

**ORIGINAL**Decision No. 66330

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for a Certificate of Public  
 Convenience and Necessity by ELBERT PAUL  
 BRESSIE and LESLIE BOYCE BRESSIE, doing  
 business as NORTH COAST WATER COMPANY to  
 serve water in an unincorporated  
 territory known as Hollydale, County  
 of Sonoma.

Application No. 44875  
 (Filed October 19, 1962)

L. Thomas Hehir, Jr., for applicants.  
James J. Downey and James B. Downey, for  
 Russian River Terrace Water Co., and  
 Rio Dell Water Company, protestants.  
Robert C. Marks and W. B. Stradley, for the  
 Commission staff.

OPINION ON REHEARING

Applicants seek a certificate of public convenience and necessity for a proposed water system intended to supply domestic water service to a summer resort area known as Hollydale, located along the south shore of the Russian River in Sonoma County. After hearing the Commission denied the application (Decision No. 54993, dated February 26, 1963). On April 16, 1963, the Commission granted applicants' request for a rehearing.

Rehearing was held before Examiner Coffey on June 5 and July 30, 1963, in San Francisco. It was submitted on September 17, 1963, upon the receipt of applicants' late-filed exhibit.

The area in which applicants seek a certificate of public convenience and necessity to render public utility water service comprises approximately 10.5 acres. Applicants ultimately hope to expand into approximately 45 acres of virgin contiguous territory.

The area for which certificate is sought is bordered for approximately 750 feet by River Road. Across River Road from and in the immediate vicinity of said area there are not less than seven customers that are presently served from a main connecting the Russian River Terrace Water Co. and the Rio Dell Water Company, protestants in this matter. The ultimate service area is bordered generally on the northwest, north and east by areas in which said utilities are presently rendering water service. Although applicants' Exhibit 2 indicates the requested area is divided into 42 lots, cross-examination disclosed that said area is not and has not been a subdivision and that the ultimate development of said area will be approximately 10 to 15 consumers.

The area for which certificate is sought was, and is now partly, owned by members of a family named Pohley. Pohley family members presently own and plan to subdivide the ultimate area into which applicants expect to expand.

In consideration of applicants establishing and operating a public utility supplying water service in the aforesaid areas, members of the Pohley family donated a well and well site.

One of applicants, who lives in Berkeley and works in San Francisco, testified that he intended to install the distribution system and pressure tank with his own labor, using a line of credit to purchase materials.

The owner of the Russian River Terrace Water Co. (377 service connections) and of the Rio Dell Water Company (282 service connections) testified that he had dedicated his utility service to the area for which applicants seek a certificate and also to the

ultimate service area as evidenced by services along River Road and Canyon Road, and that he is presently willing and able to serve said areas under the main extension rules of the utilities.

Applicants presented testimony that service by the Russian River Terrace Water Co. was unsatisfactory and that said service was unacceptable to members of the Pohley family. A staff witness testified that seven service complaints had been received from customers of said utility over a period of approximately two years.

This Commission is well aware of the problems of rendering reasonably adequate service at reasonable rates in resort areas such as are herein being considered. Such problems of supply, pressure, water quality and extension of service not only are related to the characteristics of management but ultimately to the size of the utility which largely influences its ability to employ qualified personnel and obtain financial resources. Not only is it a basic duty of this Commission to protect the interests of public utility customers and insure that they receive reasonably adequate service at reasonable rates but it is a concomitant duty to see to it that a public utility is so constructed as to be financially able to provide such service and further that its area of operation is protected from encroachment which might lessen its ability to sustain its operations in the public interest. It is not in the public interest that the requirements for main extension advances be evaded by permitting the encroachment by a new subdivider-organized utility of uneconomic size upon the contiguous territory of an established utility.

The Commission finds that:

1. Protestants, in the regular course of business as the same is contemplated by Section 1001 of the Public Utilities Code, have held and do hold themselves out to serve the area for which a certificate is requested and the area in which applicants ultimately expect to expand and have in actuality served no fewer than thirteen customers immediately adjacent to said area.

2. Protestants' operations would be jeopardized if applicants were permitted to serve in said areas.

3. Applicants have failed to establish that public convenience and necessity require their proposed service.

The Commission concludes that this application should be denied.

ORDER ON REHEARING

IT IS ORDERED that the application of Elbert Paul Bressie and Leslie Boyce Bressie for a certificate of public convenience and necessity to serve the area known as Hollydale, Sonoma County, be and it is hereby denied.

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

Dated at San Francisco, California, this 19th day of NOVEMBER, 1963.

William W. Burdell  
President

George E. Mitchell

Walter H. Page

George H. Crover

Fredrick B. Hallock  
Commissioners