

Decision 16-06-057 June 23, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Mesa-Crest Water Company (U333W) with Respect to a Series of Financial Transactions, and Possible Threats to the Health and Safety of its Ratepayers.

Investigation 15-06-018
(Filed June 25, 2015)

ORDER EXTENDING STATUTORY DEADLINE

Summary

This decision extends the statutory deadline in this proceeding to December 24, 2016.

1. Background

Public Utilities Code Section 1701.2(e) provides that adjudicatory cases shall be resolved within 12 months of the date that they are initiated unless the California Public Utilities Commission makes findings as to why that deadline cannot be met and issues an order extending that deadline. This matter has been categorized as adjudicatory, and the deadline for resolving this proceeding is June 24, 2016.

On June 25, 2015, the Commission instituted this investigation to determine whether Mesa-Crest Water Company, F. Patrick Flynn, and Timothy Flynn (Respondents), violated any provisions of the California Public Utilities Code, Commission general orders, decisions, or rules of practice and procedure,

or other applicable laws or requirements, regarding a series of financial transactions between the Respondents, and their alleged failure to ensure the safety and reliability of their supply of water to ratepayers.

A Prehearing Conference was held on September 2, 2015. On September 9, 2015, the Assigned Commissioner issued a Scoping Memo and Ruling amending the preliminary Scoping Memo provided in the investigation and adding seven additional issues in order to clarify the preliminary scope of the investigation.

On September 22, 2015, Respondents filed a motion for a Commission order to hold the proceeding in abeyance and to require the Safety and Enforcement Division to participate in Alternative Dispute Resolution (ADR).¹ On October 7, 2015, the assigned Administrative Law Judge (ALJ) denied the motion to hold the proceeding in abeyance or to refer the matter to ADR.

On November 20, 2015, the proceeding was reassigned from ALJ Seaneen M. Wilson to ALJ W. Anthony Colbert. Parties have notified the ALJ that they have reached a settlement agreement and that additional time is needed to file the terms and conditions of the settlement.

Therefore, an extension of the statutory deadline to December 24, 2016, is necessary to review the provisions of the settlement agreement and to prepare a proposed decision for Commission consideration.

¹ Generally, participation in ADR is voluntary. According to the September 22, 2015 motion, Respondents presented a written proposal for settlement of all issues but the Safety Enforcement Division declined to explore ADR alternatives.

2. Waiver of Comment Period

Under Rule 14.6(c)(4) of the Commission's Rules of Practice and Procedure, the Commission may reduce or waive the period for public review and comment on proposed decisions extending the deadline for resolving adjudicatory proceedings. Accordingly, pursuant to this rule, the otherwise applicable period for public review and comment is waived.

3. Assignment of Proceeding

Catherine J.K. Sandoval is the assigned Commissioner and W. Anthony Colbert is the assigned ALJ in this proceeding.

Findings of Fact

1. The deadline for resolving this investigation is June 24, 2016.
2. On September 22, 2015, Respondents filed a motion for a Commission order to hold the proceeding in abeyance and to refer the matter to ADR.
3. On October 7, 2015, the assigned ALJ denied the motion to hold the proceeding in abeyance or to refer the matter to ADR.
4. Parties have reached a settlement agreement therefore, an extension of time until December 24, 2016, is necessary to review provisions of the settlement agreement and to prepare a proposed decision for Commission consideration.

Conclusions of Law

1. Pursuant to the authority granted to the Commission under Pub. Util. Code § 1701.2(e), the statutory deadline for resolving this proceeding should be extended until December 24, 2016.

2. This matter should be effective immediately.

IT IS ORDERED that the time for completion of this proceeding is extended until December 24, 2016.

This order is effective today.

Dated June 23, 2016, at San Francisco, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

LIANE M. RANDOLPH

Commissioners