

ORIGINAL

Decision No. 77479

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PRINCESS PARK ESTATES, INC.,
Complainant,

vs.

SOLEMINT WATER COMPANY,
a corporation,

Defendant.

Case No. 9064

(Filed May 15, 1970)

Earl R. Cohen, for complainant.
Knapp, Gill, Hibbert & Stevens, by Karl K. Roos,
for defendant.
Jerry J. Levander, for the
Commission staff.

O P I N I O N

Complainant, a San Diego-based firm and a subdivider and developer of extensive properties in Newhall, Los Angeles County, within defendant's service area, alleges, and the record shows, that water service to its 36 accounts, including service to five lots upon which model homes have been built, was discontinued on May 8, 1970, for nonpayment of bills which totalled, according to Exhibit A, \$2,747.90, of which \$2,597.85 was in arrears as of April 21, 1970.

By Interim Order in Decision No. 77244, dated May 19, 1970, defendant was ordered to restore water service to the five model homes accounts on a temporary basis upon complainant's

depositing the sum of \$812.40 with the Commission. Said sum, representing the balance due, including \$772.80 in arrears, on those accounts, has been so deposited and is now held by the Commission's Secretary.

Public hearing was held before Examiner Warner in Los Angeles on May 26, 1970, the Commission having found that public necessity required a hearing on less than ten days' notice.

A vice president and general counsel testified for complainant that complainant had entered into main extension contracts involving refunds pursuant to defendant's rule in effect in 1965, 1966 and 1967 for the installation of a water system in complainant's properties which now serves some 605 homes upon the advance by complainant of approximately \$196,000, of which an estimated \$45,000 to \$50,000 of refunds, provided for by defendant's main extension rule, had never been paid and which are the subject of Action No. 957839 by complainant against defendant in the Los Angeles County Superior Court filed in July 1969, trial on which is pending with no date having as yet been set.

Because of the dispute over and nonreceipt of refunds, complainant has refused to pay any of the water bills shown on Exhibit A, and complainant does not intend to pay such bills, except those to the five model homes accounts, and no longer desires water service to the remaining 31 accounts. The record shows that complainant was duly notified of the delinquencies outstanding and that water service would be discontinued after

five days if payment were not received. On May 12, 1970, complainant deposited the check for \$812.40, copy of which is Exhibit 1, in the Santa Clarita National Bank, Newhall, to defendant's account, but the Los Angeles County Sheriff immediately attached the deposit in connection with the Superior Court Action heretofore mentioned. About three weeks prior to this attachment, complainant had caused \$8,800 of defendant's bank account also to be attached for the same reason.

Defendant's president testified that refunds had not been made to complainant under the main extension agreement because complainant had not provided two lots for a 500,000-gallon reservoir site at the 1,850-foot middle pressure zone level which it had agreed, in writing, to provide if defendant would construct and install the reservoir which was to serve complainant's properties, solely at defendant's expense rather than include such backup facility in the total amount of the main extension contract. Instead of providing the agreed upon two reservoir site lots, complainant built two homes thereon, and subsequently offered two other lots, but at an inaccessible, because of freeway construction, location. No other sites have been proposed and the reservoir has not been built. Further, defendant's president testified that complainant had not completed the water system installations pursuant to the main extension refund contract terms.

Defendant's president also testified that complainant's employees had connected water wagons to fire hydrants to haul water for construction purposes, for flood control construction flushing,

without applying for construction water service, or paying therefor; except in two instances, had never formally applied for water service pursuant to defendant's filed tariffs; had moved two houses because of slide conditions; had transferred customer accounts and had connected water services without notifying defendant; and had been watering the model homes properties by hose connection to adjacent water services.

Based on the record, we hold for the defendant and we find that:

1. At the Commission's direction in Decision No. 77244, defendant reconnected five of complainant's accounts, but also pursuant to Rule 11, a reconnection charge of \$2.50 per service connection is due and pursuant to Rules 6 and 7, complainant may be required, in order to reestablish credit, to deposit twice its estimated monthly water bill.
2. The check for \$812.40 held by the Commission's Secretary should be forwarded to defendant at its office to be applied against complainant's five delinquent accounts, service to which had been disconnected.
3. Complainant's refusal to pay water bills which are past due constitutes a burden on all of defendant's approximately 4,000 customers.
4. Resolution by this Commission of dispute over refunds of advances by subdividers for water main extensions is provided in defendant's Main Extension Rule 15. Such dispute is neither relevant to nor cause for the nonpayment of complainant's delinquent 36 water service accounts.

The Commission concludes that defendant should continue to enforce its tariffs and should collect the total amount of water bills due it, plus the deposits for reestablishment of credit and the reconnection service charges provided for in such tariffs.

The complaint should be dismissed.

O R D E R

IT IS ORDERED that:

1.a. Solemint Water Company shall continue to enforce its tariffs and shall collect the total amount of water bills due it from Princess Park Estates, Inc.

b. Until the five of such accounts to which water service was reestablished pursuant to Decision No. 77244 have been paid in full, and until deposits to reestablish credit pursuant to Rules 6 and 7, and reconnection charges, pursuant to Rule 11, have been collected, water service thereto shall be discontinued pursuant to the provisions of defendant's filed tariffs.

2. The check held by the Commission's Secretary in the amount of \$812.40 shall be forwarded to Solemint Water Company as part payment of delinquent bills related to the five now active water service connection accounts.

3. This complaint is dismissed.

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

Dated at SAN FRANCISCO, California, this 7th day of JULY, 1970.

[Signature]
Chairman

[Signature]
[Signature]

Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.

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