

Decision No. 83348**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
GREAT WESTERN ENVIRONMENT, INC., a
California Corporation, to sell
its water system in the area
known as Westmont to Palmdale
Irrigation District under Section
851 of the Public Utilities Code.

Application No. 53648
(Filed October 16, 1972)

SUPPLEMENTAL OPINION

By Decision No. 80805 dated December 12, 1972, Great Western Environment, Inc. (Great Western) was authorized to sell and transfer its Westmont Water System to Palmdale Irrigation District (District) subject to the conditions set forth in the ordering paragraphs. Ordering Paragraph 4 stipulated that:

- "4. The effective date of this order will be established by supplemental order when Great Western Environment, Inc. has demonstrated to the satisfaction of the Commission that it has:
- a. Filed annual reports for the years 1970 and 1971.
 - b. Paid the penalties imposed by Resolution No. FA-503.
 - c. Together with Palmdale Irrigation District, stipulated that it will not attempt to collect unbilled revenues in excess of the minimum charge for a period longer than three months immediately prior to the date of transfer.
 - d. Refunded all outstanding advances for construction and customers' deposits, or else filed a statement that there are no such advances or deposits outstanding."

On April 16, 1974 the Commission received a communication from Mr. Cole, former owner, which stated that the date of transfer of the water system from Great Western to the District was January 23, 1973. On April 4, 1974 the Commission received a communication from Palmdale Water (Irrigation) District which stated that the District's acquisition of Great Western's water system was completed in January 1973. The District also stated that the operation of that water system was commenced by the District on February 1, 1974.

On March 27, 1974 the annual reports for the years 1970 and 1971 were filed with the Commission. Mr. Cole indicated that the compilation and reconstruction of the financial data was very time consuming due to the removal of the books and records by the field manager when he left in 1971. Mr. Cole requested that any late penalties incurred for the late filing be abated.

Great Western's method of final billing, as explained in a copy of a letter sent to the customers, followed the procedure as specified in the utility's filed tariff Rule No. 18 for a nonregistering meter. The Commission in Decision No. 80805 ordered the utility to stipulate that it will not attempt to collect unbilled revenues

in excess of the minimum charge for a period longer than three months immediately prior to the date of transfer. Mr. Cole stated in his March 26, 1974 letter that Great Western had collected less than 20 percent of the total outstanding on that final billing. No complaints concerning the final billing were received from the utility's customers. It appears that the final billing did not conform exactly to Ordering Paragraph 4c. Since no complaints were received from the utility's customers, it appears that the utility did not attempt to collect excessive revenues on the final billing.

Mr. Cole also stated that Great Western had no advances for construction or customer deposits. Review of the annual reports for 1970 and 1971 supports this statement.

By Decision No. 79658 dated February 1, 1972, Great Western was ordered to file monthly progress reports showing the status of each of the following:

- a. Correction of billing errors.
- b. Repairs of all known leaks.
- c. Negotiations for transfer of all or portions of the water system to nearby water purveyors.

The transfer of the Westmont Water System to the District leaves Great Western with service in just the unincorporated area known as Palmdale Acres. Therefore, the requirement for these reports no longer exists.

Findings and Conclusions

The Commission finds that:

1. The Westmont Water System portion of Great Western Environment, Inc. has been acquired by Palmdale Irrigation District and the District is currently operating the water system.
2. Although the method of final billing does not conform exactly to Ordering Paragraph 4c, we find that little would be accomplished by further Commission action on this point.
3. The utility has filed annual reports for the years 1970 and 1971.
4. The utility has no outstanding advances for construction or customer deposits.
5. Because of the difficulties encountered by Great Western Environment, Inc. in reconstructing the financial data needed to prepare the annual reports for 1970 and 1971, we will cancel the late filing penalty that was imposed by Ordering Paragraph 4b of Decision No. 80805.

6. There is no further need for the monthly progress reports that were ordered by Decision No. 79658; therefore, the reporting requirement should be terminated.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Great Western Environment, Inc. is hereby relieved of its public utility obligations in the area that was served by the Westmont Water System.

2. The reporting requirement of Decision No. 79658 is hereby terminated.

3. Ordering Paragraph 4b of Decision No. 80805 is hereby deleted from that order. ✓

The effective date of this order and Decision No. 80805 is the date hereof.

Dated at San Francisco, California, this 27th day of AUGUST, 1974.

James L. Stinson
President
William Symore Jr.
Shirley
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.