

ORIGINAL

Decision No. 69718

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
William V. Andrews, Frances I.)
Andrews, William J. Rogers and)
Barbara J. Rogers, dba STEWART RANCH)
DEVELOPMENT COMPANY for a certifi-)
cate of public convenience and)
necessity to operate a private water)
company and to establish rates.)

Application No. 47486
Filed April 8, 1965

William V. Andrews and William
Joseph Rogers, for applicants.
Reginald H. Knaggs, for the
Commission staff.

O P I N I O N

William V. Andrews, Frances I. Andrews, William J. Rogers and Barbara J. Rogers, doing business as Stewart Ranch Development Company, seek a certificate of public convenience and necessity to extend, construct and operate a public utility water system in 20 acres of unincorporated territory of San Bernardino County in Section 20, Township 2 North, Range 4 West, S.B.B.& M., as shown in brown on the topographic map, Exhibit H, attached to the application. The area is about three miles west of Crestline. The establishment of rates for water service is also sought.

Public hearing was held before Examiner Warner on August 27, 1965, at San Bernardino.

Applicants own all of the requested area and have subdivided 15 acres of it as Tract No. 7300. Exhibit F attached to the application shows the detail of said tract. No lots have been sold and no residences have been constructed, and the five acres of

unsubdivided land are to be developed by applicants at some future but unspecified date.

Exhibit No. 4 is a report by a Commission staff engineer on the results of his investigation of the application. He recommended that the application be denied because applicants do not have an adequate dependable source of water; supplemental water from the Feather River Project will not be available to applicants prior to the year 1975 (the record shows the possibility of Feather River water service in the area by the year 1972); and applicants' proposed storage facilities will not meet the requirements of the local fire district in addition to the minimum requirements for domestic service.

The staff engineer testified that he was familiar with the sources of water supply not only in the Crestline area, but along the entire ridge of the Rim of the World Drive in the San Bernardino Mountains. The Commission takes notice of the water supply difficulties brought before it informally and formally in connection with the operations of Running Springs Water Company, Rim Forest Water Company, Arrowhead Manor Water Company, and Crestline Water Company, each during drought periods of hot summer holiday weekends, such as July 4 and Labor Day, when local sources have failed to meet demands and fire hazard has been at the maximum.

The Commission staff engineer further testified that regardless of water supply, the proposed operations with the limited number of customers and no chance for expansion would be economically impossible. The Commission takes notice of the economic difficulties which very small water utility suppliers have encountered with no possible means of securing permanent financial relief and no possibility of being able to furnish water service at a rate which the traffic could bear, even to break even.

The record shows that the applicants have invested their life savings in the acquisition of their property and the lack of water service will continue to work a hardship on them until such service is obtained from some source, but the Commission should not and cannot take the responsibility of authorizing the commencement of a public utility water system operation with inherent insurmountable water supply and economic problems. To permit applicants to engage in public utility water operations where water supply is unproven and known to be unreliable and where they would be dedicated and obligated, in perpetuity, to meet any water service demands made on it by future lot purchasers, would be disastrous to applicants and unfair to their customers.

The Commission finds that:

1.a. Applicants propose to extend, construct and operate a public utility water system in a scarce water supply and high fire hazard resort area in the San Bernardino Mountains.

b. Applicants do not have an adequate water supply either to meet domestic peakload demands or provide adequate fire protection.

2. Applicants' proposed water system operations with a limited number of customers would not be feasible and possible to operate economically.

3. There is no immediate demand for water service in the area requested by the instant application to be certificated.

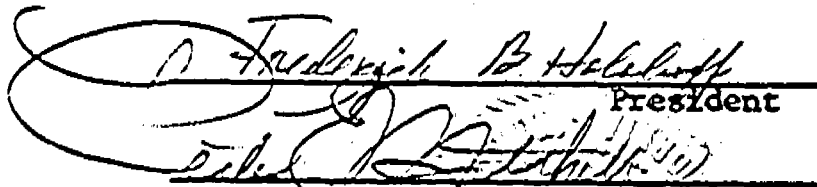
We conclude that the public interest requires that the application be denied.

ORDER

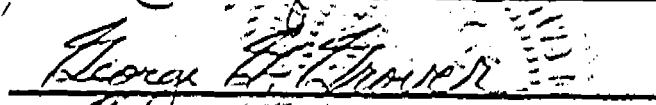
IT IS ORDERED that this application is denied.

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

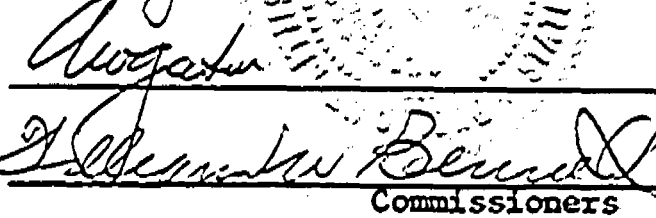
Dated at San Francisco, California, this 22nd day of SEPTEMBER, 1965.



President



George H. Brown



Alexander Bernard
Commissioners