

ORIGINAL

Decision No. 90373 JUN 5 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of LOMPOC UTILITY SERVICES, a)
California corporation, for)
authority to extend public utility)
sewer service under the contiguous)
extension provisions of Section)
1001 of the Public Utilities Code.)

Application No. 57608
(Filed October 5, 1977)

Diane E. Bradford, Attorney at Law, for applicant.
Tim Eichenberg, Attorney at Law, and Roy P. Jaeger, for Mission Hills Community Council, protestant.
Supervisor Robert L. Hedlund and George P. Kading, County Counsel, for Santa Barbara County; John E. Sherman, for Vandenberg Village Association; and Donald Lewis, for himself; interested parties.
William Jennings, Attorney at Law, for the Commission Staff.

O P I N I O N

By this application, Lompoc Utility Services (applicant) requests authority to provide service to a proposed 158.9-acre development, known as Tract No. 12211, which is located in the unincorporated area of the county of Santa Barbara, contiguous to applicant's present Mission Hills service area. According to the application, Tract No. 12211 will be developed into 55 residential lots, 2 future development lots, and open space area.

Applicant is a California corporation, with its principal place of business at Valinda, California.^{1/} Applicant furnishes public utility sewer service to approximately 866 customers in the Mission Hills district which includes areas in or adjacent to the city of Lompoc, and adjacent unincorporated area in Santa Barbara County.

A public hearing was held on a consolidated record with Application No. 54023 and Application No. 57609^{2/} at Lompoc on August 31 and September 1, 1978. At the end of the hearing the staff made a motion to dismiss the application. The motion was taken under submission and the hearing was adjourned.

Testimony was received from applicant's president, and its vice president and general manager. The testimony revealed that although the application gave the impression that service would only be supplied to 55 residential lots, the subdividers wanted service supplied to the ultimate development of 239 lots. The record shows that applicant has neither existing capacity in its system to handle 239 additional customers nor the resources to provide sufficient additional capacity.

Ordering Paragraph 7 of Decision No. 83478, dated September 24, 1974, in Application No. 53990, states:

"7. Applicant is authorized to collect inclusion fees of \$430 per connection. These fees shall be impounded in a separate interest-bearing account in a California bank or insured savings and loan association. The fees and accrued interest are to be expended only for treatment

^{1/} Applicant is wholly owned by Western Pacific Services, Inc., a nonoperating sewer holding company.

^{2/} Separate decisions will be issued on these applications.

plant additions and betterments, and only after specific authorization has been obtained by a means of a letter signed by the Secretary of the Commission. Applicant shall provide the Commission, attention of the Finance and Accounts Division, two copies of an annual statement no later than March 31 of each year, detailing the proper distribution and amount of all additions, interest earned, and withdrawals from the fund during the prior calendar year, together with the balances in the fund at the close of the year."

The developer of Tract No. 12211 is willing to pay the inclusion fees, plus the cost of in-tract facilities under a main extension contract. At full development, the inclusion fees would total \$99,760, an amount far short of applicant's estimate that \$225,000 would be required to add capacity to handle 239 new connections plus \$100,000 to riprap its existing ponds. Applicant's vice president and general manager testified in answer to the question, "Where is the \$225,000 coming from?", that "I don't know, your Honor."

Findings of Fact

1. Applicant's existing system cannot handle 239 new connections.
2. Applicant does not have the resources necessary to provide adequate capacity to handle 239 new connections.
3. Applicant does not know where it can obtain funds necessary to increase its capacity.

Conclusion of Law

The staff's motion to dismiss without prejudice should be granted.

O R D E R

IT IS ORDERED that Application No. 57608 is dismissed without prejudice.

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

Dated at San Francisco, California, this 5th day of JUNE, 1979.

John E. Bryan
President
James L. Shugart
Robert D. Howell
Alfred T. Friedrich
Linwood L. Davis
Commissioners