

ORIGINALDecision No. 75500

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Sierra-Nevada Water Co., a
California corporation; for
permission to extend its service
to an additional 5.35 acres of
territory contiguous to its
present Tariff Area boundary.

Application No. 50622
(Filed October 16, 1968)

O P I N I O N

By this application and a letter amendment thereto, filed February 25, 1969, Sierra-Nevada Water Co., a California corporation, seeks authority to extend its water system into a 5.35-acre area (Unit No. 8) contiguous to its presently served area at Dollar Point, north shore Lake Tahoe, Placer County.

A Commission staff report in this matter was filed February 27, 1969, and is hereby made a part of the record herein as Exhibit No. 1.

By Decision No. 60163 in Application No. 41934, issued May 24, 1960, applicant was granted a certificate of public convenience and necessity for a public utility water system to serve the Dollar Point Subdivision. Among other things, said decision ordered applicant not to extend the system outside of the originally certificated area without first obtaining the authority of this Commission. The instant application, in essence, seeks to remove this restriction and, in addition, seeks authority to deviate from applicant's main extension rule and to extend its system to the new 5.35-acre area known as Dollar Point Unit No. 8.

In order to serve Unit No. 8, applicant proposes to install about 375 feet of 6-inch main in order to serve 11 of the lots therein. The estimated cost of the new facilities is \$3,215. Customers in Unit No. 8 would be served under existing rates, the basic rate being a flat rate of \$78 per year for a single-family residence.

Facilities installed since the initial plant was constructed, except for Unit No. 7, have largely been financed by applicant's parent, Sierra-Nevada Land Co., on an open account basis. By letter of February 24, 1969, hereby made a part of the record herein as Exhibit No. 2, said parent company has stated that it will (1) contribute to the utility the backup facilities, consisting of structures, pumping equipment, reservoirs and tanks, having a total cost of \$53,756, and (2) will execute and enter into a standard-form main extension agreement for the in-tract facilities, totaling \$56,895. Further, the parent also agrees to absorb all operating losses of the utility "until such time as the utility itself becomes self-sustaining".

Construction of plant within Unit No. 7, which the staff reports will be completed this year, is being financed by means of special assessment bonds (1915 Improvement Bond Act). The plant facilities in Unit No. 7, totaling approximately \$45,065, will be acquired by the utility at no cost to it. The utility proposes by its letter of February 24, 1969, hereby made a part of the record herein as Exhibit No. 3, to account for the same by debiting the appropriate plant accounts with the cost of construction and crediting Account No. 265, Contributions in Aid of Construction, for the facilities thus acquired.^{1/}

^{1/} The Commission has accorded similar treatment to other water utilities. See Decision No. 70948, in Application No. 48232, issued July 12, 1966.

The financing arrangements above discussed are not fully in accord with applicant's main extension rule. The Commission is of the opinion, however, that such arrangements are not adverse to the public interest and that deviation from the rule is in this instance reasonable.

Applicant has notified neighboring utilities of the application herein. None have communicated with the Commission respecting it.

From the record before it, the Commission finds:

1. Public hearing in this matter is not necessary.
2. Deviation from the utility's main extension rule, for the purposes hereinabove discussed, is not adverse to the public interest.
3. Public convenience and necessity require the extension of applicant's existing plant into Unit No. 8 of the Dollar Point Subdivision.
4. The financing arrangements hereinabove discussed, together with the proposed accounting therefor, are reasonable.
5. The extension of applicant's plant facilities into Unit No. 8 will require revision of applicant's maps and tariffs.
6. To the extent that the extension of facilities into Unit No. 8 modifies and enlarges applicant's certificated area of operation, such modification and enlargement are justified.

The Commission concludes that the application herein should be granted to the extent set forth in the following order and in all other respects denied.

O R D E R

IT IS ORDERED that:

1. The area of operations for which applicant has heretofore been issued a certificate of public convenience and necessity (Decision No. 60163 in Application No. 41934, issued May 24, 1960) is hereby enlarged to include Unit No. 8 of the Dollar Point Subdivision as said Unit No. 8 is described in the application herein.

2. Applicant is authorized to account for facilities within Unit No. 7 by debiting the appropriate plant accounts with the costs of construction thereof and by crediting Account No. 265 (Contributions in Aid of Construction) with the total amount thereof.

3. Applicant is authorized to accept from its parent Sierra-Nevada Land Co. contributed plant consisting of backup facilities to a total cost of \$53,756.00 and to enter into a standard-form main extension agreement for in-tract facilities to a total cost of \$56,895.00.

4. Within ninety days of the effective date of this order applicant shall file tariff sheets (including a tariff service area map) revised in such manner as to clearly show thereon the total area served and the applicability of its tariffs to such area.

5. Within thirty days of the date service is first rendered in Unit No. 8, applicant shall file with this Commission two

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copies of a current system map in conformance with the provisions of General Order No. 103.

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

Dated at San Francisco, California, this 1st day of APRIL, 1969.

William Lyman Jr.
President

August

Paul R. Morrissey
Michael

Commissioners

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DECISIONS NOS.

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