

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3688
September 16, 1992

RESOLUTION

(RES. W-3688), COLD SPRINGS WATER COMPANY (CSWC). ORDER
AUTHORIZING A ONE-TIME SURCHARGE PRODUCING ADDITIONAL
ANNUAL REVENUE OF \$2,200 OR 1.89% FOR 1992.

BACKGROUND

By Advice Letter 25, filed August 18, 1992, CSWC requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to impose a one-time charge of \$4.80 per customer to recover the Department of Health Services (DHS) fee for fiscal year July 1, 1991 to June 30, 1992. CSWC serves 217 flat rate and 254 metered rate customers in an area known as Cold Springs and Peter Pam Subdivision and vicinity, located approximately eight miles east of Long Barn, Tuolumne County.

The present rates became effective on January 1, 1990, pursuant to Decision No. 89-06-033 which authorized a \$19,894 or 21.66% increase over two years.

DISCUSSION

Resolution W-3641 dated May 8, 1992, authorized each water utility regulated by the Commission and subject to the provisions of Health and Safety Code Sections 4020 and 4020.5 to establish a memorandum account in which to record payment of Department of Health Services Office of Drinking Water fees resulting from those code sections. Subject utilities were also authorized to request recovery of the account balance by advice letter filing in accordance with General Order No. 96-A.

CSWC has informed the Water Utilities Branch (Branch) that it is unable to pay the DHS fee without first recovering such fee from its customers. The surcharge requested herein would allow CSWC to recover the memorandum account balance established on the basis of receipt of the DHS bill for fiscal year July 1, 1991 - June 30, 1992. The DHS fee would be paid from the funds collected from CSWC's customers as provided in W-3641.

The Branch's estimate of the total amount to be recovered from CSWC's customers through the one-time charge is slightly less than CSWC's estimate. CSWC included postage costs of \$63.00 for a separate billing for the charge in its estimate. As Branch policy does not provide for recovery of administrative costs associated with additional billings in offset proceedings, the Branch's estimate of the total amount to be recovered includes only the DHS bill for \$2,200.

The Branch recommends that CSWC be authorized to assess a one-time surcharge of \$4.67 to each single-family residential unit to recover the \$2,200 balance

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in the memorandum account accruing the billed DHS fee. Revenue received from such surcharge should be limited to the initial amount billed to CSWC by DHS. Considering that CSWC reported a net loss of \$344 in 1991, the Branch believes that recovery of the memorandum account balance in advance is justified because of the financial burden payment of the DHS fee would cause the utility. The Branch further recommends that CSWC be authorized to hold open such memorandum account until CSWC's next general rate proceeding.

Service is satisfactory. There are no Commission orders requiring system improvement, nor are there service problems requiring corrective action.

PROTESTS

CSWC published a notice of this increase request in a local paper on August 21, 1992. No protests have been received.

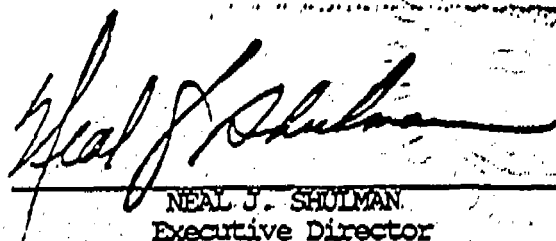
FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that recovery of the memorandum account balance authorized herein is justified, and the resulting one-time charge of \$4.67 is just and reasonable.

IT IS ORDERED that:

1. Cold Springs Water Company is authorized, on the effective date herein, to make effective revised Schedule No. 1, Annual General Metered Service, and Schedule No. 2, Annual Flat Rate Service, attached to this resolution and to cancel the presently effective Schedules Nos. 1 and 2. The effective date of the revised rate schedules shall be five days after the date of this resolution.
2. The memorandum account as authorized above may remain open until Cold Springs Water Company's next general rate proceeding.
3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 16, 1992. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

Schedule No. 1A

ANNUAL GENERAL METERED SERVICE
(continued)

SPECIAL CONDITIONS

1. The annual service charge applies to service during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the calendar year, to pay prorated service charges in advance at intervals of less than one year (monthly, bimonthly, or quarterly) in accordance with the utility's established billing periods. Meters may be read and quantity charges billed during the winter season at intervals greater than three months. A nonpermanent resident may elect to pay the annual charge in two equal installments. Where such a resident has failed to pay the first half of the annual charge due January 1, service will not be restored until the total annual charge has been paid.
2. The opening bill for metered service, except upon conversion from flat rate service, shall be the established annual service charge for the service. Where initial service is established after the first day of any year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth ($1/365$) of the number of days remaining in the calendar year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.
3. The above "Special Conditions 1 and 2" also apply to the SDWEA surcharge.
4. Section 4020.5 of Chapter 1862 of the Health and Safety Code authorized the Department of Health Services (DHS), effective July 1, 1991, to pass the operating costs of the DHS on to water customers. For the fiscal year July 1, 1991, the Commission has authorized a one-time charge of \$4.67 per Cold Springs customer.

(N)

(N)

Schedule No. 2A

ANNUAL FLAT RATE SERVICE
(continued)

SPECIAL CONDITIONS

2. For service covered by the above classification, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, Annual General Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the meter service charge for the same period shall be made on or before that day.
3. The annual service charge applies to service during the 12-month period commencing January 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the calendar year, to pay prorated service charges in advance at intervals of less than one year (monthly, bimonthly, or quarterly) in accordance with the utility's established billing periods. Meters may be read and quantity charges billed during the winter season at intervals greater than three months. A nonpermanent resident may elect to pay the annual charge in two equal installments. Where such a resident has failed to pay the first half of the annual charge due January 1, service will not be restored until the total annual charge has been paid.
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5. Section 4020.5 of Chapter 1862 of the Health and Safety Code authorized the Department of Health Services (DHS), effective July 1, 1991, to pass the operating costs of the DHS on to water customers. For the fiscal year July 1, 1991, the Commission has authorized a one-time charge of \$4.67 per Cold Springs customer.

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