

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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In the Matter of Application of Odd Fellows
Sierra Recreation Association, a California
corporation, and Sierra Park Water Company,
Inc., a California corporation, for Certificate of
Public Convenience and Necessity to Operate a
Public Utility Water System near Long Barn,
Tuolumne County, California and to Establish
Rates for Service and For Sierra Park Water
Company, Inc. to Issue Stock.

Application 13-09-023
(Filed September 20, 2013)

And Related Matter.

Case 12-03-017
(Filed March 14, 2012)
(CONSOLIDATED)

**REPLY OF SIERRA PARK WATER COMPANY TO
RESPONSE OF COMPLAINANTS TO
RESPONSE OF SIERRA PARK WATER COMPANY TO
ADMINISTRATIVE LAW JUDGE'S RULING
TO SUPPLEMENT THE RECORD**

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May 9, 2017

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In the Matter of Application of Odd Fellows Sierra Recreation Association, a California corporation, and Sierra Park Water Company, Inc., a California corporation, for Certificate of Public Convenience and Necessity to Operate a Public Utility Water System near Long Barn, Tuolumne County, California and to Establish Rates for Service and For Sierra Park Water Company, Inc. to Issue Stock.

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Pursuant to permission granted by Assigned Administrative Law Judge Eric Wildgrube in an email dated May 3, 2017, Sierra Park Water Company files this Reply of Sierra Park Water Company (“Water Company”) to Response of Complainants to Response of Sierra Park Water Company to Administrative Law Judge’s Ruling to Supplement the Record.

Not Leasing or Owning the Lodge Is Acceptable to Water Company.

Water Company appreciates the added background provided by Complainants in their response at pages 4-6, which further illustrates that the Lodge is, as was stated in the Water Company’s response to the ALJ Ruling, analogous to a clubhouse. Water Company only proposed leasing the Lodge because it was concerned with the following language from Ordering Paragraph 1 of Decision No. 16-01-047:

A Certificate of Public Convenience and Necessity is conditionally granted to Sierra Park Water Company, Inc. (Water Company), provided that Odd Fellows Sierra Recreation Association (Odd Fellows) transfers to Water

Company, at no expense to Water Company customers, **all of the assets it used when it provided water service as an uncertificated utility in and near Long Barn, California.** Odd Fellows and Water Company must file a Tier 2 Advice Letter to demonstrate the completion of the asset transfer. The assets to be transferred are as described in the Division of Water and Audit's April 15, 2015 Staff Report (Attachment A to this decision) and incorporated herein.

(Bold added.)

It seems clear, and it also seems Complainants agree, that the Lodge was "used" when Odd Fellows provided water service – although not exclusively by Odd Fellows and not to actually provide water. In its Response to Administrative Law Judge's Ruling to Supplement the Record filed in this docket on April 11, 2017, Water Company explained the use that had been made of the Lodge by Odd Fellows in the past – which was basically for administrative functions, not for procurement or delivery of water. But Water Company also pointed out it was "not clear that the Lodge is even within the scope of the Decision. Still, the Association and Water Company propose a lease of the Lodge to the Water Company in order to put this issue to rest." (Water Company Response, pp. 4-5.)

Renting the Lodge from time to time from Odd Fellows for meetings is acceptable to Water Company. However, there unfortunately is really no other place for an office and the suggestion for use of the shop is not workable. The shop is not conducive for a computer and other office equipment. The water company is the only company in the park that needs an office. Water Company cannot afford to build an office and it would more expensive to rent space outside the park. Water Company is a small company and does not plan to have the office open and staffed full time.

However, Water Company believes a much less substantial rental agreement could be worked out for use of the office in the Lodge and suggests that would be a good alternative to either any transfer of the Lodge, whether by fee transfer or through a long-term lease.

The Commission knows what it meant in Ordering Paragraph 1. If the Commission actually did intend the Lodge to be transferred to Water Company since it was "used" as part of the water provision business (although not actually to procure or deliver water), Water Company will follow that requirement, and requests permission to

do so by the Lease provided to the Commission. However, if the Commission did not intend to require transfer of the Lodge to Water Company, then Water Company favors some sort of rental of the office, and other occasional rental of the meeting areas. That rental would likely be for either no or low cost.

Complainants' Protests to Advice Letter 2 Have Been Addressed.

On pages 8 through 9 of their Response, Complainants discuss issues they raised in a protest to Advice Letter 2. On January 26, 2017, the Water Division rejected that advice letter without prejudice. That disposition letter is Attachment A to the Declaration of William Ordwein in Support of Response of Sierra Park Water Company to Administrative Law Judge's Ruling to Supplement the Record, filed in this docket on April 11, 2017. The disposition letter discussed protests to the advice letter in some detail. Among those protests was the one referenced by Complainants, filed on December 29, 2016. (See Disposition Letter, p. 2, footnote 1.)

The Water Division has already addressed the referenced protest and there is no need to address them again. Even if there were, the issues should be raised with the Water Division, not in this proceeding.

Conclusion.

Water Company appreciates the opportunity to submit this Reply. Water Company respectfully requests the Commission to agree with both Complainants and Water Company that the Lodge need not be transferred to Water Company. However, if the Commission does require transfer of the Lodge, Water Company respectfully requests that occur via the Lease proposed by Water Company.

Dated: May 9, 2017

Respectfully Submitted,
Downey Brand LLP

/s/ Dan L. Carroll

By Dan L. Carroll
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