

ORIGINAL

DECISION NO. 43093

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of San GABRIEL VALLEY WATER COMPANY
for authority to adjust rates in
its EL MONTE DISTRICT.

Application No. 28642

Overton, Selig & Wilson, by Paul Overton, for applicant; James D. Randles of Randles & Randles, for certain customers; Harold B. Cooper for certain customers; C. F. Markwith, Mrs. Sylvia Houghton, M. I. Slater, P. G. Worthy, Mrs. D. W. Koury, Mrs. Fern Rogers, Mrs. E. Houshen, Otto Emerson, Mrs. Alice Richards, Lee J. Milazzi, A. F. Colberg, Frank L. Anderson, Daniel G. Beer, Charles Gehring, Mrs. Conrad D. Louer, John D. Hillseth, Seth E. Chaila, Louis DeWitt, Wm. J. Slattery, Mrs. Emma Warren, Mrs. Marydell Mitchell, Mrs. Leone Presta E. E. Teas, as their interests may appear.

O P I N I O N

In this proceeding San Gabriel Valley Water Company^{1/} seeks authority to increase rates charged for water service in its El Monte District in Los Angeles County.

San Gabriel is a consolidation of a number of small water systems, many of which have been organized from time to time in conjunction with real estate subdivisions. At December 31, 1948, it served 17,331 customers in three geographically segregated operating districts. Its system investment in fixed capital in service at the end of 1948 was shown by its books to be \$2,210,063. The Commission's staff analysis of the company's 1948 operations shown in Exhibit No. 7 indicates that the company received gross operating revenues in 1948 of \$450,185. The same report shows that operating expenses excluding

^{1/} Hereinafter sometimes referred to as San Gabriel.

taxes and depreciation totaled \$264,804 and that the net for the company for 1948 was \$70,290.

The El Monte District with 8,958 customers and \$895,345 of fixed capital in service is shown to have produced 42% of the system gross revenue, 47½% of the net revenue, and to have occasioned 39½% of the operating expenses excluding taxes and depreciation during 1948.

The most recent system acquisition in the El Monte District was that of the former McHann and Laycook Domestic Water System which was consolidated on April 1, 1947.^{2/} At that time the Commission directed continuation of the then effective Laycook system rates.

In its initial application in this proceeding, filed November 4, 1947, San Gabriel sought a substantial increase in rates and a unification of the rate schedules throughout the El Monte District. In that proposal, flat rate domestic and commercial service rates effective in the El Monte system were to be extended to the Laycook area while Laycook system meter rates with increased monthly minimum charges were to be adopted for the entire district.

On October 26, 1948, San Gabriel filed an amended and higher proposed schedule of rates for El Monte District. The increases were the result of adding a number of flat rate business classifications and in reducing the areas of residential premises which were to be served under the existing flat rate charges.

Public hearings were held before Examiner O'Brien in El Monte on March 23 and March 24, 1949.

At the initial session, San Gabriel again amended its application by proposing a further increase in rates, this time suggesting that the flat rate for residential service be increased an additional 25 cents per customer per month.

^{2/} Acquisition authorized by Decision No. 40080, dated March 25, 1947, in Application No. 28157.

At the hearings substantial interest in the proposed rate increases was manifested by more than 500 of San Gabriel's customers, many of whom presented statements for the record. While the reasons prompting opposition to the rate increase were extensive, the major objections can be summarized as follows: The present level of rates is as high as the depressed economic status of many of the customers can sustain; many of the suburban landowners who supplement their income by minor agricultural production, acquired their properties with the alleged understanding that present level of water rates would be maintained indefinitely in the future; low delivery pressures detract materially from the value of the service; arbitrary imposition of metered service on certain customers results in flagrant discrimination by the utility; the true earning position, as revealed by the studies presented in evidence, does not indicate a need for rate increases.

In analyzing the record in this proceeding and in reaching a conclusion as to the rates for the future, these objections will be given due consideration.

The balance sheet of San Gabriel (entire company) as at December 31, 1948 (Exhibit 7) can be summarized as follows:

<u>ASSETS</u>	
Fixed Capital	\$2,210,063.65
Current Assets	237,132.01
Deferred Assets and other Debits	32,380.61
Total Assets	2,479,576.27

<u>LIABILITIES</u>	
Capital Stock	317,555.04
Bonds	858,000.00
Current and Accrued Liabilities	128,026.49
Advances and Donations	359,750.44
Depreciation Reserve	353,996.57
Capital Surplus	296,088.27
Earned Surplus	156,159.46
Total Liabilities	2,479,576.27

The record indicates that the company's investment in fixed capital, to a large extent, has been provided by consumers' advances and donations and by moneys represented by the depreciation reserve, and that the remaining net investment has been financed through the sale of first mortgage bonds and the use of equity capital, in amounts, as of December 31, 1948, as follows:

Bonds:	
1st 3-3/8's, due 1970	\$558,000
1st 4-1/4's, due 1970	<u>300,000</u>
Total bonds	\$858,000 52%
Equity:	
Common stock stated value	317,555
Surplus (capital and earned)	<u>462,247</u>
Total equity	<u>779,802</u> 48%
Total	\$1,637,802 100%

The average effective interest rate on the outstanding bonds is 3.78%. As to the equity capital, the record shows that the stated value assigned to the outstanding shares of common stock (2,880 shares without par value) includes, among other items, donations in aid of construction of \$71,956 acquired from the predecessor company, San Gabriel Valley Water Service, upon the organization of the present company in 1945, which are in addition to the advances and donations shown on the preceding balance sheet. The record further shows that the company has not credited to depreciation reserve the proper interest component on reserve balances, thereby resulting in a larger accumulation in surplus than would be the case if it had properly accounted for depreciation.

Rate Base

San Gabriel in its Exhibit No. 5 developed a rate base which in its opinion is representative of the used and useful capital of the El Monte District. The staff in Exhibit No. 7 presented a historical cost rate base applicable to the El Monte District for the

estimated year 1949. While the two bases are developed differently and are not directly comparable, they may be summarized as follows:

	<u>San Gabriel</u>	<u>CPUC Staff</u>
Capital	\$895,345.26	\$980,213
Adjustments	37,913.00	(133,460)
Working Cash	50,000.00	5,000
Material and Supplies	50,000.00	35,000
Total Base Undepreciated	1,035,258.26	836,753

(Red Figure)

The capital figure used by San Gabriel is the book figure at December 31, 1948. The staff has developed the weighted average plant in service including estimated capital additions during 1949. The company has increased its capital figure by the excess of market value of lands over the cost of the same lands as shown on the books. The staff, on the other hand, has used the book cost basis for tangible capital including lands, and for rate base purposes has reduced the capital as shown on the books to reflect donations and advances in aid of construction, cash discounts on materials purchased, nonoperative lands and wells and common utility plant chargeable against other districts. It has also eliminated from the capital figures, estimated costs heretofore disallowed.^{3/} The adjusted fixed capital figures developed by the staff will be adopted. They more nearly represent the money raised through issue of securities or obtained from earnings than do the rate base figures used by San Gabriel. For working cash, the company estimates a

^{3/} Decision No. 30348, dated November 22, 1937, in Application No. 21471, in discussing conflicting estimates of historical costs of El Monte District plant, contained the following language: "In general it might be said that Mr. Ferguson's figures reflect the actual price levels existing historically at the time of construction. Definite records of costs and of dates of installation were obtained for approximately 90% of the property. Mr. Nicholson's figures, on the other hand, appeared to represent his estimate of the amounts necessary to produce the systems as of the various dates of installation without regard to the actual costs which were incurred and without regard to the classes of pipe and other properties which actually were installed."

requirement of \$50,000 while the staff, using a formula of long standing, estimates a requirement of \$5,000, which reflects the assumed prepayment for flat rate service and the accrual of substantial sums for income taxes ahead of payment. The company contends that the collection of flat rate revenues in fact is not accomplished in advance of rendering service but takes place throughout the month for which payment is made. Its estimated cash requirement is based upon the monthly volume of cash transactions as represented by checks written. It is recognized that in the course of its operations, the company requires a certain amount of cash to bridge the gap between the time when the bills for labor and material used in the operations must be paid and the time the company's customers pay for the service rendered. We cannot agree with the company's method of determining the amount so required, nor with the theory implicit in its presentation that the total cash requirement is entitled to full return compensation. In this particular case, it is concluded that an allowance in the rate base of \$10,000 for a ✓ working cash component is adequate under the circumstances.

The allowance for materials and supplies proposed by the staff is somewhat less than that presented by the company. The staff estimate is based upon the weighted average monthly balances shown on the books for the El Monte District but which are likewise used for Whittier District. Based upon the estimated gross additions to the distribution main account in the two districts, a proportion of the total applicable to Whittier is eliminated. San Gabriel believes the staff allocation to Whittier is too high. With this, we cannot agree and will adopt the staff amount. It is concluded that a rate base applicable to El Monte District for the year 1949 of \$842,000 is a reasonable amount.

Operating Expenses

In Exhibit No. 2, San Gabriel presented an estimate of expenses based upon changes in operating costs and wage rates which had taken place or were impending. The staff likewise made an estimate of expenses based upon price trends, changes in operations, and assumed 1949 level of activity. While it is apparent that these estimates may not be directly comparable in all respects, a summary tabulation which follows illustrates the major points of departure between the two estimates.

<u>Expenses</u>	<u>Company Adjusted 1948</u>	<u>CPUC Staff Estimated 1949</u>	<u>Company Higher Than Staff</u>
E-4 to E-7 Source of Water Supply	\$ -	\$ 60	\$ (60)
E-8 to E-18 Pumping	53,046	47,225	10,821
E-19 to E-20 Purification	-	40	(40)
E-22 to E-32 Transmission & Distribution	21,883	16,930	4,953
E-34 to E-35 Commercial	13,580	9,225	4,355
103 Uncollectible Bills	300	300	-
Subtotal	93,809	73,780	20,029
E-36 to E-48 General and Miscellaneous	57,662	51,000	6,662
E-50 Taxes other than Income	16,157	15,150	1,007
Taxes on Income	36,722a	40,180	(3,458)
Depreciation	23,628	18,169	5,459
Total Expense	227,978	198,279	29,699

(Red Figure)

a. \$37,069 less tax saving on \$857 additional auto taxes, computed at 40.5%

This table indicates a difference of about \$30,000 in expenses between the two estimates of which \$20,000 is in operating and maintenance expense. Of the \$10,800 difference in cost of pumping, \$7,000 is attributable to the estimates of cost of purchased power, \$2,200 to labor and superintendence, and about \$1,600 to equipment repairs and other items. A review of the record leads us to believe that the staff estimates are adequate for the purpose and they will be accepted. The costs of transmission and distribution, which

reflect a difference of almost \$5,000, include repairs to mains and services in which substantial differences exist between the two estimates. The staff estimate appears to be somewhat low respecting these items and a figure of \$20,000 is deemed to be appropriate for this class of expense. In the commercial expense accounts, a difference of about \$4,400 exists, primarily in the cost of meter reading and collecting expense. A nominal increase in the staff's estimate for this expense item will be recognized. The difference in general and miscellaneous expense estimates arises primarily because of differences in labor cost estimates. Some increase in the staff's estimate is justified and it is concluded that \$54,000 is sufficient to cover this class of expense. San Gabriel's tax estimate, adjusted to reflect its amended rate proposal, while in substantial agreement with that of the staff, should be reduced to reflect a lower allowance for labor costs. The difference in the estimates of taxes based upon income need not here be discussed since the net revenue allowed and the presently effective tax rates will determine the level of this item of expense. The staff has computed an annuity for depreciation expense, based upon the 5% sinking fund method, approximating \$18,200. In Decision No. 30348, dated November 22, 1937, in Application No. 21471, the utility's showing in behalf of its application included computations of depreciation expense on a 5% sinking fund basis. Since that time, however, the present record indicates that it has failed to credit the interest component to its reserve balances. It is apparent that the depreciation reserve as presently recorded on the books is understated and should be increased by the amount of the uncredited interest component.

Summary of Earnings

From the record, it is possible to set up a tabulation showing the over-all earning position of the El Monte District under

the presently effective rates for the year 1948 and the staff estimate for the year 1949 with the modifications to the staff estimate heretofore discussed. In addition, the estimate of earning position under proposed rates on the utility's basis as well as the adjusted staff basis is shown. The result of the rates hereinafter prescribed and the expenses herein found appropriate is likewise set forth. This summary follows:

Summary of Earnings						
Item	Year		Commission Staff's ^e			
	1948	1948 ^a	Estimated Year 1949	Present	Proposed	Prescribed
	Recorded	Adjusted	Rates	Rates	Rates	
Gross Operating Revenues	\$190,756	\$277,493	\$208,461	\$309,107	\$228,442	
<u>Expenses</u>						
Operation and Maintenance ^c	63,996	93,809	77,300	77,300	77,300	
General and Miscellaneous	40,725	57,662	54,000	54,000	54,000	
Taxes	26,399	52,879	22,425	63,187	30,518	
Depreciation	14,662 ^e	23,628	18,200	18,200	18,200	
Total Operating Expense	145,782	227,978	171,925	212,687	180,018	
Net Revenues	44,974	49,515	36,536	96,420	48,424	
Rate Base	691,000 ^c	1,035,258	842,000	842,000	842,000	
Rate of Return	6.51%	4.78%	4.34%	11.45%	5.75%	

- a. Company estimate of 1948 sales at proposed rates and expenses at increased price and wage levels.
- b. Expenses and Rate Base as allowed herein.
- c. Revenues at rates contained in schedules attached to order herein.
- d. Includes provision for uncollectible bills.
- e. Commission staff's amounts.

San Gabriel is not realizing, under its present rates, a reasonable return on its investment. In order that it may do so, its gross revenues should be increased by approximately \$20,000 annually or about 9½%.

Spread of Rates

San Gabriel proposes to continue to supply both flat rate and metered service. At the hearing in this matter, its president, Mr. R. H. Micholson, stated that it is not the policy of his company

to install meters except where requested by the consumers, or when there is a waste of water, an unusually large use of water, or where the premises are of such a size or the character of the business is such that a proper flat rate cannot be determined. He further stated that this had been the company's policy for the last 12 years and that it is not going to be changed.

We construe that statement as an intent to apply the filed rules and regulations relative to flat and metered service in accordance with the policy as outlined above and shall expect San Gabriel to apply its rules in accordance with that policy.

Flat rate service has been used in many water utility operations. Where commodity operating costs are relatively unimportant, flat rate schedules produce only minor inequities. Where costs increase appreciably with consumption volumes, meter rates allocate the cost burden somewhat more justly. However, so long as the levels of flat rates at normal levels of usage are comparable with the levels of meter rates and so long as misuse of flat rate service can be avoided, a combination of flat rate and metered service is acceptable.

We concur in the contention of San Gabriel that uniform rates should apply throughout the district. While it is true that costs may vary because of differences in amount of plant installed and because of more favorable water supply conditions or differences in customer density, it is believed that for this company the smallest operating unit for which such rate differentials should be recognized is its operating districts. The rates hereinafter prescribed will increase the rates charged to customers in the El Monte District and produce greater annual revenues than the present rates, but the increase in both rates and revenues will be substantially less than that requested by the company in its

application as amended. Commercial customers formerly served by the Laycook system will be required to pay the commercial rates presently applicable to El Monte system commercial customers. All flat rate domestic customers will be placed on a single flat rate schedule.

The approximate level of present El Monte flat rates will not be raised but the rate will be modified to reduce the maximum area qualifying for service under the minimum charge of the rate, and the rate will be increased as the area of the premises served increases in smaller increments. Such a change will serve to reduce some bills and increase others. It will provide a rate which has less abrupt steps as the area of the premises varies and should be more equitable as between customers with different size properties. The El Monte system meter rate will be increased in the minimum charge, in the block rates, and in the minimum charges for the larger size meters. The increase necessary to produce the additional revenues, however, will not result in a rate as high as presently in effect in the Laycook system and the new rate will apply to the Laycook system meter customers uniformly with all other customers.

Book Adjustment

In the derivation of the rate base, the capital figures carried on San Gabriel's books have been adjusted by the staff to eliminate certain cost estimates not properly includible in a historical cost base. This adjustment has been recognized as a proper modification by the Commission in Decision No. 30348 and is adopted again herein. It would appear desirable for San Gabriel to modify its capital accounts accordingly.

San Gabriel has been accruing its depreciation expense by using a 2% composite rate. This is equivalent to assigning to its depreciable utility plant as a whole: (1) a 50-year average life on a straight line basis or (2) approximately a 25-year average life on

a 5% sinking fund basis, excluding interest computations. Effective January 1, 1949, the company has changed its depreciation schedule from a 2% composite rate to a different rate for each class of installation. It is apparent that the company's depreciation reserve as presently recorded on its books is understated. It should analyze its depreciation reserve, determine the reasonable balance that should be in the reserve calculated on a 5% sinking fund basis, and after review by the Commission, make the appropriate accounting adjustments.

O R D E R

San Gabriel Valley Water Company, having applied for authority to adjust and increase the rates charged for water service rendered in its El Monte District in Los Angeles County, a public hearing having been held, evidence having been introduced, the Commission having considered the evidence, and the matter having been submitted for decision,

IT IS HEREBY FOUND AS A FACT that the increases in rates authorized herein are justified, that the rates now charged by San Gabriel Valley Water Company for water supplied to its customers in its El Monte District 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 facts contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that San Gabriel Valley Water Company shall file in quadruplicate after the effective date of this order, in conformity with General Order No. 96, the schedules of rates

shown in Exhibit A attached hereto and shall, upon not less than three (3) days' notice, make said rates effective for service rendered on and after the 31st day of July, 1949, more particularly as follows:

1. Schedule No. 1, General Metered Service, shall be made effective for water service rendered from and after the regular meter reading next succeeding July 31, 1949.
2. Schedule No. 2, Residential Flat Rate Service, and Schedule No. 3, Commercial Flat Rate Service, shall be made effective for regular bills for water service rendered on and after July 31, 1949.
3. Schedule No. 4, Miscellaneous Water Service, and Schedule No. 5, Fire Hydrant Service, shall be made effective for billings for all such water service rendered on and after July 31, 1949.

IT IS HEREBY FURTHER ORDERED that San Gabriel Valley Water Company is authorized and directed:

4. To withdraw and cancel existing rate schedules heretofore in effect for applicant's El Monte District, including its Laycook system area, superseded by Schedules Nos. 1, 2, 3, 4, and 5, concurrently with the filings hereinabove ordered.
5. Within twenty (20) days after the effective date of this order, to refile under its present corporate name, four sets of its presently effective El Monte District rules and regulations as modified and revised in accordance with Decision No. 41480 in Case No. 4892. Each set of said rules and regulations shall contain a suitable map or sketch drawn to an indicated scale upon a sheet 8½ x 11 inches in size, delineating thereupon by distinctive markings the boundaries of the service area in its El Monte District and the location thereof with respect to the immediately surrounding territory; provided, however, that such filing shall not be construed as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.
6. Within thirty (30) days after the effective date of this order, to file four copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, upon which shall be delineated by appropriate markings the territory presently being served in its El Monte District. This map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the property comprising the entire utility area of service, provided, however

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that such filing shall not be construed as a final or conclusive determination or establishment of the dedicated area of service or any portion thereof.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 6th day of July, 1949.

R. E. Anderson

Harold P. Hale

Harold P. Hale

Harold P. Hale

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all water service furnished on a metered basis, except water delivered to tank wagons or trucks.

TERRITORY

Within the Company's El Monte District, in Los Angeles County.

RATES

Quantity Charge:	Per Meter Per Month
First 800 cu. ft. or less.....	\$1.20
Next 1,400 cu. ft., per 100 cu. ft.....	.09
Next 2,800 cu. ft., per 100 cu. ft.....	.08
Over 5,000 cu. ft., per 100 cu. ft.....	.07
Minimum Charge:	
For 5/8-inch meter.....	\$1.20
For 3/4-inch meter.....	1.75
For 1-inch meter.....	2.50
For 1 1/2-inch meter.....	4.00
For 2-inch meter.....	6.00
For 3-inch meter.....	10.00
For 4-inch meter.....	16.00
For 6-inch meter.....	30.00

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

SPECIAL CONDITIONS

Flat rate service is available in accordance with the provisions of Rule and Regulation No. 2 1/2 and the applicable flat rate tariff schedule.

Schedule No. 2

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all unmeasured water service rendered to domestic or residential consumers.

TERRITORY

Within the Company's El Monte District, in Los Angeles County.

RATES

	<u>Per Service Per Month</u>
For one residence situated on a lot not more than 15,000 sq. ft. in area.....	\$1.50
For next 5,000 sq. ft. area, per 1,000 sq. ft. or fraction thereof.....	.08
For over 20,000 sq. ft. area, per 1,000 sq. ft. or fraction thereof.....	.04
For each additional residence situated on the same lot.....	1.00

SPECIAL CONDITIONS

No charge will be made for any additional residence on the same lot as an existing residence during its construction. Tariff charges set forth above will apply to such residences only during periods of occupancy.

It will be the consumer's responsibility to notify the Company of any change in classification or occupancy.

Metered service is available in accordance with the provisions of Rule and Regulation No. 2 $\frac{1}{2}$ and the applicable metered service tariff schedule.

Schedule No. 3

COMMERCIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all unmeasured water service rendered to business or commercial consumers.

TERRITORY

Within the Company's El Monte District, in Los Angeles County, as said district is defined on maps filed as part of the tariff schedules.

RATES

	<u>Per Service Per Month</u>
The following rates apply to a business or commercial establishment situated on a lot 10,000 sq. ft. in area, or less:	
Additional area over 10,000 sq. ft., for each 5,000 sq. ft. area, or fraction thereof.....	30.50
Apartment house	
First apartment or office.....	1.50
Each additional apartment.....	.75
Auto court and hotel	
First unit or office.....	1.50
Each additional unit.....	.75
Automobile dealer.....	3.00
Automobile laundry.....	5.00
Automobile repair shop or storage garage.....	3.00
Bakery, doughnut shop, or candy kitchen.....	2.50
Barber or beauty shop	
Not exceeding two chairs.....	1.50
Each additional chair.....	.25
Bar, with lunch counter.....	2.50
Beer and wine (consumption on premises - no food).....	2.00
Blacksmith, machine or sheet metal shop.....	1.50
Butcher, poultry or rabbit shop.....	2.50
Cement block or pipe manufacturing plant.....	5.00
Cleaning and/or pressing shop.....	2.50
Cold storage locker plant.....	5.00
Drugstore - prescription only.....	1.50
Drugstore with lunch counter and/or fountain.....	2.50
Flats or multiple houses	
First unit.....	1.50
Each additional unit.....	1.00
Foundry or small factory.....	2.00
Gasoline service station.....	3.00
Laundry, including self-service types.....	4.00
Liquor store (no consumption on premises).....	2.00
Nursery - small.....	2.50
Nursery - large.....	5.00
Paint manufacturer's plant.....	2.00
Public halls or churches.....	1.50

(continued)

Schedule No. 3

COMMERCIAL FLAT RATE SERVICE
(continued)

RATES (continued)

	<u>Per Service</u> <u>Per Month</u>
Real estate or other business office.....	\$1.50
Each additional office.....	.25
Restaurant, cafe, or malted milk shop.....	4.00
Riding stable, feeding yard, or horse boarding.....	3.00
Sandwich or hot dog stand.....	2.50
Stores, all others, not specifically listed.....	1.50
Trailer parks	
Office and utility building.....	3.50
Each trailer unit occupied.....	.50

SPECIAL CONDITIONS

Whenever two or more business or commercial establishments are situated on the same lot and under the same ownership, the rates are additive but only for those establishments which are actually piped for water service.

Metered service is available in accordance with the provisions of Rule and Regulation No. 2 $\frac{1}{2}$ and the applicable metered service tariff schedule.

Schedule No. 4

MISCELLANEOUS WATER SERVICE

APPLICABILITY

Applicable to temporary water service rendered during periods of construction for street paving, curb and sidewalk construction, and for all water delivered to tank wagons or trucks from fire hydrants or other outlets provided for the purpose.

TERRITORY

Within the Company's El Monte District, in Los Angeles County.

RATES

	<u>Per Unit</u>
Unit Rates:	
For sidewalk construction, per 100 sq. ft.....	\$.15
For street curb construction, per 100 lineal ft.....	.30
For trench settling, per lineal foot of section of trench 2' x 4'.....	.01
For street paving 5 inches thick, per 100 sq. ft.....	.19
For street paving 6 inches thick, per 100 sq. ft.....	.22
For sprinkling subgrade of street and roadway construction in application of oil or any form of patented oil paving or surfacing, or for rolling and/or settling subgrade, per 3,000 sq. ft. of roadway..	1.60
For water delivered to tank wagon or trucks, per 100 gallons.....	.05
Minimum Charge:	
For any service under this schedule.....	\$ 1.00

The Minimum Charge will entitle the consumer to the use of water which the monthly minimum charge will purchase at the Unit Rates.

SPECIAL CONDITIONS

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

In addition, where water is to be obtained from fire hydrants, such permits must first be obtained from the local Fire Protection District as said district may require.

Schedule No. 5

FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all water service rendered to fire hydrants owned by the local Fire Protection District.

TERRITORY

Within the Company's El Monte District, in Los Angeles County.

RATES

	<u>Per Month</u>
For each fire hydrant connected to a main 4 inches in diameter or larger.....	\$1.50
For each fire hydrant connected to a main less than 4 inches in diameter.....	1.00

SPECIAL 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 local Fire Protection District. Said resolution must designate the 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 local Fire Protection District and are to be installed, maintained, painted, inspected, and relocated at the expense of the district.