

lm

ORIGINAL

Decision No. 71965

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA WATER SERVICE COMPANY, a corporation, for an order approving a standard form contract for use in acquisition of water facilities financed through issuance of assessment district bonds.

Application No. 48802
(Filed September 21, 1966)

OPINION AND ORDER

By this application, California Water Service Company seeks approval of the use of a standard contract form for the conveyance from a city or county to applicant of water system facilities financed by proceeds from the sale of bonds issued by special assessment districts. A copy of the contract form is attached to the application as Exhibit 1.

Conveyance of water system facilities to applicant would be pursuant to Sections 50550 et seq. of the Government Code or Sections 10110 and 10111 of the Streets and Highways Code. Applicant proposes to pay certain costs thereof to the city or county in installments comparable to the refunds payable under applicant's main extension rule in accordance with the proposed standard form of contract.

The proposed contract form differs from the main extension rule and applicant's standard form for main extension contracts for subdivisions in the following respects:

- (a) The cost of fire hydrants would not be subject to refund.
- (b) Meters are not specifically excluded from the facilities conveyed under the terms of the contract.

- (c) Special facilities as contemplated in Section C.1.b. of the main extension rule would be refunded on the percent of revenue basis.
- (d) The obligation to refund the balance subject to refund after 20 years is not specifically related to the serving of 80% of the design number of customers as provided in Section C.2.d. of the main extension rule.

Section 50563 of the Government Code provides that the proceeds of the sale of improvements shall be distributed by the local agency to the owners of the property which has been or is being assessed to pay for such improvement. The Streets and Highways Code does not contain a similar provision. The order herein will provide that the contract form will include the provision that the city or county will receive the refunds as trustee for and for distribution to the owners of the properties assessed.

The Commission finds that the filing by applicant of the proposed contract form as amended by this order is not adverse to the public interest, and concludes that the application should be granted as provided herein.

IT IS ORDERED that California Water Service Company is hereby authorized after the effective date of this order to file its proposed contract form, Exhibit 1 attached to the application, provided that it is amended as follows:

1. At page 2, line 19 shall be added, following the word "appurtenances,", "excluding meters,".
2. The words "or fire hydrants" shall be deleted from the second sentence of paragraph 9.
3. To paragraph 10 shall be added the following sentence:
"Refunds made under the provisions of this paragraph and of paragraph 12 will be received by City as trustee for and for distribution to

the owners of the properties assessed therefor in proportion to the amounts assessed against the various parcels."

4. At the beginning of the first sentence of paragraph 12 shall be added the following words: "In accordance with utility's Rule 15.C.2.d.,".

The filing shall comply with General Order No. 96-A, and the contract form shall become effective on the fourth day after the date of filing.

The authority granted herein shall expire unless the contract form is filed within one year after the effective date of this order.

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

Dated at San Francisco, California, this 7th day of FEBRUARY, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners