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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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to Executive Director

RESOLUTION NO. W-3337

EVALUATION & COMPLIANCE DIVISION  
BRANCH/SECTION: Water Utilities  
DATE: October 1, 1986

           Director  
           Numerical File  
           Alphabetical File  
           Accounting Officer

RESOLUTION

CITIZENS UTILITIES COMPANY OF CALIFORNIA (CUCC).  
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
\$268,000 OR 4.9% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 240, filed July 30, 1986, CUCC requests authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates to offset: (1) a \$167,500 increase in purchased power costs, and (2) a \$100,500 increase due to an undercollection in the purchased power balancing account. CUCC serves about 32,850 flat rate and 3,980 metered customers in the unincorporated communities, subdivisions, and adjacent areas generally known as Cordova, Rosemont, Parkway Estates, Lindale, Foothill Farms, Arlington Heights, Linwood Loretto Heights, Arden Highlands, Arden Estates, El Camino Terrace, and El Camino Square, and the city of Isleton and vicinity in Sacramento County, and the unincorporated community of Lincoln Oaks and vicinity in Sacramento and Placer Counties.

The present rates became effective on July 26, 1985 pursuant to Decision No. 85-07-084, in which the Commission found the rates of return on rate base of 12.04% for 1985 reasonable, with a 13.50% return on equity. This offset increase will not result in a rate of return greater than last authorized.

Consistent with past Commission policy for offsets, the percentage increase to flat and metered rate customers is about the same percentage as the overall increase or 4.9%.

Since the increase is caused by changes in the cost of purchased power, which is directly related to water consumption, it is applied to the quantity blocks for metered customers. Rates for all quantity blocks were increased by \$0.019/Ccf. For the average flat rate customer, the rate will increase by \$0.50 per month.

The Water Utilities Branch (Branch) has reviewed the latest pump efficiency tests and found them satisfactory.

CUCC has given public notice of the request for increase by publishing in the local newspaper on August 7, 1986. No customer protests or correspondence have been received.

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

The table below shows typical bills for residential customers at various usage levels at present and proposed rates:

General Metered Service (5/8 x 3/4-inch meters)

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
300 cu.ft.	\$ 6.39	\$ 6.44	0.1%
1,000	8.46	8.65	2.2
2,000	11.42	11.79	3.2
3,000	14.38	14.94	3.9
4,000	17.34	18.10	4.4
5,000	20.30	21.24	4.6
7,000	26.22	27.55	5.1

Residential Flat Rate Service

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
<u>Single Family Residential Unit</u>			
4,500 sq.ft., or less	\$ 6.90	\$ 7.30	5.8
4,500 - 8,000 sq.ft.	9.30	9.80	5.4
<u>Additional Units</u>	6.20	6.55	5.6
or			
<u>Area</u>	.30	.30	0


After investigation by the Branch, the Commission finds that the requested rate increase is reasonable, and to the extent provided by the following resolution is justified. CUCC is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

THE COMMISSION FINDS that the increased rates hereby authorized are justified and that the present rates are for the future, unjust and unreasonable.

IT IS RESOLVED that Citizens Utilities Company of California is authorized, on the effective date herein, to make effective revised Schedules Nos. SAC-1 and SAC-2R attached to Advice Letter No. 240 and to cancel the presently effective rate schedules 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 October 1, 1986. The following Commissioners approved it:



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VICTOR R. WEISSER  
Executive Director

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