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Decision No. 45822

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 Certificate of Public Convenience)	Application No. 29418
and Necessity and for authority to)	(Amended)
increase rates for water service in)	
San Bernardino County.)	

Gordon & Knapp by Wyman C. Knapp, attorney,
 for applicant; Carter V. Rabinoff, Co-chairman,
 East Base Line Water Users Committee, for a
 group of consumers, interested party;
James F. Wilson, for the Commission staff.

O P I N I O N

By its Decision No. 45540, dated April 4, 1951, in the above-entitled application, the Commission reopened this application for further hearing, for the purpose of determining whether Decision No. 45336, dated February 6, 1951, in said application, 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 applicants 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.

A public hearing in this matter was held before Examiner Warner in San Bernardino, California, on May 31, 1951.

The Commission, in Paragraph 4 of the Order Modifying Decision, Denying Rehearing, and Reopening for Further Hearing, in

Decision No. 45540, substituted certain language for language appearing in Decision No. 45336, as follows:

"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."

At the reopened proceeding, a witness for applicants submitted, as Exhibit No. 37, a map showing the boundaries of applicants' present service area as prescribed by Decision No. 45336, together with the boundaries of two proposed service areas for which applicants requested that a certificate be granted. The two proposed areas comprise Tract No. 3562, San Bernardino County, lying at the northeast corner of Base Line and Sterling Avenue, and Tract No. 3593, San Bernardino County, lying westerly of Glasgow Avenue and immediately north of Tract No. 3121 which, in turn, lies at the northwest corner of Pacific Street and Glasgow Avenue. Each of the tracts is further delineated on the maps filed at the hearing as Exhibits Nos. 39 and 40, respectively, and immediately adjoins and is contiguous to the northern boundary of the present service area.

Also, at the reopened proceeding, applicants requested that the restrictions against further extensions into other adjacent or contiguous territories not served by public utilities of like character without first obtaining a certificate of public convenience and necessity from the Commission, be lifted.

The record of the hearing in the reopened proceeding shows that applicants have installed complete water distribution systems in Tracts Nos. 3582 and 3593. Such installations were made at the request of the subdividers of the tracts, each of whom made an advance for construction in accordance with applicants' filed rules and regulations. Tract No. 3582 contains 45 lots, and, as of the date of the hearing, domestic water service was being furnished to two consumers therein. There is one fire hydrant installation in this tract. Tract No. 3593 contains 43 lots, but, as of the date of the hearing there were no active service connections therein. Three fire hydrants are installed and connected to the system in this tract.

Applicants' present service area lies in the immediate vicinity of Norton Air Base of the United States Air Force, which has just been declared a permanent base. Surroundings of the air base have just been declared a defense area. As of April 1, 1951, applicant was furnishing water service to a total of 1,507 active services within its present and proposed service areas. The record shows that the population of the present and proposed service areas, as shown on Exhibit No. 37, is approximately 8,500 people, and that the potential of the area is approximately 3,500 water consumers. In order to adequately serve the present and proposed areas, it appears necessary that applicants effect an extensive program of the reconstruction of its water system. In this regard, a witness for applicants testified that immediate steps are being taken to secure a loan of at least \$135,000 for the general improvement and rehabilitation of the water system throughout the present service area.

A statement of the financial requirements of applicants for the purpose of effecting the system improvements and expansions necessary to handle present and proposed customers' requirements, as of April 1, 1951, was submitted at the hearing as Exhibit No. 44.

The record shows that when applicants have obtained the required amount of financial assistance, and when the planned improvements as shown in said exhibit have been effected, the low operating pressures, sand in the mains, and warm water conditions complained of at previous hearings, will be substantially corrected. A witness for applicants testified that it is intended to effect a complete circulating water system, to utilize fully all wells, and to install pipe lines, pumps, engines, and other necessary facilities. He stated that some of the equipment, such as pumps and motor, is already on order, and that to his knowledge it is available.

An accountant witness for applicants testified that a "work order system" had been installed by applicant to account in detail for plant, service, and main installation construction job costs, and that a "purchase order system" had been installed for the purpose of recording properly the purchases of materials. He testified that applicants are now keeping their books of account in accordance with the Uniform System of Accounts for Water Corporations as prescribed by this Commission.

The record in former proceedings shows that there is an ample water supply to serve the present and proposed areas; the total estimated production capacity being about 6,300 gallons per minute.

The record shows that the sources of water supply were tested by chemists on May 31, 1951, and found to be potable.

Applicants' witness testified that the water main installations in Tracts Nos. 3582 and 3593 were made prior to the dedication of streets, and that applicants had, or would obtain, easements for pipe lying along property lines.

Applicants propose to charge their presently filed rates for water service in the proposed areas.

After careful consideration of the record in this reopened proceeding, it is concluded that Decision No. 45336 should be further

amended by enlarging the area for which a certificate of public convenience and necessity was issued by said decision by the inclusion within said certificated area of the proposed areas as delineated on the map filed at the hearing as Exhibit No. 37, and including Tracts Nos. 3582 and 3593, San Bernardino County. It is further concluded that applicants should not be restricted so as to require a further certificate before any extensions may be made outside of the area specified in Decision No. 45336 and by the order herein into contiguous territories in accordance with Section 50 of the Public Utilities Act, and the order herein will so provide.

The certificate of public convenience and necessity granted herein is subject to the following provisions of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

The above-entitled application having been filed on June 9, 1948, public hearings having been held, the Commission having issued its Decision No. 43463, dated November 1, 1949, and its Decision No. 45336, dated February 6, 1951, and Decision No. 45540, dated April 4, 1951, Modifying Said Decision, Denying Rehearing and Reopening the Matter for Further Hearing, a further hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity require the operation of a public utility water system by Barton F. and Mary Jane McGlothlen in the proposed service areas

including Tracts Nos. 3582 and 3593, San Bernardino County, delineated on the map filed at the hearing as Exhibit No. 37 therefore,

IT IS HEREBY ORDERED:

1. That a certificate of public convenience and necessity be, and it is granted, to Barton F. and Mary Jane McGlothlen to operate a public utility water system for the production, distribution, and sale of water within the territory hereinbefore described.
2. That applicant shall file, within forty (40) days after the effective date of this order, four (4) copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, delineating by appropriate markings the various tracts of land and territory served and the location of the various properties of applicants.

IT IS HEREBY FURTHER ORDERED that applicants shall not be restricted to the area designated on the map attached to the order in Decision No. 45336 as Exhibit A thereof in so far as applicants may effect extensions of ^{their} ~~the~~ water system into contiguous territories in accordance with the provisions of Section 50 of the Public Utilities Act, and said Decision No. 45336 is hereby so modified.

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

Dated at San Francisco, California, this 12th day of August, 1951.

R. T. Zimmerman
Harriet Kula
John E. Miller

Commissioners.