

SEP 4 1997

Decision 97-09-025 September 3, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Henry R. Snyder, doing business as Hinkley Valley Water Company, to revoke its certificate of public convenience and necessity and cease operating as a public utility.

Application 97-02-045
(Filed February 27, 1997)

ORIGINAL

OPINION

Summary

The certificate of public convenience and necessity (CPCN) awarded to Hinkley Valley Water Company (HVWC) is revoked and the company is authorized to cease public utility water service after December 31, 1997.

Discussion

HVWC operates near the community of Hinkley, California, pursuant to a CPCN granted by Decision 58287 (April 1, 1959). It serves 25 customers in a sparsely-populated desert area with little prospect of substantial development. Water is obtained from five wells, each producing up to five gallons per minute. There are two tanks with a total capacity of 15,000 gallons. The application states that the system has been operating at a deficit for years. In a separate letter to the Administrative Law Judge (ALJ) the owner, Henry P. Snyder (applicant), indicated that he has retired and can no longer afford the upkeep of the utility or the needed improvements.

The ALJ suggested a meeting of applicant, Southern California Water Company, and the Commission's Water Division, in hopes that a takeover of the utility could be effected. This proved unavailing. A similar attempt to have the service provided by the County of San Bernardino was also unsuccessful. The County did send a letter stating:

"We have no objections to Mr. Henry Snyder's request to the PUC to abandon the water system. We are unaware of any competent water system operator with any interest in acting as a receiver for this water system at present. Should none be found, we would allow individual wells to be used for the existing dwellings or the use of hauled water."

A further letter from applicant stated that he would be willing to dispose of ownership to anyone interested in acquisition of the company without any cost.

It is apparent that despite the diligent search of the Water Division there is no one willing to take over the responsibility of operating this water utility. Applicant has done all in his power to find a successor. All of the customers served by HVWC have been notified of the application for abandonment. None has stepped forward to assume the responsibility, despite applicant's offer to turn over all of the utility's assets without cost. There are no protests to the application. HVWC should be allowed to abandon service under the condition that any and all of the existing customers may use the former utility property at no cost. In order to permit the customers to make accommodations to the new situation, we will require applicant to continue operation of HVWC through December 31, 1997.

Findings of Fact

1. HVWC is an uneconomic water utility in San Bernardino County.
2. The owner of the company has retired and wishes to be relieved of the responsibility for running the water utility.
3. The owner of HVWC is willing to dispose of ownership without cost to anyone willing to serve the area.
4. Diligent efforts to find a successor to the ownership of HVWC have proven unsuccessful.
5. There are no protests to the application to abandon public utility status.
6. Neither San Bernardino County nor any public utility regulated by this Commission is willing to take over responsibility to serve.

7. Abandonment by the present owner will leave the customers of HVWC without either public utility or municipal water service.

Conclusions of Law

1. The present owner should not be required to continue operation after having made good faith efforts to find a successor, even to the extent of offering his utility system free of cost.

2. The present owner should continue service to the existing customers through December 31, 1997, in order to give customers the opportunity to make other arrangements for water service.

3. The utility system should be made available to all existing customers, at no cost to them, under such circumstances as they work out among themselves.

4. After December 31, 1997, HVWC should be authorized to abandon public utility water service and the CPCN granted to HVWC should be revoked.

O R D E R

IT IS ORDERED that:

1. The application of Henry P. Snyder (applicant) to abandon public utility water service under the name of Hinkley Valley Water Company (HVWC) is granted as of January 1, 1998.

2. The public utility operating authority of HVWC is revoked as of January 1, 1998.

3. The property of HVWC is available to the former customers of the company after January 1, 1998, without payment to applicant. Customers may make such arrangements as they wish for use of the former utility property after January 1, 1998.

4. This matter is closed.

This order is effective today.

Dated September 3, 1997, at San Francisco, California.

GREGORY CONLON

President

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

RICHARD A. BILAS

Commissioners