

**ORIGINAL**

58830

Decision No, \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 CALIFORNIA WATER & TELEPHONE COMPANY )  
 for an order approving and authoriz- )  
 ing an agreement between Applicant )  
 and Monterey Peninsula Associates. )

Application No. 41233

OPINION AND ORDER

California Water & Telephone Company<sup>1</sup>, a corporation, by the above-entitled application, filed June 17, 1959, requests authority to carry out the terms and conditions of two agreements with Monterey Peninsula Associates<sup>2</sup>, a corporation, relating to the development of certain subdivisions known as Carmel Knolls Units Nos. 1, 2 and 3, located in Monterey County near the City of Carmel-by-the-Sea. A copy of each of the agreements, designated, respectively, Exhibit A and Exhibit B, is attached to the application.

The application states that the facilities to serve the three units of Carmel Knolls were designed by Utility as a master plan in order to provide service to the entire area in the most practical and economical manner. Because Subdivider did not wish to undertake immediately the development of the entire Carmel Knolls area, an agreement covering the installation of facilities to serve Unit No. 1, evidenced by Exhibit A, was entered into on January 27, 1959. Subsequently, upon Subdivider's decision to proceed with the development of Units Nos. 2 and 3, Utility prepared the agreement evidenced by Exhibit B. The two contracts provide for the facilities to be constructed under the master plan. Although the agreement as evidenced by Exhibit B is unexecuted, the application alleges that the agreement is acceptable to Subdivider.

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1 Sometimes hereinafter called Utility.

2 Sometimes hereinafter called Subdivider.

Unit No. 1 consists of 39 lots, of which only eight can be served from the Utility's gravity zone, supplied from an existing 25-inch main in Carmel Valley Road. Pumping will be required to deliver water to the remainder of Unit No. 1 and all of Units Nos. 2 and 3, these areas being located at a higher elevation in Utility's first elevation zone.

The agreement, Exhibit A, states that initially service can be provided to that portion of Unit No. 1 lying in the first elevation zone by temporary use of pumping and storage facilities located in an adjacent subdivision known as Rancho Rio Vista. The excess capacity from these facilities will eventually be required for service to Rancho Rio Vista upon its full development.

In order to supply the upper portion of Unit No. 1 without the immediate installation of pumping and storage facilities, it is proposed in Exhibit A to serve the upper portions of the unit from an extension from a main located in Rancho Rio Vista, in the first elevation zone. This extension traverses the area to be developed as Units Nos. 2 and 3 and is designed to be of sufficient capacity to serve the ultimate development of these units, as well as the upper portion of Unit No. 1.

The agreement, Exhibit A, provides that Subdivider is to grant to Utility, free of charge, a site for a pumping plant at a location on the boundary between the gravity and first elevation zones, together with easements for interconnecting the proposed extension with existing mains in the first elevation zone. The application alleges that the pumping site is an area approximately 20 feet square and is of nominal value. In the event that Utility can obtain permission to install the proposed pumping plant in the street, it will not require use of the site, which will then be returned to Subdivider.

The agreement, Exhibit A, provides that the cost of mains and services, in the amount of \$21,461, necessary to serve Unit No. 1, including the main traversing Units Nos. 2 and 3, is to be advanced by Subdivider. The amount thus advanced, subject to adjustment on an actual cost basis, is to be refunded according to the percentage of revenue method as set forth in the Utility's filed Rule No. 19, Main Extensions. The agreement provides that the Utility may, at its option, install larger facilities than specified in the agreement. The Utility is to bear the additional cost of any such larger facilities.

The agreement evidenced by Exhibit A does not contain a provision to the effect that it shall be subject to such change or modification by this Commission as it may, from time to time, direct in the exercise of its jurisdiction. Authorization to carry out the terms of the agreement will be conditioned on the understanding that the Commission has continuing jurisdiction over the service.

The unexecuted agreement evidenced by Exhibit B pertains to the installation of the remaining mains and services necessary to serve Unit No. 2, consisting of 29 lots, and Unit No. 3, consisting of 23 lots, as well as to the installation of pumping and storage facilities to serve all three units of the Subdivision. The estimated costs of these facilities are as follows: mains and services, \$4,209; 40,000-gallon redwood tank, \$7,929; and 100-gallon per minute pumping plant, \$6,729; the total of such amounts being \$18,867.

This estimated total cost is to be advanced by Subdivider and, subject to adjustment on an actual cost basis, is also to be refunded according to the percentage of revenue method.

The inclusion of the cost of pressure and storage facilities in the advance is made pursuant to paragraph C.1. of the Utility's Rule No. 19, Main Extensions, which provides that if such facilities are required specifically to provide pressure or storage exclusively

for the service requested, the cost of the facilities may be included in the advance upon approval of the Commission. The application alleges that the pressure and storage facilities are required for the reason that the major portion of Unit No. 1 and all of Units Nos. 2 and 3 are of such elevation as to require pumping. No provision was made in the first contract, Exhibit A, for pressure and storage facilities for that portion of Unit No. 1 which lies above the gravity zone of Utility for the reason that part of Unit No. 1 could be served temporarily through the main installed traversing Units Nos. 2 and 3 without the installation of pressure and storage facilities; to have required their installation at the time of development of Unit No. 1 would have placed an unnecessary burden and expense on Subdivider.

No provision is made in the agreement for a site for the proposed storage tank for the reason that it is proposed to locate the tank on Utility property presently used for tank site purposes in the adjacent Rancho Rio Vista subdivision and to use existing distribution mains of Rancho Rio Vista to transport water between the facilities installed within Carmel Knolls and this tank. The application alleges that the location of the tank on this particular site is deemed the most economical and practical method serving Carmel Knolls as it will not require the obtaining of an additional tank site. The capacity of the storage tank is alleged to be that necessary to provide adequate storage and pressure specifically to serve the Carmel Knolls subdivision. Water will be conveyed to and from the tank through a pipeline which is also used as a part of the distribution system of Rancho Rio Vista subdivision.

The agreement, evidenced by Exhibit B, is not to become effective until its authorization is obtained from this Commission. It contains a provision that it shall, at all times, be subject to

change or modification by this Commission in the exercise of its jurisdiction.

Utility and Subdivider having requested that Commission authorization be made effective at the earliest date possible, the order herein will be made effective ten days after the date hereof.

The Commission having considered the request of Utility and being of the opinion that the application should be granted and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that California Water & Telephone Company be and it is authorized to carry out the terms and conditions of the two written agreements, evidenced by Exhibits A and B attached to the application, and to render the service described therein under the terms, charges and conditions stated therein. In granting this authority, parties to said agreements are hereby placed upon notice that such agreements shall at all times be subject to such change or modification by the Commission as said Commission may, from time to time, direct in the exercise of its jurisdiction.

IT IS HEREBY FURTHER ORDERED that California Water & Telephone Company shall file with the Commission within thirty days after the effective date of this order, two certified copies of each agreement as executed, together with a statement of the date on which each contract is deemed to have become effective.

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

Dated at San Francisco, California, this 28th day of July, 1959.

*Ernest J. Ray*  
President  
*William H. ...*  
*Theodore Jenner*

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Commissioners