

ORIGINAL

Decision No. 57426

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SQUIRREL MOUNTAIN WATER COMPANY, a )  
California corporation, for a )  
certificate of public convenience )  
and necessity to operate a public )  
utility water system. )

Application No. 40083  
(Amended)

Louis R. Deadrich, for Applicant.

W. B. Stradley and Sidney J. Webb,  
for the Commission staff.

O P I N I O N

Squirrel Mountain Water Company applied to the Commission on May 12, 1958 and by an amended application filed June 2, 1958, for a certificate to construct and operate a water system in Tract 2074-RS, Kern County, and for authority to file rates and issue stock.

Public hearing was held and the proceeding submitted, subject to a late-filed exhibit, before Examiner John M. Gregory at Isabella on July 1, 1958.

The tract lies in a portion of the West 1/2 of Section 35, Township 26 South, Range 33 East, M.D.B. & M., in Kern County, a short distance from the southerly boundary of Isabella Reservoir and immediately south of intervening Section 26, which is being developed by other interests and which will be served by another utility. (See Mountain Mesa Water Co., Application No. 39852, also heard and submitted on July 1, 1958.)

The Squirrel Mountain project is designed primarily as a mountain cabin subdivision of about 68 lots averaging approximately 2½ acres each, restricted to ultimate splitting into not more than three parcels per lot. Applicant indicated that a maximum of 201 outlets or services might eventually be required for the system.

A well completed January 4, 1958, near the southwest corner of Section 35, has been test-pumped to produce not more than 13 gallons per minute. Subsequent to the hearing, applicant's counsel advised the Commission by letter that drilling of an additional well was expected to commence about August 20, 1958. No report concerning this well has thus far been received.

Applicant has requested authority to issue 6052 shares of its capital stock, of the par value of \$10.00 per share, to pay the subdividers, A. Leggio and Sons, a copartnership, for development, organization and installation costs of the system, advanced and to be advanced, amounting to \$60,520. That sum includes \$15,000 as the estimated cost of the additional well and pumping equipment, and \$3,246.60 as the amount of an advance by the developers, subject to conditional refund, to Southern California Edison Company for construction of an electric line extension to the tract.

The record shows that, aside from an insufficient supply of water from the existing well, the system contains runs of 2-inch main and points of possibly excessive low and high pressures (below 25 psi and above 150 psi) which are not in accord with the minimum standards prescribed for water utilities by General Order No. 103.

We find that the present source of water supply, as indicated above, is insufficient for the proposed service. We, therefore, conclude that the various authorities requested by applicant should be withheld pending installation of adequate water supply facilities. Applicant may then, if so advised, file a supplemental application in this proceeding, which should contain such additional allegations concerning water supply, pipe installations, pressures and financial and other data, as will fully acquaint the Commission with then existing conditions. Such supplemental application should also indicate that all distribution mains conform with at least the minimum standards prescribed by General Order No. 103; or, in lieu thereof, should contain appropriate allegations that existing mains in conjunction with related facilities are of adequate size to maintain the minimum pressures required by General Order No. 103.

The present amended application should be denied without prejudice.

O R D E R

Public hearing having been held herein, the matter having been submitted for decision, the Commission having concluded that the present record does not justify granting the authorities requested by applicant,

IT IS ORDERED that the application herein, as amended,  
be and it hereby is denied without prejudice.

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

Dated at San Francisco, California, this  
7<sup>th</sup> day of October, 1958.

E. L. Fox  
President  
W. E. DeLoach  
Carl Winter  
W. H. Mohr  
Theodore Jensen  
Commissioners