

ORIGINAL

Decision No. 69805

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Residents of Mesa Verde,)
)
 Complainant,)
)
 vs.)
)
 Nicholls Warm Springs, a cor-)
 poration, dba MESA VERDE)
 WATER COMPANY,)
)
 Defendant.)

Case No. 8132

Additional Appearance:

Ray R. Goldie, for defendant.

OPINION ON REHEARING

By Decision No. 69188, dated June 8, 1965, which was an interim opinion and interim order following hearing on April 21, 1965, defendant was found to be a public utility and ordered to file schedules of rates for general metered service at the level which defendant had been charging prior to February 1, 1965. Petition for rehearing was filed on June 18, 1965. Rehearing was granted by order dated July 13, 1965 and was held before Examiner Warner on August 4, 1965, at Blythe. Defendant was represented by counsel, and the matter was continued to a date to be set pending further investigation of defendant's rates, pursuant to a recommendation of a Commission staff engineer.

Defendant stipulated that it was a public utility water corporation under the jurisdiction of the Commission, but objected to the level of rates set by the Commission and pleaded for the establishment of rates charged since February 1, 1965.

The record shows that defendant's accounting records are deficient and not reliable for the proper determination of earnings or utility plant in service. Many substantial items of capital costs have been charged to operating expense, and until defendant's accounts conform to the Uniform System of accounts for Class D Water Utilities prescribed by this Commission, neither the Commission staff nor defendant can show defendant's actual financial condition.

Exhibit No. 18 shows the water rates with which defendant compared its present rates; it was submitted by defendant in an effort to support its contention that the raising of rates on February 1, 1965 to their present level was justified.

The Commission finds that:

1. On and immediately prior to February 1, 1965, defendant was, and it has since continued to be and now is, a public utility water corporation subject to the jurisdiction of this Commission.
2. In Decision No. 69188 it was found that, pending final determination of this matter, defendant's metered service rates which were in effect prior to February 1, 1965 were reasonable.
3. No good cause has been shown to change that finding or to rescind the order directing defendant to file the schedule of rates attached to the interim order in said decision as Appendix A. Said finding is hereby reaffirmed.

It is defendant's responsibility (and its privilege) to show the Commission, if and when it can, that some different schedule of rates for water service would be reasonable. Such is not the responsibility of the Commission staff in this complaint proceeding. Applicant may file an application for an increase in rates when it is prepared to make a showing that an increase is justified.

The Commission concludes that:

1. Decision No. 69188 should be affirmed.
2. Hearings on the complaint should be terminated.

ORDER ON REHEARING

IT IS ORDERED that:

1. Decision No. 69188 is affirmed.
2. Investigation of and further hearings on this complaint are discontinued.

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

Dated at San Francisco, California, this 19th day of OCTOBER, 1965.

Fredrick B. Holcomb
President

George T. Hooper

Augusta

William B. Burchell

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.