

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities Branch

RESOLUTION NO. W-3946
October 18, 1995

R E S O L U T I O N

(RES. W-3946), WOLFBACK WATER COMPANY (WOLFBACK). ORDER AUTHORIZING A ONE-TIME SURCHARGE FOR RECOVERY OF ITS UNANTICIPATED REPAIR EXPENSE MEMORANDUM ACCOUNT PRODUCING ADDITIONAL ANNUAL REVENUE OF \$9,400.

BY DRAFT ADVICE LETTER FILED SEPTEMBER 22, 1995.

SUMMARY

This resolution authorizes Wolfback to implement a one-time surcharge to recover costs booked to its Unanticipated Repair Expense Memorandum Account. The surcharge will be \$348 per customer.

BACKGROUND

Wolfback 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 \$376 per customer to recover a balance of \$10,157 in its Unanticipated Repair Expense Memorandum Account as authorized by Decision No. 92-03-093. Wolfback presently serves 27 customers in the community of Sausalito, Marin County.

The present rates became effective on July 19, 1994, pursuant to Resolution W-3845.

DISCUSSION

The increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, expenses which Wolfback incurred in fixing its leaking water main. This rate surcharge will not affect the rate of return last authorized.

Decision No. 92-03-093, dated March 31, 1992, authorized each Class C and Class D water utility regulated by the Commission to establish a memorandum account in which to record unanticipated repair expenses. Subject utilities were authorized to request recovery of the account balance by advice letter filing in accordance with General Order No. 96-A.

The Water Utilities Branch (Branch) has reviewed the expenses booked by Wolfback to its Unanticipated Expense Repair Memorandum Account, which has a balance of \$10,157. The Branch disallowed Wolfback's request to include \$1,550 in management expenses to compensate the owner for his time spent responding to the leak and its subsequent repair. Management salaries are already provided for in rates.

Wolfback also requested \$3,188 for legal fees associated with the leaking main. Legal fees associated with a leaking main are unique to this case and Branch would normally disallow such an item. Branch's investigation of this matter found that the legal fees were for negotiations between Wolfback and its water supplier in an effort to reduce Wolfback's water bill. Branch does not believe that the per-hour average charge of \$102.50 is reasonable for this type of work or that over 31 hours was reasonably required. Branch recommends that approximately one quarter, or \$800, of these expenses be allowed. With these two exceptions, Branch found that the other costs recorded in the memorandum account were necessary and reasonable. Therefore, Branch recommends that Wolfback be authorized to assess a one-time surcharge of \$348 to each of its 27 customers to recover the adjusted \$9,400 balance in the memorandum account for the water main repair.

PROTESTS

Wolfback included a notice of the requested rate increase in its most recent billing. The Branch received several protests to the proposed surcharge. Branch responded to the complainants.

FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that recovery of the memorandum account balance of \$9,400 authorized herein is justified, and the resulting one-time surcharge of \$348 is just and reasonable.

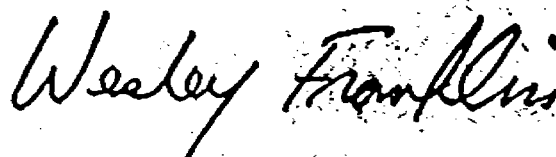
IT IS ORDERED that:

1. Wolfback Water Company is authorized, five days after the effective date herein, to make effective revised Schedule No. 1, General Metered Service, attached as Appendix A, and to cancel presently effective Schedule No. 1.
2. Wolfback shall change its Unanticipated Expense Repair Memorandum Account balance to match the amount authorized by this resolution. Wolfback shall credit the memorandum account by the actual surcharge revenues collected, provide a full accounting of the memorandum account to the Branch prior to its transfer to the Marin Municipal Water District, and refund any excess monies in the account to its customers.

3. Wolfback is directed to maintain its memorandum account in accordance with Public Utilities Code Section 792.5.

4. 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

APPENDIX A

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

In the City of Sausalito the area commonly known as Wolfback Ridge located west of U.S. Highway 101 adjacent to the Golden Gate National Recreational Area, Marin County.

RATES

Quantity Rate

All use per 100 cu. ft.\$ 10.71

Monthly Service Charge

All meter\$ 32.04

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rate.

SPECIAL CONDITIONS

1. As authorized by the California Public Utilities Commission, all bills are subject to a one-time surcharge of \$348. This charge recovers the full balance of Wolfback Water Company's Unanticipated Expense Repair Memorandum Account. (N)
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(N)
2. All bills are subject to the reimbursement fee set forth on Schedule No. UF. (L)
(L)