

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SHADOW MOUNTAIN GOLF ESTATES, a partnership, composed of Mon C. Wallgren, Jean Damerel, Herbert H. Shaw, and Bernard A. Sponberg,

Complainants,

vs.

PALM DESERT WATER COMPANY,

Defendant.

Case No. 7182
(Petition for Approval of Main Extension Agreement and to Dismiss Complaint - Filed May 31, 1962)

O P I N I O N

The Commission, in Decision No. 63327, dated February 26, 1962, issued, after hearing, its interim order in which it directed Palm Desert Water Company to install a connection between its high pressure zone system and Shadow Mountain Golf Estates Unit No. 1 in accordance with a contract to be executed by the parties in compliance with the utility's main extension rule, provided that the utility should not require an advance for the cost of the mains in excess of the cost of mains of six inches inside diameter.

The petitioners jointly allege that Shadow Mountain Golf Estates, a corporation, as successor to the complainant partnership, and the utility have entered into an agreement, dated May 9, 1962 (Petition, Appendix "A"), subject to authorization by the Commission, for a main extension to complainant's subdivision. The petition states that the actual connection, between the utility's high pressure zone system and tract distribution facilities already installed,

will be accomplished by extending the utility's existing 8-inch main, now terminating at Grapevine Street and Hearth Stone Lane, easterly along Grapevine to the Henderson 2-acre parcel, thence northerly and easterly, via easements obtained from the golf club, bypassing the 2-acre parcel, to the present termination of the Gokey line extending southerly from Ironwood. At that point the connection will be made with a line to be installed westerly and southerly from White Stone Lane. The agreed cost of the extension to be advanced by the subdivider, amounting to \$18,820.75, includes the cost of a 6-inch main but no part of the cost of the main to be installed westerly from the point of connection (Petition, Appendix "A", Exhibits "A", "B").

The interim order directed the utility to refund to the subdivider, within thirty days after ascertainment of the reasonable actual cost of the extension, the difference, if any, between the sum of \$22,832 theretofore advanced by the subdivider for an extension to be constructed pursuant to an earlier agreement (dated May 31, 1961, but not authorized by the Commission), and the reasonable actual cost of the extension ordered by the Commission. Petitioners request that the utility be directed to refund to the subdivider, as provided by the agreement of May 9, 1962, the sum of \$4,011.25, without interest, as the difference between the former advance and the total and final cost to the subdivider of the extension contemplated by the present agreement, amounting to \$18,820.75. The latter amount, it is alleged, includes an allocable charge to the subdivider of the cost of 6-inch mains, although certain 8-inch mains have been and will be installed by the utility.

Petitioners further request: (1) that Shadow Mountain Golf Estates, a corporation, as the successor in interest of the partnership, be substituted herein as complainant; (2) that the utility be directed to advise the Commission, in writing, when it has paid the sum of \$4,011.25 to the subdivider and when it has completed the connection of on-site distribution facilities within the subdivision to its high pressure zone system; and (3) that the Commission, on being so advised, enter its order dismissing the complaint herein.

The contract provides for refund of the agreed cost of \$18,820.75 pursuant to the 22%-of-revenue, 20-year option of the utility's rule governing main extensions. It also provides for cancellation of the agreement of May 31, 1961, upon authorization by the Commission of the contract dated May 9, 1962.

The contract does not contain a provision that it shall, at all times, be subject to change or modification by this Commission in the exercise of its jurisdiction, which provision is required by the Commission's General Order No. 96-A. The parties to the contract are hereby placed on notice that the required provision is in full force and effect, even though not included in the contract.

We have considered the petition and find that the granting of the authority therein requested is not adverse to the public interest. The parties, therefore, should and will be authorized to carry out the terms and conditions of their agreement, dated May 9, 1962, in accordance with the order herein.

A public hearing is not necessary.

O R D E R

The joint petition of Shadow Mountain Golf Estates, a corporation, and Palm Desert Water Company, a public utility water company, having been filed and considered, the Commission now being informed in the premises,

IT IS ORDERED that:

1. Shadow Mountain Golf Estates, a corporation, be and it hereby is substituted as the complainant herein and all proceedings herein are deemed amended accordingly.

2. Complainant and Palm Desert Water Company, after the effective date of this order, are authorized and directed to carry out the terms and conditions of the contract, dated May 9, 1962, for construction or installation of a main extension to connect the utility's high pressure zone system in Palm Desert with the distribution system installed and to be installed in complainant's subdivision, Shadow Mountain Golf Estates - Unit No. 1.

3. Palm Desert Water Company, within thirty days after the effective date of this order, shall file with the Commission two fully conformed copies of the contract, as executed.

4. Palm Desert Water Company, within ninety days after the effective date of this order and in conformity with General Order No. 96-A, shall file the summary required by that general order, listing all contracts and deviations, including the contract herein authorized. Such list shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

5. Palm Desert Water Company is directed to repay to complainant herein, as provided by said agreement, the sum of \$4,011.25, without interest, and to advise the Commission, in writing, (1) when it has paid said sum of \$4,011.25 and (2) when it has completed the connection herein directed to be made. Upon receipt of such advice the Commission will issue its order dismissing the complaint herein.

6. This order, in all respects except as to dismissal of the complaint herein, shall be effective five days after the date hereof.

Dated at San Francisco, California, this 24th day of JULY, 1962.

George G. Grover
President

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.