

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 13, 2021

Proposed Resolution W-5242

Agenda ID: 19677

To: All Interested Persons

Enclosed is Proposed Resolution W-5242 of the Water Division, which authorizes Lukins Brothers Water Company to implement a surcharge of \$2.91 per month per customer, for a period of 36 months, to recover the balance of \$102,604 recorded in its Water Contamination Litigation Expense Memorandum Account, to be paid by the Ratepayers. Proposed Resolution W-5242 is scheduled to appear on the August 19, 2021 Commission Meeting Agenda (ID# 19677).

The Commission may act on this resolution or it may postpone action until later. When the Commission acts on a proposed resolution, the Commission may adopt all or part of the proposed resolution, as written, or amend or modify the proposed resolution; or the Commission may set the proposed resolution aside and prepare a different resolution. Only when the Commission acts does the resolution become binding.

Interested persons may submit comments on Proposed Resolution W-5242 via email to Water.Division@cpuc.ca.gov on or before **August 02, 2021**. **Please reference "Proposed Resolution W-5242" in the subject line.**

Interested persons must also serve a copy of their comments on the utility on the same date that the comments are submitted to the Water Division. If email is unavailable, please submit comments to:

California Public Utilities Commission
Water Division, Third Floor
505 Van Ness Avenue
San Francisco, CA 94102

Comments should focus on factual, legal, technical errors, or policy issues in the proposed resolution.

Persons interested in receiving comments submitted may contact the Water Division at Water.Division@cpuc.ca.gov or (415) 703-1133. Please reference "Proposed Resolution W-5242."

/s/TERENCE SHIA

Terence Shia, Director
Water Division

Enclosures: Proposed Resolution W-5242
Certificate of Service
Service List

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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

RESOLUTION W-5242

August 19, 2021

RESOLUTION

(RES. W-5242) LUKINS BROTHERS WATER COMPANY, INC. ORDER AUTHORIZING A SURCHARGE OF \$2.91 PER MONTH PER CUSTOMER, FOR A PERIOD OF THIRTY-SIX MONTHS, TO AMORTIZE THE BALANCE OF \$102,604 RECORDED IN ITS WATER CONTAMINATION LITIGATION EXPENSE MEMORANDUM ACCOUNT, TO BE PAID BY THE RATEPAYERS.

SUMMARY

By Advice Letter (AL) 82-W, filed on February 4, 2020, Lukins Brothers Water Company, Inc. (Lukins) requests Commission authority to amortize the balance of \$102,604 recorded in its Water Contamination Litigation Expense Memorandum Account (WCLEMA); to establish the Water Contamination Litigation Expense Balancing Account (WCLEBA); to transfer the \$102,604 from the WCLEMA to the WCLEBA for recovery; and to recover this amount by implementing a monthly surcharge of \$2.91 per customer over a period of 36 months.

This Resolution authorizes a monthly surcharge of \$2.91 per customer over a period of 36 months, to amortize the balance of \$102,604 recorded in Lukins' WCLEMA. This balance is subject to refund from any net proceeds resulting from the ongoing water contamination litigation, in accordance with Commission Decision D.10-10-018.

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BACKGROUND

By AL 82-W, filed on February 4, 2020, Lukins requests authority under General Order (GO) 96-B and Section 454 of the Public Utilities Code to increase rates to amortize \$102,604 for expenses incurred in the ongoing litigation pertaining to Tetrachloroethylene (PCE)¹ groundwater contamination that impacted the utility's water supply, as recorded in the utility's WCLEMA. Additional information regarding Lukins' PCE contamination and on-going litigation is provided below.

Additionally, Lukins requests authority to establish the Water Contamination Litigation Expense Balancing Account (WCLEBA); to transfer the December 31, 2019 recorded balance of \$102,604 from its WCLEMA to the WCLEBA for amortization; and to implement a monthly surcharge of \$2.91 per month per customer over a period of 36 months. When the Commission deems the amount recorded in a memorandum account to be reasonable for cost recovery, this amount is transferred to a balancing account for the authorized cost recovery from customers.²

On March 26, 1998, the Commission approved Resolution (Res.) W-4094 authorizing all investor-owned water utilities to establish memorandum accounts to track water contamination litigation expenses. Lukins established its WCLEMA in accordance with Res. W-4094. Furthermore, Commission Decision (D.) 10-10-018 clarified the procedure for the amortization of water contamination litigation expense memorandum accounts for Class B, C, and D water utilities with proposed thresholds for recovery.³ The Commission, in this decision, adopted the combined trigger approach for utilities to request the amortization of water contamination litigation expense memorandum accounts. The Commission established two thresholds: a monetary threshold of 2.0% of the utility's revenue requirement, or the elapsing of three years from the date the

¹ PCE is a manufactured anthropogenic chemical commonly used in dry cleaning and metal degreasing. According to SWRCB, long-term exposure to PCE in drinking water above the MCL can cause adverse effects to the liver, kidneys, and central nervous system. The US Environmental Protection Agency (EPA) classifies PCE as a probable human carcinogen which may cause cancer from prolonged exposure. <https://www.epa.gov/sites/production/files/2016-09/documents/tetrachloroethylene.pdf>

² CPUC Standard Practice U-27-W, Standard Practice for Processing Rate Offsets and Establishing and Amortizing Memorandum Accounts

³ See D.10-10-018, Page 54.

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memorandum account was established, whichever occurs first. Lukins' AL 82-W request meets both thresholds for recovery.

For ratemaking purposes, Lukins is classified as a Class C water utility with 831 flat rate connections and 149 metered customers.⁴ Lukins also provides public fire protection water service for 27 public fire hydrants. Lukins has five groundwater wells (numbered Well #1 through #5) serving as source supply for its water distribution system and two emergency interties with neighboring South Tahoe Public Utilities District (STPUD) serving as back-up supply. The Lukins service territory covers portions of the City of South Lake Tahoe in El Dorado County.

Lukins' present rates became effective on February 6, 2020, pursuant to Res. W-5209, which authorized a general rate increase in the amount of \$460,584 or 57.59%, for Test Year (TY) 2019.

PCE Contamination

On July 7, 2014, Lukins received testing results from routine water sampling conducted on Wells #1, #2, and #5 on June 16, 2014.⁵ The test results reported concentrations of PCE from Well #2 at 46 micrograms/Liter ($\mu\text{g/L}$) and Well #5 at 43 $\mu\text{g/L}$, which exceeded the PCE maximum contaminant level (MCL) of 5 $\mu\text{g/L}$ mandated by the State Water Resources Control Board (SWRCB). On July 14, 2014, Lukins took Wells #2 and #5 out of service and activated one of its emergency interties with STPUD to offset the loss of water supply from both wells and to support Well #1, the remaining active well, to meet the water system's customer demand.

On September 8, 2014, SWRCB's, Division of Drinking Water (DDW) issued Compliance Order No. 01-09-14R-001 (Order) to Lukins and directed the utility to notify customers of the PCE contamination in its system, and to keep Well #2 and #5 on Standby status. The SWRCB's Order also directed Lukins to investigate the potential causes of the June 16, 2014 PCE MCL violation, and to complete all improvements to the

⁴ As defined in General Order 96-B, Water Industry Rules Section 1.2, Class C utilities serve 501 through 2,000 service connections.

⁵ Wells #3 and #4 were inactive at the time of testing due to *Methyl Tertiary Butyl Ether* (MTBE) contamination.

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system to correct the PCE issue and return to compliance with the California Health and Safety Code⁶ and California Code of Regulations⁷ by January 1, 2016.

On May 12, 2017, the California Regional Water Quality Control Board, Lahontan Region (Lahontan Regional Water Board)⁸ issued Cleanup and Abatement Order (CAO) R6T-2017-0022 for the Lake Tahoe Laundry Works site in South Lake Tahoe. The Lake Tahoe Laundry Works site is located within the South Lake Tahoe drinking water aquifer. The Lahontan Regional Water Board identified the site as a source of the PCE contamination, but there was insufficient evidence to link the entire contamination plume to the site. The PCE contamination plume covers a large portion of the South Lake Tahoe area and has subsequently affected nearby drinking water supply wells for both municipal and public water utilities in the area, which includes several of Lukins' water wells. The owners of the Lake Tahoe Laundry Works site were ordered to determine the extent of PCE originating from the site, to provide groundwater monitoring and remediation performance results, and to submit a corrective action plan to cleanup or abate contamination originating from the site.

PCE Contamination Litigation

On July 3, 2017, Lukins filed a lawsuit against the parties⁹ that are considered legally responsible for causing the PCE contamination of Lukins' water supply. The lawsuit was filed with the Superior Court of the County of El Dorado under Case Number SC20170127. Lukins retained the services of Robins Borghei LLP, to represent the utility in litigation.

Robins Borghei LLP (Robins Borghei), a law firm located in San Francisco, specializes in representing water utilities in groundwater contamination litigation. The firm has represented numerous public water suppliers throughout California in prosecuting groundwater contamination claims. Robins Borghei is a law firm provider through the

⁶ California Health and Safety Code Sections 116271(b), 116655, 116555(a)(1), and 116555(a)(3).

⁷ California Code of Regulations, Title 22, Sections 64444, 64445.1(c)(5)(C), 64554(a)(2), 64554(a)(3), and 64554(c).

⁸ The California Regional Water Quality Control Board, Lahontan Region provides regional oversight over the Lahontan Region which extends from the Oregon border to the northern Mojave Desert and includes all of California east of the Sierra Nevada crest.

⁹ As the PCE contamination litigation is ongoing, the names of the parties Lukins has filed suit against have been omitted from this Resolution.

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California Rural Water Association,¹⁰ of which Lukins is a member. Lukins is confident that it has selected the best possible legal representation to present its case.

Since the PCE contamination litigation began in July 2017, Lukins recorded legal expenses charged by Robins Borghei associated with the ongoing litigation into its WCLEMA. As of December 31, 2019, Lukins recorded \$102,604 in the WCLEMA. The litigation is currently ongoing.

Remediation Efforts

Res. W-5159, issued on April 26, 2018, granted Lukins the authority to borrow funds from either a financial institution or from SRWCB under the Safe Drinking Water State Revolving Fund (SRF) program to finance the construction of a Granular Activated Carbon (GAC)¹¹ treatment facility to remediate the PCE contaminated water at Well #5. Construction for the GAC treatment facility has been completed and Lukins anticipates the facility going online by the end of June 2021. Lukins anticipates that it will no longer need to purchase water from STPUD once the GAC treatment facility is online.

Lukins is meeting its current customer usage demand with a combination of water supplied by Well #1 and with purchased water from STPUD via the emergency intertie. Furthermore, Lukins continues to work with the other impacted utilities, DDW, and the Lahontan Regional Water Board to develop remediation solutions for the entire South Lake Tahoe drinking water aquifer.

NOTICE AND PROTESTS

In accordance with GO. 96-B, Lukins served a copy of AL 82-W to its service list on February 4, 2020. A notice of the proposed amortization and surcharge request was mailed to each customer and to the general service list on February 28, 2020.

Two customer protests were timely received on Lukins' surcharge request and the utility replied to the protests. The protests raised concerns about recovering legal fees

¹⁰ The California Rural Water Association is an association which provides on-site technical assistance and specialized training to rural water and wastewater systems.

¹¹ Granular Activated Carbon treatment is a process that removes a variety of contaminants from water or air by absorption. GAC treatment is most commonly used to separate organic contaminants.

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prior to the litigation concluding, the outcome of the litigation, and enforcement actions by the Lahontan Regional Water Board.

Lukins in its responses to the customer protests provided links to:

1. The Lahontan Regional Water Board's website detailing all enforcement and investigative actions taken regarding the PCE contamination;¹² and
2. A collaborative website between STPUD and other affected water utilities to provide the public with details on each of the utilities' efforts to combat the PCE contamination. Public meetings were also held to provide community input on the issue.¹³

Lukins, in its responses to the customer protests, stated that specific information related to the outcome of the litigation cannot be provided as the litigation is currently ongoing. Furthermore, Lukins' request meets both thresholds established by D.10-10-018 for requesting the amortization of water contamination litigation memorandum accounts with any net proceeds resulting from the ongoing litigation subject to refund in accordance with D.10-10-018, as discussed further in this Resolution.

¹²https://www.waterboards.ca.gov/lahontan/water_issues/programs/enforcement/laundry_works_cao.shtml

¹³ See: <https://stpud.us/groundwater/>

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DISCUSSION

Trigger for Cost Recovery of Water Contamination Litigation Memorandum Accounts

Due to the length of time that water contamination litigation cases may take, the Commission, in D.10-10-018, established a combined trigger approach as a default mechanism for the amortization requests of litigation expense memorandum accounts for Class B, C, and D water utilities. The Commission adopted the combined trigger approach for utilities to request amortization as a monetary threshold of 2.0% of the utility's revenue requirement, or the elapsing of three years from the date the memorandum account was established, whichever occurs first. However, litigation related expenses recovered from ratepayers would be subject to refund upon the utility obtaining a damage award.

Based on WD's analysis of Lukins' request, the utility meets both thresholds. Lukins' most recently authorized revenue requirement by Res. W-5209 is \$1,260,296, and 2.0% of this authorized revenue requirement is \$25,206. The balance of \$102,604 recorded in the WCLEMA therefore exceeds the 2.0% of the revenue requirement threshold and would trigger the allowance for cost recovery. Regarding the second trigger, the WCLEMA was established on March 28, 1998, and more than three years have elapsed that would also allow for cost recovery. Accordingly, based on thresholds established by D.10-10-018, Lukins request to amortize its WCLEMA balance meets these thresholds for recovery.

Reasonableness of WCLEMA Costs

When a utility seeks recovery of costs recorded in a memorandum account, it has the burden to show that:

1. The utility acted prudently when it incurred these costs,
2. The utility paid reasonable amounts for these costs,
3. The memorandum account costs are not covered by other authorized rates, and
4. It is appropriate for ratepayers to pay for these costs in addition to otherwise authorized rates.¹⁴

The WD finds that Lukins acted prudently in incurring the legal costs recorded in its WCLEMA by responding to the contamination event and pursuing litigation to remedy

¹⁴ See Resolution W-4824 dated April 8, 2010.

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the damages to its water supply and service. In response to the PCE contamination, Lukins took Wells #2 and #5 offline to protect its customers from the contamination, which reduced the utility's overall water supply thus requiring Lukins to rely on purchased water from STPUD to meet overall system demand. In addition, Lukins responded to the contamination by allocating additional utility resources to monitor, test, and source out remediation options for the PCE contamination. Lukins is pursuing litigation against responsible parties to remedy the damages incurred to its water supply and to recover the costs incurred by the utility for protecting its water supply and customers from the PCE contamination.

The WD reviewed the legal invoices for the hourly rates and scope of work pertaining to the incurred legal expenses and finds the costs to be reasonable. The WD reviewed the expenditures authorized in the utility's General Rate Case for Test Year 2019 adopted by Res. W-5209 and other rate increase requests to confirm that these legal expenses are not being recovered in the utility's currently authorized rates. As a guide for evaluating and determining the reasonableness of the incurred legal expenses, the WD used Commission Resolution (Res.) ALJ-387, dated October 8, 2020, which provides the historical and 2020 adopted ranges for hourly rates for work performed by intervenor representatives including attorneys and experts.¹⁵ WD finds that the hourly rates incurred are comparable to the adopted hourly rates by Res. ALJ-387 reflecting the years of experience for the legal representation hired by Lukins and for the time period the expenses were incurred.

The WD finds Lukins' request meets the combined trigger threshold adopted by D.10-10-018 for requesting the amortization of the balance recorded in its WCLEMA, subject to refund upon the utility obtaining a damage award. Accordingly, the WD finds it appropriate for ratepayers to pay for the incurred litigation expenses because Lukins is responding to the contamination event and pursuing litigation to remedy the damages in order to protect its water supply and customers. The refund and any sharing of net proceeds resulting from the litigation should be done in accordance with the Commission rules set-forth by D. 10-10-018.

Accordingly, the WD recommends approval of Lukins' request to amortize \$102,604 from its WCLEMA, subject to refund should the utility obtain net proceeds for damages from the ongoing contamination litigation. Lukins should be granted the authority to

¹⁵ See Commission Res. ALJ-387, Adopting Intervenor Compensation Rates for 2020 and Addressing Related Matters, Page 4, Table 2

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establish the WCLEBA to transfer the balance of \$102,604 as of December 31, 2019 from its WCLEMA to the WCLEBA for amortization and to implement a monthly surcharge in the amount of \$2.91 per customer over a 36-month period. The WD finds reasonable the amortization of the balance of Lukins' WCLEMA over a 36-month period because the utility had multiple rate increases over the last two years and extending the cost recovery period mitigates the rate impact on its customers. Lukins should track the revenues collected from this surcharge through its WCLEBA.

ENVIRONMENTAL AND SOCIAL JUSTICE

In February 2019, the Commission adopted an Environmental and Social Justice Action Plan (ESJ Action Plan) to serve as a roadmap to expand public inclusion in Commission decision-making processes to targeted communities across California. The ESJ Action Plan establishes a series of goals related to health and safety, consumer protection, program benefits, and enforcement in all the sectors the Commission regulates. With this Resolution, the Commission addresses Goal #1 of the ESJ Action Plan, "Consistently integrate equity and access considerations throughout Commission regulatory activities."

Although the South Lake Tahoe, CA area is not classified as a disadvantaged community, the WD considered equity and access considerations through its review of the proposed transaction in this Resolution. The California Communities Environmental Health Screening Tool, Version 3 (CalEnviroScreen 3.0)¹⁶ provided by the California Environmental Protection Agency, identifies disadvantaged communities by collecting multiple metrics and outputting a single value at the census tract scale. CalEnviroScreen 3.0 ranks South Lake Tahoe in the 20-25th percentile of the highest scoring census tracts statewide, the census tract also falls into the 59th percentile for Drinking Water, and in the 72nd percentile for Groundwater Threats. Given WD's review of these current definitions and considerations, the proposed cost recovery of legal costs incurred from Lukins protecting its water supply and the steps being taken to remediate said water supply will serve to improve on the existing conditions in the utility's service area.

COMPLIANCE

¹⁶ <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>

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Lukins has no outstanding compliance orders and has been filing annual reports as required. Lukins is currently in compliance of all SWRCB's Division of Drinking Water (DDW) applicable water quality standards and regulations. WD also conducted a review of Lukins' last financial audit report¹⁷ prepared by the Commission's Utility Audit Branch (formerly Utility Audit, Finance and Compliance Branch) and found no outstanding compliance orders.

Pursuant to PU Code § 433(a), public utilities are required to pay an annual Public Utilities Reimbursement Fee (annual fee) to the CPUC. The WD confirmed with the CPUC's fiscal office that Lukins is up to date with its annual user fee payments.

UTILITY SAFETY

Lukins is in full cooperation with the SWRCB's DDW and the Lahontan Regional Water Board and is working collaboratively with these entities to mitigate the damage caused by the PCE contamination. Lukins is actively participating in all investigative activities conducted by the DDW and the Lahontan Regional Water Board, technical advisory committees, and Lukins is also working with neighboring water systems to conduct a feasibility study to identify long term remediation solutions for the contamination plume. As previously mentioned, Lukins obtained grant funding to construct a GAC treatment facility which the utility anticipates bringing online by the end of June 2021. The treatment facility should address the utility's Well #5 PCE water supply contamination and provide the necessary water supply for utility to meet its customer demand without the need to continue purchasing water from STPUD. Accordingly, the WD finds that Lukins is taking all the necessary measures to the address its PCE water contamination in its water supply and continue to provide safe drinking water to its customers.

COMMENTS

Public Utilities Code section 311(g)(1) provides that resolutions generally must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission.

¹⁷ UAFCB Financial Audit Report of Lukins Brothers Water Company (Years 2008, 2009, and 2010) dated March 1, 2012.

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Accordingly, the draft resolution was mailed to the service list, protestants, and made available for public comment on July 13, 2021.

FINDINGS

1. By Advice Letter (AL) 82-W, filed on February 4, 2020, Lukins Brothers Water Company, Inc. (Lukins) requests Commission authority to amortize the balance of \$102,604 recorded in its Water Contamination Litigation Expense Memorandum Account (WCLEMA); to establish the Water Contamination Litigation Expense Balancing Account (WCLEBA); to transfer the \$102,604 from the WCLEMA to the WCLEBA for recovery; and to recover this amount by implementing a monthly surcharge of \$2.91 per customer over a period of 36 months.
2. By Commission Resolution (Res.) W-4094 effective March 28, 1998, Lukins was granted the authority to establish the WCLEMA.
3. On July 7, 2014, water sampling tests revealed Tetrachloroethylene (PCE) concentrations in Lukins Wells #2 and #5 above the State Water Resources Control Board's (SWRCB) mandated Maximum Contaminant Level for PCE.
4. On September 8, 2014, SWRCB Division of Drinking Water (DDW) issued Compliance Order No. 01-09-14R-001 directing Lukins to investigate the potential causes of the PCE contamination in its water system.
5. On July 3, 2017, Lukins filed suit against the parties considered responsible for causing the contamination.
6. Since litigation began July 2017 to address the PCE contamination, Lukins recorded legal expenses associated with this litigation in its WCLEMA.
7. As of December 31, 2019, the balance in Lukins' WCLEMA is \$102,604.
8. By Decision (D.)10-10-018, issued on October 18, 2010, the Commission adopted the combined trigger approach as a default mechanism for amortization of water contamination litigation memorandum accounts for Class B, C, and D water

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utilities.

9. The Commission adopted in D.10-10-018 the combined trigger approach for utilities to request amortization as the monetary threshold of 2.0% of the utility's revenue requirement, or the elapsing of three years from the date the memorandum account was established, whichever occurs first.
10. Lukins' WCLEMA amortization request meets both thresholds set-forth by D.10-10-018, subject to refund upon the utility obtaining a damage award.
11. The refund and any sharing of net proceeds resulting from the litigation should be done in accordance with the Commission rules set-forth by D. 10-10-018.
12. The costs Lukins requested in its WCLEMA are not covered by other authorized rates.
13. Lukins acted prudently in incurring the legal costs recorded in its WCLEMA and the recorded legal costs are reasonable.
14. Lukins has met the criteria for amortization of \$102,604 from its WCLEMA for the legal expenses associated with the PCE contamination litigation.
15. Authority should be granted to Lukins to establish the Water Contamination Litigation Expense Balancing Account (WCLEBA) and to implement a monthly surcharge in the amount of \$2.91 per customer over a 36-month period to amortize the \$102,604 from its WCLEMA.
16. Lukins should track the revenues collected from the monthly surcharge through its WCLEBA.
17. Lukins' customers should be reimbursed for the expenses approved for recovery in this resolution by any contamination proceeds Lukins receives due to settlements or legal decisions.

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THEREFORE, IT IS ORDERED THAT:

1. Lukins Brothers Water Company is authorized to establish the Water Contamination Litigation Expense Balancing Account (WCLEBA) and to transfer the amount of \$102,604 from its Water Contamination Litigation Expense Memorandum Account to its WCLEBA for recovery over a period of 36 months.
2. Lukins Brothers Water Company is authorized to recover the \$102,604 in the balancing account reflected in Ordering Paragraph 1 above by implementing a monthly surcharge of \$2.91 per customer over a period of 36 months.
3. Lukins Brothers Water Company shall track the revenue collected from the surcharge reflected in Ordering Paragraph 2 above in its Water Contamination Litigation Expense Balancing Account and account for any over or under collected revenues in its next General Rate Case or applicable proceeding.
4. Authority is granted under Public Utilities Code 454 to Lukins Brothers Water Company to make effective the revised surcharge rates in the Rate Schedules attached to this Resolution, and concurrently cancel its presently effective Schedules No. 1 General Metered Service and No. 2A Annual Flat Rate Service. The effective date of these revised Rate Schedules shall be five days after the date of this Resolution.

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 August 19, 2021; the following Commissioners voting favorably thereon:

RACHEL PETERSON
Executive Director

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APPENDIX A Lukins Brothers Water Co. (Page 1 of 3)

PRELIMINARY STATEMENT

(continued)

G. BALANCING ACCOUNTS

The company has established the following balancing accounts. The purpose of these account is to track changes in costs for the named expense category. The balance in these accounts will be recovered in rates after CPUC review and audit of the costs recorded therein. The accounts are listed with the authorizing CPUC Resolution, Decision or Public Utilities Code (PU Code).

1. Purchased Power, Resolution W-4467, April 22, 2004
2. Purchased Water, Resolution W-4467, April 22, 2004
3. Pump Tax, Resolution W-4467, April 22, 2004
4. Payroll, Resolution W-4467, April 22, 2004
5. Payroll Taxes, Resolution W-4467, April 22, 2004
6. Contract Labor, Resolution W-4467, April 22, 2004 Note: Restricted to the Operational and Maintenance portion of contract labor.
7. Water Quality Balancing Account (WQBA), Resolution W-4698, July 31, 2008
8. California Department of Public Health User Fee Balancing Account (UFBA), Resolution W-4698, July 31, 2018
Notes: Pertains to fees that are billed under Section 4017.10 of the California Health and Safety Code.
9. Water Contamination Litigation Expense Balancing Account, (N)

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APPENDIX A Lukins Brothers Water Co. (Page 2 of 3)

Schedule No. 1 GENERAL METERED SERVICE (continued)

SPECIAL CONDITIONS (continued)

4. The surcharge shall be separately identified on each bill and in place for a period of 36 months from the effective date of Advice Letter 59 until \$10,029 of undercollected revenue per Res. W-5026 is collected.
5. In the event that a customer terminates service under this schedule and reinstates service at the same location, there will be a reconnection charge (see Rule No. 11, C. Restoration of Service, 1. Reconnection Charge). Any customer, prior to resuming service within twelve months after such service was discontinued, will be required to pay all service charges and surcharges that would have been billed if service had not been discontinued.
6. A \$3.18 bill surcharge shall be applied to each customer's monthly water bill to amortize the Purchased Water Balancing Account of \$56,294.78. The surcharge shall be separately identified on each bill.
7. As authorized by the Commission, pursuant to Commission Resolution W-XXXX and Decision 10-10-018, all bills are subject to a \$2.91 surcharge to recover \$102,604 recorded in the Water Contamination Litigation Expense Balancing Account (WCLEBA), amortized over a period of 36 months from the effective date of Advice Letter 82-W. The amortization is subject to refund from any proceeds resulting from the water contamination in accordance with Commission Decision 10-10-018. The surcharge shall be separately identified on each bill.

(N)
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(N)

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Schedule No. 2A ANNUAL FLAT RATE SERVICE (continued)

SPECIAL CONDITIONS (continued)

9. In the event that a customer terminates service under this schedule and reinstates service at the same location, there will be a reconnection charge (see Rule No. 11, C. Restoration of Service, 1. Reconnection Charge). Any customer, prior to resuming service within twelve months after such service was discontinued, will be required to pay all service charges and surcharges that would have been billed if service had not been discontinued.

10. As authorized by the Commission, pursuant to Commission Resolution W-XXXX and Decision 10-10-018, all bills are subject to a \$2.91 surcharge to recover \$102,604 recorded in the Water Contamination Litigation Expense Balancing Account (WCLEBA), amortized over a period of 36 months from the effective date of Advice Letter 82-W. The amortization is subject to refund from any proceeds resulting from the water contamination in accordance with Commission Decision 10-10-018. The surcharge shall be separately identified on each bill.

(N)
|
(N)

END OF APPENDIX A

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CERTIFICATE OF SERVICE

I certify that I have by either electronic mail or postal mail, this day, served a true copy of Proposed Resolution No. W-5242 on all parties in these filings or their attorneys as shown on the attached lists.

Dated July 13, 2021 at San Francisco, California.

/s/Levi Goldman

LEVI GOLDMAN

Parties should notify the Water Division, Third Floor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on which your name appears.

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LUKINS BROTHERS WATER COMPANY ADVICE LETTER 82-W SERVICE LIST

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

Oscar Guerrero
Oscar.Guerrero@waterboards.ca.gov

Edmund Viray
edmundviray@gmail.com

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

Lawrence Suydam
895 Secret Harbor Drive
So. Lake Tahoe, CA 96150

Jerry Keyser
jkeyser@keysermarston.com

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

Richard Munk
780 Eloise Ave.
So. Lake Tahoe, CA 96150

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

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

Robert Haney
PO Box 14447
So. Lake Tahoe, CA 96151

James Cullen
shawncullen1@att.net

Fern Erskine
786 Patricia Lane
So. Lake Tahoe, CA 96150

James Getz
597 Tahoe Island Drive
So. Lake Tahoe, CA 96150

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

Mike Mosca
PO Box 9136
So. Lake Tahoe, CA 96158

N. McRae
3243 Rohner Drive
LaFayette, CA 94549

Steve Hill
Stevehill.xrds@gmail.com

Alan Miller
PO Box 7526
So. Lake Tahoe, CA 96158

Carol Daum
PO Box 550160
So. Lake Tahoe, CA 96155

Teri Jamin
1052 Tata Lane
So. Lake Tahoe, CA 96150

Retreat at Tahoe, LLC
3253 Ridgecliff St.
Las Vegas, NV 89129

Maureen Froyum
920 Patricia Lane
So. Lake Tahoe, CA 96150
moyums@yahoo.com