

ORIGINAL

Decision No. 57439

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of YUCCA WATER COMPANY, LTD., a California corporation, for a certificate of public convenience and necessity for the operation of a water system as a public utility, San Bernardino County, California.

Application No. 39717

John E. Sisson, for applicant.
Al Anderson, in propria persona, protestant.
James G. Shields, for the Commission staff.

I N T E R I M O P I N I O N

Public hearing was held in this matter in Yucca Valley on May 14, 1958, before Examiner Grant E. Syphers, evidence was received and the matter submitted subject to the receipt of late-filed exhibits. Two late-filed exhibits have been received from applicant and while the protestant requested permission to submit a late-filed exhibit, this has not been received. The protestant has been notified of this fact and the time now has elapsed for the filing of any further exhibits.

The matter accordingly has been submitted and is ready for decision.

The applicant herein requests authority to extend its water system into a portion of Section 36 of Township 1 North,

Range 5 East, San Bernardino Base & Meridian, San Bernardino County, California. The specific territory is described as the West one-half and the West one-half of the East one-half of the Southwest quarter of said Section 36. This land presently is in the service area of a public utility water system owned and operated by Al Anderson, an individual, under authority of this Commission granted by Decision No. 52021, dated October 4, 1955, in Application No. 36203.

The evidence discloses that the land in question is owned by one Fred A. Storey who is one of the owners of the Yucca Water Company, Ltd. It is now proposed to subdivide this property and accordingly there is a contemplated need for water service therein. The rates to be charged will be the present rates of applicant company. Witnesses for the water company described its facilities and the system it now operates, and witnesses for the protestant Al Anderson described the facilities and system of that company. From this evidence we find that the system of the applicant is capable of furnishing service to the proposed area provided certain installations are made. We likewise find that the system of Al Anderson is capable of providing service to this area if certain additions are made, including additional storage facilities.

The Yucca Water Company, Ltd., proposes to extend a 4-inch pipe line to the southwest corner of Section 36. Likewise, it has other pipe lines which terminate at the westerly border of the area herein concerned. These lines consist of a 2-1/2-inch

line which goes to the northwest corner of the property, a 3-inch line and a 3-1/2-inch line, both of which terminate on the westerly border of this property, and a 2-1/2-inch line which parallels the southern half of the westerly border of this property.

The protestant Al Anderson testified that he was willing to install the necessary additional facilities to serve this property.

If these facts constituted the whole record the answer in this matter would be obvious. The applicant is proposing to provide service to land which is in the certificated area of an existing public utility water company and the system of that public utility water company, if certain extensions are added thereto, is capable of providing service to this area. The owner of the existing utility has expressed a willingness to make the necessary additions to the system.

However, before reaching a final conclusion we desire to consider two additional facts which were developed on this record. The first is that Al Anderson has attempted to transfer a one-half interest in his water system to one Cornelius Krausnick of Las Vegas, Nevada, as a pledge to secure a debt of about \$12,000. The Public Utilities Code of the State of California provides:

"... No public utility shall sell, lease, assign, mortgage, or otherwise dispose of or encumber the whole or any part of its railroad, street railroad, line, plant, system, or other property necessary or useful in the performance of its duties to the public, or any franchise or permit or any right thereunder, nor by any means whatsoever, directly

"or indirectly merge or consolidate its railroad, line, plant, system, or other property, or franchise or permits or any part thereof, with any other public utility, without first having secured from the commission an order authorizing it so to do. Every such sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation made other than in accordance with the order of the commission authorizing it is void. ..."

We hereby declare this pledge to be null and void.

The second problem which was raised by the evidence is the fact that there has been secured in the Superior Court of the State of California, in and for the County of Orange, a judgment against Al Anderson in the sum of \$121,000. This judgment arose as a result of an accident on amusement park properties owned by Al Anderson and located on Newport Bay. The protestant Al Anderson testified that he is able to pay this judgment should it become necessary and that the matter now is under appeal. A late-filed exhibit was reserved for him to file a financial statement to show his ability to meet these financial obligations if necessary. This exhibit has not been received although the evidence was taken on May 14, 1958, and the protestant was advised on June 16, 1958, as to the filing of this exhibit. Now more than two months have elapsed and the exhibit has not been filed.

On this record, therefore, we conclude that an order of investigation should be issued to inquire into whether or not Al Anderson is able to serve the territory herein concerned. Pending this investigation no final order will be issued in connection with the instant application of the Yucca Water Company, Ltd.

INTERIM ORDER

Application as above entitled having been filed, public hearing having been held thereon and the Commission having received the testimony and made the findings hereinbefore set out,

IT IS ORDERED that any further proceedings in relation to the instant application of Yucca Water Company, Ltd., a corporation, be temporarily suspended pending an inquiry into the operations of Al Anderson.

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

Dated at San Francisco, California,
this 7th day of October 1958.

E. Lynn Fox
President
W. L. Mitchell
Carl W. Winters
Walter D. ...
Theodore J. ...
Commissioners