

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3934  
September 7, 1995

R E S O L U T I O N

(RES. W-3934), TIMBERLAND WATER COMPANY (TWC). ORDER  
AUTHORIZING A ONE-TIME SURCHARGE FOR RECOVERY OF  
UNANTICIPATED EVENT MEMORANDUM ACCOUNT PRODUCING \$3,430  
OF ADDITIONAL ANNUAL REVENUE.

BY ADVICE LETTER NO. 13, FILED ON MARCH 22, 1995.

SUMMARY

This resolution authorizes Timberland Water Company (TWC) to implement a one-time surcharge to each customer's bill to recover costs booked to its Unanticipated Event Memorandum Account. The one-time surcharge will be \$26.59 per customer.

BACKGROUND

On June 10, 1994, TWC experienced a well pump failure and took emergency measures to restore water service. A 20-horsepower submersible pump was pulled and replaced. TWC serves approximately 129 customers in an area three miles south of Tahoe City, fronting Lake Tahoe, in Placer County. The cost of replacement was \$3,430. TWC requests recovery as authorized by Ordering Paragraph 2 of Decision 92-03-093, dated March 31, 1992.

DISCUSSION

The increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, expenses which TWC incurred in replacing its failed well pump. This rate increase will not result in a rate of return greater than that previously authorized.

The Water Utilities Branch (Branch) has reviewed TWC's expenditures recorded in its Unanticipated Event Memorandum Account. Staff disallowed utility owner's request for recovery of \$1,400 for the cost incurred for his time spent responding to the pump failure. Staff explained, and the owner accepted, that management salaries are provided for in rates to pay owners whatever is necessary to manage the company. In all other respects, staff found that the costs recorded in the memorandum account were necessary and reasonable. The Branch also concludes that TWC acted prudently in response to the well pump failure. Therefore, Branch recommends that TWC be authorized to assess a one-time surcharge of \$26.59 as indicated above from the effective date of this resolution for the recovery of the aforementioned extraordinary event expenditures.

PROTESTS

Notice of the increase request for TWC was published in a local newspaper as required by General Order 96-A on April 6, 1995.

No protests have been received by the Branch.

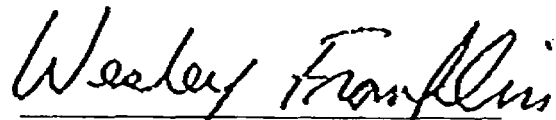
FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that the rate surcharge hereby authorized is justified and the resulting rates are just and reasonable.

IT IS ORDERED that:

1. Timberland Water Company is authorized, five days after the effective date herein, to make effective the revised Schedules Nos. 1A and 2RA, Annual General Metered Service and Annual Residential Flat Rate Service, respectively, attached to Advice Letter No. 13 and to cancel the presently effective rate schedules. The effective date of the revised rate schedules shall be five days after the date herein.
2. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 7, 1995. The following Commissioners approved it:



WESLEY M. FRANKLIN  
Acting Executive Director

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
Commissioners