

**ORIGINAL**

Decision No. 63815

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own )  
motion into the practices, operations, )  
contracts, rates, rules, facilities )  
and service of E. A. REYNOLDS, dba )  
HUMBOLDT HILL WATER SERVICE. )

Case No. 7091

Application of ELBERT A. REYNOLDS to )  
operate a water system in Humboldt )  
Hill Subdivision in Humboldt County, )  
California. )

Application No. 34039

In the Matter of the Application of )  
ELBERT A. REYNOLDS, doing business as )  
HUMBOLDT HILL WATER SERVICE, for a )  
certificate of public convenience and )  
necessity to operate a public utility )  
water system and to establish rates )  
therefor. )

Application No. 43327

RONALD A. BROWN and MARY E. BROWN, )  
Complainants, )

vs. )

Case No. 6277

E. A. REYNOLDS, dba HUMBOLDT HILL )  
WATER SERVICE, )  
Defendant. )

In the Matter of the Application of )  
the HUMBOLDT HILL LAND DEVELOPMENT )  
COMPANY, a California corporation, )  
for a certificate of public conven- )  
ience and necessity to operate a )  
public utility water system and to )  
establish rates therefor. )

Application No. 43115

SUPPLEMENTAL OPINION AND ORDER

Elbert A. Reynolds seeks a modification of Decision  
No. 62707 in the above-entitled matters to provide (1) for an  
extension of time in which to comply with ordering paragraph 3, and  
(2) the deletion of the condition precedent in ordering paragraph 6

which requires the merger of Reynolds' water system with the Fields Landing and Sea View Manor water systems.

An investigation with respect to Reynolds' compliance with Decision No. 62707 was made by an Assistant Utilities Engineer. The report has been designated as Exhibit No. 15.

Ordering paragraph 3 provides as follows:

Ordering paragraph 3 of Decision No. 59965 is deleted and in its stead the following is substituted: Within six months from the effective date of this order Elbert A. Reynolds shall construct or acquire and place in operation within his water system storage facilities of not less than 350,000-gallon capacity. Elbert A. Reynolds shall file with the Commission every thirty days commencing with the effective date of this order a written report of the progress made in compliance with the requirements of this paragraph.

The record discloses that since May 25, 1961, Reynolds constructed a 60,000-gallon storage tank which has been connected to the system. Reynolds has purchased a tank having a capacity of approximately 600,000 gallons, and a site has been prepared for it. If this tank is connected to the system, Reynolds will be in compliance with ordering paragraph 3. It appears that, before the 600,000-gallon tank can be transported to the new site, approval of the Division of Highways is necessary. Reynolds states that he has applied for such approval, but that it will not be possible to secure it and transport the tank within the time provided in ordering paragraph 3.

In the circumstances the Commission finds that the time in which Reynolds shall have to comply with ordering paragraph 3 should be extended until June 30, 1962.

Ordering paragraph 6 provides as follows:

The certificate of public convenience and necessity granted in paragraph 4 of this order shall not become effective until Elbert A. Reynolds and James J. Worthington file with this Commission an application seeking authority to merge Reynolds' water system with the Fields Landing Water Works and Sea View Manor Water system.

Reynolds asks that this ordering paragraph be deleted. He states that his water system has been physically interconnected with the Fields Landing and Sea View Manor water systems; that these systems are managed on a basis which provides supplemental water to each system from the other; and that Reynolds would be able to secure financing for his system without a merger of the three water systems at this time.

The Commission imposed the merger requirement as a condition precedent to granting Reynolds further operating authority for two reasons: (1) A system which combined the three systems would be a more economical unit and better meet the needs of the people in the area; (2) Reynolds could not secure the necessary financing to expand his water system unless the systems were merged.

The three water systems have been physically interconnected, and, although they are not under common ownership, each system is subject to the jurisdiction of the Commission. The practical effect of this situation is to provide an interconnected system subject to the jurisdiction of the Commission which will better meet the needs and requirements of the people in the area. Since financing is available to Reynolds without a merger, there is no need for a requirement on this count.

The Commission finds that ordering paragraph 6 of Decision No. 62707 should be modified as hereinafter set forth.

A public hearing is not necessary in the matter.

O R D E R

Elbert A. Reynolds having requested modification of Decision No. 62707, and the Commission having considered the record in the matter,

IT IS ORDERED that:

1. The time limit for compliance with paragraph No. 3 of the order in Decision No. 62707 is extended to and including June 30, 1962.

2. Paragraph No. 6 of Decision No. 62707 is modified to read as follows:

"The certificate of public convenience and necessity granted in paragraph 5 of this order shall not become effective until Elbert A. Reynolds shall have complied with the requirements of paragraph 3 herein, all in a manner acceptable to this Commission, and shall have so notified the Commission in writing, and the Commission, by supplemental order, has made said certificate effective."

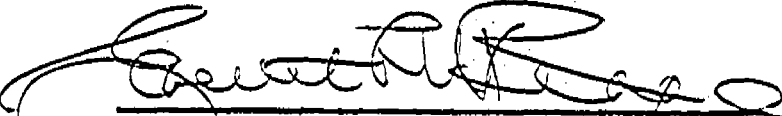
3. Paragraph 7(b) of Decision No. 62707 is modified by deleting the first line thereof and by substituting the following:


"Within thirty days after having complied with paragraphs 3 and 4 of this order ..."

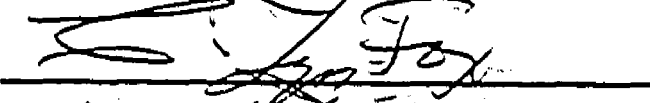
4. In all other respects Decision No. 62707 shall remain in full force and effect.

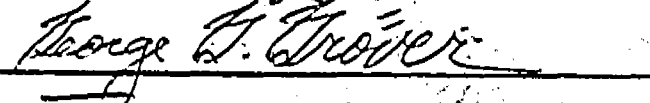
The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 13th day of June, 1962.

  
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President

  
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L. J. Foy

  
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George W. Crover

  
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Frederick B. Holbrook  
Commissioners