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Decision No. 92362 OCT 22 1980**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CALIFORNIA-AMERICAN)
 WATER COMPANY for rehearing on)
 Resolution No. W-2690 adopted)
 August 19, 1980, in connection)
 with Cal-Am Advice Letter No. 202,)
 filed March 20, 1980.)

Application No. 59905
 Filed August 28, 1980

ORDER DENYING REHEARING
OR MODIFICATION OF
RESOLUTION NO. W-2690

An application for rehearing or modification of Resolution No. W-2690 has been filed by California-American Water Company (Cal-American). We have carefully considered each and every allegation of error in that petition and are of the opinion that good cause for granting rehearing or modifying Resolution No. W-2690 in the manner requested has not been shown.

For several years it has been our policy to condition an authority for a utility to deviate from tariff rules and accept special facility and distribution line contributions in the manner we did in Resolution No. W-2690. This seemed reasonable as a means of avoiding a double burden on customers who may have already paid for a portion of those facilities in the purchase price of their home.

However, the reasonableness of this policy has not been universally accepted by the industry. As a result, the question of whether this policy should be continued is one of the issues being considered on a statewide basis in Case No. 9902, our investigation into main-extension rules. The record in that proceeding is far from complete. Several parties have not yet put on

a showing. Under these circumstances, we conclude that the better course is to continue to implement the present policy, pending a resolution of the issue in Case No. 9902, rather than to reverse it and thereby prejudice that question before it is even submitted to us.

Such a course is also consistent with our expressed policy of continuing to implement traditional methods of estimating utilities' income tax expenses while the question of how such expenses should be estimated is being considered in OII No. 24 (in re Pacific Gas & Electric Co., 84 CPUC 221; Decision No. 92018 (1980) _____ CPUC _____).

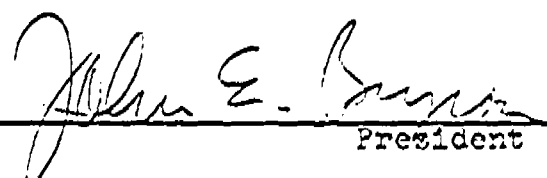
If our determination in Case No. 9902 is to change or delete the condition complained of by Cal-American, Resolution No. W-2690 may be modified accordingly. Therefore,

IT IS HEREBY ORDERED that rehearing and modification of Resolution No. W-2690 is denied.

The effective date of this order is the date hereof.

Dated OCT 22 1980 , at San Francisco, California.

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

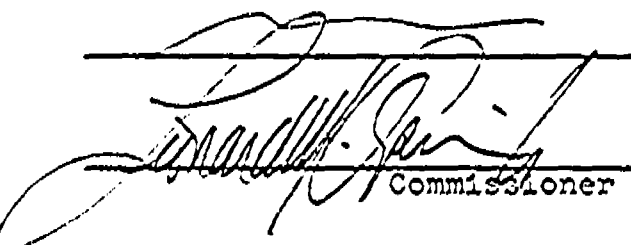


President

Commissioner Claire T. Dodrick, being necessarily absent, did not participate in the disposition of this proceeding.



Commissioner



Commissioner