

**ORIGINAL**

DECISION NO. 40718

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN GABRIEL VALLEY WATER COMPANY, a corporation, for authority to increase rates for service of water in its Fontana district.

Application No. 28335

PAUL OVERTON, for San Gabriel Valley Water Company, Applicant.

J. J. DEUEL and EDSON ABEL, for California Farm Bureau Federation and San Bernardino County Farm Bureau, Protestants.

C. C. FERGUSON, for Fonbloom Grange No. 602, Protestant.

L. M. LANCASTER, for East Fontana Friendship Club, Protestant.

O P I N I O N

Applicant, San Gabriel Valley Water Company, seeks authority to make a general increase in the rates charged for water service rendered in and about the town of Fontana, County of San Bernardino. Applicant is a corporation engaged in supplying utility water services in four distinct areas or districts in San Bernardino and Los Angeles Counties, designated as the Fontana, El Monte and Whittier districts, and the Laycook System. The Fontana district service area covers about fifteen thousand acres. This water system is fully piped and metered and at the end of 1946 had about 4,254 active service connections. Consumers in the Fontana district comprise about 32% of the customers supplied by the San Gabriel Valley Water Company in all of its four service areas, and its reported capital investment in the Fontana district amounts to about 46% of its total reported invested capital in water properties. (1)

(1) Hereafter, in this opinion, unless the text otherwise indicates, references to the San Gabriel Valley Water Company, or to the "Company", will relate only to the Fontana district operations of this utility.

The Commission last fixed the Company's rates by Decision No. 39943 issued February 4, 1947 in Application No. 26527, and in that decision permitted substantial increases in the rates theretofore effective. The instant application, filed April 4, 1947, alleges that the rates last established are insufficient as a whole to afford the Company an adequate return, and that the schedules prescribed compel the delivery of water to larger quantity users at less than the actual cost of service. The application prayed that the Commission at once issue an order establishing certain interim rates pending the hearing of and final decision on the application. The Commission did not take the requested action. The application was set for hearing on July 10th, and the taking of evidence was completed and the matter submitted on July 11th. Briefs were filed thereafter by the Company and by the California Farm Bureau Federation, which represented certain groups of water users who protested the requested increases in the rates applicable to them.

Evidence presented by the Company and the Commission's staff<sup>(2)</sup> reveals the actual results of operation for the calendar year 1946 and for the first four months of 1947. It also includes estimates of results for both 1946 and 1947 under the assumption that the higher level of rates made effective on February 24th of this year had been and would remain effective during the entire two year period. Although some differences of opinion were expressed as to the gross and net revenues that might be realized, and also some conflict of opinion as to the proper rate base to be used against which to test the sufficiency of the net revenue expected, it is evident that some increase in rates is justified. However, one of the major questions to be decided relates to the type of rate structure which should be established. The Company seeks to apply a single schedule of quantity rates to all classes of water users, whereas the existing rate structure affords those using water for combined domestic and irrigation purposes con-

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(2) Exhibits were presented by Mr. Nicholson, the President of the San Gabriel Valley Water Company, and by Mr. Foster, an engineer for the Commission.

siderably lower rates than available to customers on the general domestic and commercial service schedule. The position taken by the Farm Bureau is that these existing rate differentials should be continued.

Although the Company sought to establish a single schedule of rates in its earlier application leading to Decision No. 39943, the Commission's order continued the pre-existing dual rate structure. It established Schedule No. 1 applying to all domestic, commercial and industrial service, and Schedule No. 2 applying to combination domestic and irrigation service. These replaced respectively Schedules "B" and "C" which the Company and its predecessor, the Fontana Domestic Water Company, had theretofore applied. The following table compares the rates applicable under the two schedules, both before and after their increase in February of this year.

<u>Rates in effect prior to Feb. 24, 1947</u>		<u>Rates made effective Feb. 24, 1947</u>	
<u>"B" Schedule</u>		<u>Schedule No. 1</u>	
First 2500 cu.ft. (minimum)	\$ 1.50	First 1200 cu.ft. (minimum)	\$ 1.50
Next 2500 " per 100 cu.ft.	.08	Next 1300 " per 100 cu.ft.	.10
Over 5000 " " " "	.05	Next 2500 " " " "	.08
		Over 5000 " " " "	.065
<u>"C" Schedule</u>		<u>Schedule No. 2</u>	
First 4000 cu.ft. (minimum)	\$ 2.00	First 2800 cu.ft. (minimum)	\$ 2.00
Over 4000 " per 100 cu.ft.	.05	Over 2800 " per 100 cu.ft.	.065

Rates sought (Interim) in present  
Application No. 28335 - (Single Schedule  
for all metered service.)

First 800 cu.ft. (minimum)	\$ 1.50
Next 1200 " per 100 cu.ft.	.15
Over 2000 " " " "	.10

The California Farm Bureau points to the substantial percentage increase in the rates applicable to Schedule "C" customers as revised in February of this year. It asserts that such customers were largely purchasers of land from the Fontana Farms Company, the company responsible for the organization of the Fontana Domestic Water Company, applicant's predecessor, and appears to contend that an obligation rests upon the present owner of the system to accord favorable rates to those land purchasers who continue to engage in agricultural pursuits. The "C" schedule rates have been applicable to customers on lots of not less than three-fourths of an acre. Such customers are today engaged primarily in the production of poultry and rabbits. A large part of the water consumed is used during the warmer months of the year for the cooling of poultry houses and rabbit hutches. Their water demand during the winter months does not materially exceed that of customers on the "B" schedule. The use of water from this piped system for the irrigation of commercial crops is distinctly subordinate to other uses.

It doubtless is true that the Fontana Farms Company realized the necessity of according preferential rates to those using water in agricultural pursuits as distinguished from purely domestic uses. However, the Fontana Farms Company undertook to provide to purchasers of land in this general area, a gravity irrigation service supplied through the medium of the Fontana Union Water Company, a mutual organization, and water service is still available to those who have retained their stock in that organization. The Fontana Farms Company also constructed a piped water system within the town and caused the Fontana Domestic Water Company to be incorporated. In 1924, the Domestic Company secured a certificate from this Commission to render a public utility water service. The rate schedule which the Fontana Domestic Water Company applied from the beginning was the same as that set forth in the "B" schedule above mentioned. The "C" schedule of rates was not filed until the following year. It continued to apply both schedules until it sold the system to the applicant by authority given by the Commission on September 25, 1945. However, in January, 1945, it had made application to increase its rates and to establish a single schedule of quantity use rates applicable to

all consumers, and such rate application was then adopted by the present owner upon its purchase of the properties later in the same year. It will be seen, therefore, that both the Company and its predecessor have urged the establishment of a uniform schedule of rates. All the water supplied comes from the same source and is delivered under pressure by a system fully piped and metered.

Although there has been a very rapid growth in the total number of consumers served by this system and in the revenues received, the record indicates that in recent years the greatest growth has occurred in the "B" schedule sales. With the establishment of the Kaiser Steel Company's plant in this community, residential development has been rapid. This has brought about greatly increased sales of water for general domestic and commercial purposes, taking the "B" schedule rates. A comparison of the "B" and "C" schedule water users' consumption during the years 1943 and 1946 illustrates the changing position occupied by these two classes of consumers:

<u>Number of Users</u>	<u>1943</u>	<u>1946</u>	<u>Percent Increase</u>
"B" Schedule	906	1733	91 %
"C" Schedule	1672	1995	19.3 %
<u>Water Used (100 cu.ft.)</u>			
"B" Schedule	123,232	468,641	280 %
"C" Schedule	921,446	1,116,799	21 %

Customers on Schedule "C" continue to use a greater quantity of water than those on Schedule "B", and they also contribute more gross revenue. The 1946 sales under the "C" schedule yielded \$74,155, while the "B" schedule sales were \$51,108. However, the average revenue derived by the company for each 100 cu. ft. sold under Schedule "B" was 10.9 cents, but was only 6.64 cents under the "C" schedule. On each schedule there are a number of large consumers whose use may exceed 50,000 cu. ft. monthly. The largest single consumer is the Fontana Farms Company for use at its hog farm, it being billed on the "C" schedule although water is not used primarily, if at all, for irrigation purposes.

In the light of the facts above recited, it must be concluded that if

any substantial adjustment in the Company's rates now be required to improve its earning position, there no longer exists any justification for the continuance of more favorable rates to those consumers classified as receiving a combined domestic and irrigation service when the conditions under which such rates are accorded appear to be inconsistent with facts as they exist today. The uses of water by larger consumers, whether on one schedule or the other, are primarily for purely commercial purposes. Therefore, each customer should equitably bear such proportion of the Company's cost of production and distribution as may be applicable to his particular quantity use.

It is pointed out in the brief of the Farm Bureau that the Commission's previous rate order resulted in a very substantial percentage increase in the "C" schedule charges and that the further increases now proposed by the Company would be of similar magnitude. It is true that the elimination of the special schedule will cast upon such consumers the burden of contributing more heavily than others to any increased revenue now accorded the Company. It is believed, however, that the establishment of a uniform rate structure will ultimately benefit all classes of consumers as well as be of distinct advantage to the utility. In considering the level of the rates that the Company should equitably be permitted to charge, the Commission can here, as in other utility rate increase applications, bear in mind the severity of the impact of the proposed increases upon its customers and their financial ability to pay for the service at the higher level of rates allowed.

Considering now the extent to which the Company has justified the claim of additional revenue, the respective income and expense estimates submitted by witnesses for the Company and for the Commission, as well as the rate bases developed by them, are summarized in the following table. The net results of operations are also shown on the assumptions indicated.

	1946			1947	
	Recorded at Rates Charged	Present Rates	Estimated Requested Rates	Present Rates	Estimated Requested Rates
<u>REVENUES</u>					
Metered Sales	\$125,263	\$145,588	\$214,713	\$152,296	\$227,357
Hydrant Rentals	136	136	136	138	138
Misc. Revenue	2,338	2,338	2,338	2,400	2,400
TOTAL	127,737	148,062	217,187	154,834	229,895
<u>EXPENSES</u>					
Operation and Maintenance					
Company	103,457	103,507	103,507	121,399	121,399
Commission		102,257	102,257	112,614	112,614
Taxes					
General Taxes					
Company	2,705	2,705	2,749*	5,320*	5,320*
Commission		2,705	2,705	3,350	3,350
Income & Franchise Taxes					
Company	2,421	3,092	33,498*	3,100	32,635*
Commission		4,026	33,316	3,097	32,459
Depreciation					
Company	12,404	8,274*	8,274*	10,025*	10,025*
Commission		8,274	8,274	10,025	10,025
Uncollectibles		441	441	500	500
TOTAL EXPENSES					
Company	\$120,987	\$118,019	\$148,469	\$140,344	\$169,879
Commission		117,703	146,993	129,536	158,948
<u>NET REVENUES</u>					
Company	6,750	30,043	68,718	14,490	60,016
Commission		30,359	70,194	25,248	70,947
<u>INVESTED CAPITAL (Avg. Yr.)#</u>					
Company	810,171	850,171	850,171	946,195	946,195
Commission-Incl. property & stock donated by Farms Co.		750,404	750,404	821,105	821,105
Excluding above donations		652,889	652,889	723,590	723,590
<u>RATE OF RETURN</u>					
Company	0.83%	3.53%	8.08%	1.53%	6.34%
Commission					
Including donated property		4.05%	9.35%	3.07%	8.64%
Excluding " "		4.65%	10.75%	3.49%	9.80%

\* These estimated taxes and depreciation expense figures are taken from the Company's brief.

# Estimated figures include Working Cash and Materials and Supplies.

The figures set forth in the foregoing table reveal but two substantial differences between the net results of operation arrived at by witnesses for the Company and for the Commission. The Company's estimate of expenses for the current year are considerably above those of the Commission's staff, and also its claim of rate base upon which it should be permitted to earn a fair return. The Company urges the acceptance of a rate base equivalent to the original cost of the properties as recorded on its books. The Commission's engineer developed his current rate base upon an inventory and appraisal submitted during the hearing of Application No. 26527, which appraisal reflected the estimated original cost of the properties less retirements as of December 31, 1944. The above table indicates the Commission engineer's estimate of fixed capital with net additions subsequent to 1944, both with and without the inclusion of certain capital items appearing on the Company's books representing property donated by the Fontana Farms Company to the Fontana Domestic Water Company.

Revenues: The estimated revenue figures are those introduced by the Commission. The Company presented its actual revenues for the first four months of 1947 but did not estimate revenues for the future on any rate basis, nor does it appear to question such estimates made by the Commission's staff. However, the Company does dispute the Commission's expense allowance reflecting the cost of purchased water, it claiming that if the present trend of increase in sales continues, more water must be purchased than allowed for by the Commission witness. The two items must be treated consistently. Therefore, further comment with respect to probable revenues will be deferred until expenses of operation are considered. Fire hydrant and miscellaneous revenues will also be commented upon later.

Expenses of Operation: The Commission's estimate of all expenses for 1947, exclusive of taxes, depreciation, and uncollectibles, amounts to \$112,614. The Company's estimate is higher by \$8,785. Although both of these estimates make provision for such increased labor costs as at this time appear reasonably certain, the Company claims that the inclusion of an additional \$9,600 is justified to provide for a further enlarged operating personnel in the future. As the evidence



does not indicate that such additional payroll expense is immediately necessary, our attention will be directed only to the above mentioned difference of \$8,785 in the estimates of operating expenses for the current year. Disagreement as to the amount which will be paid for water purchased from the Fontana Union Water Company accounts for \$6,093 of this difference. As stated above in the consideration of probable revenues for 1947, the Commission's engineer estimated increased water costs commensurate with the increased sales taken for his estimate of gross revenues. It is not improbable that the Company is correct in its prediction that the quantity of water purchased will exceed that assumed by the Commission's engineer, but in that event its revenues will increase correspondingly. Therefore, for the purpose of testing the sufficiency of expected net revenues for the current year, it will be entirely fair to accept the Commission's estimate for gross revenues in the amount of \$154,834, and the Company's estimate for operating and maintenance expenses when reduced by \$6,093 in the water purchased account, making a total allowance of \$115,306.

Taxes: The total taxes appearing in the table above as actually paid in 1946 are understated by reason of income tax credits appearing upon the Company's books applicable to its Fontana district operations. If the Fontana district be placed in an improved earning position, provision must be made for an increase in these taxes and fees that are based on gross or net income. The evidence indicates that for the year 1947, if present rates are continued, the estimate of \$6,697 should be adequate. This allows \$250 more for general taxes than estimated by the Commission's engineer.

Depreciation Expense: Although the Company appears not to agree fully with the depreciation lives used by the staff in the computation of annual depreciation expense, it did not present other calculations. The charge made upon its books for 1946 was on a flat 2 percent basis. The Commission's computation is on a 5 percent sinking fund basis. As will be noted when discussing rate base claims,

some addition should be made to that allowance to cover current depreciation on the amount of fixed capital to be added to the meter account. The sum of \$208 will be added, making the total depreciation \$10,233.

Net Revenue: With the acceptance of the above indicated amounts for expected revenues and expenses in 1947, the Company will realize, at present rates, a net revenue of \$22,098. This is about \$8,000 less than that which would have been realized in 1946 had the present rates been effective, even though gross revenues materially increased. However, it is seen that the Company's net revenue for 1947 would have been over three times as great had the rates requested in the instant application been in effect.

Rate Base: The Company's books show its invested capital in useful property as of December 31, 1946 to have been \$844,390, and it expects this will increase to \$968,000 by the end of 1947. To obtain a rate base for this year the Company adds to average capital for the year the sum of \$40,000 for working cash and materials on hand, making total average capital of \$946,195. The two figures of \$821,105 and \$723,590 set forth in the above table reflect the range within which a rate base for 1947 would be developed as indicated by the testimony given by the Commission's engineer. The composition of each appears in the following table:

	Company Figures	Commission Figures	
		Including Fontana Farms Donations	Excluding Fontana Farms Donations
Intangible Capital, 12/31/46, based on recorded costs.	\$ 176,308	\$ 176,308	\$ 127,288
Tangible Capital, excluding lands, 12/31/46. Company's figure is total record cost. Commission's figures are based upon an inventory and appraisal made by the staff in 1946 to reflect properties in place as of December 31, 1944, with subsequent net additions added.	662,249	620,658	572,163
Lands. The original cost of lands now useful is \$3,254. Estimates of present day values are here shown.	<u>5,833</u>	<u>4,801</u>	<u>4,201</u>
Total cost of all property as of December 31, 1946.	\$ 844,390	\$ 801,767	\$ 704,252
Commission staff's deduction for unrefunded customers' advances in aid of construction.		<u>61,383</u>	<u>61,383</u>
Net total invested capital as of December 31, 1946.	\$ 844,390	\$ 740,384	\$ 642,869
Additive Items for 1947 rate base:			
Estimated average net additions	61,805	58,144	58,144
Estimated working cash capital	20,000	14,577	14,577
Estimated Materials and Supplies	<u>20,000</u>	<u>8,000</u>	<u>8,000</u>
Total rate base for 1947	\$ 946,195	\$ 821,105	\$ 723,590

The Company's figure of \$662,249 for tangible capital, as of December 31, 1946, excluding lands, is seen to be \$41,591 greater than that given by the Commission's engineer, before his further deduction of \$48,495 to reflect tangible property donated largely by the Fontana Farms Company. This difference of \$41,591 results mainly from deductions appearing in the earlier appraisal to reflect property then found to have been retired but not so accounted for on the Company's books. Nothing contained in the present record indicates that such appraisal did not correctly state the original cost of the properties then remaining in service. However, the additions subsequently made, as developed by the Commission's study, do not correctly account for meters taken from stores and placed in service. The Company claims that \$16,576 should be added, but an analysis of that earlier appraisal indicates that a lesser sum is involved. It is believed that \$9,935 is the correct amount. This addition will be made, bringing the total for tangible fixed capital, excluding lands, to \$620,593.

The land account is not large. In an original cost study, no reason appears for not including lands as well as other fixed capital on an actual cost basis. The amount is \$3,254.

The suggested exclusion of \$49,020 in intangible capital and \$48,495 in tangible capital, as indicated by the staff's figures, represents property contributed to Fontana Domestic Water Company by the Fontana Farms Company. The Company carries upon its books \$174,020 to represent the cost of acquiring the 1500 shares of stock it owns in the Fontana Union Water Company from which all its water supply is derived. It appears that 750 of these shares, which are said to have cost the Fontana Farms Company \$49,020, were contributed to the Domestic Company. For this reason the Commission's engineer suggested that they be treated as donated capital. The \$48,495 represents physical property also contributed mainly by the Farms Company, making a total of \$97,515 that might be deemed excludable from the rate base. However, the evidence presented in prior records as well as in this as to the circumstances surrounding such contributions, appears insufficient to permit the Com -

mission to find whether such property should equitably be included or excluded in whole or in part from an original cost rate base.

A different situation is presented with respect to the exclusion by the Commission's engineer of \$61,383 from total invested capital. This amount represents advances by customers themselves to defray the cost of main extensions made by the Company under authority of rules approved by this Commission. To the extent that such advances of money remain unrefunded at any period, they should not be included as capital invested by the utility. The indicated amount will be excluded.

To summarize the above conclusions respecting the original cost of the properties as of December 31, 1946, after making the indicated changes in the meter account and in lands, the Company's total net invested capital as of that date becomes \$748,772 without any deduction made for the contributions made by Fontana Farms Company, and \$651,257 if such contributions are excluded. To develop from these figures a rate base applicable to the year 1947, there must be added the average net capital additions for the year plus an allowance for working cash capital and materials and supplies. The Company's estimate for these items totals \$101,805, and the Commission staff's estimate \$80,721. If the additive amounts as estimated by the Commission's staff be used, the resulting rate base for 1947 becomes \$829,493 when the Fontana Farms contributions are included, and \$731,978 when excluded. We believe that the total additive amount estimated by the Commission's staff is reasonable for the current year and should be accepted.

It follows, therefore, that the net revenue of \$22,098 which the Company may be expected to realize on its 1947 operations will result in a rate of return of about three percent on the lowest rate base that the Commission might be justified in accepting as a test of the Company's present earning position. Such a rate of return for this Company, under the conditions prevailing, clearly justifies an increase in the rates which it should be permitted to charge.

The Farm Bureau seems to contend that as the Company paid but \$350,000 upon purchasing these properties in 1945, this acquisition cost, instead of the original cost of constructing the properties, should be taken as the base upon

which to test the sufficiency of its net return. We need not discuss the implications inherent in the adoption by the Commission of such a rate making policy. It will be sufficient to observe that the acquisition cost to the Company obviously reflected the estimated depreciated value of the properties then in place. The total price paid, after adjustments, was somewhat in excess of \$350,000, and was not greatly below the estimated cost of the properties, depreciated, as reflected in two appraisals made just prior to the date of acquisition. In any event, were the net results of operations computed with the use of a depreciated rate base developed by adding subsequent additions to that acquisition cost, and with the use necessarily of a straight line annual depreciation expense greatly exceeding the sinking fund allowance here made, the resulting rate of return would not differ materially from that above indicated.

The Farm Bureau, in its brief, refers also to many consumer complaints respecting water pressures at times insufficient to afford them adequate service, and says that rates should not exceed the value of the service rendered. It is true that extensive system improvements must yet be effected, but the net capital additions since the Company's acquisition of the properties, by the end of this year, will total over \$190,000. And the investment of the additional capital needed to develop the water system to the standard of service demanded by the needs of this growing community cannot be assured unless such capital is accorded a fair return. The Commission fixes rates at a level sufficient only to yield the utility that fair rate of return. Consumers do not contribute capital through rates paid. Therefore, in the fixing of rates for this utility, the Commission's objective is to prescribe rates that will yield no more revenue than is necessary to assure investors in the Company that it has the prospect, by efficient operations, of obtaining a fair reward for the capital required.

The single rate schedule prescribed in the order to follow will necessarily increase the cost of water to consumers on Schedule No. 2 in greater degree than on others. Although the lowering of the minimum charge will result in an actual decrease in bills for one-fifth of the consumer months, the higher charges

during the months of greatest water use will result in a cumulative increase of about twenty percent in the year's billings to this entire group of consumers. The cumulative effect of the increase on Schedule No. 1 consumers is about two and three-fourths percent.

The effect of the prescribed rate schedule upon the Company, if it had been effective during the current year, would produce \$21,377 more gross revenue than derived from existing rates, and \$17,436 more net revenue, a total net revenue of \$39,584. This would yield a rate of return of 5.41% upon the rate base of \$731,978 as above developed, excluding all capital donated by Fontana Farms, and a 4.77% return upon the higher rate base of \$829,493 with such donations included. In view of the prospects of continued growth in the Company's water sales, its net revenue in future years may be expected to exceed that estimated for the present year, even though some items of operating expense may tend to increase also.

The above mentioned expected gross revenues of \$176,211 at the rates herein prescribed project hydrant rentals and miscellaneous water sales at the 1947 level. The 210 fire hydrants connected to the system are not owned by the Company. The present charge to the Fontana County Fire Protection District is 75 cents per hydrant annually. Miscellaneous sales of \$2,400 are presently derived from those who are permitted by both the Fire District and the Company to take water by tank truck from the fire hydrants. A charge is made for this service at the rate of 5 cents per 100 gallons. Although this rate is not on file, it appears reasonable and will be ordered filed. The order will also permit the Company to file a schedule covering fire hydrant service believed to be reasonable, but it would be inequitable to permit such charges to become effective until the Fire District can take the necessary steps for the securing of added funds through tax roll assessments. Therefore, such rates will not be made effective before January 1, 1949.

O R D E R

Application as entitled above having been filed with the Public Utilities Commission of the State of California, a public hearing having been held thereon, the matter having been duly submitted, and the Commission being now fully advised in the premises,

IT IS HEREBY FOUND AS A FACT that the rates now charged by San Gabriel Valley Water Company, a corporation, for water supplied to its customers in and in the vicinity of the unincorporated community of Fontana, San Bernardino County, are unjust and unreasonable in so far as they differ from the rates herein established, and that the rates herein established are just and reasonable rates to be charged for the service rendered, and basing its Order upon the foregoing findings of fact and upon the further statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that San Gabriel Valley Water Company, a corporation, be and it is hereby authorized to file in quadruplicate with the Public Utilities Commission of the State of California, within thirty (30) days from the date of this Order, in conformity with the Commission's General Order No. 96, the following schedules of rates to be charged for all measured water service rendered to its consumers in its service area, said rates to become effective for all billings based on the first regular meter readings made on and after the first day of October, 1947:

Schedule No. 1

GENERAL METERED SERVICE

Applicability:

Applicable to all metered water service rendered for domestic, commercial, industrial, irrigation and other purposes, except water delivered to tank wagons or trucks.

Territory:

In and about the unincorporated community of Fontana, San Bernardino County.



Schedule No. 1 (Cont'd)

GENERAL METERED SERVICE

Rates:

<u>Quantity Rates:</u>	<u>Per Meter Per Month</u>
First 1,000 cu. ft. or less . . . . .	\$1.50
Next 1,500 cu. ft., per 100 cu. ft. . . . .	.09
Next 2,500 cu. ft., per 100 cu. ft. . . . .	.08
Over 5,000 cu. ft., per 100 cu. ft. . . . .	.07

Minimum Charge:

For 5/8 x 3/4-inch meters . . . . .	\$1.50
For 3/4-inch meters . . . . .	2.00
For 1-inch meters . . . . .	3.00
For 1 1/2-inch meters . . . . .	4.50
For 2-inch meters . . . . .	7.50
For 3-inch meters . . . . .	13.50
For 4-inch meters . . . . .	21.00
For 6-inch meters . . . . .	30.00
For 8-inch meters . . . . .	40.00
For 10-inch meters . . . . .	55.00

The Minimum Charge will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the Quantity Rates.

Schedule No. 2

Applicability:

Applicable to all water delivered to tank wagons or trucks from fire hydrants or other outlets provided for the purpose.

Territory:

In and about the unincorporated community of Fontana, San Bernardino County.

Rates:

Per 100 gallons . . . . . 30.05

Special Conditions:

Any consumer wishing to obtain water deliveries under this schedule must obtain written permit from Company.

In addition, where water is to be obtained from fire hydrants, such permit must first be obtained from Fontana County Fire Protection District, as said Fire District may require.

IT IS HEREBY FURTHER ORDERED that San Gabriel Valley Water Company, a corporation, may file in quadruplicate, in conformity with General Order No. 96, not less than sixty (60) days prior to January 1, 1949, to become effective January 1, 1949, a schedule of rates for service rendered to all fire hydrants owned by Fontana County Fire Protection District, which rates shall in no instance be higher than those hereby authorized in the following schedule:

Schedule No. 3

FIRE HYDRANT SERVICE

Applicability:

Applicable to all water service rendered to fire hydrants owned by Fontana County Fire Protection District.

Territory:

In and about the unincorporated community of Fontana, San Bernardino County.

Rates:

Monthly Charge Per Hydrant							
Type of Hydrant	Size of Connection	No. of Outlets	Minimum Size of Main Supplying Hydrant				
			Smaller than 4"	4" and 6"	6" and 8"	8" and 10"	Larger than 10"
Standard	6"	3	\$0.75	\$1.50	\$1.75	\$2.00	\$2.50
Standard	6"	2	0.75	1.25	1.50	1.75	2.00
Standard	4"	2	0.75	1.00	1.25	1.50	1.75
Standard	4"	1	0.75	.75	1.00	1.25	1.50
Wharf	4"	1	0.75	.75	1.00	1.25	1.50
Wharf	Smaller	1	0.50	.75	.75	1.00	1.25

Conditions:

Fire hydrants will be attached to the Company's distribution mains for public fire protection only upon receipt of proper resolution passed by the Fontana County Fire Protection District. Said resolution must designate the type of hydrant, size of connections, number of outlets, and specific location at which each is to be installed.

The foregoing charges for water service to fire hydrants are based upon the understanding that they are to be owned by the Fontana County Fire Protection District and are to be installed, maintained, painted, inspected and relocated at the expense of the District. The Company will install, own, and maintain the shut-off valve and the tee in the main to which the hydrant is attached in each case.

IT IS HEREBY FURTHER ORDERED that for all other purposes the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 16<sup>th</sup> day of September, 1947..

Harold P. Kula

Justice F. Quinn

Just. Powell

R. J. Johnson

Commissioners.