

Lukins Brothers Water Company

2031 West Way, So. Lake Tahoe, CA 96150

Telephone (530)541-2606

August 5, 2022

Advice Letter No. 92-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Lukins Brothers Water Company (LUKINS) hereby transmits for filing one original and one copy of this advice letter (AL) and the following tariff sheets which are enclosed:

<u>NEW SHEET #</u>	<u>TITLE</u>	<u>CANCELLING SHEET #</u>
561-W	Schedule No. 1, General Metered Service, Special Condition No. 8	
562-W	Schedule No. 2, Flat Rate Service, Special Condition No. 11	
563-W	Table of Contents	560-W

REQUEST

By Advice Letter No. 92-W, LUKINS requests authority to amortize the balances previously recorded in its Catastrophic Event Memorandum Account (CEMA) for increased insurance policy premiums because of the Caldor fire disaster.

LUKINS also requests authority to establish an Insurance Balancing Account to track the recovery of the balances in the CEMA account.

The CEMA has a total balance of \$191,464 to be amortized. This amount is equal to 15.19% of adopted gross annual revenues (\$1,260,296) of the most recent general rate case, test year 2019, Resolution W-5204, November 7, 2019. The utility requests a surcharge of \$8.08 for each connection every month for 24 months to amortize the balance.

BACKGROUND

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Lukins was one of many businesses that suffered because of the Caldor fire. The Caldor fire was a wildfire that burned in El Dorado and Amador counties in the Sierra Nevada mountains that started on August 14, 2021. As of October 24, 2021, it had burned 221,775 acres when it was finally contained. LUKINS service area is in El Dorado County. Several insurance companies have withdrawn writing fire and property insurance policies. It has become very difficult for a small water utility to find an insurance company that will underwrite property coverage. After much diligence, Lukins was fortunate to find Gallant Risk and Insurance Services Inc., which was willing to offer combined policies from several different insurance companies to meet Lukins' fire and property insurance needs. The combined insurance policies came at a very high premium.

A copy of the insurance invoice from Gallant Risk and Insurance Services Inc. is attached. The total cost of the insurance policy for 2022 is \$ 246,925. This amount includes total premiums, taxes, and fees. The adopted insurance expense per Res. W-5209 is \$55,461. This AL requests recovery of \$191,464, the balance recorded in LUKINS' CEMA account.

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TIER DESIGNATION AND REQUESTED EFFECTIVE DATE

This AL and enclosed tariffs are submitted pursuant to Water Industry Rule 7.3.3(5) of General Order (GO.) 96-B and this AL is designated as a Tier 3 filing. This advice letter will become effective upon approval through a Commission Resolution. ¹

NOTICE

This AL does not require notice;² however, the utility shall inform its customers, by bill insert in the first bill that includes the increase, of the amount of the increase expressed in dollar and percentage terms.³ A copy of this AL has been served to all parties listed on the service list⁴ on the last page of this AL. This filing will not cause withdrawal of service nor conflict with any other schedule or rule.

RESPONSE OR PROTEST⁵

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

1. The utility did not properly serve or give notice of the advice letter;
2. The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
3. The analysis, calculations, or data in the advice letter contain material error or omissions;
4. The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
5. The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or

¹ GO. 96-B, Water Industry Rule 7.3.3

² GO. 96-B, General Rule 4.2

³ GO. 96-B, General Rule 3.2

⁴ GO. 96-B, Water Industry Rule 4.1

⁵ GO. 96-B, General Rule 7.4.1

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6. The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a Prior order of the Commission).

A protest may not rely on policy objections to an AL where the relief requested in the AL follows rules or directions established by statute or Commission order applicable to the utility.

A protest shall provide citations or proofs where available to allow staff to properly consider the protest. The WD must receive a response or protest via email (or postal mail) within 20 days of the date the AL is filed. The addresses for submitting a response or protest are:

Mailing Address:

Tariff Unit
Water Division, 3rd Floor
California Public Utilities
Commission
505 Van Ness Avenue
San Francisco, CA 94102

Email Address:

Water.Division@cpuc.ca.gov

On the same day the response or protest is submitted to WD, the respondent or protestant shall send a copy of the protest to LUKINS at:

Mailing Address:

LUKINS BROTHERS Water
Company
Attn: Jennifer Lukins
2031 West Way
So. Lake Tahoe, CA 96150

Email Address:

info@lukinswater.com

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform WD, within the 20-day protest period, so that a late filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

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REPLIES

The utility shall reply to each protest and may reply to any response. Each reply must be received by WD within five business days after the end of the protest period and shall be served on the same day to the person who filed the protest or response.⁶

CERTIFICATE OF SERVICE

I hereby certify that the service list from Advice Letter #92-W has been served a copy of this AL on August 5, 2022

Executed in South Lake Tahoe, California on August 5, 2022.

LUKINS BROTHERS
Water Company

By: /s/ JENNIFER LUKINS
Jennifer Lukins
President

Enclosures

⁶GO. 96-B, General Rule 7.4.3

Schedule No. 1
GENERAL METERED SERVICE

(continued)

SPECIAL CONDITIONS (continued)

8. A \$8.08 bill surcharge shall be applied to each customer's monthly water bill to amortize the Insurance Balancing Account (CEMA) of \$191,464.00. (N)
The surcharge shall be separately identified on each bill and in place for a period of 24 months, or until the full amount has been collected, from the effective date of Resolution W-XXXX. |
(N)

(To be inserted by utility)

Advice Letter No. 92-W

Decision No. _____

Issued By

Jennifer Lukins

President

(To be inserted by P.U.C.)

Date Filed _____

Effective _____

Resolution No. _____

Schedule No. 2A

ANNUAL FLAT RATE SERVICE
(continued)

SPECIAL CONDITIONS (continued)

11. A \$8.08 bill surcharge shall be applied to each customer's monthly water bill to amortize the Insurance Balancing Account (CEMA) of \$191,464.00. (N)
The surcharge shall be separately identified on each bill and in place for a period of 24 months, or until the full amount has been collected, from the effective date of Resolution W-XXXX. |
|
| (N)

(To be inserted by utility)

Advice Letter No. 92-W

Decision No. _____

Issued By

Jennifer Lukins

President

(To be inserted by P.U.C.)

Date Filed _____

Effective _____

Resolution No. _____

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and services of the utility, together with other pertinent information.

<u>SUBJECT MATTER OF SHEET</u>	<u>P.U.C. SHEET NO.</u>	
Title Page	294-W	
Table of Contents	560-W , 496-W	(T)
Preliminary Statements	528-W, 62-W	
Service Area Map	92-W	
Rate Schedules:		
Schedule No. 1 – General Metered Service	555-W, 541-W, 542-W, 561-W	(N)
Schedule No. 2A – Annual Flat Rate Service	556-W, 543-W, 557-W, 537-W, 562-W	(N)
Schedule No. 3 – Plumas Loan Surcharge	461-W	
Schedule No. 4 – Private Fire Protection Service	558-W, 559-W	
Schedule No. F – Facilities Fees	450-W	
Schedule No. LC – Late Payment Charge	436-W, 269-W	
Schedule No. UF – PUC Reimbursement Fee	539-W	
List of Contracts and Deviations	457-W	
Rules:		
No. 1 – Definitions	507-W, 508-W	
No. 2 – Description of Serv	104-W	
No. 3 – Application for Service	361-W	
No. 4 – Contracts	119-W	
No. 5 – Special Information Required on Forms	509-W - 511-W	
No. 6 – Establishment and Re-establishment of Credit	120-W	
No. 7 – Deposits	355-W, 356-W	
No. 8 – Notices	512-W – 514-W	
No. 9 – Rendering and Payment of Bills	452-W, 455-W	
No. 10 – Disputed Bills	515-W, 516-W	
No. 11 – Discontinuance and Restoration of Service	517-W – 524-W, 550-W, 526-W	
No. 12 – Information Available to Public	130-W, 131-W	
No. 13 – Temporary Service	132-W - 133-W	
No. 14 – Continuity of Service	134-W	
No. 14.1 –Water Conservation& Rationing Plan	417-W – 424-W	
No. 15 – Main Extensions	297-W – 309-W, 552-W, 553-W	
No. 16 – Service Connections, Meters, & Customer’s Facilities	310-W – 316-W	
No. 17 – Standards for Measurements of Service	135-W	
No. 18 – Meter Tests & Adjustment of Bills for Meter Error	136-W, 138-W	
No. 19 – Service to Separate Premises & Multiple Units and Resale of Water	218-W, 219-W	
No. 20 – Water Conservation	317-W	
No. 21 – Fire Protection	318-W	

(Continued)

(To be inserted by utility)

Advice Letter No. 92-W
Decision No. _____

Issued By

Jennifer Lukins
Manager

(To be inserted by P.U.C.)

Date Filed _____
Effective _____
Resolution No. _____

Policy Type	Insurer	Policy Number	Effective Date	Expiration Date	Limits	Deductible	Annual Estimated Premiums	Fees/Taxes	Total Costs
Boiler & Machinery (Equipment Breakdown)	Travelers Casualty Insurance Company	BME1-1T218755-TIL-22	10-Jan-22	10-Jan-23	\$6,960,339	\$5,000	\$3,059.00	\$0.00	\$0.00
Primary Commercial Property	Axis Surplus Insurance Company	ELF65811021	8-Dec-21	8-Dec-22	\$2,500,000	\$25,000	\$125,000.00	\$4,062.50	\$129,062.50
Excess Commercial Property	Ironshore Specialty Insurance Company	100051686301	8-Dec-21	8-Dec-22	\$2,500,000	\$25,000	\$60,000.00	\$1,950.00	\$61,950.00
Commercial Property (2133 12th Street)	California Fair Plan	278413900	2-Mar-22	2-Mar-23	\$3,311,544	\$5,000	\$10,564.00	\$0.00	\$10,564.00
Pollution Liability	Indian Harbor Insurance Company	PEC005808701	8-Dec-21	8-Dec-22	\$1,000,000	\$25,000	\$14,723.00	\$628.50	\$15,351.50
Crime	Travelers Casualty & Surety Company	107356578	8-Dec-21	8-Dec-22	\$500,000	\$5,000	\$1,341.00	\$0.00	\$1,341.00
Business Auto	Allied World Assurance Company	53060139	8-Dec-21	8-Dec-22	\$1,000,000	\$500 Comp / \$1,000 Coll	\$5,783.00	\$0.00	\$5,783.00
Commercial Package (GL, Management Liability)	Allied World Assurance Company	53050139	8-Dec-21	8-Dec-22	\$1,000,000 Per Occurrence \$3,000,000 Aggregate	None	\$22,573.00	\$300.00	\$22,873.00
							\$243,043.00	\$6,941.00	\$246,925.00

Gallant Paid

INSURANCE POLICIES

CEMA (INSURANCE MEMORANDUM ACCOUNT)

Account Balance	\$246,925
Less: Adopted Insurance Expense per Res. W-5209	55,461
Balance as of 7/31/22	\$ 191,464

No. of Service Connections	987	no. of customers
No. of months of surcharge	24	
Amount of Surcharge	\$ 8.08	per month
Total Surcharge	\$ 191,464	for 24 months

No. of Customers

As of: 7/31/22

	NO.
Metered Customers	190
Flat Rate Customers	797
Totals	<u>987</u>

Earnings Test:

Res. W-5209, 2-6-20, Adopted Revenue	\$ 1,260,296
CEMA Balance, 7-31-22	\$ 191,464
Balance exceeds 2% of adopted revenue	15.19%

LUKINS BROTHERS WATER COMPANY, INC.

SERVICE LIST

(Per Section 4.3 of GENERAL ORDER NO. 96-B)

Advice Letter #92-W

Via First Class US Mail/email

Service List:

City of South Lake Tahoe
Administrative Center
1901 Airport Blvd.
So. Lake Tahoe, CA 96150

Alan Miller
P.O. Box 7526
South Lake Tahoe, CA 96158

Richard Munk
dasmunk@aol.com

El Dorado County
Development Services Dept.
924 Emerald Bay Rd., Ste. B
So. Lake Tahoe, CA 96150

Maureen Froyum
920 Patricia Lane
South Lake Tahoe, CA 96150

Robert Mann, Plumas Bank
robert.mann@plumasbank.com

South Tahoe PUD
1275 Meadow Crest Dr.
South Lake Tahoe, CA 96150

Lawrence Suydam
895 Secret Harbor Drive
South Lake Tahoe, CA 96150

Oscar Guerrero
Oscar.Guerrero@waterboards.ca.gov

Tahoe Keys POA
356 Ala Wai Blvd.
South Lake Tahoe, CA 96150

James Getz
597 Tahoe Island Drive
South Lake Tahoe, CA 96150

Danny Lukins, Manager
Lukins Brothers Water Co.
danny@lukinswater.com

Fern Erskine
786 Patricia Lane
South Lake Tahoe, CA 96150

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shawncullen1@att.net

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P.O. Box 9136
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Jerry Keyser
jkeyser@keysermarston.com