

Decision No. 56484**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

| | |
|---|-----------------------|
| In the Matter of the Application of) | |
| Stanley Z. Bolton and Laurretta A.) | |
| Bolton, husband and wife, doing) | |
| business as the TAHOE PARK WATER) | Application No. 39334 |
| SYSTEM, for an order authorizing an) | Amended |
| increase in rates for water service) | |
| rendered in Tahoe Park Tract and) | |
| Miramar Heights Tract, Placer County,) | |
| Lake Tahoe.) | |

David Hartman, certified public accountant,
for applicants.

Bert Caton, for Lake Tahoe Park Association,
protestant.

A. Albert Ehrman and John D. Reader, for
the Commission staff.

O P I N I O N

Stanley Z. Bolton and Laurretta A. Bolton, husband and wife, doing business as the Tahoe Park Water System, originally filed the above-entitled application on August 15, 1957, seeking authority to increase their seasonal flat rate from \$24 to \$36, with corresponding increases in seasonal meter rates and charges, for water service rendered in Tahoe Park Tract and Miramar Heights Tract located about two miles south of Tahoe City in Placer County. On January 14, 1958 applicants filed a complete amended application requesting authority to increase the seasonal flat rate from \$24 to \$60, with corresponding increases in seasonal meter rates and charges.

Applicants originally sought the establishment of a public fire connection service rate of \$5 per year for each connection but in the amended application it is requested that the costs of

rendering this service be treated as an overhead expense to be borne by the water users of the system. A service connection charge of \$35 proposed in the original application has been eliminated in the amended application.

Basically, applicants seek an average over-all increase in rates of nearly 150 percent, or an increase in annual gross revenues of approximately \$6,460, based upon the estimated level of business during 1957, in order to produce an estimated net revenue of about \$3,850, equivalent to a rate of return of 14 percent on an average depreciated rate base of \$27,380, as shown in exhibits attached to the amended application.

Applicants state that such additional revenue is required to meet their financial obligations and to render efficient water service to their customers.

Public Hearing

After due notice a public hearing was held before Examiner E. Ronald Foster on January 23, 1958, at Tahoe City. Although several letters had been received from customers of the utility complaining about the date and place of hearing, a large number of customers were in attendance, many of whom voiced protests against the prospective increase in rates and asked for betterment of service, especially during the winter months.

Testimony was introduced by three witnesses on behalf of the applicants in explanation of the exhibits attached to the amended application. Two members of the Commission staff presented a detailed report on the operations of applicants' water system. Following further testimony by witnesses on behalf of the utility's customers, the matter was submitted and is now ready for decision.

History and Description of the System

Although the water system to supply the Tahoe Park Tract was installed in 1908, the Commission first found it to be a public utility by Decision No. 21879, dated December 7, 1929, in Case No. 2722. After several changes in ownership, transfer of the water system to the applicants herein was authorized by Decision No. 47726, issued September 24, 1952, in Application No. 33715. In the meantime, service has been extended to the Miramar Heights Tract.

The primary source of water supply for this system is a spring located at the westerly edge of the Tahoe Park subdivision, whence the water flows into three 12,000-gallon wooden storage tanks and thence through the distribution system to the customers' premises. All service is by gravity flow with the exception of that to a few customers on the northerly edge of the system where an automatically controlled booster pump is used to deliver water to several residences located at an elevation higher than can be supplied directly from the storage tanks. An electrically driven stand-by pump installation is maintained at the shore of Lake Tahoe to supply water from the Lake in case of an emergency. The distribution system consists of some 24,000 feet of pipelines that vary in size from 3/4 to 3-1/2 inches in diameter, approximately one half of the lines being of 2-inch diameter. As of October 1, 1957, there were 161 service connections, of which 50 are equipped with meters. There are approximately 30 customers who occupy their premises during the entire year and avail themselves of such service as is afforded by the system which applicants now make little or no effort to operate, maintain or supervise during the winter months.

Rates, Present and Proposed

Applicants' present rates have been in effect since November 15, 1948, as authorized for the predecessor owner by Decision No. 42154, dated October 26, 1948, in Application No. 29306, and consist of a seasonal flat rate schedule and a seasonal meter rate schedule. The following tabulation shows a comparison of the presently filed rates with those proposed by applicants:

| <u>Description</u> | <u>Present Rates</u> | <u>Proposed Rates</u> | |
|---|-----------------------------|-----------------------------|----------------------------|
| | | <u>Original Application</u> | <u>Amended Application</u> |
| <u>Seasonal Flat Rate Service</u> | | | |
| For each single family dwelling during the months from May to September, both inclusive, per season | \$24.00 | \$36.00 | \$60.00 |
| <u>Seasonal Metered Service</u> | | | |
| Minimum Seasonal Meter Charges: Payable on or before May 1. Service will be furnished only during the months from May to September, both inclusive | | | |
| For 5/8 x 3/4-inch meter | \$24.00 | \$ 36.00 | \$ 60.00 |
| For 3/4-inch meter | 32.00 | 40.00 | 95.00 |
| For 1-inch meter | 48.00 | 64.00 | 130.00 |
| For 1-1/2-inch meter | 72.00 | 96.00 | 190.00 |
| For 2-inch meter | 96.00 | 120.00 | 250.00 |
| Quantity Rates: | | | |
| First 800 cu.ft. per month | included in seasonal charge | | |
| Next 1,200 cu.ft. per mo., per 100 cu.ft. | \$ 0.30 | \$ 0.30 | \$ 0.60 |
| Next 2,000 cu.ft. per mo., per 100 cu.ft. | .25 | .25 | .30 |
| Next 6,000 cu.ft. per mo., per 100 cu.ft. | .20 | .20 | .25 |
| Over 10,000 cu.ft. per mo., per 100 cu.ft. | .15 | .15 | .20 |

Summary of Earnings

In their presentation at the hearing, applicants relied upon the exhibits attached to the amended application and their testimony was in support of the showing made therein pertaining to the year 1957, including estimates of revenues at the rates proposed in the said amended application.

Experts of the Commission staff also offered testimony and presented a report, Exhibit No. 1, showing the results of their

independent investigation of applicants' operations for the years 1956 recorded, 1957 adjusted and 1958 estimated, the results for both years 1957 and 1958 being based on the present rates and those proposed by applicants in their original application. It may be noted that the amended application was filed too late for the staff to include detailed estimates based on revenues at the rates proposed therein by applicants. However, had the amended filing been made sooner it would not have affected the staff's basic approach to the study.

The earnings information as presented by applicants and as set forth in Exhibit No. 1 prepared by the staff is summarized in the following tabulation:

| Items | Year 1957 | | | | Year 1958 | |
|-------------------------------|-----------------------------|--------------------------|-----------------------------|-------------------------|------------------|-------------------------|
| | Applicants | | Staff | | Staff-Estimated | |
| | Record. Present Rates | Amend. Prop. Rates | Adjust. Present Rates | Orig. Prop. Rates | Present Rates | Orig. Prop. Rates |
| <u>Operating Revenues</u> | | | | | | |
| Metered Sales | \$1,791 | \$4,278 | \$1,645 | \$2,250 | \$1,650 | \$2,250 |
| Unmetered Sales | <u>2,688</u> | <u>6,660</u> | <u>2,688</u> | <u>4,030</u> | <u>2,870</u> | <u>4,310</u> |
| Total | 4,479 | 10,938 | 4,333 | 6,280 | 4,520 | 6,560 |
| <u>Operating Rev. Deduct.</u> | | | | | | |
| Operating Expenses: | | | | | | |
| Source of Water Supply | 191 | 191 | 390 | 390 | 410 | 410 |
| Power and Pumping | 60 | 60 | 180 | 180 | 180 | 180 |
| Trans. and Distrib. | 258 | 258 | 940 | 940 | 980 | 980 |
| Customer Accounting | 526 | 526 | 480 | 480 | 500 | 500 |
| General | 3,392 | 3,392 | 760 | 760 | 770 | 770 |
| Transportation | <u>639</u> | <u>639</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Sub Total | 5,066 | 5,066 | 2,750 | 2,750 | 2,840 | 2,840 |
| Taxes, Except Income | 253 | 253 | 260 | 260 | 270 | 270 |
| Taxes on Income | - | 1,046 | 140 | 560 | 160 | 600 |
| Depreciation Expense | 621 | 621 | 625 | 625 | 654 | 654 |
| Interest | <u>104</u> | <u>104</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Deductions | 6,044 | 7,090 | 3,775 | 4,195 | 3,924 | 4,364 |
| Net for Return | (1,565) | 3,848 | 558 | 2,085 | 596 | 2,196 |
| Avg. Deprec. Rate Base | 27,380 | 27,380 | 17,500 | 17,500 | 18,210 | 18,210 |
| Rate of Return | (loss) | 14.06% | 3.2% | 11.9% | 3.3% | 12.1% |

(Red Figure)

| | <u>Year 1957</u> | | <u>Year 1958</u> |
|-----------------------------|-------------------|---------------|------------------------|
| | <u>Applicants</u> | <u>Staff</u> | <u>Staff-Ectimated</u> |
| <u>Devel't of Rate Base</u> | | | |
| Average Utility Plant | \$41,975 | \$27,827 | \$29,126 |
| Materials and Supplies | 1,250 | 1,000 | 1,000 |
| Working Cash | 1,000 | - | - |
| Sub Total | <u>44,225</u> | <u>28,827</u> | <u>30,126</u> |
| Avg. Depr. Reserve | <u>16,845</u> | <u>11,326</u> | <u>11,915</u> |
| Avg. Depr. Rate Base | 27,380 | 17,501 | 18,211 |

The staff's estimate for the year 1958 reflects the anticipated growth of the system, based on the addition of 15 flat rate customers per year and the installation of three fire hydrants. The staff has not included in its estimates any other proposed improvements shown in Exhibit "F" of the original application because of the probability that they will not be installed until some future time when adequate financing can be arranged.

The considerable variances between the showings submitted for the year 1957 by the applicants and by the staff are largely explained as follows:

1. Revenues: The recorded revenues at the existing rates were adjusted slightly downward by the staff to eliminate certain billing irregularities and to conform to average conditions. The differences in revenues at proposed rates are primarily due to the respective uses of the two proposals, as previously explained.

2. Operating Expenses: Aside from the divergent methods of assigning various items of expense to the several groups of operating expenses, the total difference of about \$2,300 is largely accounted for by the different amounts included for the following things:

- a. Whereas applicants charged over \$2,800 for their time devoted to water utility operations, the staff estimated \$1,610 as a reasonable allowance for the owners' salaries chargeable to such operations.
- b. Applicants charged \$861 as rental for the part of their house used as an office, whereas the staff considered \$275 as the proper allowance for office rent for water utility purposes.
- c. While applicants included the entire amount of \$491.50 spent during the year for the rate proceeding, the staff prorated the estimated total amount of \$750 over a period of five years, making an allowance of \$150 for each of the years 1957 and 1958.
- d. As part of the transportation expense, applicants included \$341 for depreciation of applicants' automobile; the staff included \$375 as a reasonable total allowance for transportation expense, spreading it to the several groups of operating expense.
- e. Some other adjustments were made by the staff to reflect average conditions and to correct accounting errors.

It should be recognized that the operation and management of a small water utility such as this one must be conducted on a part-time basis and the charges for such supervision must be reasonable, even though the supervisors, who are the applicants and owners herein, are on call at any and all hours of the day and every day of the season. Therefore, some judgment must be used to determine what is reasonable. While applicants have attempted to justify the basis of their charges, it appears that their claims are excessive for the size and nature of this water system and for the number of customers involved. Based on his experience and knowledge of the operations of other comparable water utilities, the staff engineer has used amounts to represent the applicants' salaries and other expense items which he considered reasonably sufficient.

After carefully weighing all the testimony pertaining to these groups of expenses, the Commission is of the opinion that an allowance for these operating expenses of \$2,900 for 1957 and \$3,000 for 1958 is reasonable and will be adopted for the purposes of this proceeding.

3. Taxes, Depreciation and Interest: In the items of taxes, except those based on income, and depreciation expense, the two sets of figures are in close agreement. Taxes on income vary, of course, with the amount of taxable income which, in turn, depends upon the estimated gross revenue and the properly deductible expenses of operation. The staff has correctly eliminated the item of interest as a revenue deduction in arriving at the net amount for use in computing the rate of return.

Rate Base

As explained in Exhibit "A" of the amended application, it is maintained that when applicants came into possession of the water system as of December 31, 1952, the available records of the predecessor did not reflect true original costs. They claim that owners' salaries for 1952 and the preceding years had not been taken into account when reporting either operating expenses or additions to plant. They contend that costs of certain classifications of plant, therefore, have been understated, referring particularly to mains, services and meters installed prior to the end of 1952. By generalizations of unit costs, applicants have added over \$14,000 to the plant balances as an adjustment to arrive at their estimate of fair costs of utility plant, totaling \$38,640 as of December 31, 1952, and have carried this amount forward in their derivation of the average utility plant component of the rate base shown in the

foregoing tabulation. The net effect on the rate base has been partially offset by a corresponding adjustment of about \$5,000 in the depreciation reserve account as of the same date.

On the other hand, the staff's financial examiner and engineer, in their determination of the cost of utility plant, relied upon an historical cost appraisal of the utility properties made by engineers of the Commission staff in connection with the prior rate proceeding in Application No. 29306 in which Decision No. 42154 was issued on October 26, 1948. In that appraisal, which has been made a part of the record in the instant proceeding, the estimated original cost of utility plant as of August, 1948, is shown as \$20,775. Table 2-A of Exhibit No. 1 in the current proceeding shows that amount as the beginning balance, to which adjustments amounting to \$2,476 were added for reasons explained in the text, and plant additions to the end of 1952 totaling \$1,103, making the plant balance of \$24,354 as of December 31, 1952. The same table shows net additions to plant for subsequent years totaling \$4,464, thus arriving at the plant balance of \$28,818 as of October 31, 1957. This last amount, with the related depreciation reserve, has been carried forward in the development of the rate bases shown by the staff.

The Commission is of the opinion and finds that the generalizations advanced by applicants cannot be accepted as substantial grounds upon which to erect the considerably higher rate base advocated by them. On the contrary, the Commission is of the opinion and finds that the amounts representing utility plant, as originally estimated in the prior rate matter and as further reviewed,

adjusted and augmented by the staff experts in the present proceeding, represent the historical cost of applicants' properties. The Commission is of the further opinion and finds that the utility plant balances and the related depreciation reserves, as used by the staff, result in rate bases which are reasonable for the purposes of this proceeding.

Applicants included in rate base an amount of \$1,250 for materials and supplies as representing the approximate quantities actually on hand. The staff included only \$1,000 for this component of the rate base, which amount is considered a reasonable average allowance for a water utility of this size.

Applicants included \$1,000 for working cash whereas the staff considered that no amount of working cash is necessary to be included in the rate base for this utility because all flat rate and meter minimum charges are due in advance of the seasonal operation of the utility. Applicants' consultant, a certified public accountant, argued strongly in support of an allowance for working cash. It is his contention that no going concern can operate without a starting and continuing balance of working cash, particularly where a checking account is utilized, the servicing of which requires a balance to be maintained to avoid service charges which would otherwise have to be paid. However, when revenues are due and payable in advance of the season in which the greater part of the expenses are incurred, as is the case herein, it is evident that a favorable average balance would result, thus eliminating the necessity for any additional working cash.

Therefore, the depreciated rate bases of \$17,500 and \$18,210 for the years 1957 and 1958, respectively, as developed by the staff, are hereby adopted as reasonable for the purposes of this proceeding as representing the rate bases upon which the reasonableness of applicants' rate proposals may be tested.

Proposed Improvements

Exhibit "G" attached to the amended application lists proposed improvements estimated to cost about \$15,900. Except for three fire hydrant connections which were included by the staff as installations to be made in 1958, none of the proposed improvements has been included in the rate bases developed either by applicants or the staff. The record of the hearing includes some testimony pertaining to these proposed installations.

No immediate necessity was shown for the 50,000-gallon reservoir proposed to be installed at the same elevation as the three existing storage tanks which have a combined capacity of 36,000 gallons. Instead, it was brought out that it would be more advantageous to provide some storage at an elevation sufficient to supply the higher portions of the service area, not yet fully developed, a portion of which is now inadequately supplied by a small booster pump installation.

The necessity for the two proposed booster pump and pressure tank installations would probably be eliminated by the installations of the above-mentioned storage at a suitable elevation.

The proposed installations of two long lengths of 2-inch pipe along Washoe Way do not appear to meet the requirements of the Commission's General Order No. 103. While one length is intended

to replace an existing 1-inch line, the other appears to be an extension to serve additional customers, the installation costs of which should probably be advanced in accordance with the applicants' main extension rule.

The proposed installation of 2,000 feet of 4-inch pipe may be desirable and even necessary to reinforce the existing distribution system, particularly for fire protection purposes.

In general, applicants' testimony indicated that the planning and programming of these proposed improvements has not been well formulated. In order to finance such installations, applicants stated that it would be necessary to borrow money. They further stated their intention of incorporating in order to raise the required funds.

In any event, it appears that such properly designed improvements and additions to plant as are found necessary and can be financed will not be installed until some time in the future, thus precluding their consideration for rate-making purposes at this time. If justified, applicants may request further relief when the improvements to plant have been made or are definitely planned to be installed in the immediate future.

Customer Participation

Customers of the utility were represented by the president of their community association. Some minor complaint was made of service rendered during the summer season because of occasional low pressures and some interruption of supply, particularly in the higher elevations of the service area.

The major complaint revolved around the desire for winter service or year-round service. Presently service is offered only for the 5-month seasonal period from May to September, inclusive. As an accommodation service to those 25 or 30 customers who maintain permanent residence in the area, applicants leave the system operating in such a manner that water available from the springs continues to run through most of the distribution lines without freezing. Applicants do not now and do not wish to remain in the area to maintain the system during the winter season; therefore, they do not charge for such service as customers may obtain. In addition to the permanent residents, other customers would like to have water service available for week ends during the winter season. This demand is becoming greater with the increasing interest in winter sports, the approaching winter Olympic games scheduled at nearby Squaw Valley for 1960, and the rapid improvement in highways leading to the Lake Tahoe area.

In response to questions as to the probable additional investment in facilities and operating expenses required to render continuous service to all customers throughout the winter, applicants could give only indefinite or approximate answers. It would involve relaying certain pipelines at greater depths and the complete insulation and heating of pumping plants in order to avoid freezing. An attendant would have to be paid on a continuous basis and some special equipment would be necessary to be able to operate control and service valves.

It is concluded that the record in this proceeding is insufficient upon which to determine what rates would be justified for dependable winter service. In addition to estimating the additional cost of winterizing the facilities and maintaining and operating the system under winter conditions, a poll or survey should be conducted to determine the number of customers who would be willing to share the additional expense of providing the desired service. In the event that the applicants desire to furnish such service, they may institute appropriate action with this Commission for the establishment of rates. If the applicants are unwilling and there appears to be enough demand, then a complaint filed by the prospective customers would bring the matter to the Commission for decision.

Chief Henry, of the Tahoe Fire District, stated that the area served by the water utility has now been included by an extension of the fire district. He added that rates for service furnished by a water utility to the fire district could be negotiated but that nothing smaller than 4-inch mains are considered adequate. He pointed out that any reduction in fire insurance rates in any area depends upon the fire protection facilities available to the fire fighting forces. Better fire protection would be available in winter if the local system were to be properly winterized with an operator in attendance.

Recommendations

The staff recommended, owing to the unlimited use feature of a flat rate, in whatever level of rates are authorized that there be established a differential between the flat rate and the corresponding smallest minimum charge for metered service.

The staff made other recommendations covering depreciation practices and the filing of current maps and up-to-date rules and sample forms normally used in connection with customer service.

It is further suggested that when planning the replacement of any existing plant or the installation of any new facilities applicants should make them suitable for winter operations, working toward the objective of rendering year-round service to all customers as well as affording better fire protection service in winter.

Findings and Conclusions

The Commission finds and concludes that the estimates of operating revenues, expenses revised as hereinabove indicated, and depreciation and taxes, as submitted by the staff for the years 1957 and 1958 are reasonable and they will be and hereby are adopted for the purposes of this proceeding.

It is evident from the record herein that applicants' present rates will not produce an adequate rate of return and that applicants are in need of financial relief. It is further evident that the rates proposed in the original application would produce revenues which would render an excessive rate of return and the rates proposed in the amended application even more so. In view of all the evidence, we find that applicants are entitled to a portion of the relief sought and that an order should be issued revising and increasing the rates to the extent set forth in Appendix A following the order. It is estimated that this authorization will result in producing gross annual revenues of about \$5,450, or an increase of \$930 over those estimated to be obtainable at applicants' present

rates for the year 1958. Such revenues are expected to produce a net income, after due allowance for all reasonable operating expenses including provisions for taxes and depreciation, of \$1,200 representing a rate of return of 6.6 percent on the depreciated rate base of \$18,210 hereinabove adopted, which rate base and rate of return we find and conclude are fair and reasonable for this utility.

We find, therefore, that the increases in rates and charges authorized herein are justified and that the present rates and charges, in so far as they differ from those herein prescribed, are for the future unjust and unreasonable.

O R D E R

Stanley Z. Bolton and Lauretta A. Bolton, husband and wife, doing business as the Tahoe Park Water System, having applied to the Commission for an order authorizing increases in rates and charges for water service rendered by them in Tahoe Park Tract and Miramar Heights Tract located about two miles south of Tahoe City in Placer County, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED that:

1. Applicants Stanley Z. Bolton and Lauretta A. Bolton are authorized to file in quadruplicate with this Commission, on or after the effective date of this order and in conformance with the provisions of General Order No. 96, the schedules of rates attached to this order as Appendix A and, upon not less than five days' notice to this Commission and to the public, to make such rates effective for all service rendered on and after May 1, 1958.

2. Within forty-five days after the effective date of this order, applicants shall file in quadruplicate with this Commission, in conformity with the provisions of General Order No. 96, rules governing customer relations revised to reflect present-day operating practices, a revised tariff service area map and samples of current forms normally used in connection with customer service. Such rules, tariff service area map and forms shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

3. Applicant shall prepare a map of the Miramar Heights Tract in accordance with the requirements of General Order No. 103 and within sixty days after the effective date of this order, applicants shall file with this Commission four copies of a comprehensive map or maps, drawn to an indicated scale not smaller than 300 feet to the inch, delineating by appropriate markings the various tracts of land and territory served, the principal production, storage and distribution facilities, and the location of the various water utility properties of applicants.

4. Beginning with the year 1958, applicants shall determine depreciation expense by multiplying depreciable utility plant by a rate of 2.7 percent. This rate shall be used until review indicates it should be revised. Applicants shall review the depreciation rate using the straight-line remaining life method when major changes in utility plant composition occur and at intervals of not more than

five years, and shall revise the above rate in conformance with such reviews. Results of these reviews shall be submitted to this Commission.

The effective date of this order shall be fifteen days after the date hereof.

Dated at San Francisco, California, this 8th day of April, 1958.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners

Schedule No. 1S

SEASONAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service furnished on a seasonal basis.

TERRITORY

The unincorporated area including Tahoe Park and Miramar Heights subdivisions located adjacent to State Highway 89 approximately 2 miles south of Tahoe City, Placer County.

RATES

| Monthly Quantity Rates: | Per Meter per Month |
|--|------------------------|
| First 700 cu.ft. or less | \$ 5.50 |
| Next 1,300 cu.ft., per 100 cu.ft. | .30 |
| Next 2,000 cu.ft., per 100 cu.ft. | .25 |
| Over 4,000 cu.ft., per 100 cu.ft. | .20 |

Seasonal Minimum Charge:

| | Per Meter per Season |
|--|-------------------------|
| For the 5-month period, May 1 to September 30: | |
| For 5/8 x 3/4-inch meter | \$ 27.50 |
| For 3/4-inch meter | 37.50 |
| For 1-inch meter | 55.00 |
| For 1-1/2-inch meter | 80.00 |
| For 2-inch meter | 110.00 |

The Seasonal Minimum Charge will entitle the customer to the quantity of water each month which one fifth of the seasonal charge will purchase at the Monthly Quantity Rates.

SPECIAL CONDITIONS

1. The seasonal minimum charge is due in advance.
2. The charge for water used in excess of the quantity allowed each month for the seasonal minimum charge may be billed monthly, bimonthly, or seasonally at the option of the utility on a noncumulative monthly consumption basis.

Schedule No. 2SR

SEASONAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all residential flat rate water service furnished on a seasonal basis.

TERRITORY

The unincorporated area including Tahoe Park and Miramar Heights subdivisions located adjacent to State Highway 89 approximately 2 miles south of Tahoe City, Placer County.

RATES

Seasonal Charge:

Per Service Connection
per Season

For each single family residence, including premises, for the 5-month period May 1 to September 30

\$30.00

SPECIAL CONDITIONS

1. The seasonal charge is due in advance.
2. All service not covered by the above classification will be furnished only on a metered basis.
3. A meter may be installed at option of utility or customer for above classification in which event service thereafter will be furnished only on the basis of Schedule No. 1S, Seasonal Metered Service.