Decision **DRAFT DECISION OF ALJ BARNETT** **(Mailed 3/28/2006)**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Suncountry Owners Association, Complainant, vs. California-American Water Company, Defendant.	Case 05-07-014 (Filed July 18, 2005)

OPINION DISMISSING COMPLAINT

Suncountry Owners Association (Association) is a non-profit mutual benefit corporation consisting of 307 private single-family homes, two swimming pools, a clubhouse, a cabana and extensive common grounds. California-American (Cal-Am) owns the water distribution system and supplies all of the water used by the Association and the homeowners. The homeowners are billed a flat rate. However, the water system does not deliver flat rate water to the front lawns. Instead lawns are supplied by metered water which Cal-Am bills directly to the Association. The Association pays the bill with member dues money. Cal-Am collects revenue from the homeowner's flat rate and the Association's metered billing. Since approximately 66% of the total landscaped and irrigated area in Suncountry is comprised of owners' front lawns it follows that approximately 66% of the metered water is used to water them. For the billing period June 18, 2004 to August 19, 2004, 66% of the metered water bill, not

counting the basic service charge, was over $8,000 – an $8,000 charge for water that the Association alleges should already be covered by the homeowner flat rate. They request that the Commission reduce the metered rate for the Association in order to reflect the actual water use for just the common area landscaping.

Cal-Am answered and moved to dismiss. Cal-Am states:

1. Cal-Am provides water to approximately 300 residential customers in the Suncountry development under the terms of the Commission's approved schedule No. SAC-2R: Residential Flat Rate Service.
2. Cal-Am provides water to the Association through 11 two-inch, metered accounts under the terms of the Commission's approved schedule No. SAC-1: General Metered Service.
3. The 300 residential customers and 11 Association meters are provided service through separate service line connections.

Cal-Am submits that its recent general rate case considered rates and services for its Sacramento District (Decision 05-09-020) of which the Association had notice. The Association's claims should have been raised in the general rate case when all issues are considered. It is in the context of a general rate case that the reasonableness of the Association's proposal, in particular the impact of the proposal on other customers in Cal-Am's Sacramento District, can be appropriately analyzed.

We agree with Cal-Am and will dismiss the complaint.

Categorization and Need for Hearing

In Resolution ALJ 176-3157, dated August 25, 2005, the Commission preliminarily categorized this case as ratesetting and preliminarily determined that a hearing was not necessary.

Comments on Draft Decision

The draft decision of the ALJ in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. Comments were filed by the parties requesting findings which are more detailed than needed to decide this motion to dismiss. We decline to do so.

Assignment of Proceeding

John Bohn is the Assigned Commissioner and Robert Barnett is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Cal-Am has over 57,000 residential customers and over 8,000 commercial customers in its Sacramento District.
2. Issues regarding rates and services which affect all customers of a utility should be raised in a general rate case.
3. A reduction in rates to one group must cause an increase to others in order to sustain the utility's approved revenue requirement.

Conclusion of Law

The complaint should be dismissed.

O R D E R

IT IS ORDERED that:

1. The complaint is dismissed.
2. No hearing is necessary for this proceeding.
3. Case 05-07-014 is closed.

This order is effective today.

Dated _____, at San Francisco, California.