

Decision 90 10 065 OCT 24 1990

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
Camp Meeker Water System to establish )  
a memorandum account due to expenses )  
connected with the drought. )

Application 90-09-064  
(Filed September 20, 1990)

ORDER GRANTING REQUEST  
TO ESTABLISH MEMORANDUM ACCOUNT

Camp Meeker Water System, Inc. (applicant) seeks authority to establish a memorandum account for water hauling charges. It seeks to recoup such charges by a later application for offset rate relief and authority to impose a surcharge for costs incident to required water hauling.

Applicant states that, because of current drought conditions, it has been compelled to begin water hauling to supplement the ground water sources through which it serves Camp Meeker, an unincorporated area of Sonoma County near Occidental. Applicant has been directed by the California Department of Health Services (DHS) to haul water to the system for system pressure zones that are likely to run out of water within 24 hours.

The Commission's Water Utilities Branch (Branch) supports applicant's request to establish a memorandum account. Branch states that applicant was required by DHS to haul water in 1987 during drought conditions. (Application (A.) 87-04-062.) At that time, water hauling costs for the month of July alone were \$12,434. Branch states that applicant, a small company with approximately 500 customers, cannot afford to absorb such costs.

Branch states that even if the subsequent application for recovery of expenses is approved, the impact on the company of even a brief delay in the company's eligibility for additional revenue would be severe. Because of that, Branch believes that applicant should be authorized to establish a memorandum account to minimize

its financial losses. Such an account permits the utility to seek revised rates to recoup over- or undercollections. (Decision (D.) 87-10-087.)

Branch notes that the Commission in D.90-07-067 authorized all water utilities to establish memorandum accounts to track conservation expenses and related revenue fluctuations caused by the continuing drought conditions in California. That order, however, did not specifically authorize memorandum accounts for the purpose of recording water hauling expenses.

This application was filed on September 20, 1990. Publication in the Commission's Daily Calendar took place on October 3, 1990. Because of the nature of this request, Branch requests that the application be expedited.

Findings of Fact

1. Because of the drought, applicant has been required to begin water hauling to augment the domestic water supply for its Camp Meeker service area.

2. Applicant seeks authority to establish a memorandum account for required water hauling costs.

3. Authorization of this memorandum account is urgent in order to document costs attributable to required water hauling.

Conclusions of Law

1. Due to the present drought conditions in California, it is in the public interest to authorize applicant to maintain a memorandum account of costs attributable to required water hauling.

2. Because of the drought and the resulting financial emergency confronting applicant, this order should be effective as of the date of issuance.

IT IS ORDERED that Camp Meeker Water System, Inc. is authorized to establish a memorandum account to track expenses attributable to required water hauling because of the current drought conditions in its service area.

This order is effective today.

Dated OCT 24 1990, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
PATRICIA M. ECKERT  
Commissioners

Commissioner John B. Chanian,  
being necessarily absent, did  
not participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY

  
NEAL J. SHULMAN, Executive Director  
JB