

**ORIGINAL**

Decision No. 52310

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 CALIFORNIA WATER SERVICE COMPANY, a )  
 corporation, for an order approving )  
 and authorizing an agreement between )  
 Applicant and Eichler Homes of San )  
 Mateo, Halwood, Inc., Goldenwood, Inc., )  
 Barwood, Inc., Bettywood, Inc., )  
 Whitewood, Inc., Benwood, Inc., Baywood )  
 Park Development Co. and Bay Area )  
 Investment and Land Development Corp. )  
 for the extension of service by appli- )  
 cant to real property of the foregoing. )

Application No. 37641

OPINION AND ORDER

In this application, filed on January 4, 1956, California Water Service Company,<sup>1/</sup> a corporation, seeks authorization to carry out the terms of an agreement dated August 25, 1955, with two groups of corporations, each of such groups being engaged in the development of a subdivision in San Mateo County.

One of the subdivisions, which is to be known as The Highlands, is being developed by Eichler Homes of San Mateo, Halwood, Inc., Goldenwood, Inc., Barwood, Inc., Bettywood, Inc., Whitewood, Inc., and Benwood, Inc.<sup>2/</sup> The subdividers of the second area, which is to be known as Bel-Aire, are Baywood Park Development Co. and Bay Area Investment and Land Development Corp.<sup>3/</sup>

The Highlands and Bel-Aire subdivisions, containing approximately 549 and 277 lots, respectively, are contiguous to each other and will occupy a hilly area to the west of, and isolated from, Utility's San Mateo water system. Applicant alleges that it is unable to serve either subdivision from its existing

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<sup>1/</sup> Sometimes hereinafter referred to as Utility or Applicant.  
<sup>2/</sup> Sometimes hereinafter collectively referred to as Eichler.  
<sup>3/</sup> Sometimes hereinafter jointly referred to as Baywood.

San Mateo system due to the location and topography of the area. Both subdivisions are proposed to be served by a single integrated water system which will include, in addition to distribution facilities, a 500,000 and a 25,000-gallon storage tank, two booster pump stations and a 12-inch supply line extending from a water main of the City of San Francisco to the storage facilities in the above-mentioned subdivisions. The latter supply line is in lieu of a main extending from Utility's nearest main of a size at least equal in size to the main required to serve the development specified in the main extension rule.

The costs of booster pumping plants and storage tanks are not, under ordinary circumstances, included in the amount of the advance. However, Utility's filed water main extension rule provides as follows:

"If additional facilities are required specifically to provide pressure or storage exclusively for the service requested, the cost of such facilities may be included in the advance upon approval by the Commission."

In this situation it is stated that, "Applicant would be unable to render service to the subdivisions without undue burden on Applicant's existing consumers unless the cost of all said facilities were so advanced by the subdividers."

By agreement between the subdividers, Eichler has advanced to Utility the entire estimated costs of the booster and storage facilities, and the estimated cost of the 12-inch main, in the amounts of \$73,972 and \$50,688, respectively. The advance representing the cost of such boosting and storage facilities is to be refunded over a maximum period of ten years on a proportionate cost basis which is to be computed at 1/820th of such cost for each customer served in either subdivision. The latter method of

computing the amount of the refund is a deviation from Utility's main extension rule which provides for such refunds to be made for each new customer to be based upon the ratio of 65 feet of main to the total footage of main in the subdivision applied to the total amount of the advance.

The distribution main facilities to be installed under this agreement include only those necessary to serve a portion of Eichler's subdivision. The estimated cost thereof in the amount of \$39,312 has been advanced to Utility by Eichler. When any additional unit in either subdivision is to be developed, the estimated cost of the distribution facilities provided for in the main extension rule is to be advanced to Utility by the subdivider of such unit.

Refunds of the advances representing the costs of the 12-inch main and distribution main facilities are to be continued for a period not to exceed twenty years and such refunds are to be computed on the basis of twenty-two per cent of the estimated annual revenues received from customers connected to such distribution facilities. This refund provision corresponds to that set forth in Section C-2-b of Utility's filed main extension rule. In the event that the advances applicable to the cost of the 12-inch main or to the distribution main facilities in any unit of either subdivision will have been refunded prior to the termination of the twenty-year period, the agreement outlines the conditions under which additional refundable amounts otherwise accruing to any unit up to the end of this period may be applied to other units and therefore varies in this respect from the usual main extension agreement under Utility's filed rule.

The agreement is made subject to the condition that its execution shall be authorized by this Commission. Also included

in the agreement is the provision that it shall, at all times, be subject to change or modification by this Commission in the exercise of its jurisdiction.

The Commission having considered the application and being of the opinion that the agreement as proposed is not adverse to the public interest, that a public hearing is not necessary and that the application should be granted; therefore,

IT IS HEREBY ORDERED that California Water Company, a corporation, is authorized to carry out the terms and conditions of the written agreement dated August 25, 1955, with Eichler Homes of San Mateo, Halwood, Inc., Goldenwood, Inc., Barwood, Inc., Bettywood, Inc., Whitewood, Inc., Benwood, Inc., Baywood Park Development Co., and Bay Area Investment and Land Development Corp.,

IT IS HEREBY FURTHER ORDERED that applicant shall file with this Commission within thirty days after the effective date of this order two certified copies of the agreement as executed, together with a statement of the date on which the agreement was deemed to have become effective.

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

Dated at San Francisco, California, this 27<sup>th</sup> day of March, 1956.

[Signature]  
President

[Signature]

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Commissioners