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Decision 89895 JAN 16 1979

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of A. C. Nejedly, dba)
 West Beaumont Water Company, for)
 a Certificate of Public Convenience)
 and Necessity to operate a water)
 system and to sell water in the)
 South West Quarter, Section 5,)
 Township 3 South, Range 1 West,)
 San Bernardino Base and Meridian,)
 located in Riverside County,)
 California, and to establish rates.)

Application No. 52753
 (Filed July 4, 1971;
 Amended August 26, 1971;
 2nd amendment filed
 September 13, 1971)

ORDER REOPENING APPLICATION NO. 52753 (D. 79407)

By Decision No. 79407, issued on November 23, 1971, applicant, A. C. Nejedly, whose mailing address is P. O. Box 829, 393 W. La Canada Dr., Suite No. 4, Riverside, CA 92502 was granted a Certificate of Public Convenience and Necessity to operate a public utility water system in the above captioned area, comprising approximately 150 acres, within the limits of the City of Beaumont, California. At the time this certificate was issued, applicant intended, but had not commenced, to develop a residential area and mobile home park in two phases, the first comprised of development of 53 lots of 6,000 square feet each and a mobile home section of 124 lots of 3700 square feet each, the second comprised of 50 additional residential lots. Applicant proposed to drill at least one well to supplant an existing well on the property; to construct storage, pumping, distribution and transmission facilities.

Supplemental information to the application indicated that the proposed utility operation would become economically feasible only when approximately 400 customers were being supplied by applicant. Applicant anticipated that this would occur during or prior to the fifth year of operation. In order to safeguard against discontinuance of operations prior to profitable operation, the Commission conditioned issuance of the certificate (Ordering Paragraph 1(c)) on establishment

of an operating fund, funded by the developer, which would guarantee reimbursement of losses, pay certain out-of-pocket expenses, and provide for needed replacement or improvement of plant facilities. Issuance of the certificate was further conditioned (Ordering Paragraph 1(a)) on drilling an additional well and equipping sources of supply so as to provide 750 gallons per minute to the distribution system.

Investigation by the Commission staff indicates that, since issuance of this certificate in 1971, applicant has not drilled any wells or constructed any pumping, distribution or transmission facilities. No development, as proposed in the application or otherwise, has taken place in the proposed service area, and no applications for construction permits or subdivision plat maps have been filed with the relevant county or other local authorities.

IT IS ORDERED, therefore, that Application No. 52753 be reopened pursuant to Section 1708 of the Public Utilities Code to consider the following questions:

1. Whether public convenience and necessity continue to require the proposed water service in the above-captioned area.
2. Whether circumstances have changed such that operation as originally proposed is currently not economically feasible.
3. Whether the Certificate of Public Convenience and Necessity issued in Decision No. 79407 should be suspended, cancelled, or revoked.

Applicant is placed on notice that the Commission intends, by means of these reopened proceedings, to determine whether the certificate granted applicant by Decision No. 79407, together with the rights, privileges and obligations conferred therewith, should remain in full force and effect. Applicant is therefore cautioned not to engage in any capital expenditures, to transfer its certificate, or to incur any indebtedness in conjunction with provision of water service subject to this certificate, until the Commission has completed its determination.

Public hearings in these reopened proceedings shall be held before Administrative Law Judge John Gillanders on a date to be set in the Commission Courtroom, State Office Building, Los Angeles, California.

The Executive Director is ordered to cause a certified copy of this order to be personally served on applicant, A. C. Nejedly, dba West Beaumont Water Company.

Dated at San Francisco, California, this 16th day of JANUARY, 1979.

Robert Batimund
President
Charles D. Hooley
Clair J. Shively

Commissioners