

## MEMORANDUM

Date : May 5, 1988  
 To : COMMISSIONERS  
 (For Regular Meeting of May 25, 1988)  
 From : <sup>WF</sup> Wesley Franklin  
 Assistant Executive Director

File No.:

Subject : Level of Public Utilities Commission Utilities  
 Reimbursement Account Fees to be Imposed for  
 Fiscal Year 1988-89

RECOMMENDATION: The Commission should fix the captioned fees as follows:

<u>Class</u>	<u>Fee</u>
Electrical Corporations	.012¢/kWh
Gas & Heat Corporations	.076¢/therm 1.4¢/thousand lbs. steam
Telephone & Telegraph Corporations	1/10 of 1% of revenue
Water & Sewer System Corporations	1.5% of revenue

BACKGROUND: Pursuant to Section 431 of the Public Utilities Code (added 1983, Chapter 323), the Commission is required to annually determine a fee to be paid by every electrical, gas, telephone, telegraph, water, sewer system, and heat corporation and every other public utility providing service directly to customers or subscribers and subject to the jurisdiction of the Commission, except as provided in Section 421 (common carriers and related businesses). The annual fee shall be established to produce a total amount equal to that amount established in the authorized commission budget for the same year, including adjustments for increases in employee compensation, other increases appropriated by the Legislature, and an appropriate reserve to regulate public utilities less the amount to be paid from special accounts or funds, reimbursements, federal funds, and any other revenues, and the amount of unencumbered funds from the preceding year.

ANALYSIS: The proposed fees will increase existing fee levels for Gas Corporations from .068¢/therm to .076¢/therm. All other

fees are continued at existing levels for the 1988/89 fiscal year. The staff estimates that the proposed fees will be sufficient to support the Commission's regulatory activities for these classes for the 1988/89 fiscal year, including any estimated employee compensation increase, and will produce an estimated accumulated surplus of \$2.9 million by June 30, 1989, (approximately 7% of expenditures).

A proposed Resolution and detailed fund condition statement are attached.

**Attachments**

WF:CAH:gv

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Resolution No. M-4750

( RESOLUTION ADOPTING LEVEL OF PUBLIC UTILITIES )  
( COMMISSION UTILITIES REIMBURSEMENT ACCOUNT FEES )  
( FOR FISCAL YEAR 1988-89 )

Section 431 of the Public Utilities Code provides:

"The Commission shall annually determine a fee to be paid by every electrical, gas, telephone, telegraph, water, sewer system, and heat corporation and every other public utility providing service directly to customers or subscribers and subject to the jurisdiction of the Commission other than a railroad, except as provided in Article 2 (commencing with Section 421)."

The Commission finds that for fiscal year 1988-89 the Public Utilities Commission Utilities Reimbursement Account fees should be revised from the levels set for fiscal year 1987-88 and concludes that such fees should be set as follows:

Electrical Corporations	.012¢/kWh
Gas & Heat Corporations	.076¢/therm
	1.4¢/thousand lbs steam
Telephone & Telegraph Corporations	1.10 of 1¢ revenue
Water & Sewer System Corporations	1.5¢ Revenue


IT IS ORDERED THAT:

For the fiscal year 1988-89, the fees provided for in Section 431 of the Public Utilities Code are hereby fixed at the following levels:

Electrical Corporations	.012¢/kWh
Gas & Heat Corporations	.076¢/therm
	1.4¢/thousand lbs steam
Telephone & Telegraph Corporations	1/10 of 1¢ revenue
Water & Sewer System Corporations	1.5¢ of Revenue

I certify that this resolution was adopted by the Public Utilities Commission at its regular Meeting on \_\_\_\_\_ . The following Commissioners approved it:

STANLEY W. HULETT  
President  
DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

  
VICTOR WEISSER  
Executive Director

1988-89 FUND CONDITION

462 - PUBLIC UTILITIES COMMISSION UTILITIES REIMBURSEMENT ACCOUNT

Estimated Reserve, June 30, 1988 \$13,074,000

Revenues:

Utility Fees	\$38,543,000
Electrical Corporations	(16,724,000)
Gas & Heat Corporations	(6,470,000)
Telephone & Telegraph Corporations	(9,284,000)
Water Corporations	(6,065,000)
Notes, Stocks & Bond Issues	1,933,000
Sale of Documents	94,000
Miscellaneous Revenue	<u>22,000</u>
Total, Revenues	\$40,592,000

Transfers:

To Energy Resources Programs Account, Chapter 323/Stats 1983 (loan repayment)	-6,000,000
To Transportation Rate Fund, Chapter 221/stats 1984 (loan repayment)	<u>-1,700,000</u>
Total, Resources	\$45,966,000

Expenditures:

1988-89 Governor's Budget (CPUC)	\$42,407,000
Electrical Corporations	17,608,000
Gas & Heat Corporations	8,113,000
Telephone & Telegraph Corporations	10,762,000
Water Corporations	5,924,000
Estimated 1988-89 employee compensation adjustment	<u>624,000</u>
Total, Expenditures	\$43,031,000

Estimated Reserve, June 30, 1989 \$ 2,935,000