

ORIGINAL

Decision No. 70158

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Earl B. and Ethel B. Marr dba TAHOE CEDARS WATER CO., Tahoma, California, to deviate from their filed tariff main extension rule to require a payment equal to the pro rata cost of the installation of new mains necessary to provide winter water service and to execute contracts for refund of advances. }

Application No. 47446
Filed March 29, 1965

ORDER MODIFYING DECISION NO. 69693

Decision No. 69693, dated September 21, 1965, authorized applicants Earl B. Marr and Ethel B. Marr, husband and wife, doing business as Tahoe Cedars Water Company, to file a supplementary rule for extension of winter mains within their present summer service area, and concurrently to file certain specific tariff sheets related to the supplementary rule. The decision invited petitions for modification of the order therein, inasmuch as the authorized plan differed somewhat from applicants' proposal.

The only petition filed for modification of Decision No. 69693 is that of applicants, filed October 11, 1965. The petition cites two aspects of the authorized supplementary rule which might be detrimental to the utility and the public in that they could prevent the ultimate completion of an integrated grid system of winter mains throughout all of the present summer service area.

First, applicants point out that no provision was made for financing the cost of certain mains such as those used to connect dead ends, which costs are not properly subject to advances by any one applicant for an extension but are part of the overall winter

system requirements. The modification of the supplemental rule as authorized in the order to follow provides for an equitable distribution of the cost of such mains to all applicants for winter main extensions. This is accomplished by permitting the utility to utilize temporarily, for construction of dead-end interconnections and similar mains, moneys which would otherwise be refunded to all customers who had advanced the cost of winter main extensions. This will not be permitted, however, until advances shall have been refunded down to a maximum remaining advance of \$200 per lot. Further, after five years or when all such mains are completed, the outstanding advances of \$200 or less per lot will become subject to refund under the provisions of the rule. Any request for extension of the five-year moratorium on refunds where advances are \$200 or less per lot will require a showing of justification therefor by applicants.

The second point raised in applicants' petition is the deterrent effect the rule might have on participation by several potential winter customers with property areas of 62,000 square feet or more, unless some ceiling is placed upon the amount of advance required from any customer receiving service to a large lot or several small lots by means of a single service connection. Applicants suggest that a maximum of \$1,250 be established as a condition precedent to winter service to such customers, based upon applicants' estimates of the relative economic advantages to those customers of public utility service and private wells. Applicants' proposal appears reasonable and is adopted herein.

Upon review of the winter service main extension rule authorized by Decision No. 69693, we note that it was not clear that the utility is to provide services and meters at its own expense, as is required in the normal main extension rule for extensions to serve individuals. The order herein will clarify that point.

The Commission finds that it is reasonable for applicants' winter main extension rule and related tariffs to (1) provide for financing the cost of certain overall system winter mains and (2) incorporate a ceiling on the amount of advance required of a customer, and (3) clarify the utility's responsibility for services and meters, as provided in the order which follows. The Commission concludes that the requests in applicants' petition for modification of Decision No. 69693 should be granted to the extent, and in the manner, set forth in the order which follows. A public hearing is not necessary.

IT IS ORDERED that:

1. The annual data to be filed in compliance with paragraph 3 of Decision No. 69693 shall include:

"(e) Total amounts expended from (1) applicants' own funds, and (2) funds made available by applicants' winter main extension rule, for overall system winter mains, such as those used to connect dead ends, which overall system mains are not subject to advances directly by customers requesting winter main extensions."

2. The first sentence of Special Condition 4 of Schedules Nos. 1S and 2SR set forth in Appendix A to Decision No. 69693 shall have added thereto:

".... except that the maximum advance required of any customer receiving service by means of a single service connection shall be \$1,250."

3. The final sentence of subparagraph C.2.b.(1) of Rule No. 15-A set forth in Appendix B to Decision No. 69693 shall have added thereto:

".... or used for construction of overall system winter mains as set forth in subparagraph C.2.c.(2) of this rule."

4. Subparagraph C.2.c.(2) of Rule No. 15-A set forth in Appendix B of Decision No. 69693 shall be revised to read:

"(2) After the unrefunded advances have all been reduced (by refunds made under the foregoing paragraph) to \$200 or less for each lot (as previously defined), and until December 31, 1970 or whatever substitute date may later be authorized by the Commission, the utility may use the remaining funds from the sources named in the preceding subparagraphs b.(1) and b.(2) to construct interconnections of dead ends and to complete any other portions of the winter main grid system not properly subject to advances from any individual or group of individuals. When all such construction is completed, or on January 1, 1971 or whatever substitute date may later be authorized by the Commission, whichever is first, the utility thereafter annually shall determine the unrefunded amount of advance for each lot, including those for which advances were made pursuant to Special Condition No. 4 of Rate Schedules Nos. 1S and 2SR, and shall determine the percentage relationship that each such advance bears to the total of all such advances. These percentages shall then be used to prorate total refunds from the sources named in the preceding subparagraphs b.(1) and b.(2) including any unexpended funds therefrom previously accumulated for interconnection of dead ends."

5. Subparagraph C.1.a. of Rule No. 15-A set forth in Appendix B of Decision No. 69693 shall have added thereto:

"Such cost shall exclude service stubs, fittings, gates and housings therefor, meters and meter boxes."

In all other respects, Decision No. 69693 shall remain in full force and effect.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 4th day of JANUARY, 1966.

Fredrick B. Holaday President
George T. Thayer
William W. ... Commissioners