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ORIGINAL

Decision No. 87164

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Arthur H. Burnett,

Complainant,

vs.

Diamond Bar Water Company,
a corporation,

Defendant.

Case No. 10112
(Filed June 7, 1976)

O P I N I O N

This is a complaint by Arthur H. Burnett (Burnett) seeking an order requiring Diamond Bar Water Company (DB) to pay water main extension agreement refunds within thirty days after the end of the year in which DB collects these monies, or January 31 of each year for the refunds due for the preceding year, together with interest at the maximum legal rate thereafter.

DB has 94 refund agreements and Burnett owns four contracts, for Tracts 25645, 27531, 27537, and 27539. All refunds due from DB are paid in June of the succeeding year, except for the payment to Burnett in 1975, which was made in April.

This matter was consolidated for hearing with C.10111, Burnett v Park Water Company. At the commencement of hearings before Examiner Phillip E. Blecher, Burnett and DB reached an agreement based on D.85164 dated November 25, 1975 in Buss v California Cities Water Company. There we

held that main extension contract refunds not paid by April 1 of the year following the revenue year would bear interest at the rate of 7/12 percent per month (7 percent per year) due on the first day of each month commencing April 1 of each year, as such monies would otherwise be involuntary interest-free loans from the contract owners. The same principle is applicable here, and the parties have agreed to such an order applying only to Burnett on the contracts presently held by him. We find this to be a fair and reasonable compromise and conclude that it should be authorized.

O R D E R

IT IS ORDERED that:

1. Main extension contract refunds due Arthur H. Burnett from Diamond Bar Water Company on Tracts 25645, 27531, 27537, and 27539 are due and payable April 1 of each year following the calendar year in which the extension revenue is collected.

2. Interest at the rate of 7/12 percent per month, due on the first day of each month commencing on April 1 of each year, is payable by Diamond Bar Water Company to Arthur H. Burnett on those main extension contract refunds not paid in accordance with Ordering Paragraph 1 above.

3. All other relief requested is denied.

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

Dated at Sacramento, California,
this 5th day of APRIL, 1977.

Paul B. Brown
President
William S. Lyons Jr.
Thomas L. Sturgeon
Leonard Ross
Richard W. Gavelle
Commissioners