

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Commission Advisory & Compliance Division  
Water Utilities Branch

RESOLUTION NO. W-3470  
November 3, 1989

## R E S O L U T I O N

(RES. W-3470) FRUITRIDGE VISTA WATER COMPANY, (FWWC).  
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
\$42,665 OR 5.9% ADDITIONAL ANNUAL REVENUE.

By Advice Letter (AL) 49, filed August 31, 1989, FWWC 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 \$9,570 increase in purchased power, and (2) a \$33,095 increase due to an undercollection in the electric power balancing account. FWWC serves about 4,245 flat rate and 308 metered customers in Sacramento County.

The present rates became effective on February 22, 1988 pursuant to Decision 88-02-010 in which the Commission authorized an increase of \$92,600 or 15.98% for 1987, \$24,400 or 3.63% for 1988, and \$21,200 or 3.04% for 1989. The rates of return on rate base of 10.5% for 1987, 1988, and 1989 with a 10.5% return on equity were found to be reasonable.

FWWC purchases its power from Sacramento Municipal Utility District (SMUD). The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, increases in SMUD's electric power rates that have occurred since January 1, 1989. The requested increase will not result in a rate of return greater than last authorized.

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

FWWC found that their presently effective Tariff Schedules contained several technical errors and outdated material. Schedules Nos. 1X and 2X were for "one-time" charges for conservation kits. These schedules have no further purpose and should be deleted. Presently effective Schedule No. 3, Public Fire Hydrant Service, should appropriately be shown as Schedule No. 5. Presently effective Schedule No. 5, Metered Construction Service, should appropriately be shown as Schedule No. 9. Rule 17 relating to Measurement of Service should be updated with the currently effective Commission Rule.

FWWC has given public notice of the request for increase by publishing in the local newspaper on October 3, 1989. No customer protests or correspondence have been received.

Consistent with past Commission policy, the percent increase to FWWC's flat rate and metered customers is approximately equal within the limitation of rounding to the overall increase. Since the requested increase is caused by

changes in purchased power expenses which are directly related to water consumption, the Water Utilities Branch (Branch) recommends that it be applied to the quantity rates for metered customers. Under the Branch's recommendation, the rates of all quantities of water delivered would be increased by \$0.006 per Ccf (one Ccf is equal to one hundred cubic feet). Flat rates would be increased accordingly by 1.29% to cover increases in purchased power expenses. For the average flat rate customer, the rate will increase by \$0.11 per month.

In accordance with the Commission's balancing account policy for water utilities, the portion relating to the undercollection in the electric power balancing account should be amortized over a 24-month period by adding a surcharge of \$0.021 per Ccf for metered customers and \$0.39 for flat rate customers.

To ensure that purchased power is being used economically, the Branch reviewed the latest pump efficiency tests and found them satisfactory.

FWC has no residential metered customers. The table below shows typical bills for service at various usage levels at present and proposed rates:

General Metered Service (3/4-inch meters)

<u>Monthly Usage</u>	<u>Present Rates</u>	<u>Proposed Rates*</u>	<u>Percent Increase</u>
0 Ccf	\$ 8.25	\$ 8.25	0.0
50	25.00	26.35	5.4
100	41.75	44.45	6.5
150	58.50	62.55	6.9
158 (average)	61.18	65.45	7.0
200	75.25	80.65	7.2

Residential Flat Rate Service

<u>Item</u>	<u>Present Rates</u>	<u>Proposed Rates*</u>	<u>Percent Increase</u>
1. Single Family Residential Unit	\$ 8.50	\$ 9.00	5.9%
Additional Units or Area	5.50 .08	5.82 .085	5.8% 6.3%
2. Automobile Service Station	18.20	19.27	5.9%

\*Includes balancing account amortization surcharge

Resolution W-3470

Pursuant to Public Utilities Code Section 792.5, FWC is directed to maintain its balancing account.

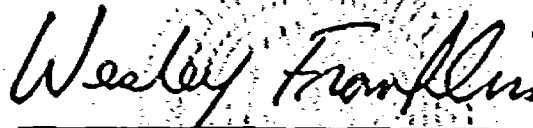
THE COMMISSION FINDS, after investigation by the Branch, that the rates hereby authorized are justified.

IT IS ORDERED that Fruitridge Vista Water Company is authorized to: make effective Schedules Nos. 1, 2, 5, and 9 attached to Advice Letter No. 49 and to cancel its presently effective rate Schedules Nos. 1, 1X, 2, 2X, 3, and 5 for water service; and make effective current Commission Rule 17 and cancel its presently effective Rule 17.

This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on November 3, 1989. The following commissioners approved it:

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners

  
WESLEY FRANKLIN  
Acting Executive Director