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**ORIGINAL**

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

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of the Southern California Water )  
Company for an order granting a )  
certificate of public convenience )  
and necessity to render water )  
service in certain unincorporated )  
territory in San Bernardino County.)

Application No. 50972  
(Filed March 26, 1969)

OPINION AND ORDER

Applicant Southern California Water Company seeks authority to construct a public utility water system near the Sugarloaf Zone of applicant's Big Bear District and to include the new area in the Sugarloaf Zone of applicant's Big Bear Tariff Area. A Commission staff report, dated May 19, 1969, hereby received as Exhibit No. 1, presents the results of a study of the application and of a field investigation made in connection therewith.

Present and Proposed Areas

Applicant owns and operates water systems in 16 districts and an electric system in one district, all in California. Applicant's Big Bear District is in San Bernardino County, near Big Bear Lake. The Bear Valley Zone of that District is adjacent to the lake. The Sugarloaf Zone now consists of two separate serving areas located east of the lake. The larger of these is about one mile from the eastern edge of the Bear Valley Zone, the smaller is about one mile from the eastern edge of the larger. The new area proposed by applicant is less than one mile from the southern edge of the present small area.

The Bear Valley Zone includes about six square miles and the present Sugarloaf Zone parcels are, respectively, about one square mile and one-half square mile. The proposed addition is a little less than one-quarter square mile in area.

The owner of the land within the proposed addition intends to subdivide the area into about 400 lots. The first unit, Tract 7853, of the subdivision has 67 lots which the owner intends to sell as improved lots only. Staff field investigations revealed that the second unit, Tract 8116, will consist of approximately 134 lots, and as of April 23, 1969, there were two houses in the tract and both were being furnished temporary water service by the owner. He has requested applicant to serve his subdivision. Applicant knows of no other entity capable of or interested in serving the area.

The staff has recommended that public convenience and necessity now require the construction of a water system to serve only Tracts 7853 and 8116 within the requested area. Certification of only these tracts will permit applicant to review its potential water supply and requirements before extending into additional contiguous territory as permitted by Section 1001 of the Public Utilities Code.

#### Proposed Water System

The initial source of supply will be two wells. Water from the wells will be pumped into a storage tank, which will maintain system pressure and supplement the flow from the wells during periods of peak demand. The \$22,000 estimated cost of the wells, pumps and tank will be advanced by the subdivider. This advance for special facilities will be refunded by applicant in

proportion to customer density, as permitted by applicant's main extension rule.

The distribution system for Tracts 7853 and 8116 will consist of about 1-1/2 miles of mains, ranging in size from 4- to 8-inch, service piping to the various lots and meters. The \$28,525 estimated cost of the distribution system, exclusive of meters, also will be advanced by the subdivider. This advance will be refunded by applicant on a 22-percent-of-revenue basis, as required by applicant's main extension rule.

#### Franchise and Permit

Applicant has a franchise in the County of San Bernardino granted by Ordinance No. 802 of that county. That franchise covers the additional area now requested. Decision No. 55962, dated December 16, 1967, in Application No. 39381, authorizes the exercise of rights under that franchise.

The health authorities have issued a temporary water supply permit. This permit is expected to be made permanent upon completion of construction and compliance with the conditions of the permit.

#### Rates and Economic Feasibility

The relatively close proximity and the similarity of operation between the new area and applicant's present Sugarloaf Zone indicate that the same rates should apply, as requested by applicant. Although the economic feasibility of operating the system by a new utility as a single entity would have been questionable, applicant can conveniently operate the new system with existing personnel needed for its existing systems in the vicinity.

Findings and Conclusion

The Commission finds that:

1.a. Public convenience and necessity require the construction of a water system to serve Tracts 7853 and 8116, San Bernardino County.

b. Public convenience and necessity do not now require the construction of facilities to serve the remaining portion of the requested certificated area.

2. The rates and charges authorized herein are reasonable.

3.a. Applicant has the financial ability to refund advances for construction as they become due and to operate the water system to serve Tracts 7853 and 8116.

b. The facilities to be installed will be adequate to serve Tracts 7853 and 8116 and will comply with the requirements of General Order No. 103.

The Commission concludes that the application should be granted in part and that a public hearing is not necessary. Inasmuch as any unwarranted delay would cause unnecessary financial hardship to the subdivider, the order herein will be made effective immediately.

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to applicant Southern California Water Company, authorizing the construction of a public utility water system to serve Tracts 7853 and 8116, San Bernardino County, near Big Bear Lake.

2. After the effective date of this order applicant is authorized to file revised tariff sheets, including tariff service area maps, to provide for the application of its present Sugarloaf

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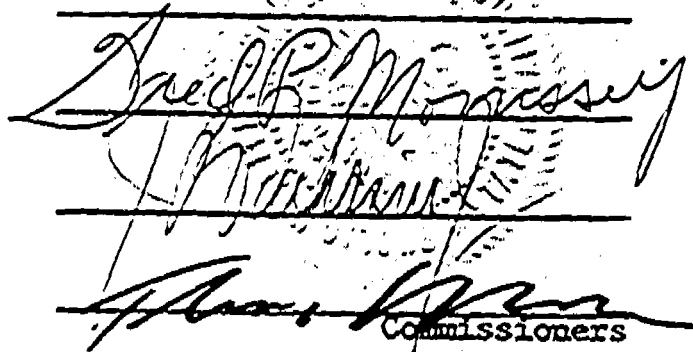
Zone rates in its Big Bear Tariff Area to the area certificated... herein. Such filing shall comply with General Order No. 96-A. The effective date of the revised tariff sheets shall be four days after the date of filing.

3. Compliance by applicant with paragraph 2 of this order shall constitute acceptance by it of the right and obligation to furnish public utility water service within the area certificated herein. The authorities granted herein shall expire unless the designated tariff sheets are filed within one year after the effective date of this order.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 6th day of JUNE, 1969.

  
President

  
Commissioners

Commissioner A. W. Gatov, being - necessarily absent, did not participate in the disposition of this proceeding.