

**ORIGINAL**

64265

Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of LAKE GREGORY WATER COMPANY for a certificate of public convenience and necessity to extend its water corporation operations in the vicinity of Lake Gregory (San Bernardino County).

Application No. 39183  
First Supplemental  
(Filed April 26, 1961)

Gordon, Knapp, Gill & Hibbert by Wyman C. Knapp, for applicant.  
Robert C. Durkin, for the Commission staff.

O P I N I O N

Lake Gregory Water Company, a corporation (applicant), is a domestic corporation furnishing water, pursuant to authority from the Commission, to approximately 600 of a potential 4,800 lots comprising approximately 880 acres of land in 37 tracts surrounding Lake Gregory, San Bernardino County, California.

The applicant was incorporated in January, 1941, and received certificates pursuant to Decision No. 34162, dated May 6, 1941, in Application No. 24084 (43 CRC 485); Decision No. 41971, dated August 24, 1948, in Application No. 28694; and Decision No. 57879, dated January 20, 1959, in Application No. 39183.

By Application No. 39183, supra, applicant requested authority to serve 19 tracts of land, including the area sought to be certificated by this application, which at that time was designated as Tentative Tracts Nos. 4300 and 4302. The Commission granted authority to serve all land applied for, except said

tentative tracts, and stated that applicant should not extend its water system without further order of the Commission.

The decision referred to also contained a statement that when applicant can demonstrate to the Commission that it can develop an adequate supply of water for the area in which it has already obligated itself to serve through extensions as well as for any additional territory it may seek authorization to serve, it may, by supplemental application, request appropriate relief from the service area restrictions imposed. The instant supplemental application was filed to remove such restrictions and a public hearing was held thereon before Examiner Kent C. Rogers on July 12, 1962.

At the end of December, 1961, there were only 578 connections in the total of approximately 4,800 lots, which had consumers thereon. According to both the applicant and the staff the rate of growth is between 56 and 60 connections per year. Applicant has both metered and flat rates, but only 16 of the total services are metered at present. According to applicant, meters are placed in all services showing an unusually large water consumption. These metered connections include nine year-round residents, a trailer court, a motel, a restaurant, and a commercial installation (Exhibit No. 10).

Applicant has eight storage tanks in the service area with a total storage capacity of 2,059,650 gallons of water. These tanks are located throughout the system at various elevations. Three of these tanks, the two Wilson tanks with a total storage capacity of 1,157,500 gallons, and the Crest Forest tank with a capacity of 84,000 gallons, are immediately adjacent to the proposed subdivision (Exhibit No. 8). This area, Tentative Tract No. 6426

(formerly proposed Tracts Nos. 4300 and 4302), will contain a total of 127 lots in approximately 47 acres of land. Applicant's president stated that because of the steepness of the terrain, only 80 of these lots would be available for building purposes. The map filed with the application as Appendix A supports this conclusion as the elevation varies from approximately 4,900 feet to 5,300 feet, or more.

Both the applicant and the staff engineer estimated that with the new wells (Bergschrund and Hibben No. 1, not yet in production) and existing wells, applicant will have available approximately 336 gallons of water per minute from 13 horizontal wells. There is one well in addition (Hibben No. 2) which is not considered inasmuch as no Department of Public Health permit has been secured due to possible surface contamination.

The applicant's engineer estimates that the water requirements for the existing services are 82.5 gallons per minute average during a maximum month and that the well supply of 336 gallons per minute is four times this demand and that at the present rate of growth (56 connections per year), it will be 30 years before there will be 2,300 customers and that considering the nature of the topography, it appears that the saturation point will be 1,000 to 1,500 consumers (Exhibit No. 9).

The staff engineer agrees with the applicant's engineer that the supply is 336 gallons per minute and that this supply

will be adequate for several years, or until approximately 800 customers are served, including fire flow requirements, in view of the 2,059,649 (sic) gallons of storage available (Exhibit No. 11). The staff estimates an ultimate development of approximately 3,000 customers, but states that at the present rate of growth, the applicant will be serving about one half of the ultimate consumers, or 1,500 customers in about 10 years. The evidence shows that the existing water supply will serve approximately 800 customers but, at the anticipated rate of growth, additional sources will be required within a few years.

Applicant intends to place its filed rates in effect in the entire service area. No franchise rights are required to be obtained at present. The record shows that the cost of the mains, services, labor, and equipment to furnish water to the proposed subdivision, which cost is estimated at \$7,020, will be donated by the Lake Gregory Land and Water Company, an affiliate of applicant.

Upon the evidence herein, the Commission finds that the applicant's system and source of supply for providing service to Tentative Tract No. 6426 are adequate; that applicant has the financial ability to install a system in the proposed service area and that public convenience and necessity require the granting of the certificate of public convenience and necessity as hereafter set forth subject to the conditions contained in the order herein and to the following provision of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity

or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

The action taken herein is for the issuance of a certificate of public convenience and necessity only and is not to be considered as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

We further find that applicant's authorized rates should be placed in effect in the herein certificated area.

O R D E R

An application having been filed, a public hearing having been held thereon, the matter having been submitted and now being ready for decision, and the Commission having made the foregoing findings and based upon said findings,

IT IS ORDERED:

1. That Lake Gregory Water Company, a corporation, be and it is granted a certificate of public convenience and necessity to extend service to Tentative Tract No. 6426, located in San Bernardino County, California, in the vicinity of Lake Gregory and depicted on Appendix A of the application herein.
2. That applicant shall not extend its water system outside the numbered tracts certificated by Decisions Nos. 34162, 41971, and 57879, and the order herein, without further order of this Commission.
3. That Lake Gregory Water Company, a corporation, is authorized to apply after the effective date of this order its presently

effective tariff schedules in the area certificated herein.

4. That Lake Gregory Water Company, a corporation, shall:

- a. Continue to supplement its water supply by adding additional sources of water and increasing its storage capacity.
- b. Continue to report to the Commission in writing, until further order therefrom, within sixty days after December 31 of each year, the names and locations of sources of water supply, the monthly production of each source of supply during the preceding year, the amount of storage capacity, and the amount of water in storage at the end of each month during the preceding year.
- c. Install, within 120 days after the effective date of this order, measuring devices at each source of supply, capable of accurately and continuously measuring the amount of water produced from each source.
- d. Notify this Commission, in writing, of the date of completion of the installation of measuring devices at all sources of supply, within ten days thereafter.

5. That applicant is authorized to file, after the effective date of this order, to be effective on or before the date service is first rendered to the public under the authority herein granted, revised tariff sheets including tariff service area map, acceptable to the Commission and in accordance with the requirements of General Order No. 96-A, to provide for the application of its present tariff schedules to the area certificated herein. Such revised tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

6. That applicant is authorized to deviate from the provisions of its filed main extension rule by accepting a contribution, as requested herein, rather than the refundable advance provided by said rule.

7. That Lake Gregory Water Company, a corporation, shall file with this Commission, within ninety days after the effective date of this order, a comprehensive map drawn to an indicated scale of not more than 400 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 the various water system properties of applicant.

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

Dated at Los Angeles, California, this 19th day of September, 1962.

George G. Grover  
President  
[Signature]  
Fredrick B. Halbluff

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

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