

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

Orig. and copy
to Executive Director

RESOLUTION NO. W-3312

EVALUATION & COMPLIANCE DIVISION
BRANCH/SECTION: Water Utilities
DATE: May 7, 1986

Director

Numerical File

Alphabetical File

Accounting Officer

R E S O L U T I O N

RANCHO DEL PARADISO WATER COMPANY (PARADISO). ORDER
AUTHORIZING A REDUCTION IN THE CALIFORNIA SAFE
DRINKING WATER BOND ACT (SDWBA) LOAN ANNUAL SURCHARGE
BY \$1,755 OR 22.85%.

By a letter filed August 26, 1985, Paradiso requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to decrease its SDWBA surcharge on its water rates due to reduction in the amounts of funds needed to amortize the cost actually required to complete the plant improvement. The original estimated cost was greater (\$77,660) than the actual cost (\$67,079) incurred. Paradiso currently serves 61 metered customers in the unincorporated community of Rancho del Paradiso Subdivision along Freezeout Road near Duncan's Mills, in Sonoma County.

The present surcharge rates became effective July 1, 1984 pursuant to Decision (D.) 84-02-045 dated February 16, 1984, in which the Commission granted Paradiso authority to borrow \$77,660 from the State Department of Water Resources under the SDWBA of 1976. This loan was extended at 8-1/2% per annum, repayable in 35 years.

A surcharge was added to its rates producing \$7,678 in additional annual revenue to accumulate funds with which to amortize the loan. This original surcharge was based on the amount of \$77,660 estimated to complete the SDWBA plant improvements. Since the actual amount to build the plant (\$67,079) is less than the estimated cost adopted in D.84-02-045, it is now necessary to reduce the amount of annual surcharge by \$1,755 (\$7,678 - \$5,923) or 22.85% to amortize the \$67,079 loan.

Paradiso has given public notice of its request for a rate decrease by addressing a letter to the address of each customer in the service area, dated March 21, 1986. No customer protests or correspondence has been received.

Service is satisfactory. There are no Commission orders requiring system improvement nor are there significant problems requiring corrective action.

The table below shows surcharges for residential customers on various meter sizes at present and proposed rates:

Surcharges

<u>Size of Service of Meter</u>	<u>Present Rates</u>		<u>Proposed Rates</u>		<u>Percent Decrease</u>
	<u>Monthly</u>	<u>Yearly</u>	<u>Monthly</u>	<u>Yearly</u>	
5/8 x 3/4"	\$10.50	\$126.00	\$ 8.10	\$ 97.20	22.85
3/4"	15.75	189.00	12.15	145.80	22.85
1"	26.25	315.00	20.25	243.00	22.85

After investigation by the Auditing Branch of the Evaluation and Compliance Division, the Commission finds that the requested rate decrease is reasonable, and to the extent provided by the following resolution is justified. Paradiso is directed to maintain the balancing account as required by Public Utilities Code Section 792.5.

THE COMMISSION FINDS that the decreased rate-surcharges hereby authorized are justified and that the present rates are for the future, unjust and unreasonable.

IT IS RESOLVED that Rancho del Paradiso Water Company, is authorized, on the effective date herein, to make effective revised Schedule No. 1A (Appendix A) and to cancel the presently effective rate schedule for water service.

This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on May 7, 1986. The following Commissioners approved it:

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
FREDERICK R. DUDA
STANLEY W. HULETT
Commissioners

Howard A. ...

Acting Executive Director ✓

APPENDIX A

Schedule No. 1A

ANNUAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

The unincorporated area known as Rancho del Paradiso Subdivision, near Duncan Mills, Sonoma County.

RATES

Annual Service Charge:	<u>Per Meter Per Year Charge</u>	<u>Per Meter Per Year Surcharge</u>	
For 5/8 x 3/4-inch meter	\$108.00	\$ 97.20	(R)
For 3/4-inch meter	162.00	145.80	1
For 1-inch meter	270.00	243.00	(R)

Quantity Rates:	<u>Per Meter Per Month</u>
First 200 cu.ft., per 100 cu.ft.	\$ 1.05
Over 200 cu.ft., per 100 cu.ft.	1.58

The Service Charge is a readiness-to-serve charge, which is applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rates.

¹ NOTE: This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by Decision 84-02-045.