

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3989  
June 19, 1996

RESOLUTION

(RES. W-3989), BORREGO SPRINGS WATER COMPANY (BSWC).  
ORDER AUTHORIZING A RATE SURCHARGE FOR RECOVERY OF  
UNANTICIPATED REPAIR EXPENSES GENERATING \$23,920 IN  
ADDITIONAL REVENUE.

BY ADVISE LETTER 49, FILED ON MAY 7, 1996.

SUMMARY

This resolution authorizes BSWC to implement a surcharge over two monthly billing periods to each customer's bill to recover unanticipated costs to repair and rehabilitate its Well #2. The monthly surcharge is shown in Appendix A, attached to this resolution.

BACKGROUND

BSWC experienced water supply problems with its Well #2. Upon inspection, it was determined that perforations in the well casing were plugged causing severe wearing of the well's pumping equipment and significantly diminishing water production. Repairs were necessary and included a video log of the well, a sonarjet of the well, swabbing, an air jet cleaning of the well casing, and replacement of pumping equipment.

The cost of the repairs and replacement was \$23,920. BSWC has established an unanticipated repair memorandum account and requests recovery as authorized by Decision (D.) 92-03-093. BSWC serves 1,125 customers in Borrego Springs, San Diego County. The present rates became effective on October 10, 1994, pursuant to D.92-03-093 which authorized a Consumer Price Index for Urban Consumers increase of 2.7%.

DISCUSSION

The increase requested herein is for the purpose of recovering through a surcharge, on a dollar-for-dollar basis, expenses which BSWC incurred in repairing and replacing the pumping facilities. In D.92-03-093, the Commission authorized Class C and D water companies to establish memorandum accounts for unanticipated repair expenses. The increase will not result in a rate of return greater than last authorized for BSWC.

The Water Utilities Branch (Branch) has reviewed BSWC's last rate case filed in 1991 and believes that BSWC could not anticipate the expenses and, therefore, did not receive any allowance for the Well #2 repairs and rehabilitation. Branch also reviewed BSWC's expenditures recorded in its unanticipated repair memorandum account, verified the accuracy of labor and

material costs in connection with the repairs and rehabilitation of Well #2 and found them reasonable. Since the repair and rehabilitation expenses will be recovered on a dollar-for-dollar basis, any repair and rehabilitation expenses recorded in the utility plant account will require a corresponding dollar entry in the contribution-in-aid-of-construction account.

The recommended surcharge is for two monthly billings based on the meter size and the BSWC's current effective meter ratios. The required revenue collection is for \$23,920 to be collected from the BSWC's 1,125 customers. The surcharge rates are shown in Appendix A, item (4) under special conditions. Per Public Utilities Code 792.5, the surcharge collected in excess of the \$23,920 should be refunded to the customers.

#### NOTICE AND PROTESTS

BSWC has given public notice of the request by publishing it in a local newspaper on May 2, 1996. No customer correspondence protesting the surcharge was 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. Authority is granted under Public Utilities Code Section 454 for Borrego Springs Water Company to file an advice letter incorporating the revised Schedule No. 1, Metered Service, attached to this resolution as Appendix A and concurrently to cancel its presently effective Schedule No. 1. The filing shall comply with General Order 96-A. The effective date of the revised schedule shall be five days after the date of this resolution.
2. Any well repair and rehabilitation costs authorized by this resolution that Borrego Springs Water Company's records in the utility plant-in-service account requires a corresponding entry in its contribution-in-aid-of-construction account.
3. Borrego Springs Water Company shall refund its customers any surcharge collected in excess of the \$23,920.

4. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 19, 1996. The following Commissioners approved it:



WESLEY M. FRANKLIN  
Executive Director

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

APPENDIX A  
Schedule No. 1  
METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Borrego Springs and vicinity, San Diego County.

RATES

Quantity Rate:

All water, per 100 cu.ft. .... \$ 0.622

Service Charge:

		SDWBA
	Per Meter	Monthly
	Per Month	Surcharge (2)
For 5/8 x 3/4-inch meter .....	\$11.15	\$ 2.10
For 3/4-inch meter .....	12.15	2.35
For 1-inch meter .....	16.60	3.15
For 1-1/2-inch meter .....	22.60	4.20
For 2-inch meter .....	31.45	5.70
For 3-inch meter .....	55.70	10.50
For 4-inch meter .....	75.35	14.30

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. This rate includes a negative amortization factor of \$0.047 per Ccf for purchased power to amortize the overcollection of \$99,227 over a 36-month period.
2. The SDWBA (Safe Drinking Water Bond Act) surcharge is in addition to the water bill. This surcharge must be identified on each bill. The surcharge is specifically for the repayment of the California SDWBA loan authorized by Decision 92116.

(continued)

APPENDIX A  
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Schedule No. 1  
(continued)

METERED SERVICE

SPECIAL CONDITIONS

3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
4. As authorized by the California Public Utilities Commission, all bills for metered service are subject to a two-month surcharge as shown in the table below. This charge offsets the costs of the extraordinary event of emergency repair costs to Well #2, incurred during January through March of 1996. This surcharge is in addition to the water bill and other surcharges

Service Charge:

	<u>Meter Size</u>	<u>Per Meter Per Month</u>
For	5/8 x 3/4-inch meter .....	\$ 9.05
For	3/4-inch meter .....	9.86
For	1-inch meter .....	13.47
For	1-1/2-inch meter .....	18.43
For	2-inch meter .....	26.00
For	3-inch meter .....	45.17
For	4-inch meter .....	63.25

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