

ALJ/PAB/mrj

Mailed 8/6/98

Decision 98-08-007 August 6, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Donna Matthews,

Complainant,

vs.

Meadows Management Company, a partnership,
James M. Krueger and Rondell B. Hanson, its
partners, all doing business as Plantation-On-
The-Lake Mobilehome Park,

Defendants.

ORIGINAL

Case 93-07-024
(Filed July 13, 1993)

OPINION RE PETITION TO MODIFY DECISION 97-10-068

On October 28, 1997, the Commission issued Decision (D.) 97-10-068 denying rehearing and modifying D. 97-08-052. The earlier decision resolved the dispute between Donna Matthews (Matthews), respondent, and her water company, Meadows Management Company (Meadows), petitioner. Matthews alleged that Meadows improperly assessed a \$100 per customer meter installation charge against all customers and that this and other charges were subject to the Mobilehome Parks Act. (Health & Safety Code §§ 18200 et. seq.) While agreeing that the water installation charge should not be assessed against customers individually, the Commission disagreed that a water company serving a mobilehome park is subject to statutes governing mobilehome parks. The Commission ordered the refund of all installation fees.

Upon application for rehearing, the Commission denied reconsideration of its decision applying water utility regulations to water companies serving

mobilehome parks, but specified that interest be included in Matthews' refund based on the short-term commercial paper rate.¹ Meadows now seeks modification of the latter decision.

Meadows does not challenge the denial of assessing an individual charge against its customers. However, Meadows points out that the aggregate cost of installing water meters is an allowable water utility expense for ratemaking purposes. This is true. (*Roger and Patricia Nelson vs. Southern California Water Company, D.97-05-061.*) Meadows seeks clarification of this point to avoid future confusion on this issue.

Matthews objects to any such clarification on the grounds that Meadows has not dedicated its water service to the public by serving a mobilehome park. Thus, she continues to argue that the Mobilehome Parks Act applies to the treatment of these assets and that the cost of the meters is already paid as part of the tenants' rent. We decline to revisit these issues.

Meadows' proposed modification has merit and will serve to avoid misinterpretation of our resolution of this complaint. Therefore, the proposed modification will be adopted.

This is a complaint case not challenging the reasonableness of rates or charges, and so this decision is issued in an "adjudicatory proceeding" as defined in Public Utilities (PU) Code § 1757.1.

Findings of Fact

1. Meadows requests to revise D. 97-10-068 to reflect that while assessing costs to install water meters against each customer individually is not

¹ On February 20, 1998 the Commission Water Division-Advisory Branch approved the Water Meter Fee Refund Plan presented by Meadows Management Company on January 29, 1998.

appropriate, a public utility water corporation may include the aggregate costs to install meters in its expenses for ratemaking purposes.

2. Matthews opposes this revision based upon her contentions that this company has dedicated its water service to the public by serving a mobilehome park, thus the Mobilehome Parks Act governs the assets and the costs for water meters is included in the tenants' rents.

3. Matthews' arguments were rejected in D. 97-08-052 and D. 97-10-068.

4. The proposed revisions to D. 97-10-068 will avoid misinterpretation of the decision.

Conclusion of Law

The proposed revision to D. 97-10-068 will avoid misinterpretation of the principles governing public utility water corporations and should be adopted.

This is a complaint case not challenging the reasonableness of rates or charges, and so this decision is issued in an "adjudicatory proceeding" as defined in PU Code § 1757.1.

O R D E R

IT IS ORDERED that:

1. The Petition for Modification of Decision (D.) 97-10-068 is granted.
2. The third sentence of the fourth paragraph at page 3 of D. 97-10-068 is revised to read:

"This refund order was based on our longstanding policy that water meter installation charges are generally not a cost that a water corporation may recover from each customer in an individual charge. However, the aggregate cost to install all water meters may generally be recovered in rates for ratemaking purposes. (In the

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Matter of the Application of the Hawthorne Electric and Water Company
for the Establishing of Rates (1912) 1 C.R.C. 972, 974.)"

This order is effective today.

Dated August 6, 1998, at San Francisco, California.

RICHARD A. BILAS
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners