

# Proposed rate hike dismays Lukins' customers

By Kathryn Reed

Where has the money gone? Why was the maintenance deferred? How can people be expected to pay more?

Those were just a few of the questions asked Oct. 27 by some of the approximately 30 customers of Lukins Brothers Water Company. The meeting at Lake Tahoe Airport was an opportunity for people to voice their opinion and ask questions about the 55.6 percent general rate increase the company is seeking that could take effect next year.

Taking down the comments was Adam Thaler of the California Public Utilities Commission. The CPUC is the decider if any increase will be granted.

This type of increase is for operations. This includes plant operation supplies, employee salary and benefits, postage, liability insurance, utilities and other costs.

Several people were angry at the prospect of Lukins adding a retirement plan for the employees when so many companies are doing away with them.

Lukins has not had a general rate case increase in more than six years. That is why the company is billing this as a 9.2 percent increase for each of the last six years.

But ratepayers whose monthly bill would go from a flat rate of \$36.41 per month to \$55.84 are not seeing it that way.



Theresa Brown voices frustration with Lukins water service on Oct. 27 as others listen. Photo/Kathryn Reed

“I feel robbed. I can’t afford it,” Theresa Brown said. She said for 50 years there has been sand in the water. She doesn’t want to pay more for this service.

Thaler said service is one of the criteria the CPUC looks at when it investigates whether a rate increase should be granted.

Jen Lukins, who runs the company, admitted this was the worst summer for sand coming out of spigots. She attributed it to the drought.

“We are now doing monthly flushings,” she said.

Ratepayer Carolyn Meiers said things are “deplorable” – and questioned why there is so much deferred maintenance.

Gary Norton said, “It should have been cleaned up a long time ago when things were cheaper.”

While the South Lake Tahoe water company is privately owned, it is regulated by the state. Nearly everything it does is controlled by the state. It was explained that the state prevents a district of this size from offering low-income discounts because then a disproportionate number of the 963 ratepayers would be subsidizing the others.

Lukins said she would prefer timelier rate increases, but the process for applying for them makes it too cumbersome to do so.