

WATER/RSK/PTL/AAS/jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS
Water & Sewer Advisory Branch

RESOLUTION NO. W-4675
February 14, 2008

R E S O L U T I O N

(RES. W-4675), TWIN VALLEY WATER COMPANY, INC. (Twin Valley). ORDER AUTHORIZING A SURCHARGE FOR RECOVERY OF WATER QUALITY MEMORANDUM ACCOUNT (WQMA) AND USER FEE MEMORANDUM ACCOUNT (UFMA) BALANCES FOR A TOTAL AMOUNT OF \$8,287 OR 6.5%.

SUMMARY

By Advice Letter No. 25, filed on December 4, 2007, Twin Valley seeks approval for rate recovery of \$9,857.85 from its WQMA and UFMA.

This resolution grants recovery of \$8,287 or 6.5% in the form of a surcharge of \$23.02 per month per connection for four months.

BACKGROUND

Twin Valley has requested authority under Section VI of General Order 96 and Section 454 of the Public Utilities Code to recover \$9,857.85 through a surcharge by an addition to present rates of \$27.38 per month per connection for four months in 2008. The purpose of the surcharge is to recover water quality testing and user fee costs.

Twin Valley is a Class D utility that has 90 metered customers.

Twin Valley serves an unincorporated area west of Morgan Hill, Santa Clara County. The present rates were effective on February 1, 2007 by Advice Letter 24, which requested a Consumer Price Index increase of 3.3% permitted by Decision No. (D.) 92-03-093. The last general rate increase (GRC) became effective pursuant to D. 95-09-080 dated September 11, 1995, which authorized a gross revenue of \$61,387 or 25% with an annual rate of return of 14% .

NOTICE AND PROTESTS

Notice of the proposed WQMA/UFMA surcharge was mailed to customers on December 1, 2007. No protests were received by the Commission.

DISCUSSION

Twin Valley has requested reimbursement for water quality testing in the time period from December 14, 2003 to November 14, 2007. Res. W-4327 established these accounts on March 6, 2002. It states "Class B, C and D Water Utilities are encouraged to file for recovery in a timely manner to avoid rate shock to customers. Also the recovery of any expenses incurred prior to 36 months from the date of the advice letter should not be allowed because of the public need that today's ratepayers pay the expenses they incur and not pay the expenses incurred by yesterday's ratepayers."

Accordingly, the Division of Water and Audits (Division) recommends the bills from December 1, 2004 until present be allowed to determine the surcharge. This amounts to \$8,287 resulting in a surcharge of \$23.02 per month for four months.

COMPLIANCE

There are no Commission orders requiring system improvements. The utility has been filing annual reports as required.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to Public Utilities Code Section 311(g) (2), the otherwise 30-day period for public review and comment is being waived.

FINDINGS

1. The rates proposed by the Division (Appendix A) are reasonable and should be adopted.
2. Advice Letter 25 should be approved as modified in Appendix A.
3. Twin Valley should track revenue collected under the surcharge for its WQMA and UFMA and refund any excess revenues collected to its customers.

THEREFORE IT IS ORDERED THAT:

1. Authority is granted to Twin Valley Water Company, Inc. to file an advice letter incorporating the revised rate schedule attached to this resolution as Appendix A, and concurrently cancel its presently effective rate Schedule No. 1, Metered Service. The revised rate schedule shall become effective five days after the date of filing.
2. Twin Valley Water Company, Inc. is authorized to collect \$8,287, from its Water Quality and User Fee memorandum accounts, in the form of a surcharge of \$23.02 per month for four months.
3. Twin Valley Water Company, Inc. shall track the revenue from the surcharge in a balancing account as required by Public Utilities Code §792.5.
4. Twin Valley Water Company, Inc. Advice Letter No. 25 is hereby approved as modified.
5. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on February 14, 2008; the following Commissioners voting favorably thereon:

/s/ PAUL CLANON

Paul Clanon
Executive Director

MICHAEL R. PEEVEY
President

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

TIMOTHY ALAN SIMON

Commissioners

APPENDIX A

Schedule No. 1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service rendered per month.

TERRITORY

The unincorporated area in Santa Clara County, west of the City of Morgan Hill as delineated on the filed service area map.

RATES

Quantity Rate:

For all water delivered for 100 cu.ft \$ 2.67

Service Charge:

	<u>Per Meter</u> <u>Per Month</u>	<u>SDWBA</u> <u>Surcharge</u>
For 5/8 & 3/4 inch meter	\$ 24.07	\$ 10.08
For 1 inch meter	36.00	16.80
For 1-1/2 inch meter	47.93	33.60
For 2 inch meter	64.31	53.75

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. 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 SDWBA loan authorized by decision.
2. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
3. As authorized by the California Public Utilities Commission, all bills are subject to a \$23.02 surcharge for four consecutive months. This charge offsets the expenses resulting from the EPA National Primary Drinking Water Regulations for water testing. (N)
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(N)