

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3708
November 23, 1992

RESOLUTION

(RES. W-3708), LUCERNE WATER COMPANY (LWC). ORDER
AUTHORIZING A ONE-TIME SURCHARGE PRODUCING ADDITIONAL
ANNUAL REVENUE OF \$3,300 OR 1.24% FOR 1992.

BY ADVICE LETTER NO. 51 FILED ON AUGUST 24, 1992.

SUMMARY

This resolution authorized LWC to bill a one-time surcharge to recover a total amount of \$3,300 or 1.24% for the Department of Health Services (DHS) fee mandated by recently enacted Sections 4020 and 4020.5 of the Health and Safety Code. The increase will not result in a rate of return greater than last authorized for LWC.

BACKGROUND

LWC 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 \$2.73 per customer to recover the DHS fee of \$3,300 for fiscal year July 1, 1991 to June 30, 1992. LWC serves 1 flat rate and 1,211 metered rate customers in Lucerne and vicinity, Lake County.

The present rates became effective on January 11, 1989, pursuant to Resolution W-3429 which authorized a general rate increase of \$44,038 or 19.8%.

NOTICE AND PROTESTS

LWC published a notice of this proposed increase in a local newspaper on October 6, 1992. No protests have been received.

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.

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The surcharge requested herein would allow LWC to recover a memorandum account balance of \$3,300 for fiscal year July 1, 1991 - June 30, 1992.

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

The Branch recommends that LWC be authorized to assess a one-time surcharge of \$2.73 to each single-family residential unit to recover the \$3,300 balance, which will be booked in a memorandum account. Revenues received from such surcharge should be limited to the initial amount billed to LWC by DHS.

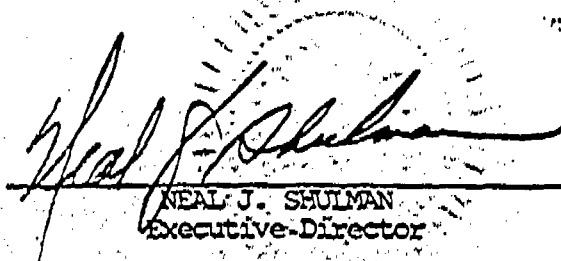
FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that recovery of a memorandum account balance authorized herein is justified, and the resulting one-time charge of \$2.73 is just and reasonable.

IT IS ORDERED that:

1. Lucerne Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. 1, General Metered Service, and Schedule No. 2AR, Annual Residential Flat Rate Service, attached to Advice Letter No. 51, and to concurrently cancel the presently effective Schedules No. 1 and 2AR, respectively.
2. The memorandum account as authorized above may remain open until Lucerne 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 November 23, 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