

# Lukins seeks 53.9% water rate increase

By Kathryn Reed

Paying for the more than 6,000 feet of lineal water line Lukins Brothers Water Company put in doesn't stop with the contractor's last bill.

The South Lake Tahoe company's liability insurance went up 60 percent because of those lines.

In the last two years Lukins has put in 6,000 lineal feet of 12-inch line, 450 feet of 6-inch line and 16 fire hydrants. This gives 40 percent of the 963 customers adequate fire protection.



Lukins has been upgrading its water line to meet fire suppression standards.

Photo/LTN file

Because there was a cost savings of \$200,000 the contractor will be back out in the spring to start on phase two. This is enough money for at least another 500 lineal feet of 12-inch line and two more fire hydrants.

This \$2 million project is being paid for with a \$15 to \$25

surcharge that the 963 ratepayers started seeing on their bills this year. The California Public Utility Commission guarantees the loan will be repaid via the 20-year surcharge.

But bills may be even higher if the small private water company gets its way. It has asked the state PUC to raise rates by 53.9 percent, or \$283,546.19 a year.

This will increase the average flat rate residential bill by \$19.43 per month, so the quarterly bill becomes \$167.52.

“It focuses on your operating expenses,” Jen Lukins, who runs the company, said of the rate increase. “No one is paying less for power, gas, fuel or insurance than they did 10 years ago.”

She said the CPUC looks at several years of data to determine what it deems to be reasonable ratepayer costs.

“The cost of producing water is going up; the cost to comply with state regulations is going up,” Lukins said.

She said there are only so many places the company can cut back.

Some of the money raised would go to replacing the 1982 truck that doesn't have a heater and is barely running.

The last increase of this nature was in 2009. Lukins had asked for a 66.7 percent increase and was granted 36.03 percent. Before that rates went up in 2000.

Lukins said she would prefer more gradual increases, but how the state handles the requests it would be impossible to do so annually or every couple years.

“If we don't get it, it means budget cuts, operating on a tighter budget, less improvements to the water system, not installing meters, continuing with old equipment and not being able to make upgrades,” Lukins said. “We are not trying to be extravagant.”

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**Notes:**

- There will be a meeting before the CPUC about the rate increase on Oct. 27 at 6pm at Lake Tahoe Airport.
- Protests to the rate increase are due Oct. 23. They must be sent to the CPUC at [water\\_division@cpuc.ca.gov](mailto:water_division@cpuc.ca.gov) and to Lukins Water Co. at 2031 West Way, South Lake Tahoe, CA 96150.
- A copy of Lukins' filing with the CPUC is available for review at the company's office on West Way. The request was filed in June.