

**ORIGINAL**Decision No. 53433

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PALM SPRINGS OUTPOST )  
 WATER CO., a corporation, for a cer- )  
 tificate to extend its operations ) Application No. 37936  
 into adjacent territory near Palm )  
 Springs, Riverside County, California.)

Sol Silverman, for applicant.

John Moore Robinson, for Rancho Ramon  
 Water Co., Harold Hicks and Paul G.  
Payne, for Palm Springs Water Company,  
Jack D. Heyl, for Palm Springs Outpost  
 Community Association, interested  
 parties.

INTERIM OPINION

Applicant presently conducts operations as a public utility water corporation in a designated area. It now requests a certificate to extend its service to an additional area known as Palm Springs Outpost Unit No. 5, which consists of approximately 25 acres subdivided into 97 residential lots.

A public hearing was held at Palm Springs on June 8, 1956, before Examiner Grant E. Syphers, at which time evidence was adduced and the matter submitted. It is now ready for decision.

At the hearing testimony was presented as to the equipment and facilities of applicant. In addition, applicant presented testimony as to its ability to conduct the operations. Two public utility water corporations in the area both stated that they were willing and able to serve this Unit No. 5. These corporations are the Rancho Ramon Water Co. and the Palm Springs Water Company.

The applicant's case was based upon two contentions, (1) that Unit No. 5 is contiguous to its existing certificated area and therefore may be served without a certificate under the provisions of Section 1001 of the Public Utilities Code, and (2) that public convenience and necessity require the proposed service.

While applicant completed its direct presentation there was no testimony presented in opposition, and the matter was continued for the purpose of securing a ruling from the Commission as to whether or not the proposed territory is contiguous.

Applicant's existing operations are conducted in the westerly half of Section 21. Unit No. 5, to which service is now proposed, is in the south central portion of Section 17. There is a physical distance of one-half mile between the presently certificated territory and Unit No. 5. Immediately to the east of Unit No. 5 and contiguous thereto is a tract of land constituting the southeast quarter of Section 17 and comprising approximately 160 acres which is owned by Palm Springs Outpost, Inc. It should be noted that Unit No. 5 is also owned by this same company. To the east of this 160 acres and in the southwest quarter of Section 16 is a tract of land owned by the same company, consisting of approximately 30 acres. This 30 acres is contiguous to the present certificated area in Section 21.

It is the contention of applicant that since Palm Springs Outpost, Inc., a corporation which is under the same ownership as Palm Springs Outpost Water Co., owns the land above described in Sections 16 and 17, including the proposed Unit No. 5, and since part of this land is contiguous to the presently certificated area

of applicant company, no authority from this Commission is needed in order to provide water service to Unit No. 5. However, applicant desires a statement from this Commission to this effect inasmuch as it contended that it needs some clearance from the Real Estate Commissioner in order to effectuate a possible sale of the lots in Unit No. 5.

It should be noted that the certificated area of Rancho Ramon Water Co. includes Section 16, and in particular the 30 acres owned by Palm Springs Outpost, Inc., although that company does not actually serve these 30 acres at the present time. As a matter of fact, there are no residences in this 30-acre tract and there have been no requests for water service.

A consideration of this matter leads us to the conclusion and we now find that the certificated area of Palm Springs Outpost Water Co., is not contiguous to Unit No. 5. The fact that one company owns both Unit No. 5 and land between that unit and the certificated area does not change this conclusion. Therefore, applicant does not come under the second part of Section 1001 of the Public Utilities Code, and under present conditions cannot serve Unit No. 5 without a certificate of public convenience and necessity issued by this Commission.

INTERIM ORDER

Application as above entitled having been filed, public hearing having been held thereon, and the Commission being fully advised in the premises,

A. 37936 AH

IT IS HEREBY ORDERED that Application No. 37936 of Palm Springs Outpost Water Co. be set for further hearing before such commissioner and examiner as may be designated and at a time and place to be determined for hearing on the question as to whether or not public convenience and necessity require that the applicant be authorized to provide public utility water service to Unit No. 5.

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

Dated at San Francisco, California, this 16<sup>th</sup> day of July, 1956.

[Signature]  
President  
Justin J. Caswell  
[Signature]  
[Signature]  
[Signature]  
Commissioners