

60305

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of HESPERIA WATER COMPANY
for an Order approving a main extension
agreement with UNITED REALTY AND DEVELOP-
MENT COMPANY

Application No. 42241

OPINION AND ORDER

Hesperia Water Company, a corporation, by the above-entitled application filed May 10, 1960, requests an order of the Commission permitting applicant to proceed with the extension of water service as provided for in a letter from United Realty and Development Company to Hesperia Water Company dated December 13, 1957, a copy of which letter is attached to the application as Exhibit A. Applicant alleges that it has agreed to serve water to the property of the developer, according to the application.

The body of the subject letter, Exhibit A, states as follows:

"In consideration for Hesperia Water Company's admitting to its service area and serving property known as government Lots 1 and 2 in the NE 1/4 of Section 4, Township 3 N, Range 4 W, I am enclosing my check in the amount of \$3,000.00 and will forward Mr. Mitchell's check which I hold in the amount of \$3,000.00 upon receiving receipt for my check with notation that receipt for Mr. Mitchell's check will be forwarded to me when you receive Mr. Mitchell's check in the amount of \$3,000.00.

"Total price of admission to Hesperia Water Company water service of the area known as government lots 1 and 2 in the NE 1/4 of Section 4, Township 3 N, Range 4 W, to be \$16,000.00 payable \$6,000.00 now and \$10,000.00 by the end of the 24th month after we have received subdivision report on property referred to above. The \$10,000.00 to bear no interest.

"Many thanks for your co-operation in this regard and I hope that some day I may be in a position to reciprocate."

The application states that the developer has, within thirty days preceding the filing of this application, now requested the utility to make the main extension provided for in the letter.

The proposal deviates from the utility's filed Rule No. 19, Main Extensions, in that it does not provide for adjustment of the amount of the advance to actual cost, nor for refunding of the advance. It is not apparent, either from the application or from the letter, Exhibit A, whether the advance is to cover only the cost of mains, services and fire hydrants, which items are, according to the rule, properly includable in the advance; whether it is to include the cost of additional facilities required specifically to provide pressure or storage exclusively for the service requested, the cost of which may be included in the advance on approval of the Commission; or, whether the agreement deviates from the rule by including in the advance the cost of wells, meters, and other items.

Ordering paragraph 10 of Decision No. 59281, dated November 17, 1959, in Case No. 6159, states:

- "10. That there is no necessity at this time for prohibiting the connection of new customers to existing distribution facilities but that neither Kayem nor Hesperia shall make any further main extensions of its distribution facilities without further order of the Commission."

The application contains no showing to support the lifting of the above quoted restriction.

In view of the lack of showing in support of applicant's request, we are unable to make the necessary finding that the provisions made for the extension of service in the letter of December 13, 1957 are reasonable or that the restriction in

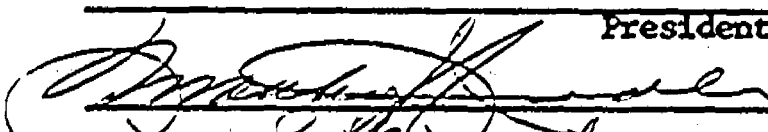
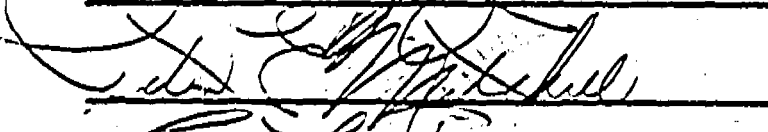
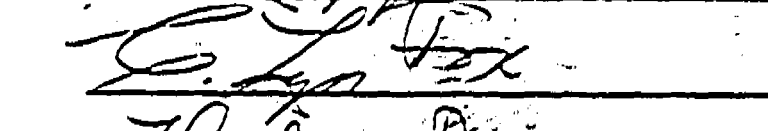
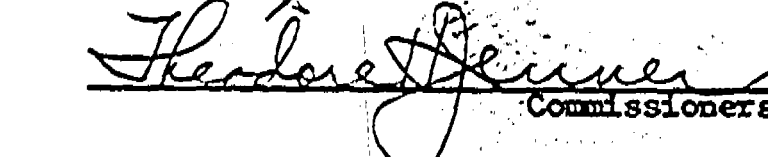
ordering paragraph 10 of Decision No. 59281 should be lifted. We conclude, therefore, that the application should be denied.

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

IT IS HEREBY ORDERED that the request of Resperia Water Company, a corporation, contained in this application, be and it hereby is denied.

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

Dated at San Francisco, California, this 24th
day of June, 1960.

 President


 Commissioners