

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3723
December 16, 1992

RESOLUTION

(RES. W-3723), SOUTHLAKE WATER COMPANY (SWC). ORDER
AUTHORIZING A ONE-TIME SURCHARGE PRODUCING ADDITIONAL
ANNUAL REVENUE OF \$2,200 OR 2.2% FOR 1992.

BY ADVICE LETTER NO. 24, FILED ON OCTOBER 21, 1992.

SUMMARY

This resolution authorizes SWC to bill a one-time surcharge to recover a total amount of \$2,200, or 2.2%, for the Department of Health Services (DHS) fee as 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 SWC.

BACKGROUND

SWC requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to impose a surcharge of \$2.22 per customer in the next two (2) consecutive billing periods, following the effective date of the resolution, to recover the DHS fee of \$2,200 billed on August 7, 1992, for fiscal year July 1, 1991 to June 30, 1992. SWC presently serves 495 metered rate customers in Southlake and vicinity located immediately south of State Highway 178, approximately four miles west of Weldon in Kern County.

The present rates became effective August 8, 1990, pursuant to Resolution No. W-3508, which authorized a \$37,020 or 49.7% increase.

NOTICE AND PROTESTS

SWC published a notice of this increase in the Kern Valley Sun on October 14, 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 SWC to recover a memorandum account balance of \$2,200 for fiscal year July 1, 1991 - June 30, 1992. The Branch recommends that SWC be authorized to assess a surcharge of \$2.22 per customer in the next two (2) consecutive billing periods, following the effective date of this resolution, to recover the \$2,200 balance, which will be booked in a memorandum account. Revenues received from such surcharge should be limited to the initial amount billed to SWC by DHS.

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

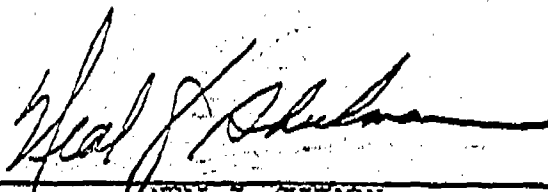
FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that recovery of a memorandum account balance authorized herein is justified, and the resulting two-time charge of \$2.22 per customer is just and reasonable.

IT IS ORDERED that:

1. Southlake Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. 1, General Metered Service, attached to Advice Letter No. 24, and to cancel the presently effective rate schedule.
2. The memorandum account as authorized above may remain open until Southlake 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 December 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