

ORIGINAL

Decision No. 70783

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Mesa Crest Water Company, a California Corporation for authority to deviate from the main extension rule and for authority to enter into a special con- tract for the extension of service.))))))	Application No. 47245 (Filed January 8, 1965) Supplemental Petition (Filed January 31, 1966)
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Frank W. Doherty, for applicant.
Raymond E. Heytens, for the
 Commission staff.

O P I N I O N

By Decision No. 69960, dated November 16, 1965, in the above application, the Commission ordered that:

1. Applicant shall not include the cost of meters in any main extension agreement, but shall pay for said meters from its own funds. Applicant shall, within 90 days after the effective date hereof, refund to the parties entitled thereto all amounts advanced for purchase of meters.

2. Applicant shall make no further main extensions or extensions of service beyond Tract 29701 without further order of this Commission.

3. Applicant shall notify applicants for water service of the various rate schedules available and of their right to elect service under whichever schedule is desired.

4. Within ninety days after the effective date hereof, applicant shall refile its tariffs, including a tariff service

area map clearly indicating the boundaries of the service area, appropriate general rules, and copies of printed forms to be used in dealing with customers. Such filing shall comply with General Order No. 96-A.

5. A further hearing, on a date to be set by this Commission, shall be held to determine whether or not applicant should be permitted (1) to execute main extension agreements providing for deposit by the subdivider of funds for backup facilities and containing other nonstandard provisions relative to the apportionment of refunds and (2) to deviate from the main extension rule with respect to the 50 percent limitation of customer advances in relation to depreciated utility plant.

By a letter dated February 21, 1966, the applicant advised the Commission as follows:

- "1. No meter costs are or will be included in any main extension agreements. There are no outstanding advances for meters in Mesa Crest Water Company's accounts.
- "2. Mesa Crest will not make any main extensions or extensions of service beyond Tract 29701 without further order of the Public Utilities Commission.
- "3. All applicants for water service shall be notified of the various schedules available and of their right to elect service under whichever schedual (sic) is desired.
- "4. Mesa Crest Water Company has refiled its tariffs, in accordance with General Order No. 96-A and the advice and assistance of the Commission staff, under Advice Letter No. 8."

On January 31, 1966, applicant filed a petition for authority to serve Tract 30362, a tract it is prohibited

from serving by ordering paragraph 2 of Decision No. 69960. On March 25, 1966, a hearing on said petition was held in Los Angeles before Examiner Rogers. At said hearing the Commission's staff stated that an application for authority to issue stock was being prepared for filing by applicant and that if the application were filed and the requested authority granted, the applicant's equity would be increased to the point that additional subdivisions could be served without specific authorization by the Commission. The hearing was therefore continued to April 22, 1966, on which date a further hearing was held and the matter submitted.

At the April 22, 1966 hearing, a Commission financial examiner testified that on April 4, 1966, applicant filed Application No. 48374 requesting authority to issue 10,000 shares of its \$10 par value common stock to Angeles Crest Development Company and 10,000 shares of its \$10 par value common stock to Admiral Building Company for money advanced and to be advanced principally for constructing backup facilities. He stated that after the proposed financing is complete, the total common stock equity of Mesa Crest will be approximately 66.5 percent.

Applicant has withdrawn the requests contained in Application No. 47245 for authority to execute main extension agreements at variance with its filed main extension rule and for authority to deviate from the main extension rule with respect to the 50 percent limitation of customer advances in relation to depreciated utility plant.

A. 47245 AB**

By its Advice Letter No. 7, dated August 12, 1965, applicant requested authority to deviate from its filed main extension rule in extending service to Tract No. 29701. By Resolution W-1024, dated August 25, 1965, the Commission authorized applicant to enter into an interim agreement with the subdivider subject to the ruling of the Commission in this application.

The Commission finds that:

1. Following the issuance of all of the stock authorized by Decision No. 70697, dated May 17, 1966, in Application No. 48374, the restrictions against applicant's extending service beyond Tract No. 29701 will no longer be necessary.
2. Applicant should not be authorized to deviate from its filed main extension rule with respect to Tract No. 29701.
3. Application No. 47245 should be dismissed.

O R D E R

IT IS ORDERED that:

1. Upon the issuance of all of the stock authorized by Decision No. 70697, ordering paragraph 2 of Decision No. 69960 shall be of no further force or effect.
2. The interim agreement authorized by Resolution W-1024 is of no further force or effect. Main extension refunds for Tract No. 29701 shall be made pursuant to applicant's filed main extension rule.

3. Application No. 47245 and the petition filed therein on January 31, 1966 are dismissed.

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

Dated at San Francisco, California, this 1ST day of JUNE, 1966.

Fredrick B. Holloff
President
George H. Howe
Augusta
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.