

Decision No. 62274

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

AL ANDERSON

For an Emergency Order Authorizing  
an Increase in Rates and Charges.

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}  
} Application No. 43015

OPINION AND ORDER

By the above-entitled application, filed December 28, 1960, Al Anderson, doing business as "JOSHUA FOREST WATER CO.", seeks an emergency order granting him authority to increase his rates for water service in and in the vicinity of the community of Yucca Valley in unincorporated territory of San Bernardino County, from a flat rate of \$3.00 per customer per month to \$6.00 per customer per month.

The area for which the applicant holds a certificate of public convenience and necessity comprises all of Section 1, Township 1 South and all of Section 36, Township 1 North; both Sections being in Range 5 East, S.B.B. & M.

The applicant alleged that for the period commencing January 1, 1960, and ending September 30, 1960, he had operated at a loss of \$5,810.19; that he would continue to operate at a loss; and that he would be forced to discontinue business unless he were authorized to increase his rates for water service to the approximately 300 users in the area supplied water by him.

Financial information regarding the operations of the applicant for the period January 1, 1961, through May 31, 1961, now available to the Commission indicates that more favorable results of operation have followed the supervision of the present management, which said management became effective in the latter part of 1960. ✓

Additional financial information available to the Commission indicates that the cash flow which should result to the applicant during 1961, calculated upon the experience of the first five months of this year and giving consideration, based on an analysis of actual results, to an assumed 7 per cent increase in revenues and to an assumed 20 per cent increase in operating expenses, would be sufficient in 1961, under the present \$3.00 rate, to meet operating expenses, current personal property taxes, and interest, but would not be sufficient to provide depreciation charges or return on investment.

Based on the aforementioned financial information and ✓ other information not herein outlined, the Commission finds as a fact and concludes that an emergency financial condition requiring the granting of the application for emergency relief does not exist ✓ and that the application should be denied.

Public hearings have been held on Case No. 6406, an Investigation on the Commission's Own Motion into the operations, services and practices of the applicant, and into the adequacy of his finances, water supply, and facilities, and on Application No. 41816 of the applicant and Joshua Forest Water Co., a corporation,

for a permit to issue stock; for transfer of a certificate to the corporation from applicant; and for a certificate of public convenience and necessity covering certain territory in and in the vicinity of Yucca Valley. Said hearings were held before Examiner Stewart C. Warner on June 16, 1960, and before Commissioner Frederick B. Holoboff and Examiner Warner on April 6 and 7, 1961, at Yucca Valley, and said matters are under submission for the Commission's decision. The establishment of rates for water service for the applicant will be made in connection with the decision on said latter matters.

The Commission finds as a fact and concludes that a public hearing on the instant application for emergency relief is not required by the public interest.

Good cause appearing,

IT IS HEREBY ORDERED that the application of Al Anderson, an individual, doing business as Joshua Forest Water Co., for an emergency order authorizing him to increase his rates for water service in and in the vicinity of Yucca Valley, San Bernardino County, be and it is denied.

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

Dated at San Francisco, California, this 15th day of July, 1961.

Everett R. Rogers  
President  
George T. Warner  
Frederick B. Holoboff  
Commissioners