

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3944
October 18, 1995

R E S O L U T I O N

(RES. W-3944), HAVASU WATER COMPANY (HAVASU). ORDER
AUTHORIZING A MODIFICATION OF TARIFF RULE NO. 7,
DEPOSITS, TO INCREASE THE AMOUNT OF DEPOSIT TO
ESTABLISH CREDIT FOR 5/8 X 3/4-INCH METERED SERVICES.

BY ADVICE LETTER 20, FILED ON MAY 15, 1995.

SUMMARY

This Resolution authorizes an increase in customer deposits from \$5.00 to twice the average monthly bill for 5/8 x 3/4-inch metered services. This tariff change will have minimal effect on net annual revenues. This Resolution also authorizes all other water companies to file similar deposit rule tariffs by advice letter.

DISCUSSION

Havasu requests authority to modify customer deposits for 5/8 x 3/4-inch metered services from \$5.00 to twice the average monthly bill to help defray the costs of collection and to discourage non-payment of bills.

Currently, Section A.1.a. of Havasu's Tariff Rule No. 7 provides for a \$5.00 deposit (when bills are rendered monthly) for 5/8 x 3/4-inch metered services. Havasu states that a \$5.00 deposit is not an adequate amount to encourage payment of bills and proposes to delete Section A.1.a. In its place, Havasu proposes a minor modification of Section A.1.b. (of Tariff Rule No. 7) to include provisions for 5/8 x 3/4-inch metered services. Section A.1.b. presently states that the customer deposits will be "twice the estimated average periodic bill" for all meter sizes over 5/8 x 3/4-inch.

Havasu states that it has experienced significant loss of revenues resulting from customers moving out and leaving their water bills unpaid. Havasu presently serves about 200 metered customers in its service area located near Havasu Landing, approximately 28 miles south of Needles in San Bernardino County.

The Commission has approved other similar modifications to the deposit rule tariffs. As such, the Water Utilities Branch (Branch) recommends that all water companies be allowed to file similar deposit rule tariffs by advice letter that can be approved administratively by Branch without prior Commission authorization.

PROTESTS

The Branch received one protest from the Havasu Mobile Estates Association (Association)--representing over one half of Havasu's customers. While the protestant does not oppose the deposit rule change per se, it is concerned with Havasu's past noncompliance with its own tariff rules.

Branch investigated the Association's complaint and found that Havasu has in the past disregarded its own tariff rules with respect to customer deposits. Havasu informed the Branch that it has discontinued this practice and now rigorously follows its tariff rules. Branch is reasonably certain of Havasu's current compliance with its tariff rules.

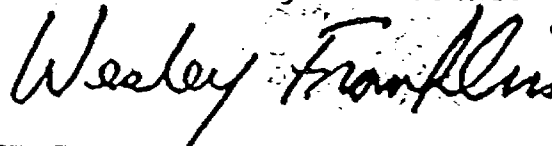
FINDINGS AND CONCLUSIONS

1. Havasu should be authorized to modify Tariff Rule No. 7 as indicated in Advice Letter No. 20.
2. All other water companies may file similar deposit rule tariffs by advice letter.

IT IS ORDERED that:

1. Havasu Water Company is authorized to incorporate and make effective Tariff Rule No. 7, Deposits, attached to Advice Letter No. 20 and to concurrently cancel its presently effective Tariff Rule No. 7. The effective date of this authorization shall be five days after the effective date of this resolution.
2. All water utilities are authorized to file advice letters and to notice their customers to similarly modify their deposit rules, and the Water Utilities Branch is authorized to approve them in compliance with this resolution.
3. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on October 18, 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
JOSIAH L. NEEPER
Commissioners