

**ORIGINAL**

Decision No. 62431

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of Palos Verdes Water Company to )  
deviate from the established rule )  
respecting water main extensions, )  
as set forth in Decision No. 50580, )  
Case No. 5501. )

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Application No. 43564

OPINION AND ORDER

Palos Verdes Water Company<sup>1</sup>, a corporation, by application filed June 23, 1961, seeks authority to carry out the terms and conditions of a settlement agreement, dated April 30, 1961, with Linde Corporation<sup>2</sup>, and Lee Hollopeter, doing business as Mutual Pipe Line and Construction Company, and authority to deviate from the Main Extension Rule to the extent necessary to implement said agreement.

Utility entered into a written contract dated August 25, 1956, with Developer for the extension of water service to Tracts Nos. 22387 and 22835, in an area known as Palos Verdes Peninsula in Los Angeles County. Because of an abnormally large difference between the actual and estimated cost of the facilities and to avoid costly litigation, the parties involved worked out the compromise agreement for which Commission authorization is now sought.

The settlement agreement deviates from the Utility's filed Main Extension Rule in that adjustment to actual cost will be made by Utility's retaining a portion of the refunds otherwise due Developer until such time as Utility's actual costs have been recovered.

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1 Sometimes herein called Utility.

2 Sometimes herein called Developer.

The agreement contains a provision that it shall not become effective until Commission authorization has been obtained, but it does not contain a provision that it shall, at all times, be subject to modification by this Commission in the exercise of its jurisdiction. The parties to the agreement are hereby placed on notice that the agreement is nevertheless subject to such modification.

The Commission has considered the above-entitled application and finds that the deviations contained in the settlement agreement are justified, that the application should be granted, and that a public hearing is not necessary.

IT IS HEREBY ORDERED that Palos Verdes Water Company be and it is hereby authorized to carry out the terms and conditions of the agreement, dated April 30, 1961, with Linde Corporation and Lee Hollopeter, doing business as Mutual Pipe Line and Construction Company, a copy of which agreement is attached to the application as Exhibit A.

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

Dated at San Francisco, California, this 22<sup>nd</sup> day of AUGUST, 1961.

*Charles W. Rago*  
 President

*John M. ...*

*S. ...*

*George L. ...*

*Frederick B. ...*  
 Commissioner