

**ORIGINAL**

Decision No. 73414

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

UTILITIES DIVERSIFIED, a partnership  
between W. REID MONROE and BOYD C.  
MILLER, JR.,

Complainant,

vs.

VALLECITO WATER COMPANY, a  
corporation,

Defendant.

)  
Case No. 8686  
(Filed September 12, 1967)

)  
Answer  
(Filed October 13, 1967)

OPINION AND ORDER

By this complaint, Utilities Diversified, a partnership between W. Reid Monroe and Boyd C. Miller, Jr., of Marina del Rey, seeks an order of the Commission requiring Vallecito Water Company, a public utility water corporation under the jurisdiction of this Commission, to pay the sum of \$12,167.43, plus such costs and interests that the Commission may deem proper. Said sum represents the total service revenue refunds due and owing complainant from defendant on refund agreements assigned to Utilities Diversified applying to advances by the subdividers of Tracts Nos. 23690, 26145, 26146, 26148, and 26584 for the years 1965 and 1966, as listed in an accounting in a letter to complainant dated May 11, 1967, from William Roby, defendant's secretary, which is attached to the complaint as Exhibit A.

In its answer, defendant admitted the allegations of the complaint and as a separate and affirmative defense, alleged that it does not have the funds on hand to satisfy the matters

complained of because the Commission, by Decision No. 72500,<sup>1/</sup> denied its Application No. 48753, filed August 26, 1966, to issue and sell \$750,000 of its mortgage bonds.

Defendant raised no question in its answer of the validity or applicability of its filed tariffs.

The Commission takes notice of its decisions on Vallecito's long-standing (at least since May of 1964 - see Decision No. 67261) financial problems and its unsatisfactory efforts to solve them. We are of the opinion that Vallecito's financial stresses, if, in fact, there are any,<sup>2/</sup> are of its own making because it has been reluctant to finance itself properly.

The Commission finds as follows:

1. Defendant Vallecito Water Company admits that it owes Utilities Diversified \$12,167.43 for the years 1965-1966, as shown in Vallecito's secretary's letter to complainant, dated May 11, 1967, Exhibit A attached to the complaint.

2. Vallecito's tariffs are properly applicable and require that the payments be made.

3. Vallecito's allegation that, because of a denial by the Commission of its Application No. 48753, dated August 26, 1966, by Decision No. 72500, dated May 23, 1967, it does not have the funds to meet its financial obligations, if true, does not extinguish its liability. It is Vallecito's responsibility to finance itself in a manner consistent with sound financial and accounting practices pursuant to the provisions of the Public Utilities Code covering financial matters and in a manner satisfactory to and authorized by this Commission.

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<sup>1/</sup> Dated May 23, 1967

<sup>2/</sup> Reference is made, particularly, to the Commission's detailed opinion and findings regarding Vallecito's cash, capital and operations in Decision No. 72500 (supra).

4. Public hearing is not necessary.

It is concluded that the defendant should be ordered to comply with its tariffs.

IT IS ORDERED that Vallecito Water Company shall specifically comply with its filed tariff provisions as appropriate herein.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 28<sup>th</sup> day of NOVEMBER, 1967.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]  
Commissioners