

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION  
Small Water Branch

RESOLUTION W-4029  
February 19, 1997

RESOLUTION

(RES. W-4029), LUCERNE VISTA WATER COMPANY (LWVC), ORDER  
AUTHORIZING LWVC TO BE EXEMPTED FROM COMMISSION JURISDICTION.

BY LETTER, FILED ON JANUARY 2, 1997

SUMMARY

This Resolution approves request that LWVC be exempted from Commission jurisdiction.

BACKGROUND

By letter to the Small Water Branch (Branch), dated December 27, 1996, Mr. Norman Nichols, the Secretary/Treasurer of the Lucerne Vista Mutual Water Company (LVMWC), a nonprofit mutual water benefit corporation, requested that the Commission delete LWVC from the list of regulated water utilities. This request was reviewed by Branch staff. Branch also reviewed the recent Legal Division opinion on the deregulation of Tahoe Keys Property Owners' Association and believes the same conditions apply.

Lucerne Vista Water Company, was certificated by Decision 53502, July 31, 1956. The last rate increase was authorized by Res. W-2508, dated May 8, 1979. It provided a \$1,428 or 37% increase in revenues for no rate of return. LWVC was abandoned by its owner Thomas Stavros, in July of 1995. In order to continue operation of the system and ensure reliable water supply, the customers assumed control of the system. On June 28, 1996, the articles of incorporation were amended to make Lucerne Valley Water Company a nonprofit mutual benefit corporation and such action was confirmed by the Office of the Secretary of State.

LVMWC serves some 50 property owners in the area of Lucerne Valley, San Bernardino County.

DISCUSSION

LVMWC is a nonprofit mutual benefit corporation whose purpose is to own, repair, maintain, manage common areas, and to discharge other lawful duties pursuant to its Covenants, Conditions, and Restrictions. Although LVMWC falls within the terms of Section 204 and as a corporation under Section 2701, Branch believes it is exempt from regulation pursuant to Section 2705, which states in part:

"Any corporation or association which is organized for the purposes of delivering water to its stockholders and members at cost, ...is not a public utility, and is not subject to the jurisdiction, control or regulation of the commission."

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LWMC delivers water only to its members who are owners of units in the Lucerne Vista development; and, since it is a non-profit corporation, delivers water at cost.

PROTESTS

The affected parties (the owner-customers) have held a shareholders meeting to propose this request, so further notice is unnecessary.

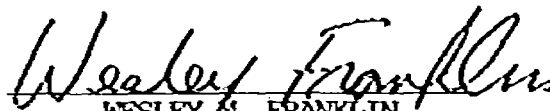
FINDINGS

THE COMMISSION FINDS, after investigation by the Small Water Branch and given the record available, that Lucerne Vista Mutual Water Company is an association owning and operating LWMC and that LWMC is exempt from Commission regulation.

THEREFORE, IT IS ORDERED that:

1. Tariffs are cancelled.
2. Lucerne Vista Water Company should be classified as no longer regulated by the Commission.
3. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 19, 1997. The following Commissioners approved it:

  
WESLEY M. FRANKLIN  
Executive Director

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