of the applicants herein, and reported poor financial conditions as the reason the Allens have not complied with the requirements of the certificate. The engineer's report also indicated that the mutual water company is having difficulty as it laid its mains in public utility easements, over the opposition of the nearby Ridgecrest Water Supply, a public utility. The owner of the Ridgecrest Water Supply has obtained a court order for the removal of such mains.

The Ridgecrest Water Supply, by letter dated February 27, 1951, and filed February 28, 1951, indicates that it is desirous of extending service into the Los Flores Tract as it has an application for service from one of its residents. A subsequent letter from Ridgecrest Water Supply, dated March 13, 1951, claims that some residents do not wish to belong to the mutual water company and states that it intends to make application to the Commission for extending its lines into the area. The letter also states that a public hearing would be of benefit in clarifying the entire situation.

We can see no reason for holding another hearing on this matter. The problem regarding the formation of a mutual utility in the area was considered at the hearing on September 14, 1949. At that hearing, the desire of the Ridgecrest Water Supply to extend its service area was also considered. As a result of the evidence presented at the hearing, Decision No. 43467 of Application No. 30597, dated November 1, 1949, was rendered which denied the Ridgecrest Water Supply the right to extend its certificated service area. Any review of this matter should be undertaken in an appropriate proceeding.

We are of the opinion that the certificate of public convenience and necessity heretofore granted to the Allens should be revoked.

IT IS HEREBY ORDERED that Decision No. 43475 is hereby revoked.

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

Dated at San Francisco, California, this 17th day of April, 1951.

P. T. Anderson
Justice J. Casner
Harold P. Kulo
Francis H. Potter
John E. McCall
Commissioners.