

ORIGINAL

Decision No. 57986

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  
(Further Hearing)

Investigation on the Commission's own motion into the operations and practices of AL ANDERSON, an individual, operating a water company.

Case No. 6187

John E. Sisson and Theodore W. Jurling, for Yucca Water Company, Ltd.  
Oliver O. Clark, for Al Anderson.  
Archibald E. Main, for the Commission staff.

O P I N I O N

In Application No. 39717, Yucca Water Company, Ltd., requested authority to extend its water system into a portion of Section 36 of Township 1 north, Range 5 east, S.B.B.& M., San Bernardino County, California. This territory is in the service area of a public utility water system owned and operated by Al Anderson.

By Decision No. 57439, dated October 7, 1958, this Commission issued an interim opinion and order in which it stated that "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, the previous record disclosed evidence to the effect that Al Anderson had transferred a one-half interest in his water system to one Cornelius Krausnick of Las Vegas, Nevada, as a pledge to secure a debt, which transfer was made without authority from this Commission. It also disclosed that a judgment had been secured against Al Anderson in the Superior Court of the State of California in and for the County of Orange in the sum of \$121,000.

In the face of these facts the Commission withheld final action upon the application of Yucca Water Company, Ltd., and issued an order of investigation in Case No. 6187 to inquire into "whether or not Al Anderson is able to provide service as a public utility water system in the area for which Yucca Water Company, Ltd., is now requesting a certificate, and further to inquire into whether or not the certificate of public convenience and necessity to operate a public utility water system now held by Al Anderson, should be cancelled insofar as the said area is concerned."

Public hearings were held on November 25, 1958, and December 3, 1958, before Examiner Grant E. Syphers in Los Angeles, at which time evidence was adduced and the matter submitted subject to the filing of late-filed exhibits by Al Anderson. One of these exhibits was to be a financial statement of the said Anderson and the other a statement from the plaintiff in the court suit in Orange County which has resulted in a \$121,000 judgment against Anderson. This matter is now under appeal, and it was the representation of Anderson that the plaintiff in this suit would file a statement waiving any claim as to the water system of Anderson regardless of the outcome of the appeal.

The financial statement now has been filed. The statement from the plaintiff in the court suit has not. However, sufficient time has elapsed and the matter now will be submitted.

The further evidence adduced discloses that Anderson does have considerable assets over and above his liabilities. While we here make no finding as to the value of these assets, yet we must conclude from the evidence before us that they are sufficient to justify a finding that Anderson is financially capable of operating his public utility water system.

As to the purported transfer of a one-half interest in the system to Krausnick, testimony was presented by this individual to the effect that he does not have and makes no claim

against the water system. While he originally thought that his security for the loan to Anderson would be the water system, this has been changed and whatever security he has for loans to Anderson will arise from properties other than the water system.

It is noted in conclusion that this record discloses no firm plan for subdividing the area involved in the immediate future. Therefore it appears that this application is premature, and we now find that the certificate of public convenience and necessity to operate a public utility water system, now held by Al Anderson for the territory involved, should not be cancelled.

This record also discloses that Al Anderson in the operation of his water company has extended to areas outside of his certificated area. These extensions have been made in spite of the fact that no standard form of main extension contract has been filed, nor has Anderson secured approval for any individual contract, as required by General Order No. 96. The ensuing order will direct that in the future the requirements of this order be observed and that Anderson file all existing contracts relating to main extensions, a revised tariff service area map, and comprehensive service and facilities maps.

In accord with this record, the order of investigation in Case No. 6187 shall be dismissed and the application of Yucca Water Company, Ltd. in Application No. 39717 shall be denied.

O R D E R

Application as above entitled having been filed, an interim order having been issued thereon, an order of investigation

having been instituted, public hearings having been held, and the Commission being fully advised in the premises and having made the findings hereinbefore set out,

IT IS ORDERED that:

(1) The application of Yucca Water Company, Ltd., in Application No. 39717, be and it hereby is denied.

(2) Al Anderson shall file with this Commission a standard form of main extension contract which will meet the requirements of General Order No. 96 or, in the alternative, shall first secure the approval of this Commission for each individual main extension contract into which he may enter in the future.

(3) Al Anderson shall, within ninety days after the effective date of this order, file in accordance with the requirements of General Order No. 96 each of his utility main extension contracts now in force.

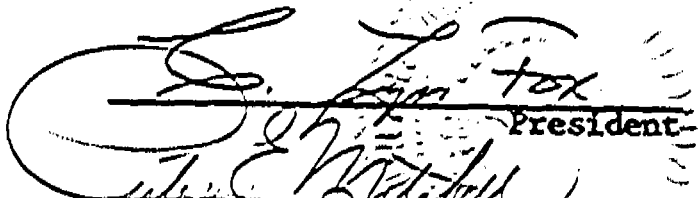
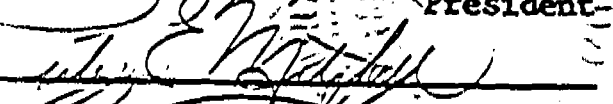

(4) Al Anderson shall, within ninety days after the effective date of this order, file a revised tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96. Such revised tariff service area map shall become effective on five days' notice to the Commission and to the public after filing as hereinabove provided.

(5) Al Anderson shall, within ninety days after the effective date of this order, file four copies of a comprehensive map drawn to an indicated scale not smaller than 600 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of his water utility system properties.

(6) The order of investigation in Case No. 6187 be, and it hereby is, discontinued.

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

Dated at San Francisco, California, this 9<sup>th</sup> day of February, 1959.

  
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President  
  
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Commissioners

Commissioner Theodore H. Jenner, being necessarily absent, did not participate in the disposition of this proceeding.