

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION
Water Utilities BranchRESOLUTION NO. W-3712
November 23, 1992

RESOLUTION

(RES. W-3712), CITIZENS UTILITIES COMPANY OF CALIFORNIA (CUC) ORDER AUTHORIZING ONE-TIME SURCHARGES PRODUCING ADDITIONAL ANNUAL REVENUE OF \$4,400 OR 0.86% FOR FELTON DISTRICT, \$4,400 OR 0.64% FOR MONTARA DISTRICT, AND \$44,550 OR 0.49% FOR THE SACRAMENTO DISTRICT FOR 1992.

BY ADVICE LETTER No. 287, FILED ON OCTOBER 20, 1992.

SUMMARY

This resolution authorizes CUC to bill one-time surcharges to recover total amounts of \$4,400 or 0.86% for Felton District, \$4,400 or 0.64% for Montara District, and \$44,550 or 0.49% for Sacramento District to recover the Department of Health Services (DHS) fees as mandated by recently enacted Sections 4020 and 4020.5 of the Health and Safety Code. The increase will not result in a rate of return greater than last authorized for CUC.

BACKGROUND

CUC requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to impose a one-time charge per customer of \$3.35 for Felton, \$2.71 for Montara, and \$0.88 for Sacramento to recover the DHS bills it received on August 7, 1992, for \$4,400 (Felton), \$4,400 (Montara), and \$44,550 (Sacramento) for fiscal year July 1, 1991 to June 30, 1992. CUC serves 1,312 customers in the city of Felton and its vicinity in Santa Cruz County, 1,625 customers in the cities of Montara, Moss Beach, and the vicinity of San Mateo County, and 50,811 customers in various subdivisions and unincorporated communities of Sacramento and Placer County.

The present rates for the Felton and Sacramento Districts became effective on November 18, 1989, pursuant to Decision No. 89-11-016 which authorized a general rate increase of \$98,600 or 24% for Felton, and a general rate increase of \$1,529,100 or 20% for Sacramento. The present rate for the Montara District became effective on May 15, 1983, pursuant to D.83-05-011 which amended a previous rate increase decision by increasing revenues by approximately \$451,124 or 16%.

NOTICE AND PROTESTS

CUC published a notice of these increase requests in three local papers on October 6 and 14, 1992. Three items of customer correspondence have been

received from the Felton District, two from the Montara District, and none from the Sacramento District. The Branch has responded to all letters.

DISCUSSION

Resolution W-3641, dated May 8, 1992, authorized each water utility regulated by the Commission and subject to the provisions of Health and Safety Code Sections 4020 and 4020.5 to establish a memorandum account in which to record payment of DHS's Office of Drinking Water fees resulting from those code sections. Subject utilities were also authorized to request recovery of the account balance by advice letter filing in accordance with General Order No. 96-A.

The surcharge requested herein would allow CUCC to recover the memorandum account balance established to record DHS fees for fiscal year July 1, 1991 through June 30, 1992.

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

The Branch recommends that CUCC be authorized to assess one-time surcharges of \$3.35 for Felton District, \$2.71 for Montara District, and \$0.88 for Sacramento District to each customer to recover the \$4,400, \$4,400, and \$44,550 balances in the memorandum account accruing the billed DHS fees. Revenues received from such surcharges should be limited to the initial amount billed to CUCC by DHS. The Branch further recommends that CUCC be authorized to hold open such memorandum account until CUCC's next general rate proceeding.

FINDINGS

THE COMMISSION FINDS, after investigation by the Branch, that recovery of the memorandum account balances authorized herein is justified, and the resulting one-time charges of \$3.35, \$2.71, and \$.088 are just and reasonable.

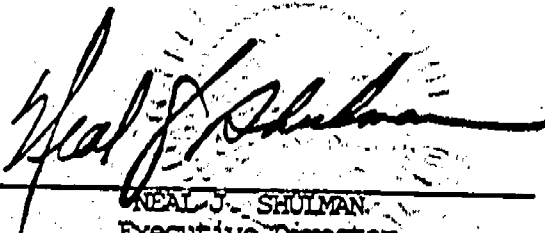
IT IS ORDERED that:

1. Citizens Utilities Company of California is authorized, on the effective date herein, to make effective revised Schedule No. FE-1, General Metered Service and Schedule No. FE-6M, Metered Resale Service, for Felton District; Schedule No. MD-1, Metered Service, for Montara District; Schedule No. SAC-1, General Metered Service and Schedule No. SAC-2R, Residential Flat Rate Service for Sacramento District attached to Advice Letter 287, and concurrently to cancel the presently effective Schedule No.'s FE-1, FE-6M, MD-1, SAC-1, and SAC-2R.
2. The memorandum account as authorized above may remain open until Citizens Utilities Company of California's next general rate proceeding.

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3. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 23, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners