

ORIGINAL

Decision No. 54549

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 authoriz-)
 ing an agreement between Applicant)
 and Edw. T. Haas, R. M. Haynie and) Application No. 38682
 Utah Construction Company for the)
 extension of service by Applicant)
 to real property of the foregoing.)

OPINION AND ORDER

By this application, California Water Service Company,^{1/}
 a corporation, requests authority to carry out the terms and
 conditions of an agreement, dated November 27, 1956, with Edw. T. Haas,
 an individual, R. M. Haynie, an individual, and Utah Construction
 Company, a corporation,^{2/} relating to the extension of water service
 to certain property owned and to be developed by Subdivider for
 industrial purposes in the City of South San Francisco, San Mateo
 County. A copy of the agreement is attached to the application as
 Exhibit A.

The subdivision proposed to be served is alleged to be
 located on filled land which was formerly part of a marsh area near
 San Francisco Bay. Water service, including Subdivider's fire
 protection requirements, is to be furnished through 12-inch mains
 from Applicant's South San Francisco system. The cost of installing
 the distribution system, including service connections, is estimated
 to be \$100,000, which, upon completion of the construction, is
 subject to adjustment to the actual installed cost. Charges for
 water service are to be based upon Applicant's rates which may be
 in effect from time to time and which are properly on file with

^{1/} Hereinafter sometimes called Applicant.

^{2/} Hereinafter sometimes collectively called Subdivider.

this Commission.

Due to the alleged hazard of damage to facilities which might result from subsidence, and the increased probability of earthquake damage by reason of the installation of the facilities on filled land, the agreement deviates from Applicant's filed main extension rule in that it provides that no refunds are to be made to Subdivider of the amount of the deposit which has been adjusted to the installed cost of the facilities. Under the terms of the agreement, Subdivider is to indemnify Applicant against specified amounts of damages to facilities resulting from subsidence within five years from the date of signing the agreement, and for earthquake damage which might occur within twenty years from that date. The amounts of such damages to be borne by Subdivider are those over \$25,000 but not in excess of \$100,000 in the case of subsidence, and over \$5,000 but not more than \$100,000 for damage resulting from earthquakes.

The application states that the execution of the main extension agreement providing for no refunds appears to be an appropriate method of avoiding an undue burden being placed upon existing customers. Further, the reasons for Applicant's position in this matter have been explained to and are understood by Subdivider.

Included in the proposed 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 request of Applicant and being of the opinion that the agreement is not adverse to the public interest, that the application should be granted and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that California Water Service Company, a corporation, be and is authorized to carry out the terms and

conditions of the written agreement, dated November 27, 1956, with Edw. T. Haas, an individual, R. M. Haynie, an individual and Utah Construction Company, a corporation, and to render the service described therein under the terms, charges and conditions stated.

IT IS HEREBY FURTHER ORDERED that applicant shall file with the 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 is 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 19th day of February, 1957.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners