ORIGINAL

Decision No. 49828

BEFORE THE PUBLIC UTILITIES COMMUSSION OF THE STATE OF CALIFORNIA

Application of DUNCAN H. DAVIS, HELEN H. SINCLAIR, and STUART L. RAWLINGS, JR., copartners doing business as MOUNTAIN SPRINGS WATER COMPANY, for an amendment of their Certificate of Public Convenience and Necessity to enlarge the service area of their water system.

Application No. 34953

Duncan S. Davis and Edwin S. Pillsbury
and David C. Dunlap, for applicants.
W. B. Stradley, for the Commission
staff.

<u>OPINION</u>

On December 14, 1953, applicants filed their application seeking authorization to substitute Helen H. Sinclair as a partner in the Mountain Springs Water Company in the place and stead of her deceased husband E. A. Sinclair and authorization to extend the service area of the Mountain Springs Water Company to include certain lands subdivided by A. J. Ketman which are adjacent to the present service area. The legal description of the proposed extension appears in the application on file herein. A map showing the proposed extension is attached to said application.

A public hearing in this proceeding was held before Examiner W. E. Cline at Auburn on January 22, 1954. The matter was taken under submission upon the receipt of late-filed Exhibit No. 2 on January 29, 1954.

Transfer

The record shows that Helen H. Sinclair is entitled to succeed to the interest of her deceased husband E. A. Sinclair in the Mountain Springs Water Company. The financial responsibility of the new partnership composed of Duncan H. Davis, Helen H. Sinclair,

and Stuart L. Rawlings, Jr., will be substantially the same as that of the former partnership composed of Duncan H. Davis, Stuart L. Rawlings, Jr., and E. A. Sinclair, now deceased. The Commission finds that the transfer of the public utility operating rights and properties of the Mountain Springs Water Company from the partnership formerly composed of Duncan H. Davis, Stuart L. Rawlings, Jr., and E. A. Sinclair, now deceased, to the partnership composed of Duncan H. Davis, Helen H. Sinclair, and Stuart L. Rawlings, Jr., will not be adverse to the public interest and should be authorized.

The action taken herein shall not be construed to be a finding of the value of the public utility operative rights and properties herein authorized to be transferred.

Extension

The Mountain Springs Water Company at the present time serves 30 consumers in Agate Bay Subdivision at the northerly end of Lake Tahoe.

Mr. A. J. Ketman who is developing a subdivision adjacent to applicants' present service area has requested that service be extended to his subdivision. When this new area is fully developed there will be seven additional consumers residing therein.

If the requested authority is granted applicants will extend their water mains to the boundary of the new area at an expense of approximately \$50. Mr. Ketman has agreed at his own expense to install the necessary mains within the new subdivision at a sufficient depth to permit year-round service. Upon completion of the installation of the mains he has agreed to convey the mains to applicants who will thereafter maintain them. Mr. Ketman has further agreed to grant applicants all necessary easements in the new subdivision to enable them to operate and maintain the system.

The record shows that applicants have a sufficient supply of water to serve both the present service area and proposed extension and that adequate pressure can be maintained throughout the extended system. Applicants have the requisite financial responsibility to extend the system as proposed.

No other public utility water system is able to serve the new extension.

Applicants propose to charge the same rates for water service as are now authorized for service in the present certificated area. Such rates are hereby found to be reasonable.

The authority to extend the service as requested by applicants will be granted.

The certificate issued herein is subject to the following provision 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.

ORDER

The above-entitled application having been considered, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that the proposed transfer will not be adverse to the public interest, and

IT IS FURTHER FOUND AS A FACT that public convenience and necessity will require the construction and extension of a public utility water system by Duncan H. Davis, Helen H. Sinclair, and Stuart L. Rawlings, Jr., copartners doing business as

Mountain Springs Water Company, into the area described in the application on file herein and shown on the map attached thereto as Exhibit A; therefore,

1. IT IS HEREBY ORDERED that the copartnership formerly composed of Duncan H. Davis, Stuart L. Rawlings, Jr., and E. A. Sinclair, deceased, doing business as Mountain Springs Water Company, may, on or after the effective date hereof and on or before September 30, 1954, transfer the public utility operating rights and other public utility property to a copartnership composed of Duncan H. Davis, Helen H. Sinclair, and Stuart L. Rawlings, Jr., doing business as Mountain Springs Water Company.

2. IT IS HEREBY FURTHER ORDERED as follows:

- a. The rates and rules and regulations, together with tariff service area map, of Duncan H. Davis, Stuart L. Rawlings, Jr., and E. A. Sinclair, now deceased, copartners doing business as Mountain Springs Water Company, now legally on file with this Commission, shall be refiled to reflect present conditions, within thirty days from the date of transfer, under the name of Duncan H. Davis, Helen H. Sinclair, and Stuart L. Rawlings, Jr., copartners, doing business as Mountain Springs Water Company, in accordance with procedure prescribed by General Order No. 96. No increases in the present lawfully filed rates and rules shall be made unless otherwise properly authorized by this Commission.
- b. All deposits which customers are entitled to have refunded shall be transferred to and become the obligation for refund of Duncan H. Davis, Helen H. Sinclair, and Stuart L. Rawlings, Jr., copartners doing business as Mountain Springs Water Company.
- c. Within thirty days after the authority herein granted is exercised the applicants shall notify the Commission in writing of the date of such completion of the property transfer herein authorized and of its compliance with the ordering provision hereof.
- d. On or before the date of actual transfer of the physical properties herein authorized, the transferor shall transfer and deliver to the applicants herein and the latter shall receive and preserve all records, memoranda and papers pertaining to the operations of the water utility being transferred herein, as more specifically described in the Commission's General Order No. 28.

- 3. IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Duncan H. Davis, Helen H. Sinclair, and Stuart L. Rawlings, Jr., copartners doing business as Mountain Springs Water Company, to construct and extend their public utility system for the distribution and sale of water within the territory hereinbefore described.
 - 4. IT IS HEREBY FURTHER ORDERED as follows:
 - a. Applicants are authorized to apply the presently filed rates of the Mountain Springs Water Company for the presently authorized service area in the area certificated by this order.
 - b. Applicants shall file with this Commission, within forty days after the effective date of this order, four copies of a comprehensive map drawn to an indicated scale of not smaller than 400 feet to the inch, delineating by appropriate markings the various tracts of land and the territory served; the principal water production, storage and distribution facilities; and the location of the various properties of applicant.

The authorization herein granted will expire if not exercised within one year from the date hereof.

The effective date of this order shall be twenty days after the date hereof:

Dated at <u>Januarina</u>, California, this <u>23</u> 24 day of <u>Marah</u>, 1954.

<u>Commissioners</u>