

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities BranchRESOLUTION NO. W-3564  
May 8, 1991

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

(RES. W-3564), ELK GROVE WATER WORKS, INC. (EGW).  
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
\$14,182 OR 2.08% ADDITIONAL ANNUAL REVENUE.

BACKGROUND

By Advice Letter 57, filed April 8, 1991, EGW requests authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates to offset a \$9,136 increase in purchased power costs, and a \$5,046 increase in water testing expenses. EGW serves approximately 5,282 flat rate, 119 metered, and 115 private fire protection customers in the unincorporated community of Elk Grove, Sacramento County.

The present rates became effective on September 7, 1989 pursuant to Resolution No. W-3461 dated September 7, 1989 which authorized a general rate increase producing \$70,090 or 11.5% in additional annual revenue, and also ordered EGW to establish balancing accounts for purchased power and water testing expense.

DISCUSSION

The offset increase requested herein is for the purpose of recovering in rates, on a dollar-for-dollar basis, changes in items that have occurred since the present rates became effective. This rate increase will not result in a return greater than that previously authorized.

The reason for the \$9,136 increase in purchased power costs is due to the Sacramento Municipal Utilities District's increase in its electricity rates. This increase is the result of changes related to water consumption, so it is applied to the quantity block for metered service. The total quantity rate will increase by \$0.03 per Ccf (One Ccf is equal to one-hundred cubic feet).

The reason for the \$5,046 increase related to water testing expense is due to the increase in number of tests required by the Department of Health Services and also the charge per test by the firm with which EGW contracts for its water testing. This increase is not directly related to water consumption so it is applied to the service charge portion of metered rates, to the flat rate, to private fire protection service and to tank service.

As required by Public Utilities Code Section 792.5 EGW should be directed to maintain its balancing account(s).

To determine if purchased power is being used efficiently, the Branch reviewed the latest pump efficiency tests and found them satisfactory.

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

To promote conservation, EGW has requested its customers, through bill inserts and distribution of conservation material, to reduce their water consumption.

This increase will result in a \$0.18 per month or a 2.1% increase for the average flat rate customer on a one-inch service; and a \$0.87 or 2.07% increase for the average metered customer on a two-inch meter using 200 Ccf of water per month. The average residential flat rate monthly bill would increase from \$8.55 to \$8.73; and the average commercial metered monthly bill would increase from \$42.00 to \$42.87.

NOTICE AND PROTEST

EGW has given public notice of the request for increase by publishing in the local newspaper on March 13, 1991. No customer protests or correspondence have been received.

FINDINGS

1. EGW should be directed to maintain its balancing account as required by Public Utilities Code Section 792.5.
2. The Commission finds, after investigation by the Branch, that the rate increase hereby authorized is justified, and the resulting rates are just and reasonable.

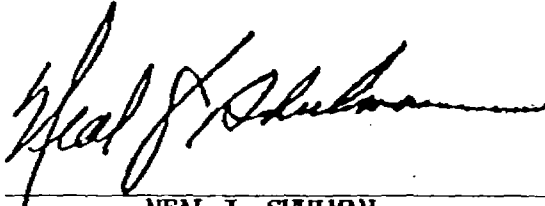
IT IS ORDERED THAT:

1. Elk Grove Water Works, Inc. is authorized, on the effective date herein, to make effective revised Schedules No. 1, 2, 4, and 9C attached to Advice Letter No. 57 and to cancel the presently effective rate schedules for water service.
2. Elk Grove Water Works, Inc. is directed to maintain its balancing account as required by Public Utilities Code Section 792.5.

This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on May 8, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT  
President  
G. MITCHELL WILK  
JOHN B. OHANIAN  
DANIEL Wm. FESSIER  
NORMAN D. SHUMWAY  
Commissioners

  
NEAL J. SHULMAN  
Executive Director