

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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 to Executive Director

RESOLUTION NO. W-3301

EVALUATION & COMPLIANCE DIVISION
 BRANCH/SECTION: Water Utilities
 DATE: March 19, 1986

 Director

 Numerical File

 Alphabetical File

 Accounting Officer

R E S O L U T I O N

TORO WATER SERVICE (TWC). ORDER AUTHORIZING
 REMOVAL OF RESTRICTION IMPOSED BY RESOLUTION
 NO. W-2606 FOR EXTENSION OF WATER FACILITIES

TWC, by Advice Letter No. 19, filed November 5, 1985, requests authority to remove a restriction imposed by Resolution No. W-2606, dated March 4, 1980, requiring TWC to obtain a Commission authorization for all new extensions. TWC currently serves about 206 metered customers in the vicinity of Salinas, Monterey County.

Resolution No. W-2606 restricted TWC from extending its water facilities because TWC's financial structure exceeded the limitations imposed by Section A.2.b of the Main Extension Rule No. 15 (Rule 15). Resolution No. W-2749, dated December 2, 1980 continued this restriction.

Section A.2.b. of Rule 15 requires all water utilities to obtain Commission authorization prior to any new extension whenever the ratio of advances for construction to total capital exceeds 50%. The water utilities are required to make annual refund payments for the advanced funds (from developers) until the funds are fully paid. The Commission adopted the 50% limitation to ensure that the additional refund payment requirement resulting from new main extensions would not result in a utility having cash flow problems. Resolution No. W-2606 was a safeguard measure and imposed the restriction because TWC's ratio at that time (1980) was 56%.

The Water Utilities Branch's (Branch) review indicates that as of December 31, 1984, TWC's ratio of advances for construction to total capital was only 30.17%. Since this ratio is well below the 50% limitation required by the Main Extension Rule 15, the Branch believes that there is no need to continue the restriction. After reviewing TWC's financial structure, the Financial Branch of the Evaluation and Compliance Division concurs with the Branch's position that the restriction imposed by the Ordering Paragraph 2 of Resolution No. W-2606 and continued by Resolution No. W-2749 be lifted.

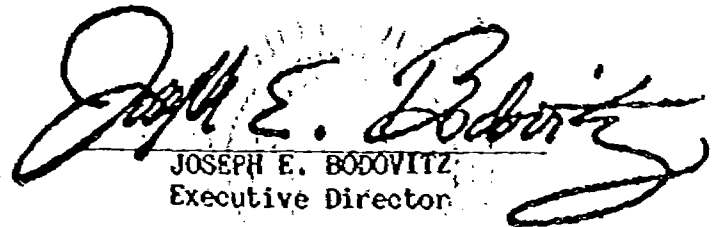
The Commission's opinion, after investigation by the Branch is that the restriction imposed by Ordering Paragraph 2 of Resolution No. W-2606 and continued by Ordering Paragraph 2 of Resolution No. W-2749 for extension of water facilities is not needed any longer and should be lifted.

THE COMMISSION FINDS that the restriction imposed by Ordering Paragraph 2 of Resolution No. W-2606 and continued by Ordering Paragraph 2 of Resolution No. W-2749 for extension of water facilities be rescinded.

IT IS RESOLVED that:

1. Ordering Paragraph 2 of Resolution No. W-2606 is rescinded.
2. Ordering Paragraph 2 of Resolution No. W-2749 is rescinded.
3. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on March 19, 1986. The following Commissioners approved it:


JOSEPH E. BODOVITZ
Executive Director

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREY
WILLIAM T. BAGLEY
FREDERICK A. DUDA
Commissioners