

Decision No. 38023

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA WATER & TELEPHONE COMPANY, CARMEL DEVELOPMENT COMPANY and a COMMITTEE OF CARMEL HIGHLANDS WATER USERS (a) to transfer and acquire the water distribution system at Carmel Highlands; (b) for cancellation and issuance of certificates of public convenience and necessity; (c) for order fixing rates; (d) for release of certain property from its dedication to public use; and (e) for order approving a certain contract dated September 7, 1939, relating to the foregoing matters.

ORIGINAL

Application No. 23102
Second Supplemental Application

Bacigalupi, Elkus and Salinger,
by Herbert H. Salinger, for California
Water & Telephone Company.

Morrison, Hohfeld, Foerster, Shuman and Clark,
by Edward Hohfeld and Garrett H. Elmore,
for Carmel Development Company.

Orla St. Clair, for Committee of Carmel Highlands
Water Users.

BY THE COMMISSION:

OPINION ON SECOND SUPPLEMENTAL APPLICATION

In this Supplemental Application, Carmel Development Company, a corporation, and the Committee of Carmel Highlands Water Users, ask the Commission to establish a schedule of charges, to be known as additional service connection charges, to apply to consumers desiring service from the connecting transmission main installed by California Water & Telephone Company between its Carmel and Carmel Highlands systems in Monterey County.

A public hearing in this matter was held at Monterey.

The Commission in its Decision No. 32600, dated December 5, 1939, approved a contract entered into by and between California Water & Telephone Company, (1) Carmel Development Company, (2) and Committee of Carmel Highlands Water Users, (3) providing among other things for the transfer by the Development Company to the Water Company of a water distribution system at Carmel Highlands, and for the payment and the installation of a transmission main four miles in length connecting the Water Company's Carmel system with Development Company's Carmel Highlands water system. The contract provided that the Development Company would contribute \$10,000 and donate to the Water Company its distribution system, which had a value then of approximately \$25,000; the consumers would advance \$15,000 toward the cost of said connecting main. The contract also provided that the water customers in Carmel Highlands would pay a surcharge over and above the effective rates on the Water Company's Monterey Peninsula system until such time as the sum advanced by the customers had been refunded; however, the surcharge is to be in effect for a period not to exceed ten years. The contract specifically provides that the Water Company shall not furnish service to any consumers from said connecting main, or outside the Carmel Highlands Tract, except to lands owned by or acquired from Carmel Villas Company or Development Company or their successors or assigns, unless such consumers agree to pay an additional service connection charge as the Railroad Commission might fix.

The evidence shows that pursuant to the aforesaid agreement, the Water Company installed the connecting main and has been furnishing water service at the Highlands since July 16, 1940. The sums actually advanced or paid by the three parties for the installation of the main are as follows:

Development Company	\$10,552.44
Committee	15,552.44
Water Company	<u>552.44</u>
	\$26,657.32

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- (1) - Hereinafter referred to as Water Company.
 (2) - Hereinafter referred to as Development Company.
 (3) - Hereinafter referred to as Committee.

The Development Company transferred to the Water Company, without cost, its distribution system supplying the Highlands, together with about thirty easements, and expended approximately \$1,000 in acquiring these easements. The Development Company and the Committee claim to have paid in addition substantial fees for legal and engineering advice and various services.

The testimony indicates that the lands lying along the route of the transmission main, and also properties adjoining Carmel Highlands on the south, have been greatly benefited by the availability of water for subdivision and other purposes. The Development Company and the Committee through the consumers have paid practically the entire cost of the connecting main and have donated other properties and rights to make the project feasible. In order that these donors may receive as adequate reimbursement as possible, the Commission is asked to establish a schedule of service connection charges for all future water consumers supplied from the said connecting transmission main.

The establishment of a service connection charge for new consumers as requested herein, calls for some departure from the general practice of this Commission. However, the above parties have been put to an extraordinarily heavy financial outlay to provide proper water service to their community and in this instance it appears entirely equitable that the owners of lands contiguous and adjacent to the connecting transmission main and lands to the south of Carmel Highlands requesting water service should bear their fair share of the burden now borne solely by the Development Company and the present water users.

No protests were made. The Water Company is agreeable to whatever action the Commission may take hereon. Under the circumstances the request will be granted as prayed for and the schedule of charges proposed being reasonable and proper will be established in the following Order.

O R D E R

Supplemental application having been made in the above entitled proceeding, a public hearing having been held thereon and good cause appearing, now, therefore,

IT IS HEREBY ORDERED that California Water & Telephone Company, within thirty (30) days from the date of this Order, shall file in quadruplicate the following schedule of rates to be charged for all new service connections and service extensions installed by said company in that certain area supplied or which may be supplied through the connecting transmission line situate southerly of the City of Carmel as pursuant to and under the terms and provisions of that certain agreement entered into by and between Carmel Development Company, a corporation, California Water & Telephone Company, a corporation, and Committee of Carmel Highlands Water Users, a voluntary association of individuals, under date of September 7, 1939; said agreement being marked Exhibit No. 4 herein and which is hereby made a part of this Order by reference. Said rates to become effective on and after the first day of July, 1945.

RATE SCHEDULE

ADDITIONAL SERVICE CONNECTION CHARGES

Applicability:

Applicable for all new service connections and service extensions installed by the company in that certain area supplied or which may be supplied through the connecting transmission line situate southerly of the City of Carmel.

Territory:

In the area lying southerly of the City of Carmel, supplied or which may be supplied through the connecting transmission main from the Carmel System to Carmel Highlands System and southerly thereof.

Rates:

1. Private Water Use for Each Meter Served:

For 1/2 x 3/4 inch meters	\$50.00
For . 1 inch meters	85.00
For . 1 1/2 inch meters	150.00
For . 2 inch meters	250.00

Rate Schedule - Continued

ADDITIONAL SERVICE CONNECTION CHARGES

Rates - Continued:

2. Public or Private Fire Hydrants:

Each hydrant \$50.00

3. For Service to Subdivisions:

For each acre in the subdivision up to and including 100 acres, per acre . . \$75.00

For each acre in the subdivision in excess of 100 acres, per acre \$10.00

In cases in which the connection for water service is made or the right to make such connection is established after July 16, 1944.

(Upon payment of the charges provided for by this Paragraph 3, the charges provided for by Paragraph 1 and Paragraph 2 hereof shall no longer be applicable to private water use or service for public or private fire hydrants within the subdivision.)

4. Public, Commercial and Industrial Use and any other use not above provided for:

The amount of the additional service connection charge will be fixed by the Railroad Commission on individual applications.

Special Conditions:

- 1. Subject to the continuing jurisdiction of the Commission, the above charges shall continue in effect until September 7, 1949, or until the earlier termination of agreement, dated as of September 7, 1939, Exhibit No. 4, Application No. 23102, as a result of repayment in full of a certain loan with interest, obtained by said Committee and provided for in Paragraph X of said agreement.

Dated at San Francisco, California, this 26th day of

June, 1945.

Harold Anderson
Justice J. Crepps
Richard Tachar

John H. Ruelle
Commissioners.