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Decision No. 53662

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of CALIFORNIA WATER & TELEPHONE )  
COMPANY for approval of deviating ) Application No. 36954  
Main Extension Contract and for ) (Second Supplemental)  
authorization to carry out the )  
terms thereof. )

O P I N I O N

California Water & Telephone Company, by its second supplemental application herein, filed July 13, 1956, seeks authority to extend water service to Toyon Heights Unit No. 3, in the City of Monterey, pursuant to the terms of paragraph 8 of an agreement with McGah & Cramer, Inc., subdividers of Toyon Heights Subdivision. Toyon Heights is a tract comprising some 154 acres of land located on high ground in the vicinity of the Walter Colton Junior High School near and within the westerly limits of the City of Monterey.<sup>1</sup>

Toyon Heights Unit No. 3 contemplates 64 services. The estimated cost of the mains and other facilities to be provided by the subdivider in that unit and transferred to the company, without refund, is \$15,200. The Commission, in authorizing extension of mains to serve Unit No. 2 (Decision No. 52533), with reference to the company's request for unconditional authorization

<sup>1</sup> The Commission, by prior action in this proceeding, authorized the company to extend service to Walter Colton Junior High School and Units Nos. 1 and 2 of Toyon Heights, pursuant to a "master plan" incorporated in the contract with McGah & Cramer, Inc., dated April 25, 1955. Paragraph 8 of that contract relates to installations to be made by the subdivider in future developments in the tract and the donation of such installations to the utility. (See Resolution No. W-471, August 11, 1955; Decision No. 52026, October 4, 1955; Decision No. 52533, January 31, 1956.)

for donations of facilities to be installed in future developments of the tract as contemplated by paragraph 8 of the contract, stated:

"The Commission, by requiring prior authorization for future installations in the tract, has not necessarily inhibited the acquisition of such facilities by the company as contemplated in paragraph 8 of the agreement. What the Commission has done is no more than to say to the company, in view of the substantial developments which may yet take place in the tract, that the nature and scope of such installations shall receive prior scrutiny and be subject to further authorization as may be appropriate".

Pursuant to the "master plan" provided for in the contract of April 25, 1955, the company undertook to advance and assume the cost, estimated to be \$35,000, of connecting mains which it is alleged were designed and are partially required for service to Unit No. 3. The company, in justification of the proposed extension arrangement, alleges that authorization for such extension is appropriate because otherwise (1) it would be deprived of a substantial part of the consideration for its assumption of the cost of the connecting mains; (2) it would be bound by the burdens of the agreement but would be denied a substantial part of the benefits thereunder; (3) there would result an enforced deviation from its main extension rule (Rule and Regulation No. 19) prejudicial to the company and its other consumers, since it has assumed the cost of the connecting mains under the agreement heretofore authorized by the Commission and, consequently, cannot require the subdivider to advance any of that cost, as would be required if service were to be extended to Unit No. 3 under its main extension rule.

Upon consideration of the second supplemental application filed herein, we are of the opinion and conclude that the company's request to extend water service to Toyon Heights Unit No. 3, in the

manner set forth in said second supplemental application, is reasonable. The application, accordingly, will be granted.

A public hearing is not deemed necessary.

O R D E R

The Commission having considered the second supplemental application herein of California Water & Telephone Company and now being fully advised,

IT IS ORDERED that:

1. California Water & Telephone Company is authorized to carry out the terms and conditions of paragraph 8 of its agreement with McGah & Cramer, Inc., dated April 25, 1955, in connection with the installation of facilities and rendition of water service to Toyon Heights Unit No. 3, in the City of Monterey.

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

Dated at Los Angeles, California, this 29<sup>th</sup> day of August, 1956.

[Signature]  
President  
Justin S. Casner  
Rayle Lutzarica  
[Signature]  
[Signature]  
Commissioners