

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION  
Small Water Branch

RESOLUTION W-4034  
March 18, 1997

RESOLUTION

(RES. W-4034), WOLFBACK WATER COMPANY, INC.  
(WWC). ORDER REIMPOSING A ONE-TIME SURCHARGE  
PRODUCING \$8,150 FOR THE RECOVERY OF AN  
UNANTICIPATED EXPENSE MEMORANDUM ACCOUNT  
BALANCE.

BY TELEPHONE REQUEST ON OR ABOUT FEBRUARY 13, 1997.

SUMMARY

This Resolution authorizes WWC to reimpose a one-time surcharge of \$306.50 per customer to recover \$8,275.00 contained in its unanticipated expense memorandum account. WWC serves 27 customers in the community of Sausalito, Marin County.

BACKGROUND

Commission Res. W-3946, dated October 18, 1995, authorized WWC to impose a \$348 per customer one-time surcharge to recover \$9,400 booked to its Unanticipated Event Memorandum Account (UMEA). The money had been used to find and fix a leak in WWC's water system. On January 4, 1996, John and Nancy Deaton, customers of WWC, filed a Petition to Modify Resolution W-3946. The Deatons provided evidence that WWC had filed a complaint in Marin County Superior Court against another customer, Alexis Yermakov (Case 16421) to recover the costs of repairs to its water main, alleging that Mr. Yermakov, by building a carport over the water main, had caused it to leak.

The Commission issued Decision (D.) 96-09-013, September 4, 1996, that rescinded Resolution W-3946 without prejudice and ordered WWC to refund the surcharge to all customers who had paid it. In the discussion the Decision states:

"We will allow Wolfback to request recovery of costs associated with repairs of the water main if it is unsuccessful in recovering those costs through its lawsuit."

On October 31, 1996, the owner of WWC informed the Administrative Law Judge (ALJ) who prepared D.96-09-013, by letter, that the suit has been settled and requested reinstatement of the surcharge. On November 13, 1996, the attorney for WWC forwarded a copy of the Settlement Agreement which resolved Case No. 164240 (sic). As a term of the settlement, Yermakov agreed to deliver the sum of \$1,250 in trust for WWC. The case was subsequently dismissed with prejudice.

On or about February 13, 1997, the owner of WWC contacted the head of the Water Division's Small Water Branch (Branch) requesting reinstatement of the surcharge. After discussion with the ALJ, the Water Division has determined that reinstatement of the surcharge would be consistent with compliance to D.96-09-013, and can be done by an Advice Letter Filing.

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### DISCUSSION

Branch has reviewed the information provided by WWC and agrees with WWC's attorney's assertion that WWC will not be able to recover any additional funds through litigation. Branch, therefore, recommends a one-time rate increase producing \$8,150 (the original \$9,400 minus the \$1,250 from the settlement) from WWC's customers. Since WWC presently has 27 customers, this is equivalent to \$301.85 per customer.

The recovery of the remaining balance in the UEMA is on a dollar-for-dollar basis. The UEMA surcharge will not result in a rate of return greater than that previously authorized.

Service is marginal, but the Marin Municipal Water District is in the final stages of building a new system to serve WWC's customers. When the MMWD system is complete, WWC will file for decertification, and will cease to exist as a regulated water company. For this reason, the resolution should become effective as soon as possible.

### NOTICE

Notice was provided as part of the original request for recovery. To clarify the situation to its customers, the utility should be required to notice its customers of the advice letter filing approved by this resolution.

### FINDINGS

THE COMMISSION FINDS that:

1. After investigation by the Branch the rate surcharge hereby authorized is justified and the resulting rates are just and reasonable.
2. WWC should file an Advice Letter to modify its rate schedules accordingly and simultaneously notify its customers of the reinstatement.
3. Because WWC will soon be out of the utility business, this resolution should be made effective today.

IT IS ORDERED that:

1. Wolfback Water Company is authorized to file an Advice Letter and accompanying customer notice to modify its Schedule I, General Metered Service, to collect a one-time surcharge of \$301.85 and to cancel the presently effective rate schedules. The effective date of the revised rate schedules shall be five days after the date of filing.
2. Wolfback is directed to maintain its memorandum account in accordance with Public Utilities Code Section 792.5.

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3. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 18, 1997. The following Commissioners approved it:

  
WESLEY M. FRANKLIN  
Executive Director

P. GREGORY CONLON  
President  
JESSIE J. KNIGHT, Jr.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
RICHARD A. BILAS  
Commissioners