

ORIGINAL

Decision No. 76911

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BRENTWOOD PARK WATER CO., a California corporation, for authorization to further deviate from the main extension rule for the financing of in-tract improvements.

Application No. 51359
(Filed September 12, 1969)

Application of BRENTWOOD PARK WATER CO. a California corporation, to extend public utility water system into non-contiguous territory (and construct facilities re extension) and for deviation from Rule No. 15, Main Extensions.

Application No. 47487

O P I N I O N

Applicant Brentwood Park Water Co. seeks authority to enter into main extension and acquisition agreements which deviate from the provisions of applicant's main extension rule and from the provisions of the contract which applicant had previously been authorized and directed to enter into by Decision No. 69694, dated September 21, 1965, in Application No. 47487.

The Commission staff has reviewed Application No. 51359 and prepared a report thereon, dated January 15, 1970. A copy of that report hereby is received as Exhibit No. 1 in that proceeding. Applicant has reviewed the staff report, has found the report to be satisfactory, and has requested by letter an ex parte order based upon that report. Applicant's letter hereby is received as Exhibit No. 2 in Application No. 51359.

Decision No. 69694 granted applicant a certificate to construct extensions of its then existing water system in Brentwood Park, near Twain Harte, Tuolumne County. The new territory, Goldmont Forest, was almost a mile from the Brentwood Park system.

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Paragraph 8 of the decision authorized and directed applicant, if it exercised the certificate, to carry out the terms and conditions of a main extension agreement, Exhibit O in Application No. 47487, with Robert B. Bates, Inc., the affiliated developer of Goldmont Forest.

Applicant and its affiliate later revised their plans for financing the new facilities. An assessment district was formed to finance part of the cost by issuance of assessment bonds. Applicant now requests authority to enter into (1) an agreement (Exhibit Q, Application No. 51359) with Tuolumne County, providing for contribution to applicant of in-tract facilities costing \$27,191, and (2) an agreement (Exhibit T, Application No. 51359) with the affiliated present developer of Goldmont Forest, providing for the refundable advance to applicant of the \$35,406 cost of the main to connect Brentwood Park and Goldmont Forest.

In Exhibit No. 1, Application No. 51359, the staff points out that the contributed plant will result in lower depreciation expense, rate base and cash drain for refunds than would an agreement following applicant's main extension rule. The staff recommends in Exhibit No. 1 that the application be granted, subject to certain modifications and restrictions set forth in the exhibit. Those modifications and restrictions appear reasonable. Applicant has raised no objections to the staff recommendations. Those recommendations, with minor modifications, are adopted in the order which follows. Applicant hereby is placed on notice that the cost of providing water service in Goldmont Forest should not be a burden on customers in the Brentwood Park area.

Finding and Conclusion

The Commission finds that the substitution of the two agreements authorized herein, in lieu of the main extension agreement required by Decision No. 69694, is not adverse to the public interest.

The Commission concludes that applicant's request for modification of Decision No. 69694 should be granted in the form set forth in the order which follows.

O R D E R

IT IS ORDERED that:

1. Applicant shall be relieved of the requirement of Paragraph 8 of Decision No. 69694, dated September 21, 1965, in Application No. 47487, provided:

- a. Applicant enters into an agreement with the developer of Goldmont Forest, providing for the advance by the developer of the cost of the transmission main from Brentwood Park to Goldmont Forest, with that advance being refunded on the basis of 22 percent of the revenue from those customers in Goldmont Forest who are not also used as a basis for refunds under other main extension agreements.
- b. Applicant receives the in-tract facilities for Unit 1 of Goldmont Forest subdivision as a contribution, and so records such receipt on its books.
- c. Applicant accrues under Account No. 212, Advances from Associated Companies, rather than paying in cash, refunds due to affiliated developers pursuant to main extension agreements. Such accruals shall not be disposed of without further order of this Commission.

2. Applicant is authorized to deviate from its filed main extension rule and the 50-percent-of-capital limitation on advances prescribed by that rule, in effecting compliance with the foregoing paragraph.

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3. Within ten days after applicant enters into agreements pursuant to paragraph 1 of this order, applicant shall file in this proceeding two copies of each agreement.

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

Dated at San Francisco, California, this 10th day of MARCH, 1970.

William J. Lyons, Jr.
President

Augusta

J. B. Williams

Paul W.

Thomas L. Steiner
Commissioners