

L/sm

ORIGINALDecision 82 01 12 JAN 5 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation)
 to Determine Whether Meadowbrook)
 Water Company, Inc. is Unable or)
 Unwilling to Adequately Serve)
 its Ratepayers or is Unresponsive)
 to the Rules or Orders of the)
 Commission Pursuant to Section 855)
 of the Public Utilities Code.)

OII 96
 (Filed September 1, 1981)

THIRD SUPPLEMENTAL OPINION AND ORDER

On October 8, 1980, in Decision (D.) 92307, the Commission ordered Meadowbrook Water Company (MB) to file a revised tariff to reflect a reduction in rates due to MB's failure to follow the Commission's orders. MB complied by filing the revised tariff and billed the customers accordingly. Soon thereafter, rather than continue to operate the system under the revised tariff, the manager chose to abandon the system.

On October 6, 1981, the Commission determined in D. 93596 that MB had been abandoned and ordered the Executive Director of this Commission to immediately seek and appoint a qualified person or entity to manage the affairs of MB until a court-appointed receiver assumed those duties. The decision concluded that an emergency condition existed for the approximately 146 MB customers in the Crest Park subdivision in the Lake Arrowhead area of San Bernardino County in that there was no person responsible for the day-to-day operations of MB.

On November 3, 1981, in D. 93690, the Commission appointed MB Homeowners Association (MHA) as temporary

OII 96 - L/sm

manager of MB. MHA was authorized to bill and collect all revenues for water and utility service.

MB's current tariff provides for billing of customers on an annual basis. The MB customers were previously billed for this year and a majority of them have paid. However, the prior manager of MB left MB bills unmet and current debts have not been paid because there are no revenues to pay them. The Commission in D. 93690 neglected to reinstate the prior tariff authorized in Resolution W-2509 on July 31, 1979, which permitted higher rates, and to authorize the temporary manager to bill and receive funds from customers on a monthly basis rather than on an annual basis because it was understood that Crestline-Lake Arrowhead Water Agency (CLAWA) would take control of MB soon thereafter. Since that time the transfer of MB has met with complications. Insofar as outstanding debts exist for the purchase of water by the utility, seriously jeopardizing continued service to MB customers, it is necessary to permit the temporary manager to bill the customers monthly, pursuant to the rates which are being reinstated in the tariff attached herein as Appendix A.

Findings of Fact

1. MB is unable to meet its current expenses from revenues generated by the existing rates.

2. In order to provide funds to meet current expenses, the temporary manager should be authorized to bill and collect on a monthly basis according to the rates in the tariff reflected in Appendix A, pending transfer of the system to a court-appointed receiver, to CLAWA, or to another water purveyor.

3. The extreme revenue deficiencies now being incurred by MB makes it imperative that the former high level of rates authorized to MB be reinstated. Such rate increases are justified.

Conclusions of law

1. The temporary manager of ME should be authorized to accept the tariff in Appendix A which provides for the reinstated rates and for monthly billing. Therefore,

2. The former higher levels of rates should be immediately authorized to ME.

IT IS ORDERED that MEA be authorized to bill and collect from ME customers as specifically provided in Appendix A attached hereto.

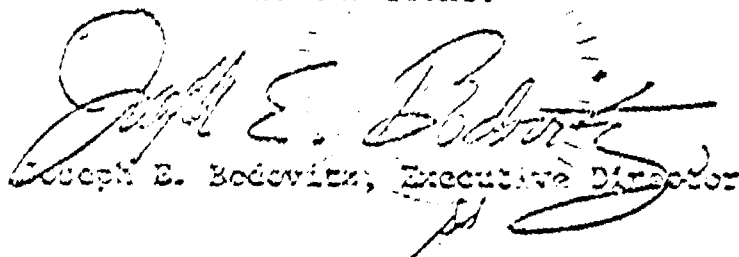
This order is effective today.

Dated JAN 5 1982 at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. CRAVELL
VICTOR CALVO
LUCILLA C. CHEN
Commissioners

Commissioner Leonard M. Grimes, Jr.
being necessarily absent, did not
participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

APPENDIX A

Comparison of the present and proposed rates for residential metered and flat rate service are set forth below. The rate schedule applicable to non-residential metered service is also shown.

<u>Residential Metered Service</u>		<u>Per Meter Per Month</u>	
		<u>Present Rates</u>	<u>Proposed Rates</u>
Monthly Quantity Rates:			
First 300 cu.ft., per 100 cu.ft.		\$ 0.60	\$ 0.99
Over 300 cu.ft., per 100 cu.ft.		0.75	1.67
Service Charges:			
For 5/8 x 3/4-inch meter		4.16	8.35
For 3/4-inch meter		4.60	9.19
For 1-inch meter		6.25	12.53
For 1-1/2-inch meter		8.30	16.70
<u>Residential Flat Rate Service</u>		<u>Per Service Connection</u>	
		<u>Per Year</u>	
For a single-family residential unit,		<u>Present</u>	<u>Proposed</u>
including premises		72.00	0
		<u>Per Month</u>	
		<u>Present</u>	<u>Proposed</u>
		0	12.53
<u>Non Residential Metered Service</u>		<u>Per Meter Per Month</u>	
		<u>Present</u>	<u>Proposed</u>
Monthly Quantity Rates:			
All water per 100 cu.ft.		0.75	1.67
Service Charge:			
For 5/8 x 3/4-inch meter		4.16	8.72
For 3/4-inch meter		4.60	9.59
For 1-inch meter		6.25	13.08
For 1-1/2-inch meter		8.30	17.48