

ORIGINAL

Decision No. 63114

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of PALM DESERT WATER COMPANY, a California Corporation, for an exparte order authorizing it to execute an agreement for water system extension with White and Associates, Limited.

Application No. 43469

O P I N I O N

Applicant is a California corporation providing domestic water in the vicinity of Palm Desert, Riverside County, California, pursuant to this Commission's Decision No. 45271, dated May 15, 1951, and Decision No. 59489, dated January 12, 1960. It has on file and in effect a standard Main Extension Rule No. 15, which provides, among other things, in Paragraph C.1., relative to advances for construction: "If additional facilities are required specifically to provide pressure or storage exclusively for the service requested, the cost of such facilities may be included in the advance upon approval by the Commission."

Applicant proposes to enter into an agreement for an extension of its system in its authorized service area, which will require the subdivider to pay for the cost of an 8-inch main, fittings, gates and housings, a 10,000-gallon hydropneumatic pressure tank, and two 25-hp electrically driven booster pumps. A copy of this proposed agreement is attached to the application as Exhibit "8". The described facilities will be used only to provide water to a subdivision being constructed by White and Associates, Limited, a

subdivider. The total cost of these facilities is estimated to be \$19,540 and the proposed agreement provides that excess charges over the stated amount will be paid by the said subdivider and that if the total charges are less than the stated amount, the excess will be refunded by the utility to the subdivider. Extensions within the subdivision or subdivisions constructed by White and Associates, Limited, will be serviced through the facilities herein referred to and construction will be pursuant to applicant's standard main extension rule.

The Commission's staff has investigated this matter and in its report indicates that:

White and Associates, Limited, will be subdividers or developers of an area of approximately 85 acres located within the certificated area of the utility. They have advanced \$19,540 to cover the cost of a 10,000-gallon hydropneumatic pressure tank, two 25-horsepower booster pumps, and an 8-inch transmission main, to serve this entire area. The area covered by the agreement is at the same elevation as the high tanks of the utility, and consequently cannot be served from the existing high tanks without a separate pressure system. The pressure and storage facilities are required exclusively for the area covered by the agreement.

As each individual tract within the area is developed, the utility will execute a standard form of its filed main extension agreement with White and Associates, Limited, representing the owners of the tract, covering the cost of in-tract distribution facilities. Such facilities are estimated to cost an additional \$66,000 for the entire area. The pro-rata share of the \$19,540 advanced for pressure and storage facilities for the entire area will be added to the amount refundable for each individual tract. White and Associates, Limited, have submitted a schedule assigning refund rights of the entire \$19,540 to the land owners of the individual tracts. Thus, the entire advance will be subject to refund, and it is estimated that it will be repaid in 15 to 20 years. The system will serve 293 customers within the fully developed area.

The facilities appear necessary to serve the subdivision or subdivisions to be constructed by White and Associates, Limited, only, and the agreement appears reasonable. Applicant will be authorized to execute said agreement. A public hearing is not necessary.

O R D E R

Applicant having filed an application for authority to execute an agreement, certain terms of which are permissible in conformity with its standard main extension rule only if specific approval is obtained from this Commission, and the Commission having investigated the matter,

IT IS ORDERED that the applicant be and hereby is authorized to execute the agreement in the form attached as Exhibit "B" to Application No. 43469.

IT IS FURTHER ORDERED that within thirty days after said agreement has been signed by the parties thereto, applicant shall file with this Commission two correct copies of the signed agreement, together with a statement of the date on which the agreement became effective.

The authority herein granted will expire if not exercised within one year after the effective date hereof.

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

Dated at San Francisco, California, this 16th day of JANUARY, 1962.

Robert B. Regan
 President

W. J. Mitchell

S. J. Fox

George L. Crover

Frederic B. Scholoff
 Commissioners