

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Water Utilities Branch

RESOLUTION NO. W-3620  
October 11, 1991

R E S O L U T I O N

(RES. W-3620) FRUITRIDGE VISTA WATER COMPANY, (FWW).  
ORDER AUTHORIZING AN OFFSET RATE INCREASE PRODUCING  
\$46,430 OR 6.4% ADDITIONAL ANNUAL REVENUE.

BACKGROUND

By Advice Letter 51, filed August 26, 1991, FWW requested authority under Section VI of General Order 96-A, and Section 454 of the Public Utilities Code to increase rates for water service to offset: (1) a \$13,470 or 1.9% increase in purchased power cost from Sacramento Municipal Utilities District, and (2) a \$32,960 or 4.5% increase due to an unexpected undercollection in the purchased power balancing account as of October 31, 1991. FWW serves approximately 4,500 customers adjacent to the southern limits of the City of Sacramento, Sacramento County.

The present rates became effective November 3, 1989 pursuant to Resolution W-3470, which authorized a purchased power offset rate increase of \$42,665, or 5.9%. The last general rate increase became effective February 22, 1988, pursuant to Decision 88-02-010 which 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 were found to be reasonable.

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 previously authorized.

The balancing account undercollection results from SMUD increasing its rates for power it charges FWW. As of October 31, 1991, the balance in the balancing account is expected to total \$32,960.

FWW presently has an offset rate for purchased power in effect which will expire October 31, 1991 and requests the subject offset become effective November 1, 1991.

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

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

To promote water conservation, FWW has an ongoing conservation program including distribution of free conservation kits containing low-flow washers and conservation literature.

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The increase will result in a \$1.48 per month or a 1.9% increase for the average commercial (large user) meter customer on a 2-inch meter using 165 Ccf per month (one Ccf equals one hundred cubic feet). The average monthly metered bill will increase from \$76.26 to \$77.75. The increase will result in a \$0.17 per month or a 1.9% increase for the average residential flat rate customer. The average residential flat rate bill will increase from \$8.61 to \$8.78. In addition, the balancing account surcharge will add \$3.47 per month or 4.5% to the average metered customer for a one year period and \$0.42 per month or 4.8% to the average residential flat rate customer for a one year period.

RATE DESIGN

The increase, which is the result of changes in the cost of purchased power is related to water consumption and is applied to the quantity block for metered service. The quantity rate for general metered service will be increased by \$0.009 per Ccf and the balancing account surcharge will be \$0.027 per Ccf.

NOTICE AND PROTEST

FVW has given public notice of this increase request by publishing in a local newspaper on September 12, 1991. No letters protesting the increase have been received.

FINDINGS

The Commission finds, after investigation by the Branch, that the requested rate increase hereby authorized is justified, and that the resulting rates are reasonable.

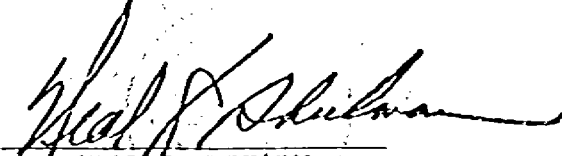
IT IS ORDERED that:

1. Fruitridge Vista Water Company is authorized, on November 1, 1991, to make effective revised Schedule Nos. 1 and 2 attached to Advice Letter No. 51 and to cancel the presently effective rate schedules for water service.
2. This resolution is effective today.

I hereby certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on October 11, 1991. The following Commissioners approved it:

JOHN B. OHANIAN  
DANIEL Wm. FESSLER  
NORMAN D. SHUMWAY  
Commissioners

Commissioner Patricia M. Eckert,  
being necessarily absent, did  
not participate.

  
NEAL J. SHULMAN  
Executive Director