

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3534
December 19, 1990

R E S O L U T I O N

(RES. W-3534), MT. CHARLIE WATER WORKS, INC. (MCWW).
ORDER AUTHORIZING THE ESTABLISHMENT OF A MEMORANDUM
ACCOUNT TO RECORD EXPENSES ASSOCIATED WITH HAULING
WATER TO MT. CHARLIE.

By telefax received on November 26, 1990, Mt. Charlie Water Works, Inc. (MCWW) seeks authority to establish a memorandum account to record expenses incurred in the process of hauling water to the system. MCWW will seek to recoup such expenses by a later application for offset rate relief.

MCWW serves about 140 customers in Santa Cruz County, about ten miles north of the City of Santa Cruz. Spread over 2,000 acres in the Santa Cruz Mountains, the system is heavily wooded and is characterized by rugged, steep hillsides and partially surfaced old logging trails. Water is obtained by diversions in creeks and streams, is pumped to storage tanks higher than most homes, and from there is delivered to customers by gravity flow or by pressure systems.

According to a representative of the utility, the streams which normally supply the MCWW system are almost completely dried up due to the current drought, greatly reducing the MCWW water supply. Although customers have reduced their water consumption to about 60% of normal usage the utility has been compelled to haul water to the system. MCWW estimates they will have to haul about 31 truckloads of water per month to the MCWW system until the drought is over and the supply of water from streams is again adequate.

Decision (D.)89-01-018 of January 11, 1989 of Case 87-01-008 imposed a surcharge of \$45 per customer per month to pay for water hauling. The surcharge was suspended effective March 31, 1989 following spring rains, and was reinstated effective September 7, 1989 by D.89-09-028 until further notice.

D.89-11-030 diverted some accumulated water hauling funds to pay for replacement of existing water company tanks and other facilities repairs needed as a result of the October 17, 1989 earthquake. D.89-11-069 terminated the water hauling surcharge after the October, 1989 billing, imposing a \$100 surcharge for

November 1989 and a \$45 per month surcharge for December 1989, January 1990 and February 1990 to pay for additional system repairs.

Hauling water to MCWW is expected to cost about \$3,650 per month. Revenues for this system are normally about \$4,900 per month

The Water Utilities Branch (Branch) concludes, based upon a review of MCWW records, that there is a continued need for water hauling to MCWW. The decline of previously accumulated water hauling surcharge funds indicates a need for resumption of water hauling surcharges, possibly at a lower level. Pending an application to determine the amount of surcharge which would be needed to finance reasonable water hauling expenses, MCWW has requested a memorandum account to accumulate the expenses incurred as a result of water hauling operations. The utility should be ordered to keep detailed records of all water hauling expenses incurred.

Due to the possibly imminent need to begin hauling water, this resolution should be made effective immediately.

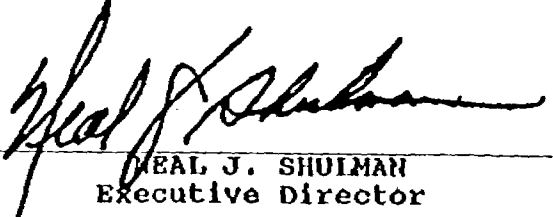
THE COMMISSION FINDS, after investigation by the Branch, that it is reasonable to allow Mount Charlie Water Works, Inc. to record expenses incurred in water hauling operations in a memorandum account, pending a future application to determine the amount, if any, of a surcharge to recover such expenses.

IT IS ORDERED that:

1. Mount Charlie Water Works, Inc. is authorized to record expenses incurred in water hauling operations in a memorandum account, pending a future application to determine the amount, if any, of a surcharge to recover such expenses. The utility shall keep detailed records of all water hauling expenses incurred.
2. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 19, 1990. The following Commissioners approved it:

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


NEAL J. SHULMAN
Executive Director