

JR

Decision No. 80071

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
OUR TOWN WATER COMPANY, for a cer-)
tificate of Convenience and Neces-)
sity to Operate a Public Utility)
Water System, pursuant to Section)
1001 P. U. Code; to establish rates.)

Application No. 52967
(Filed October 29, 1971;
Amended February 9, 1972)

Winfield S. Condict, Agent, for Our Town
Water Company, applicant.
Hart & Lesage by Paul T. Hart, Attorney at
Law, for Linden H. Chandler and Chandler's
Palos Verdes Sand & Gravel Co., protestant.
John Gibbons, for the Commission staff.

O P I N I O N

Our Town Water Company, Incorporated, amended to Our Town Water Company by amendment filed on February 9, 1972, requests a certificate to establish water service and rates to serve a 1,263 acre area located near the easterly boundary of the City of Paso Robles in San Luis Obispo County. Applicant desires to immediately serve Unit 1 of Tract 232 of Our Town which consists of 54 lots.

Public hearing was held before Examiner Porter at Paso Robles on February 9 and 10 and March 14, 1972, when the matter was submitted.

Applicant previously requested a certificate for this same area in Application No. 45820 filed September 27, 1963. The application was dismissed by Commission Decision No. 66711, dated January 28, 1964, after litigation stopped the progress of the tract development. Prior to Decision No. 66711, applicant nevertheless had constructed 13 model homes and a water distribution system, including service to serve 54 lots. A dispute has evolved over the ownership of land on which Well No. 1 is located. There is also a dispute as to the present ownership of the 13 houses now constructed.

Discussion

This is a situation where land developers proceed to subdivide and develop land without the basic necessary water supply, and the financial resources necessary to conduct a water system, with the expectation that subsequent approval of a certificate by the Commission will resolve the resultant problems. These problems should be resolved prior to making application to this Commission.

The solution of the water supply problem could be solved by the formation of a mutual water company or connection with the City of Paso Robles.

The financial statement of Winfield S. Condict, III (the present owner of Our Town Water Company) exhibits very limited financial resources of any type: \$750 in cash; a water system that he values at \$83,000, but in which there is an actual uncontested cash equity of less than \$10,000; 10 acres of land that cost \$271 per acre when purchased 10 years ago, but which now are valued in his financial statement as "potential commercial acreage" at \$50,000; and three houses in Our Town tract whose value is contingent upon getting the Our Town subdivision rolling again. There are two trust deeds now outstanding against these properties and a note against the water system.

Based on these facts the Commission finds that public convenience and necessity would not be served by the granting of a certificate; therefore, the Commission concludes that Application No. 52967 should be denied.

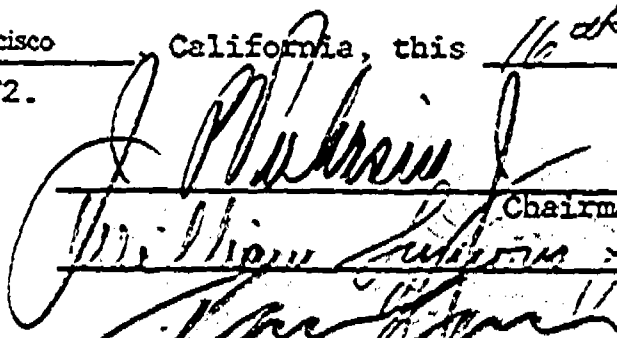
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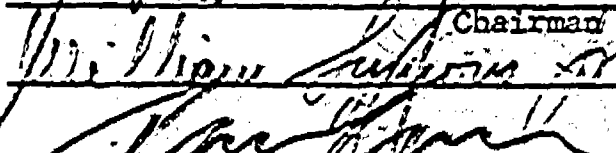
O R D E R


IT IS ORDERED that Application No. 52967 is hereby denied.

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

Dated at San Francisco, California, this 16th day of MAY, 1972.



Chairman


William L. Sturgeon


Commissioners