

**ORIGINAL**Decision No. 58134

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of )  
 CLEAR LAKE PARK WATER COMPANY for )  
 authority to deviate from, and for )  
 approval of a modification of and ) Application No. 40710  
 amendment to, Rules and Rulings of )  
 the Commission. )

OPINION AND ORDER

Clear Lake Park Water Company, a corporation, by application filed December 26, 1958, seeks authority to amend its filed Rule No. 15, Main Extensions, to provide that all persons requesting water service to premises located outside of applicant's dedicated service area be required to bear, without refund, all costs of the extensions to serve these premises. The cost of such extensions is defined to include all additions to any part of the utility's existing facilities as, in the judgment of the utility, may be deemed reasonably necessary to enable it to deliver water to the premises to be served.

Applicant's presently effective main extension rule was filed in compliance with Decision No. 50580, issued on September 28, 1954, in Case No. 5501. The reference decision required each public utility water company in California to file the uniform main extension rule prescribed in the order.

The Commission recognized that the uniform main extension rule may not be entirely applicable in each and every situation. Therefore, Section A-5 of the rule provides:

"In case of disagreement or dispute regarding the application of any provision of this rule, or in circumstances where the application of this rule appears impracticable or unjust to either party, the utility, applicant or applicants may refer the matter to the Public Utilities Commission for settlement."

It was not contemplated, however, that authority for blanket deviations would be sought or granted, but rather that each deviation request would be limited to a particular defined or identified main extension and that such request would be considered on its own merits.

The proposed modification of the presently effective main extension rule is stated by applicant to be necessary for the reason that the utility would be unable to finance the extensions requested by land dealers developing so-called "out-of-bounds" lands; that is, properties outside the utility's presently dedicated area of service. Further, according to the application, the continuing development of subdivisions within the area of service requires the investment of capital in new plant by the utility, over and above that advanced by developers for subdivision facilities as required by its filed main extension rule. The total number of lots within the area of service which are not presently receiving water service is alleged to be about 2,100, and the cost of providing service to such parcels is estimated to be \$105,000, exclusive of the cost of concurrent enlargement of production, purification, storage, and transmission facilities.

Concerning the contingent requirement of obtaining capital to finance the cost of serving the 2,100 parcels referred to above, applicant emphasizes its position as follows:

"It should be obvious that to add to this potential burden another one equally great, if not greater, in respect of service to 'out-of-bounds' parcels, involves, to put it mildly, an approach to its economic disaster."

The application outlines in detail the difficulties involved in extending service to the "out-of-bounds" properties. Applicant recognizes that the area may be slow to develop and that there is no assurance of sufficient revenues being derived from

service to such properties to compensate for the increased taxes, depreciation and maintenance costs which are certain to be incurred.

In view of applicant's present obligation to extend service within its present service area under its existing main extension rule and the admitted difficulties it faces in financing the costs inherent in such extensions, the Commission is of the opinion and so finds that applicant's request for authority to modify and amend its main extension rule is not justified and that it would not be in the public interest to grant the blanket authority to deviate from the main extension rule, as requested by applicant.

The Commission having considered the above-entitled application and having found that the application should be denied, and that a public hearing is not necessary, therefore,

IT IS HEREBY ORDERED that the application of Clear Lake Park Water Company, a corporation, for authority to amend its filed Rule No. 15, Main Extensions, be and it is denied.

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

Dated at San Francisco, California, this 17<sup>th</sup> day of March, 1959.

*E. L. Fox* President  
*W. H. ...*  
*...*  
Commissioners