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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BASS LAKE WATER COMPANY to operate a water system in the area surrounding Bass Lake, Madera County; to establish rates; and to issue par value capital stock in exchange for water distribution properties.

Application No. 41040
(Petition for Modification)

Application of BASS LAKE WATER COMPANY for order authorizing issuance of unsecured \$25,000 promissory note.

Application No. 42974
(Petition for Modification)

Peckinpah, Fryer & Karr, by F. John Karr,
for applicant.

Lila Close and W. L. McCoy, for Bass Lake
Leaseholders Assn., protestant.

Max E. Steude, Jr., and Leo F. Cole, for
Sierra Village Trailer Park; and M. L.
Sperling, interested parties.

Sidney J. Webb and Verner R. Muth, for the
Commission staff.

O P I N I O N

By Decision No. 59151, dated October 13, 1959, in Application No. 41040, Bass Lake Water Co. was issued a certificate as a public utility water company in and around Bass Lake, California. In said certificate, it was ordered, among other things, to complete by June 1, 1960, "an additional 20,000-gallon storage tank on the westerly side of the Falls Tract, connected by a 4-inch transmission line to the chlorinator, and (shall) replace the 1-inch line serving the lots on

the west side of the Falls Tract with a 3-inch line." Decision No. 59151 also established the rates to be charged by the Bass Lake Water Co., which rates, all non-metered, include annual rates for a business establishment of \$60 for a 1½-inch connection and \$90 for a 2-inch connection.

By Decision No. 61339, dated January 17, 1961, in Application No. 42974, Bass Lake Water Co. was authorized to issue a promissory note in the principal sum of \$25,000 to the Madera Branch of the Bank of America National Trust and Savings Association, to secure funds for the purpose of completing the installations and facilities required by Decision No. 59151.

By the Petition for Modification of Decision No. 59151 in Application No. 41040, filed on December 5, 1961, and amended by a first amendment to the Petition for Modification filed on February 14, 1962, Bass Lake Water Co. requests (1) an order clarifying the service area of the applicant, and (2) authority to establish metered rates for business establishments and cancel certain flat rates therefor.

By the Petition for Modification of Decision No. 61339 in Application No. 42974, which petition was filed on September 29, 1961, applicant requests an order approving expenditures of funds not in conformity with the order of Decision No. 61339 in Application No. 42974 and, at the hearing on the petition, requested orally an order extending until August 31, 1962, the time within which to replace the above-referred to 1-inch line with a 3-inch line.

The two petitions for modification were consolidated for hearing and a public hearing thereon was held before

Examiner Kent C. Rogers at Bass Lake on February 20, 1962, at the conclusion of which the matter was submitted subject to the receipt of late-filed Exhibit No. 6. Prior to the hearing, notice of hearing on both applications was published and mailed to various parties as required by this Commission.

Modification of the Certificated Area

Application No. 41040 sought authority to serve an area in and around Bass Lake as per map attached to the application (Exhibit "A"). The decision thereon (Decision No. 59151) states that the applicant is granted authority as a public utility water company in the area depicted on Exhibit "A" attached to the application. Exhibit "A" contains a large area much of which is not proposed to be, and is not now, served by the applicant. The actual service area is the area shown on Exhibit No. 3 herein and outlined in red. In order to clarify applicant's certificate and service area, the first ordering paragraph on page 7 of Decision No. 59151 will be modified as set forth in the order herein.

Rates

Applicant has flat rates only. It seeks authority by the first amendment to the Petition for Modification in Application No. 41040 to charge metered rates for business establishments and to discontinue 1½-inch and 2-inch flat rate business service charges. The record shows that Williams Resorts, Inc., leases all of the land in the service area from Pacific Gas and Electric Company and, in turn, leases the individual residential or business sites to home owners or business establishments in the service area. Applicant is a

wholly owned subsidiary of Williams Resorts, Inc., and furnishes the water. There are four businesses now served by applicant through 1½-inch or 2-inch connections. All but one of these are sublessees of Williams Resorts, Inc. The exception is a trailer park immediately adjacent to but outside of the northwest portion of the service area. This trailer park is served by a 2-inch line terminating at the edge of the trailer park and the applicant's service area and water is there delivered to the trailer park's private lines. There are approximately 65 trailer spots in the area which is owned by the United States Government and leased to the trailer park. It appears from the record that the main purpose of the proposed metered rates is to meter this trailer park, although approximately three users inside the service area would necessarily have metered service. The operators of the trailer park have protested the metering. The applicant gave no facts or figures to support the need for the metered service and presented no evidence to show the cost of service, or the benefit, if any, to the company, or any other consumer, as a result of the proposed change of rates. This portion of the application will be denied.

Extension of Time to Replace the 1-inch Line with a 3-inch Line and Authorization for Expenditure of Funds

Applicant also requests that it be given until August 31, 1962, in which to replace the 1-inch line serving lots on the west side of the Falls Tract with a 3-inch line, and that certain unauthorized expenditures be approved. The applicant

secured the \$25,000 loan from the Bank of America as authorized by Decision No. 61339 in Application No. 42974 and expended said sum, plus approximately \$10,000 additional (Exhibit No. 5), for the improvements ordered by Decision No. 59151 in Application No. 41040, and for other purposes, with the exception that it did not replace the 1-inch line on the west side of the Falls Tract with a 3-inch line and, instead, replaced a different 1-inch line with a 4-inch line. The applicant's witness testified that the cost of this ordered 3-inch line will be approximately \$4,500; that it does not have the money on hand with which to replace this line, but that its remittances from its annual bills come in in the latter part of July and that it will have sufficient funds therefor in the latter part of July, 1962. It will have this line installed by the end of August, 1962. Its only excuse for not complying with the order of the Commission was that it appeared necessary to replace a 1-inch line with a 4-inch line between a chlorinator and a storage tank. The request for additional time to replace the 1-inch line was opposed by consumers in the north end of the service area. It appears, however, that the applicant is without funds at present with which to install the required 3-inch line. Paragraph 7 of the order of Decision No. 59151, dated October 13, 1959, will be modified by extending the time within which the applicant shall replace the 1-inch line serving the lots on the west side of the Falls Tract with a 3-inch line to and including August 31, 1962, and the applicant will be authorized to expend the proceeds of the \$25,000 loan in accordance with expenditures actually made. However, applicant is admonished to comply strictly with the orders of this Commission in the future and that future disobedience of such orders will not be condoned. If applicant finds itself unable to comply with orders of this Commission, it should consult with the Commission for a resolution of the problem.

O R D E R

Petitions for modification having been filed, a public hearing having been held, the Commission having made the findings set forth in the opinion herein, and based on said findings,

IT IS HEREBY ORDERED:

(1) That the first ordering paragraph on page 7 of Decision No. 59151, dated October 13, 1959, in Application No. 41040, is amended to read as follows:

IT IS ORDERED that Bass Lake Water Company, a corporation, be, and it hereby is, granted a certificate of public convenience and necessity to acquire, construct and operate a public utility water system in the vicinity of Bass Lake, California, in the area described as follows:

Commencing at the intersection of the high water line of Bass Lake with the southerly line of Section 9, T. 7 S., R. 22 E., M.D.B. & M., said point of commencement bearing N. 89° 23' E., 1223.00 feet, more or less, from the southwest corner of said Section 9; thence S. 89° 23' W., 1223.00 feet, along the southerly line of Section 9 to the southwest corner thereof; thence N. 0° 09' W., 2648.52 feet and N. 2° 00' E., 1300.87 feet, along the westerly line of Section 9 to the northwest corner of the southwest ½ of the northwest ¼ of Section 9; thence N. 89° 43' E., 1339.95 feet along the northerly line of the southwest ½ of the northwest ¼ of Section 9 to the northeast corner thereof; thence S. 1° 18' W., 1303.33 feet, along the easterly line of the southwest ½ of the northwest ¼ of Section 9; thence S. 0° 21' W., 1317.90 feet along the westerly line of the northeast quarter of the southwest ½ of Section 9 to the southwest corner thereof; thence N. 89° 31' E., 1340.25 feet along the southerly line of the northeast quarter of the southwest quarter of Section 9; thence N. 61° 26' 16" E., 550.00 feet;

thence S. 28° 33' 44" E., 1781.24 feet to the northwest corner of the northeast $\frac{1}{2}$ of the northeast $\frac{1}{2}$ of Section 16; thence southeasterly to the southeast corner of the northeast $\frac{1}{2}$ of the northeast $\frac{1}{2}$ of Section 16; thence southerly along the easterly line of Section 16 to the east $\frac{1}{2}$ corner thereof; thence easterly along the southerly line of the northwest $\frac{1}{2}$ of Section 15 to the center $\frac{1}{2}$ corner thereof; thence northerly along the easterly line of the northwest $\frac{1}{2}$ of Section 15 to the north $\frac{1}{2}$ corner thereof; thence easterly along the northerly line of the west $\frac{1}{2}$ of the northeast $\frac{1}{2}$ of Section 15 to the northeast corner thereof; thence southerly along the easterly line of the west $\frac{1}{2}$ of the northeast $\frac{1}{2}$ of Section 15 to the southeast corner thereof; thence easterly along the southerly line of the east $\frac{1}{2}$ of the northeast quarter of Section 15 to a point on the high water line of Bass Lake; thence westerly along the high water line of Bass Lake to the point of commencement.

(2) That paragraph 7 on page 8 of the order of Decision No. 59151 is modified to read as follows:

That Bass Lake Water Company shall complete by August 31, 1962, a 30,000-gallon storage tank on the westerly side of the Falls Tract, connected by a 4-inch transmission line to the chlorinator, and shall replace the 1-inch line serving the lots on the west side of the Falls Tract with a 3-inch line.

(3) That the applicant's use of the funds derived from the promissory note it was authorized to issue by Decision No. 61339, dated January 17, 1961, in Application No. 42974 will be considered as compliance with the provisions and purposes of said decision.

(4) That except as herein modified, Decisions Nos. 59151 and 61339 shall remain in full force and effect.

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

Dated at San Francisco, California, this 10th day of APRIL, 1962.

E. N. Mitchell President
E. L. Fox
George J. Grover
Fredrick B. Hallock Commissioners

Commissioner Evorett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.