

Decision 10-08-015 August 12, 2010

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Robert Himmelmann,

Complainant,

vs.

Tahoe Swiss Village Utilities Inc. (U98W),

Defendant.

(ECP)
Case 10-05-001
(Filed May 3, 2010)

Robert Himmelmann, in pro per, complainant.
Steven M. Glazer, General Manager, for Tahoe Swiss
Village Utility, Inc., Defendant.

DECISION ON EXPEDITED COMPLAINT PROCEDURE COMPLAINT

Administrative Law Judge Victor D. Ryerson heard this matter on June 22, 2010, in Tahoe City. The hearing concluded, and the matter was submitted, on that date.

Complainant Robert Himmelmann (Himmelmann) seeks a determination of the amount owed to Defendant Tahoe Swiss Village Utilities Inc. (Tahoe) for residential water service at 4020 Madrone, Tahoe Pines, for 2009 and 2010. He contends that he has been billed improperly by Tahoe, because he stops his water service seasonally and believes that Tahoe is misinterpreting its applicable tariff.

Tahoe's Schedule No. 2A, filed September 4, 2007 (Res. No. W-4670) is the tariff that governs Himmelmann's service. Under this tariff he pays a flat rate of \$576.64 annually for service to his single-family residential unit, served through a

¾-inch service connection, plus a PUC surcharge of \$8.65 and a state health fee of \$6.03. The annual flat rate applies during the 12-month period commencing January 1, and is due in advance. The opening, or initial, bill is the entire amount of the annual flat rate charge, but the total is adjusted in arrears for the prorated amount of unused service from the beginning of the calendar year until service is actually established. The difference representing the delayed initiation of service is credited toward the following year's bill, commencing with the January 1 bill for the second year, if the customer returns. However, the tariff provides that no refund of the initial annual charge is made if service is not continued for at least one year after the date of initial service.

The basic tariff is complicated by another provision that permits a customer of at least 12 months to elect, at the beginning of the calendar year, to pay prorated service charges on a semiannual basis, in advance of January 1 and July 1. Himmelmann has availed himself of this option, even though he starts his service each year after January 1 *and discontinues his service at the end of the summer*, a widespread practice among Tahoe's customers. Rather than treating such customers as new customers and requiring payment of the entire annual service charge when they return for the summer vacation season and initiate service for the second year, Tahoe has adopted the practice of treating them as continuous customers and applying the carryover credit as an adjustment to the second-year bill. Moreover, this credit is applied to the first semi-annual payment for customers of longstanding (i.e., 12 months or more), resulting in a reduced billing for the first semiannual payment during the second year. At the end of the second year the credit is exhausted, and Tahoe treats the discontinuation of service as a termination, effectively creating a two-year billing cycle.

As a consequence of this practice, Himmelmann has been treated as a new customer in alternating years. His annual cessation of service is treated as a termination only at the end of the second year, so the first year he pays the full amount of the annual flat rate charge, and the second year he is billed for the adjusted charge, reflecting the previously earned credit. Because the amount of the credit reduces only the first of the year-two semi-annual payments, the second payment is one-half of the annual charge, substantially greater than the first. This has also resulted in alternate-year billings of higher and lower total amounts.

Himmelmann is understandably confused by the variability of his bills, but at the hearing Steven Glazer, Tahoe's General Manager, credibly explained the calculation of Himmelmann's bills for 2009 and 2010, which Himmelmann has not yet paid because of this dispute. Including the \$25 annual service establishment fee provided under the tariff, Glazer's computation of the bills was consistent with the methodology outlined above. The outcome is that as of June 9, 2010, Himmelmann owes unpaid charges of \$609.71 for his 2009 service, and an additional \$357.63 (reflecting a 2009 carryover credit of \$240.27) of unpaid charges for his 2010 service, or a total of \$967.34. Inasmuch as Tahoe could elect to treat customers' annual discontinuance of service as a termination and deny any refund for the previous year's unused service, this is a fair result for Himmelmann and other customers.

Assignment of Proceeding

Timothy Alan Simon is the assigned Commissioner, and Victor D. Ryerson is the assigned Administrative Law Judge in this proceeding.

O R D E R

IT IS ORDERED that:

1. Complainant Robert Himmelmann's June 9, 2010 invoice from Defendant Tahoe Swiss Village Utilities Inc. is determined to be correct and his complaint is denied.

2. Case 10-05-001 is closed.

This order is effective today.

Dated August 12, 2010, at San Francisco, California.

MICHAEL R. PEEVEY

President

DIAN M. GRUENEICH

JOHN A. BOHN

TIMOTHY ALAN SIMON

NANCY E. RYAN

Commissioners