

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3367  
July 29, 1987

R E S O L U T I O N

(RES. W-3367), CITIZENS UTILITIES COMPANY OF CALIFORNIA (CUCC), SACRAMENTO DISTRICT, ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING \$160,000 OR 2.8% ADDITIONAL ANNUAL REVENUE.

By Advice Letter No. 246, filed June 11, 1987, CUCC requests authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates to offset a \$160,000 increase in purchased power costs. CUCC serves about 34,620 flat rate and 4,250 metered customers in the unincorporated communities in Sacramento County generally known as Cordova, Rosemont, Parkway Estates, Lindale, Foothill Farms, Arlington Heights, Linwood Loretto Heights, Arden Highlands, Arden Estates, El Camino Terrace, El Camino Square, and Lincoln Oaks (partly in Placer County) and the city of Isleton and vicinity.

The present rates became effective on October 1, 1986 pursuant to Resolution W-3337 which authorized a power offset increase. The last general rate increase became effective on July 26, 1985 pursuant to Decision 85-07-084 in which the Commission found the rate of return on rate base of 12.04% for 1985 reasonable, with a 13.5% return on equity. This offset increase will not result in a rate of return greater than last authorized.

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 June 19, 1987. No customer protests or correspondence has been received.

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

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 2.8%.

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 \$0.01/Ccf.

The flat rates have been increased by about the same percentage as the overall increase or 2.8%. For the average flat rate customer, the rate will increase by \$0.30 per month.

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>
1,000 cu.ft.	\$ 8.65	\$ 8.75	1.1%
2,000	11.79	12.00	1.8
4,000	18.10	18.50	2.2
6,000	24.40	25.00	2.5
8,000	30.70	31.50	2.6

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	\$ 7.30	\$ 7.50	2.7%
4,500 - 8,000 sq.ft.	9.80	10.10	3.0
<u>Additional Units</u>	6.55	6.75	3.0
<u>or</u>			
<u>Area</u>	0.30	0.30	0.0

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 Schedule Nos. SAC-1 and SAC-2R attached to Advice Letter No. 246 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 July 29, 1987. The following Commissioners approved it:

STANLEY W. HULETT  
President  
DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners



VICTOR R. WEISSER  
Executive Director