

Decision 89 07 013

JUL 6 1989

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLE VALLEY WATER RESOURCES  
CO., INC. (CNS NOS. U371-W  
and U349-W),

Complainant,

vs.

APPLE VALLEY RANCHOS WATER CO.,

Defendant.

Mailed

JUL 6 1989

Case 85-08-041  
(Filed August 20, 1985)

FINAL OPINION

Summary

This decision closes the complaint of Apple Valley Water Resources Co., Inc. (Resources) against Apple Valley Ranchos Water Company (Ranchos) and authorizes Ranchos to file a tariff service area map to include the area ordered deleted by Ordering Paragraph 3 of Interim Decision (D.) 86-02-041 in this proceeding.

Background

Resources sought to prevent Ranchos from extending its water system toward Resources' systems or towards the systems of other utilities absent a certificate of public convenience and necessity (CPC&N) issued by this Commission. Resources was concerned that planned expansion by Ranchos would preclude it from becoming a profitable operation.

D.86-02-041 ordered Ranchos to file a revised service area map deleting from its service area that portion of the service area addition authorized by Advice Letter 51 lying to the east of Atoka or its extension and north of Oboe Road. Resources was given the opportunity to secure approval for expansion of its service area by application and by compliance with Ordering Paragraphs 3 and 4 of D.85-07-094. It has not applied to do so.

D.86-10-010 dismissed, without prejudice, Resources' application for expansion of its service area for failing to comply with D.86-02-041 or with the Commission's Rules of Practice and Procedure. D.89-03-013 authorized Ranchos to purchase the water systems' assets of Resources and to operate the purchased systems. The purchase has been consummated.

#### Discussion

Since Ranchos now owns and operates the purchased systems, the issue of the viability of Resources' water system operations is moot. The complaint should be closed. Ranchos should be afforded the opportunity to file an application for approval of its tariff service area map on the same conditions previously offered to Resources.

#### Findings of Fact

1. Resources sought to prevent expansion of Ranchos' systems which could preclude it from becoming a viable operation.
2. The Commission ordered the deletion of a portion of Ranchos' service area filing in Advice Letter 51.
3. Resources did not demonstrate its ability to serve an expanded service area.
4. Pursuant to D.89-03-013, Ranchos purchased the water systems' assets of Resources and operates the purchased systems.

#### Conclusions of Law

1. The issue of Resources' viability as a separate public utility water company raised in this proceeding has been made moot by Ranchos' purchase of the water systems' assets from Resources and by Ranchos taking over the operation of those systems.
2. The complaint should be closed.
3. Ranchos should be afforded the opportunity to file an application for approval of its tariff service area map on the same conditions previously offered to Resources.

FINAL ORDER

IT IS ORDERED that:

1. The complaint of Apple Valley Water Resources Co., Inc. against Apple Valley Ranchos Water Company, Case 85-08-041, is closed.

2. Ranchos may file an application to include the area ordered deleted by Ordering Paragraph 3 of Decision 86-02-041 if it meets the conditions set forth in D.85-07-094.

This order is effective today.

Dated JUL 6 1989, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.



Victor Weissert, Executive Director