

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3952  
November 21, 1995

R E S O L U T I O N

(RES. W-3952), NORTH GUALALA WATER COMPANY (NGWC).  
ORDER AUTHORIZING A SURCHARGE FOR THE RECOVERY OF  
CATASTROPHIC EVENT MEMORANDUM ACCOUNT DOLLARS PRODUCING  
\$65,076 OF ADDITIONAL REVENUE.

BY ADVICE LETTER NO. 36, FILED ON AUGUST 18, 1995.

SUMMARY

This resolution authorizes North Gualala Water Company (NGWC) to implement a 24-month surcharge to each customer's bill to recover costs booked to its Catastrophic Event Memorandum Account. The 24-month surcharge will be \$3.00 per customer per month.

BACKGROUND

During the winter of 1994-95, NGWC experienced damages from several storms and took emergency measures to restore water service. NGWC serves approximately 895 customers in Gualala and vicinity, located approximately 15 miles south of Point Arena, Mendocino County. The cost of replacement was \$65,076. NGWC requests recovery as authorized by Resolution E-3238, dated July 21, 1991.

DISCUSSION

The increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, expenses which NGWC incurred in replacing plant items damaged by the storm. This rate increase will not result in a rate of return greater than that previously authorized.

The Water Utilities Branch (Branch) has reviewed NGWC's expenditures recorded in its Catastrophic Event Memorandum Account. On May 25, 1995, a member of the Branch staff went to Gualala to verify and assess the damage from winter storms. The Branch has verified that the damage in fact did occur. The

following table lists the sites of storm damage and the actual recorded expenditures.

<u>Item</u>	<u>Amount</u>
General-Control Wires, Severing System	\$ 54.38
Serenisea - 8" main re-route bypass	56,848.01
Coral Court mudslide - meter & valve installation	1,307.73
River well #4 - flood damage room repair	101.16
River system - pumps	6,090.24
Miscellaneous	<u>674.69</u>
Total	\$65,076.21

According to Resolution E-3238 water utilities are required to inform the Director of the Commission Advisory and Compliance Division in advance in writing of the effective date of the establishment of a catastrophic event memorandum account. NGWC did so on August 15, 1991. NGWC attempted to recover these expenses from Pacific Gas and Electric Company (letter dated August 7, 1995) and Northwest Insurance Agency, Inc., (letter dated May 30, 1995) with no success. NGWC was unsuccessful in its attempt to get Federal Emergency Management Agency funds. Therefore, the Branch concludes that NGWC acted prudently in response to these damages. The Branch recommends that NGWC be authorized to assess a 24-month surcharge of \$3.00 per month for a period of two years.

Because all storm damage costs, including utility plant replacement, will be recovered on a dollar-for-dollar basis, any storm damage costs recorded in the utility plant account will require a corresponding dollar entry in the contribution-in-aid-of-construction account.

#### PROTESTS

Notice of the increase request for NGWC was published in a local newspaper as required by General Order 96-A on August 31, 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:

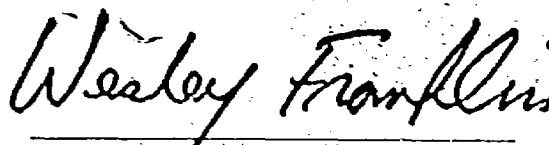
1. North Gualala Water Company is authorized to make effective the revised Schedule No. 1, General Metered Service, attached to Advice Letter No. 36 and to cancel the presently effective rate schedules. The effective date of the revised rate schedules shall be five days after the date herein.

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2. Any storm damage costs that North Gualala Water Company records in its utility plant account requires a corresponding entry in its contribution-in-aid-of-construction account.

3. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 21, 1995. The following Commissioners approved it:



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WESLEY M. FRANKLIN  
Executive Director

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, Jr.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
Commissioners