

Decision No. 44618

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
LAKEWOOD WATER AND POWER COMPANY for
Authority to Increase its Water Rates.

Application No. 31129

ORIGINAL

Sanner, Fleming & Irwin, by John Amos Fleming for applicant; John Todd and John Pares for Lakewood Taxpayers Association; Vincent Dalsimer for Bellflower Chamber of Commerce and Mayfair Civic Association; H. W. Crutchfield for Los Angeles County Fire Department.

O P I N I O N

Lakewood Water & Power Company, a corporation, by the above-entitled application filed March 20, 1950, requests authority to increase water rates applicable to its entire service territory located in the so-called Montana Ranch area of Los Angeles County northeast of and adjacent to the City of Long Beach. Maps of the service territory and the major facilities are attached to the application, as well as a copy of the proposed rates. A public hearing on this application was held before Examiner Ross on June 14 and 15, 1950, at Long Beach, California. At the hearing applicant requested that its application be deemed amended as follows:

1. In order to agree with book figures, in Exhibit A (the balance sheet as of December 31, 1949), item 26, Taxes Accrued, should be reduced by \$122.43 and item 36, Corporate Surplus Unappropriated, should be increased by a like amount; similarly in Exhibit B (the profit and loss statement), in the column for the year ending December 31, 1949, the item, Federal Income and State Franchise Taxes, should be reduced by \$122.43, yielding a net profit higher by the same amount.
2. The proposed fire hydrant rate shown in Exhibit C, page 2, is not desired to become effective until March 1, 1951, after the expiration date of the present five-year agreement between applicant and the Consolidated County Fire Protection District.

Vincent Dalsimer, representing the Bellflower Chamber of Commerce and the Mayfair Civic Association, entered an objection to the further conduct of the hearing, alleging that proper service of copies of the application had not been made in accordance with Rule 24 of the Rules of Practice and Procedure adopted by this Commission in its Decision No. 43994 (Case No. 4924), dated March 28, 1950. He did not indicate any respect in which actual notice of the hearing had failed to reach any interested parties, nor any miscarriage of justice that would result from proceeding with the hearing. Applicant's general manager, Lee T. Hollopeter, testified that individual post card notices were mailed to each consumer of record on June 5, 1950, and he presented an affidavit of publication of notice of hearing in the Lakewood News Times on May 31, 1950. The Rules of Practice and Procedure to which reference was made did not become effective until July 1, 1950. Accordingly, the specific objection on the Rules of Procedure need not be answered, it being the Commission's opinion that the parties had reasonable actual notice of the hearings.

PRESENT AND REQUESTED RATES

The rate structure of applicant consists of a blocked general metered service rate and a flat rate for fire hydrants. These rates were authorized by this Commission's Decision No. 31132 (Application No. 22037), dated July 27, 1938, and have been in effect exclusively since the inception of service by the company except for a period of a few years during and after World War II when a victory garden rate was authorized.

The general metered service rate requested has the same blocks as the present rate through 200,000 cubic feet per meter per month, but, whereas the present terminal rate applies beyond that point, the proposed schedule has three additional blocks with the terminal rate commencing at consumptions exceeding 10 million cubic

feet per meter per month. Following are the present and requested commodity rates, the latter reflecting increases ranging from about 25% at 500 cubic feet up to a maximum of 55% at 200,000 cubic feet, thereafter scaling down to 21% at a usage of 10 million cubic feet:

<u>METERED SERVICE</u>		<u>Present Rates</u>	<u>Proposed Rates</u>
Quantity Rates, per meter per month:			
First	500 cu. ft., per 100 cu. ft....	\$0.19	\$0.23
Next	4,500 cu. ft., per 100 cu. ft....	.12	.16
Next	10,000 cu. ft., per 100 cu. ft....	.10	.13
Next	20,000 cu. ft., per 100 cu. ft....	.09	.12
Next	165,000 cu. ft., per 100 cu. ft....	.065	.10
Next	2,800,000 cu. ft., per 100 cu. ft....	.06	.08
Next	1,000,000 cu. ft., per 100 cu. ft....	.06	.07
Next	6,000,000 cu. ft., per 100 cu. ft....	.06	.06
Over	10,000,000 cu. ft., per 100 cu. ft....	.06	.05

The minimum charge proposed for the size of meter normally used for residential service is \$1.25 as against \$1 at present. The minimums proposed for other meter sizes reflect an increase of approximately 20%.

HISTORY AND DESCRIPTION OF SYSTEM

In 1897, William A. Clark, of Butte, Montana, purchased from the Bixby Investment Company approximately 8,000 acres of land. From 1897 to 1904, he and his brother, J. Ross Clark, of Los Angeles, operated this ranch, commonly known as the "Montana Ranch," as a partnership, and in 1904 formed a California corporation known as Montana Land Company. From 1904 to 1933, the principal business of the Montana Land Company was farming. In 1933 and 1934, the Lakewood Country Club was built, and in the latter part of 1934, a subdivision was started, known as Lakewood Village, at the corner of what is now Lakewood Boulevard and Carson Street. From 1934 to 1938, the Montana Land Company contracted with the City of Long Beach to furnish water to its subdivisions, and on May 10, 1938, formed the Lakewood Water & Power Company, a California corporation, as a wholly owned subsidiary, to furnish water to the subdivisions. On January 27, 1950, new

interests purchased all of the stock of the Montana Land Company from the Clark family and transferred the remaining land to Lakewood Park Inc. for subdivision development.

Applicant operates in unincorporated territory commonly known as Lakewood Village or Montana Ranch in Los Angeles County north-east of and adjacent to the City of Long Beach. This service territory was estimated to have a population of approximately 23,000 at the beginning of 1950, with 6,844 active service connections, including 223 fire hydrants. The company estimates an increase of 9,750 active service connections during 1950, excluding fire hydrants.

At the beginning of 1950 the entire water supply was obtained from seven wells, and all water entering the mains was treated by automatic chlorinators. The company indicates that during 1950 10 wells will be added and one retired, yielding an estimated total of 16 operative wells at the close of 1950.

At the first of the year the company had 1,350,000 gallons of storage capacity, and it intends to double this capacity by the end of the year by erecting six new storage tanks. Approximately 320,000 feet of mains were in service at the beginning of the year, ranging from 4-inch to 16-inch, of which about 64% were cast iron. It is programmed that during 1950 there will be added 425,000 feet of mains, almost 100% of this footage to be cast iron.

ESTIMATED RESULTS OF OPERATION

Both applicant and the Commission staff presented estimates of future operations of the company. Applicant's estimates were for the year 1950 under present rates through July and at proposed rates thereafter and for a hypothetical subsequent period reflecting "...16,371 Consumers at Requested Rates Projected through year 1951." The staff presented results of operation (1) as recorded for the

year 1949; (2) estimated for the year "...1950 anticipated...", (a) upon the basis of present rates all year, and (b) under present rates through July 1950 with proposed rates thereafter; and (3) estimated for a so-called pro forma year's period under conditions as of December 31, 1950, (a) under present rates, and (b) under proposed rates.

As to basic time period and general assumptions, both applicant's and staff's estimated 1950 results are closely comparable, but the parties' estimates for the subsequent period reflect certain differences in assumptions which should be borne in mind in considering the differences in results. The principal such difference lies in the assumed status of consumer usage and consumers' advances for construction as of December 31, 1950, which two factors are treated consistently, although differently, by each of the parties. Applicant assumed normal or ultimate water usage on the part of all consumers estimated to be connected by December 31, 1950 and, consistent therewith, further assumed that, under its refund rule, in the reasonably near future, all consumers' advances outstanding as of December 31, 1950 would have been refunded.

The staff on the other hand assumed a year's operations under conditions applying instantaneously as of December 31, 1950, reflecting various degrees of water utilization ranging from zero where the house had not yet been occupied up to normal or ultimate usage. The staff correspondingly deducted from its rate base the rather high level of consumers' advances for construction expected to be on the company's books at that date, resulting from the unprecedented expansion currently being experienced and expected to continue through 1950.

Following are the tabulated results as shown by the record:

	Year 1950, With Present Rates Jan.- July and Proposed Rates Aug.-Dec.		Applicant's "Projected" 1951 and Staff's "Pro Forma...as of 12-31-50" at Proposed Rates	
	Applicant	Staff	Applicant	Staff
<u>Operating Revenues</u>				
Commercial, Meter Rate	\$ 285,130	\$ 303,700	\$ 561,850	\$ 505,500
Commercial, Flat Rate	-	4,800	-	200
Hydrant Rentals	4,390	4,500	11,570	11,600
Profit on Piping	200	100	200	100
Total Revenues	289,720	313,100	573,620	517,400
<u>Oper. Exps. Excl. Gen. and Misc.</u>				
<u>Taxes and Depreciation</u>				
<u>Per Applicant</u>				
Labor	61,880		95,570	
Power	30,580		45,440	
Other Expenses	19,970		29,670	
Total	112,430		170,680	
<u>Per Staff</u>				
Source of Water Supply		910		1,320
Pumping		45,110		64,970
Purification		3,200		4,610
Transmission & Dist.		22,260		32,060
Commercial		32,710		47,100
Uncollectibles		830		1,330
Total		105,020		151,390
<u>Other Operating Exps.</u>				
Salaries of Gen. Officers and Clerks	13,750	13,000	18,000	23,300
Insurance	4,980	3,500	6,500	4,300
Other Gen. Expenses	6,250	7,200	10,500	6,400
Taxes Other than on Income	37,550	20,200	55,870	52,700
Income Taxes	23,930	50,800	92,410	88,800
Depreciation (S.L.)	55,650	38,600	83,770	59,900
Total Other Oper. Exps.	142,110	133,300	267,050	235,400
Total Oper. Exps.	254,540	238,320	437,730	386,790
Net Revenue	35,180	74,780	135,890	130,610
<u>Rate Base</u>				
Fixed Capital Jan. 1, 1950	#	847,618	#	847,618
Net Additions*	845,860	795,000	1,583,150	1,597,100
Deduction for Depreciation	#	119,800	#	137,700
Subtotal Depr. Fixed Capital	1,558,940	1,522,818	2,296,230	2,307,018
Consumers' Advances for Construction	(477,350)	(460,000)	-	(693,000)
Donations in Aid of Construction	(1,260)	(1,300)	(1,260)	(1,300)
Additional Capital †	-	-	175,000	150,000
Materials and Supplies	150,000	150,000	150,000	100,000
Working Cash	25,000	15,000	50,000	20,000
Depreciated Rate Base	1,255,330	1,226,518	2,669,970	1,882,718
Rate of Return	2.80%	6.10%	5.09%	6.94%
		(Red Figure)		

* For year 1950 weighted; for "Projected" and "Pro Forma" not weighted.

Segregation not available in record.

† Not reflected in "Net Additions", and representing wells, pumping equipment, and other facilities (ahead of distribution mains) required to supply additional customers.

The testimony of applicant's witness and of the staff is in very close agreement as to the extent of growth in number of consumers through 1950. It is the judgment of this Commission that, in view of this phenomenal growth and in consideration of the fact that rates are made for the future, it is reasonable that the future period at the December 31, 1950 customer level should be given preponderant weight in evaluating applicant's earning position under its proposed rates. Following are presented the Commission's conclusions as to the major differences between the estimates at the December 31, 1950 customer level.

Operating Revenues

Applicant's estimate of \$561,850 revenue from general metered service is \$56,350 higher than the staff's \$505,500. The explanation of this major difference lies in the difference in the basic assumptions of the two parties as to level of water usage as already discussed in some detail. It is concluded that, for the purposes of this opinion, the applicant's revenue estimate should be accepted as representing a normal or average revenue level which might be expected from the estimated number of customers. Both parties used approximately 16,400 general metered service connections as the basis for their estimates.

The remainder of the revenues estimated by applicant, principally from fire hydrant rentals, aggregate \$11,770 or \$130 lower than the staff's \$11,900. Although applicant admitted neglecting to include an estimate for commercial flat rate service, the amount estimated by the staff is so small as to be relatively unimportant and, accordingly, applicant's total revenue estimate of \$573,620 will be adopted.

Operating Expenses Excluding General and
Miscellaneous, Taxes, and Depreciation

Both applicant and the staff in their expense estimates reflected a full year's operations at the wage level established June 1, 1950, by a general wage increase of 10%.

Applicant's witness estimated expenses in this category segregated between labor, power, and other expenses only, whereas the staff presented its data by individual accounts as prescribed by this Commission's Uniform Classification of Accounts for Water Corporations. Accordingly, a detailed comparison cannot be made from this record; however, the record does indicate the methods used in the estimates, thereby providing a basis for this Commission's judgment.

A direct comparison can be made on the item of purchased power, applicant's \$45,440 being \$4,800 higher than the staff's \$40,640. Each of these estimates is necessarily tied to its related estimate of water usage, and the Commission already having adopted applicant's estimate of usage, it follows that applicant's associated power cost should be accepted by the Commission.

The remainder of these expenses are estimated by applicant at \$125,240 or \$14,490 higher than the staff's \$110,750. The item of labor was estimated by applicant on the basis of applying to 1949 labor costs the ratio of the estimated number of customers at the end of 1950, which was 16,371, to 6,451, the average number of customers for 1949. The amount computed by this ratio was increased by 10% to allow for wage and salary adjustments. Similarly, applicant estimated other expenses by applying this same ratio to recorded expenses. The staff, on the other hand, made a detailed independent estimate of each item of expense, aggregating \$110,750, giving consideration to adjustments of the underlying recorded data deemed proper in the light of its witness' experience with the operations.

of other water systems. It is reasonable to conclude that certain economies of operation on a per-consumer basis could be realized on this water system, which applicant's estimate does not contemplate. The staff's estimate of \$110,750 will be adopted, subject, however, to an upward adjustment in uncollectibles of \$150 to be consistent with the revenue estimate adopted.

Other Operating Expenses

Salaries of general officers and clerks are estimated by applicant at \$18,000, which is \$5,300 lower than the staff's \$23,300. The staff's estimate gives recognition to the fact that, at present, none of the company's general officers draws any salary and that, accordingly, this expense item is substandard on a per-customer basis as compared to other similarly situated utilities. The staff's estimate appears to be reasonable for the future and will be adopted.

The staff's estimate of \$4,300 for insurance gives full consideration to the revised general insurance program effected in March, 1950, to the extent of property reflected by the staff in its rate base and to increased insurance costs associated with a larger number of employees and pay roll along with wage increases, and although \$2,200 lower than applicant's estimate, this allowance is deemed adequate. The item Other General Expenses is forecast at \$10,500 by applicant, which is \$4,100 higher than the staff's \$6,400. The staff's figure reflects a return to a stable level of expense in contrast to the present unusually high costs resulting from several proceedings before this Commission and other nonrecurring items created by the unprecedented growth of the service territory during the early part of 1950. The Commission will adopt the staff's estimate giving predominant weight to normal or average conditions for the future.

There is a \$3,170 difference between applicant's estimate of \$55,870 for taxes other than on income and the staff's figure of \$52,700. Ad valorem taxes make up \$51,200 and \$49,000 of these respective estimates. Both applicant and the staff based their forecasts of ad valorem taxes on the estimated level of fixed capital at December 31, 1950, which is not in conformity with the method of accrual used by the company. However, in the Commission's opinion, this basis is a proper gauge for testing this company's estimated future normal or average earnings because of the unprecedented growth of this system and the lag in actual ad valorem tax liability.

Applicant, in its estimate, projected the 1949-1950 ratio of tax to fixed capital forward to the estimated fixed capital level of December 31, 1950, thereby assuming no change in the tax rate. The staff, on the other hand, forecast an increase in the tax rate due to the assumption on July 1, 1950, by the counties of the social welfare program previously carried by the state. The staff, however, in estimating the assessment based on December 31, 1950 capital, apparently did not reflect the item of \$150,000 included in the staff's rate base for additional wells, pumping equipment, and the like, not included in the staff's so-called net additions. It is concluded that the staff's treatment of taxes other than on income is reasonable and reflects a more current picture than applicant's and, accordingly, the staff's figure of \$52,700 will be adopted, together with an upward adjustment of \$2,800 deemed appropriate to cover the above-described additional \$150,000 of capital.

On the subject of depreciation expense there was a material difference between the parties, applicant contending for \$83,770 and the staff \$59,900, a difference of \$23,870. The depreciation bases used by both were essentially the same and both computed depreciation on the straight-line method, but there were wide differences in lives

assigned. The staff in almost every class of property used lives as long as or longer than applicant, the staff's witness indicating in part in his report that, "These rates reflect consideration given to the ages, condition, and construction of the properties of other utilities." Following are tabulated the lives in years used by the parties for the principal classes of depreciable plant:

	<u>Applicant</u>	<u>Staff</u>
Source of Water Buildings)		30
Purification Buildings)	20	40
Wells	30	30
Pumping Equipment	15	30
Purification Equipment	10	10
Transmission and Distribution		
Mains	40	20, 60, 75*
Distribution Storage Tanks	40	40
Hydrants	40	20, 40#
Services	not specified	30, 40#
Meters	30	40

* Respectively for steel, cast iron under 6", and cast iron 6" and over.

Respectively for steel and cast iron.

Although applicant questioned the staff's witness on the depreciation lives assigned, nothing was introduced into the record which would show that the staff's lives were improper nor was it established that there were any sufficiently unusual circumstances in this case which would justify deviating from the staff's lives which have been used widely on comparable water properties and heretofore found to be reasonable in several previous Commission proceedings. The staff's allowance for depreciation will be adopted.

For income tax purposes, the Commission is confronted with making its own computation from basic data in the record and in conformity with the revenue and expense items already adopted for the purposes of this opinion. The net income adopted for state corporation franchise tax is accordingly \$267,880 and at 4% yields \$10,720, leaving a balance of \$257,160 subject to federal income tax at 38% or \$97,720, from which a net revenue of \$159,440 results.

Rate Base

The total depreciated fixed capital as of December 31, 1950, including additional capital for wells, pumping equipment, and the like, was estimated by applicant at \$2,471,230 and by the staff at \$2,457,018, \$14,212 lower.

Applicant made no deduction for consumers' advances for construction, whereas the staff deducted \$693,000. As discussed heretofore, these alternate treatments of consumers' advances were more or less consistent with the level of water usage assumed for the revenue estimates of each of the parties. Although applicant's revenue estimate has been adopted herein, it is unreasonable to assume that in the future, even at a time when the company's unprecedented expansion is over, there will be no consumers' advances subject to refund. Admittedly, at such time the level of advances would constitute a much smaller proportion of the total fixed capital than during the present rapid expansion; however, the Commission must assign some value to this item for the purposes of this opinion. As indicative of conditions when the growth curve has leveled off, an amount of \$100,000 will be assigned which is reasonable for the purposes herein, reflecting normal or average level of consumers' advances.

Applicant's estimate for materials and supplies of \$150,000 is \$50,000 higher than the staff's. For the preceding estimate period, the year 1950, both parties were in exact agreement at \$150,000, but the staff attributed a portion of this amount to the high level of construction activity and, accordingly, reduced the amount to \$100,000 for the pro forma period. The staff's estimate of \$100,000 appears reasonable and will be adopted.

A working cash allowance of \$50,000 was claimed by applicant, 2½ times as great as the staff's \$20,000, the latter on a net

basis. The gross requirements of the two are not as far apart, being, respectively, \$50,000 and \$35,000. The staff, giving weight to federal income taxes accrued ahead of payment which as a practical matter are available for current use, by judgment reduced the gross requirement by \$15,000 to obtain a net allowance of \$20,000. While applicant may at present actually need working cash in excess of the staff's recommendation, a sizable portion of this present requirement is associated with the present high rate of capital additions and is not indicative of a reasonable future normal or average level of plant construction. The staff's allowance will be adopted.

The over-all rate base adopted by the Commission for the purposes of this opinion is, therefore, \$2,475,700, reflecting normal or average conditions for the number of customers forecast for December 31, 1950.

Rate of Return

Dividing the adopted net revenue of \$159,440 by the adopted rate base of \$2,475,700 yields a rate of return of 6.44% on the rates requested by applicant. In view of the Commission's adoption of figures representing in its opinion normal or average conditions for the future, the return of 6.44% is deemed to be excessive. Rates will be ordered which will yield 6% on the rate base adopted, or net revenue of \$148,500. The ratio of net revenue before income taxes to net revenue after income taxes, as computed from the foregoing tabulation, is 1.68. Applying this ratio to the required net revenue of \$148,500, results in a net revenue of \$249,500 before income taxes, which, when added to expenses of \$305,740 as adopted, gives a total gross revenue requirement of \$555,240. This will necessitate an increase calculated to be approximately \$110,400 or 25% over present rates, of which \$105,400 will apply against general metered service.

FORM OF RATES TO BE ORDERED

At the hearing, a witness for the Commission staff suggested that the last four higher-usage blocks be eliminated from the requested general metered rate form, for the reason that there is now no usage in this range and none is foreseen for this service territory and it would tend to commit the utility to a low rate for large volume service which might be detrimental to the great mass of residential users. It is the opinion of this Commission that the staff's suggestion has merit and it will be embodied in the rates to be ordered. The elimination of these last four blocks will not result in any increases as there are no consumers affected thereby. The further suggestion was made that the minimum charge for the conventional size meter include some multiple of 100 cubic feet rather than an odd volume which would not correspond to the accepted and conventional method of reading meters to the nearest 100 cubic feet.

It is concluded that the minimum charges requested are not excessive and will be ordered; however, the rate will provide as its initial block 600 cubic feet or less for \$1.25, the exact amount of the minimum charge for the conventional residence meter. The terminal block will apply to usages exceeding 35,000 cubic feet per month, as suggested by the staff. As ordered, the intermediate blocks reflect a different segregation of the intervening volume than requested by applicant, the early blocks being shorter.

The fire hydrant rates requested are deemed to be reasonable and will be ordered to be effective March 1, 1951, immediately following the expiration of the present agreement with the Consolidated County Fire Protection District.

OBJECTIONS BY COUNSEL

Objection was raised by counsel for interveners to the admission of certain evidence offered herein, based primarily on their contention that this Commission in San Gabriel Valley Water Company Decision No. 40718 (Application No. 28335), dated September 16, 1947 (47 Cal. PUC 434), said, among other things, that in setting rates, actual or recorded, results should be relied on rather than estimates of the future and, accordingly, estimates should not be received in this record. After reviewing the decision cited, this Commission is of the opinion that the contention is not well founded, and further that rates, being made for the future, should reflect the best available evidence.

O R D E R

Lakewood Water & Power Company, having applied to this Commission for an order authorizing certain increases in rates and charges, a public hearing having been held, and the matter having been submitted for decision,

IT IS HEREBY FOUND AS A FACT that the increases in rates and charges authorized herein are justified; therefore,

IT IS HEREBY ORDERED as follows:

1. Applicant is authorized to file in quadruplicate with this Commission after the effective date of this order in conformity with the Commission's General Order No. 96, the schedule of rates shown in Exhibit A attached hereto and, after not less than five (5) days' notice to the Commission and the public, to make the rates

for General Metered Service effective for service rendered on and after September 1, 1950, and the Fire Hydrant Rate, effective March 1, 1951.

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

Dated at Los Angeles, California, this 1st day of August, 1950.

Justus J. Craemer
David L. Powell
Harold A. Kula
Samuel P. Potter
Commissioners.

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all water service rendered on a metered basis.

TERRITORY

In and about the territory known as Lakewood, located north and east of the City of Long Beach in Los Angeles County, as more particularly delineated on the map included in the tariff schedules.

RATES

Quantity Charge:	<u>Per Meter</u> <u>Per Month</u>
First 600 cu. ft. or less	\$1.25
Next 1,400 cu. ft., per 100 cu. ft.....	.17
Next 8,000 cu. ft., per 100 cu. ft.....	.15
Next 25,000 cu. ft., per 100 cu. ft.....	.12
Over 35,000 cu. ft., per 100 cu. ft.....	.10
 Minimum Charge:	
For 5/8 x 3/4-inch meter.....	1.25
For 3/4-inch meter.....	1.25
For 1-inch meter.....	1.50
For 1 1/2-inch meter.....	2.00
For 2-inch meter.....	3.00
For 3-inch meter.....	6.00
For 4-inch meter.....	12.00

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

Bills may be rendered monthly or bimonthly, at the option of the utility.

Schedule No. 2

FIRE HYDRANT RATE

APPLICABILITY

Applicable to all municipal fire hydrants served by the utility.

TERRITORY

In and about the territory known as Lakewood, located north and east of the City of Long Beach in Los Angeles County, as more particularly delineated on the map included in the tariff schedules.

RATES

Per Month

For all fire hydrants connected to mains,
per hydrant \$1.75

SPECIAL CONDITIONS

Hydrants will be installed and maintained by the utility at such locations as meet with the approval of the applicable fire protection agency.