

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION  
Small Water Branch

RESOLUTION NO. W-4009  
November 26, 1996

R E S O L U T I O N

(RES. W-4009, CITIZENS UTILITIES COMPANY OF CALIFORNIA (CUC) ORDER AUTHORIZING RATE BASE OFFSET INCREASE PRODUCING \$80,000 OR 8.39% ADDITIONAL REVENUE IN ITS MONTARA DISTRICT.

BY ADVICE LETTER NO. 311 FILED ON SEPTEMBER 18, 1996.

SUMMARY

This resolution authorizes CUC to recover costs associated with rate base items authorized by Decision (D.) 94-10-049, dated October 26, 1994. This resolution authorizes CUC to increase rates by \$80,000 or 8.39% to recover costs in capital investment in water utility plant. These increases will not result in a rate of return higher than the authorized rate of return per D.94-10-049.

BACKGROUND

This advice letter requests rates as set forth in Ordering paragraph 2 and attached Appendix B, paragraph 5 of D.94-10-049, dated October 26, 1994. Specifically, this advice letter requests rates for the revenue requirements associated with Stipulation Year 2 with the following exceptions:

Stipulation Project 7: Pressure Reducing Valve (PRV) at Marine Boulevard. Although Citizens has recorded costs of \$20,419 year-to-date for material purchased, installation of the PRV station has been delayed pending obtaining most of a revised encroachment permit from CalTrans. This project should be completed by October 15, 1996, and will be recovered with the Stipulation Year 3 project, the Marine Boulevard Main, the Schoolhouse PRV, and the 6<sup>A</sup> and Main PRV. As stated in Advice Letter 308, dated September 12, 1995, these projects were originally scheduled for Stipulation Year 1, and were delayed until Stipulation Year 2 with CPUC staff approval.

DISCUSSION

The following projects and costs were stipulated in D.94-10-049 and have been completed:

1. Replace Marine Boulevard Main	\$173,374
2. Replace PRV - Schoolhouse	13,384
Replace PRV-6 <sup>A</sup> and Main	20,054
3. Schoolhouse site to 17 <sup>A</sup> Street main	24,516
4. Sunshine Valley Road, Etheldore to Stetson	28,144
5. Vermont Street, Buena Vista to Tierra Alta and Vermont Avenue 8-inch check valve	36,554
6. Marine Boulevard and Hwy. 1 PRV station	0
7. Seal Cove Mains	
Escalle, Madrone, and San Ramon Main Install	<u>106,597</u>
Total	\$402,623

November 26, 1996

The Branch recommends that CUCC be authorized to increase its general rates to recover the above capital-related costs of stipulation projects.

Presently, the bimonthly bill for a 5/8 x 3/4-inch metered customer using 16 Ccf is \$94.08 and will increase to \$101.98.

NOTICE AND PROTESTS

Notice of the proposed rate increase was published in a local newspaper on November 13, 1996. No letters of protest have been received.

FINDINGS AND CONCLUSION

The Commission finds, after investigation by the Branch, that the rate increase proposed by Citizens Utilities Company of California is just and reasonable to recover the cost of plant improvements.

**IT IS ORDERED that:**

1. Citizens Utilities Company of California is authorized to incorporate the Summary of Earnings and rate schedule attached to this resolution as Appendices A and B, respectively, and concurrently cancel its presently effective rate Schedule MO-1 (General Metered Service). The effective date of the revised schedule in Appendix B shall be five days after the effective date of this resolution.
2. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 26, 1996. The following Commissioners approved it:

  
WESLEY M. FRANKLIN  
Executive Director

P. GREGORY CONLON  
President  
DANIEL Wm. FESSLER  
JESSIE J. KNIGHT, Jr.  
JOSIAH L. NEEPER  
Commissioners

Commissioner Henry M. Duque, being necessarily absent, did not participate.