

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RETURN TO  
HYDRAULIC BRANCH  
SAN FRANCISCO OFFICE

Copy for:

RESOLUTION NO. W-1700

Orig. and Copy  
to Secretary

R E S O L U T I O N

UTILITIES DIVISION  
BRANCH/SECTION: Hydraulic  
DATE: March 18, 1975

.....Director  
.....Numerical File  
.....Alphabetical File  
.....Accounting Officer

**SUBJECT:** Order authorizing Stan and Lucille E. Korth, dba Lucerne Water Company to increase rates for water service in Lucerne, Lake County.

WHEREAS: Stan and Lucille E. Korth, dba LUCERNE WATER COMPANY, by Advice Letter No. 26, filed February 27, 1975 request authority under General Order No. 96-A, Section VI, and Section 454 of the Public Utilities Code to increase rates for water service in Lake County, and

WHEREAS: The Commission is of the opinion, after investigation by its staff, that the requested rate increase is reasonable,

THE COMMISSION FINDS that the increased rates hereby authorized are justified and that the present rates are, for the future, unjust and unreasonable,

IT IS ORDERED that Stan and Lucille E. Korth dba Lucerne Water Company, are authorized to make effective the revised rate schedules attached to Advice Letter No. 26 and on the effective date herein to cancel the presently effective rate schedules for water service. The effective date of the revised rate schedules shall be April 1, 1975.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 18th day of March, 1975, the following Commissioners voting favorably thereon:

VERNON L. STURGEON  
President  
WILLIAM SYMONS, JR.  
D. W. HOLMES  
LEONARD ROSS  
Commissioners

*William R. Johnson*  
Secretary

TO THE CUSTOMERS OF LUCERNE WATER COMPANY:

We recently informed you that the Commission would give consideration to the views expressed in your letters and in your petition concerning the request of Lucerne Water Company for authority to increase the rates for water service. Our staff has completed its investigation of this matter and, based on this study and its conclusions, the Commission has authorized an increase of 26% in water rates. The present rates have been in effect since February, 1964. In that 11-year period the cost of service has increased greatly. The utility is presently incurring considerable operating losses, and it needs substantial funds to make needed improvements.

We have received a written commitment from the owner of the utility to establish a construction account and assign the increased revenues to that fund. The utility's short-range plans are to repair the damaged reservoir located near the Lucerne Hotel, replace worn-out sections of leaky water mains and install carbon filters at the water treatment plant to control taste and odor. The utility's long-range plans are to install an additional storage reservoir, install a larger sized water main along Highway 20 and modify the water treatment plant to increase the capacity from 250 gpm to 400 gpm. Our staff will monitor the utility's activity to insure that these proposed improvements are installed.

The Commission staff still believes that the existing moratorium on additional customers should remain in effect until the water system is substantially upgraded.

The information you provided in your letters was very useful to the staff in their investigation. The Commission appreciates your cooperation in writing to us about this matter.

Very truly yours,

PUBLIC UTILITIES COMMISSION

By

WILLIAM R. JOHNSON, Secretary