

Felton water customers face 20-percent rate hike

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FELTON — Felton residents could see a 20-percent hike in their water bills beginning Nov. 1.

— And that increase could be compounded by another 3.6-percent hike in 1990, if the state Public Utilities Commission adopts a recommendation by Administrative Law Judge Andy Garde.

Service charges for the typical home would also rise from \$7 to \$9.45 per month in November, followed by an additional \$.35 per month in 1990.

A typical resident using 500 cubic feet of water per month would see the bi-monthly water bill rise from \$26.57 to \$34.99 after November. The charges would include \$16.09

for 10 units of water and an \$18.90 service charge.

Felton residents protested loudly in June when Citizens asked the PUC for a 54-percent rate hike this year compounded by an 8-percent increase in 1990. After reviewing Citizens' accounts, PUC staff recommended the 20-percent hike, and Judge Garde held a July public hearing in Felton before endorsing the staff's proposal.

The recommended rate hike will allow Citizens a 10.28-percent rate of return on its rate base, instead of the 11.73-percent return the utility originally asked for. The Felton utility is now earning a profit of 6 or 7 percent, manager James Bentley estimated.

Citizens' "stepped rate" structure, which charges a lower rate

for the first three units, or 300 cubic feet of water used per month, would also be eliminated by the PUC plan. Instead, PUC staff has recommended that all Felton water users be charged a flat fee for water, regardless of the amount used.

Citizens' 1,300 customers now pay \$1.16 each for the first three units of water they use each month, then the rate jumps to \$1.47 per unit. Under the new rate proposal, customers will pay a flat rate of \$1.61 for every unit of water they use, jumping to \$1.66 per unit in 1990.

Public comment on the PUC recommendation will be accepted through Oct. 16, PUC analyst Art Jarrett said. The commission will discuss the proposal at a meeting

tentatively set for Oct. 26. in San Francisco.

If the commission accepts the proposal, the new rates could take effect within five days, on Nov. 1, Jarrett said.

Citizens does not plan to challenge the plan, even though the company wants to keep its stepped rates, Bentley said.

"We see it as a way to lower water use," he said. "(The PUC) seems to think it encourages use - I don't know why."

Some residents are unhappy with the rate increase, but are relieved it wasn't higher.

"We're a group of unhappy ratepayers," said Felton businessman J.J. Kolbmann, who led the protest against Citizens' orig-

inal rate request. "But we're going to have to live with it, we felt it was inevitable."

Kolbmann, who also holds stock in parent company Citizens Utilities of California, says the company is reaping great profits and not improving services for customers.

But Bentley said that the company's original rate request would have paid for state-mandated improvements in the company's water filtration system. With the

lower rates, the new filtration system won't be installed until 1993, even though the state Department of Health Services wants it installed now, he said.

This year the company will replace 800 feet of water main serving the area near San Lorenzo Valley High School, improving water pressure and fire-safety flows to the area, Bentley said. The company is replacing other mains and working to control erosion near Fall Creek, he said.