

Decision No. 60908**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA WATER & TELEPHONE COMPANY
for authority to include in advances
by certain property owners and
developers the cost of facilities
specifically required to provide
pressure and storage exclusively
for service to their properties.

Application No. 42556

OPINION AND ORDER

California Water & Telephone Company filed the above-entitled application on August 10, 1960 seeking authority to carry out the terms and provisions of three agreements attached to the application as Exhibits A, B, and C on condition that applicant modify the provisions of said Exhibit A so as to provide that the sum of \$22,600 paid by The Firestone Tire & Rubber Company pursuant to paragraph 6^{1/} of said Exhibit A shall be refundable under the provisions of Section C-2-b of applicant's filed main extension rule No. 19, rather than being by way of contribution to applicant, and seeking authority to institute water service to Fishermen's Flat Subdivision, Monterey County.

The verified application shows:

1. For a number of years prior to February 2, 1959 it was the consistent practice of applicant to require persons requesting water

^{1/} A review of Exhibit A shows that the payment of \$22,600 by The Firestone Tire & Rubber Company was actually made pursuant to paragraph 2 of Exhibit A. The proposed basis of refund will be included in an amended paragraph 6, as proposed in Section XIII of the application.

service outside of applicant's dedicated service area in its Monterey Peninsula Division to contribute, without refund, the cost of the facilities specifically required for the rendition of such service, including on-site facilities.

2. On February 2, 1959, by its decision in California Water & Telephone Company v Public Utilities Commission, 51 Cal. 2nd 478, the Supreme Court of California determined, among other things, that if a water utility voluntarily elects to extend its service outside its dedicated service area, it must first obtain the authorization of this Commission for any arrangements the water utility proposes which deviate from its filed main extension rule.

3. During the past five years applicant has received inquiries as to the availability of water service in the general vicinity of the Monterey Airport. This area for the most part was outside of applicant's service area. Based on studies, applicant determined that the best and most feasible means of supplying water service to said area would be under a master plan whereby the connecting main, pumps and storage facilities necessary for service to the area as a whole would be installed.

4. Among the potential developments in the area were: (a) a research laboratory to be constructed by The Firestone Tire & Rubber Company; (b) subdivisions to be developed by Del Monte Properties Company on tracts commonly referred to as Tracts A and B to be known as Research Park and Deer Creek, respectively; and (c) a subdivision to be known as Fishermen's Flat to be developed by Monterey Savings & Loan Association.

5. On January 7, 1958 applicant entered into an agreement (Exhibit A of the application) with The Firestone Tire & Rubber Company providing for the extension of water service by applicant to

Firestone's research laboratory site, which was then situated outside of applicant's dedicated service area, upon payment by Firestone of \$22,600 as a contribution for the cost of constructing the facilities required to serve said property.

6. On December 11, 1958 applicant entered into an agreement (Exhibit B of the application) with Del Monte Properties Co., providing generally for the extension of water service by applicant to Tracts A and B owned and to be developed by Del Monte, upon payment by Del Monte to applicant of \$92,364 toward the cost of combined off-site facilities to be constructed by applicant to provide water service to Tracts A and B of Del Monte and to the research laboratory of Firestone. Tract A was then outside applicant's dedicated service area while Tract B was within.

7. Firestone has paid applicant \$22,600 pursuant to Exhibit A; Del Monte has paid applicant \$92,364 pursuant to Exhibit B; and all facilities have been installed pursuant to said Exhibits A and B. Of the \$92,364 amount paid by Del Monte, \$24,400 is deemed to be the cost of the off-site facilities that would be required to enable service to Tract B of Del Monte alone.

8. Monterey Savings & Loan Association now desires to proceed with its subdivision known as Fishermen's Flat and on April 15, 1960 entered into a contract with applicant and with Del Monte Properties Co. (Exhibit C of the application) providing generally for the construction and installation of facilities required to furnish water service to Fishermen's Flat and the integration and combination thereof with facilities constructed pursuant to Exhibits A and B.

9. Under the terms of Exhibit C Monterey Savings agrees to advance the cost of certain off-site storage, pumping and connecting main facilities, at an estimated cost of \$33,535, subject to refund

in accordance with applicant's filed rule No. 19 (C) subparagraph 2 (B). Monterey Savings also agrees to install all on-site facilities necessary to serve Fishermen's Flat and to pay applicant \$9,544, the estimated cost of applicant for supervision of the installation of said on-site facilities. Applicant agrees to make refunds to Monterey Savings in accordance with its rule No. 19 (C) for on-site facilities equal to the cost to Monterey Savings of said on-site facilities, but in no event more than \$46,964, applicant's estimate of the cost thereof.

10. Applicant has agreed to amend Exhibits A and B of the application to provide for refunds to Firestone and to Del Monte in accordance with its filed main extension rule. Such amendment to Exhibit B is contained in paragraph 11, Exhibit C, of the application.

11. All on-site facilities provided to be installed in Fishermen's Flat pursuant to Exhibit C of the application have been installed by the developer of said subdivision who desires immediate water service. Applicant is willing to provide such service upon authorization by this Commission.

12. Applicant alleges that it is, in effect, consolidating the connecting mains which otherwise would be required for service to the areas embraced by Exhibits A, B and C, and, likewise, that it is consolidating the facilities specifically required to provide pressure and storage exclusively for service to said properties, all in the most efficient and economic manner conceived to avoid any unnecessary duplication of facilities. Applicant seeks authority to apply that portion of its filed main extension rule which enables it, with Commission authorization, to include in the advances from Firestone, Del Monte, and Monterey Savings the estimated cost of

facilities specifically required to provide pressure and storage exclusively for service to their respective properties.

Exhibit C contains a provision that it shall, at all times, be subject to change or modification by this Commission in the exercise of its jurisdiction and it also contains a provision that it shall be of no force and effect until authorization of this Commission has been obtained, both of which provisions are required by the Commission's General Order No. 96. Exhibits A and B, however, do not contain such provisions, and the parties to the agreements set forth in those exhibits are hereby placed on notice that the required provisions are in full force and effect, even though not included in the agreements.

The Commission having considered the request of applicant and finding that a granting of the application as herein provided will not be adverse to the public interest and that a public hearing is not necessary; therefore,

IT IS ORDERED that applicant be and it is authorized to carry out the terms and conditions of the written agreements attached to the application as Exhibits A, B, and C, on condition that applicant modify the provisions of paragraph 6 of said Exhibit A so as to provide that the sum of \$22,600 paid by The Firestone Tire & Rubber Company pursuant to paragraph 2 of said Exhibit A shall be refundable under the provisions of Section C-2-b of applicant's filed main extension rule No. 19.

IT IS FURTHER ORDERED that applicant be and it is authorized to institute service to Fishermen's Flat subdivision and to apply its presently effective tariff schedules, except as modified herein, to said area.

IT IS FURTHER ORDERED that applicant shall:

1. File with this Commission within thirty days after the effective date of this order, two certified copies of the contracts, as executed, together with a statement of the date on which the contracts are deemed to have become effective.

2. Notify this Commission in writing of the date of termination of said contracts within thirty days from and after said date of termination.

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

Dated at San Francisco, California, this
18th day of OCTOBER, 1960.

[Signature]
President
[Signature]
[Signature]
[Signature]
Theodore J. J. J.
Commissioners