

ORIGINAL

Decision No. 57263

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 the Southern California Water Company)
 for authority to increase rates)
 charged by it for water service in)
 its Culver City District.)

Application No. 39772

O'Melveny & Myers, attorneys, by Lauren M. Wright
 and Richard B. Ragland, and C. T. Mess, consulting
 engineer, for applicant.
M. Tellefson, city attorney, Everett L. Clark and
C. T. Gilliam, consulting engineers, for the City
 of Culver City; Jay Winett, chairman, property
 owners La Ballona-Lucerne District; Mayor G. Royal,
 in propria persona and for property owners on Oregon
 Avenue, Glen Farr for Desilu Productions, Inc.;
Lewis A. Crank, president, Loma Vista Investments, Inc.;
Salvator Crimi, Mrs. Ralph Fetherolf, Alex Goodman,
Melvin Hanberg, Mrs. O. L. Johnston, Mrs. Olga Kereluk,
Claude H. Lint, Mrs. Myrl Linthacum, J. J. Mandell,
Edward A. Marazoni, Leo M. Mayer, Clifton A. Moore,
Mrs. Betty Muschik, H. J. Needham, Mrs. Alice Pearson,
John E. Peters, Mrs. Mary Louise Richardson, Mrs. Ruth
Sheftall, A. W. Steller, Mrs. Betty Jo Whitter, in
 propria personae; protestants.
Cyril M. Saroyan, Theodore Stein, John R. Gillanders,
 and A. L. Gielegem, for the Commission staff.

O P I N I O N

Southern California Water Company, a corporation, by the
 above-entitled application, filed January 30, 1958, seeks authority
 to increase the rates for water service in its Culver City District
 in and about the City of Culver City, Los Angeles County, in the
 gross annual amount of \$171,770, based on estimated operations for
 the year 1958.

Public hearings were held before Examiner Stewart C.
 Warner on April 17 and 18, and June 11, 12 and 13, 1958, at

Culver City. The City of Culver City filed, as Exhibit No. 1, its Resolution No. CS-3810, dated April 14, 1958, protesting the application and urging certain requirements with respect thereto. Many customers appeared to protest the application and to complain about the excessive hardness, bad odor, and poor taste of the water being served by the applicant, low water pressures in certain areas, particularly at elevations higher than applicant's storage reservoir in the Baldwin Hills, and the installation of 1-inch meters on customers' premises which, they felt, required only 5/8 by 3/4-inch meter installations but which required them to pay the higher monthly minimum charge for the larger size meter despite the fact that their water consumption was, in many instances, less than the allowance under the minimum monthly charge. One customer protestant, by his letter dated May 7, 1958, withdrew his protest against a fair rate increase after stating that the applicant had changed his 1-inch meter to a 5/8-inch meter. The City of Culver City and Lewis A. Crank, protestants, and applicant filed briefs on June 18, 1958, of their respective positions, and the matter is now ready for decision.

BASIS OF APPLICATION

Applicant based its request for authority to increase rates in its Culver City District on its allegations of over-all company financial needs, related especially to its Culver City District, arising out of its firm plans to import and utilize Metropolitan Water District water in said district as of September 1, 1958.

The record shows that applicant imports and utilizes Metropolitan Water District water in 10 of its other districts and mixes it with water from its local wells.

By Decision No. 47979, dated December 2, 1952, in Application No. 33271, applicant was granted authority to increase rates in its Culver City District. By said decision, applicant was ordered to report to the Commission on methods and costs of providing a softer water in said district. Pursuant to the provisions of said decision, applicant submitted a proposal for constructing water softening facilities at its local production plants at a cost of approximately \$600,000. In 1954, the City of Culver City became a member of the Metropolitan Water District of Southern California and efforts were jointly entered into between the applicant and the City to effect a connection with Metropolitan for the importation and utilization of Metropolitan's water in and about said City.

Applicant has executed a contract with the West Basin Municipal Water District, a member agency of the Metropolitan Water District, and applicant has deposited its check in the amount of \$80,000 with West Basin to cover the estimated cost of constructing two connections: one near Charnock Road, and the other near Hannum Avenue, at the locations shown on the map, Exhibit No. 2, filed at the hearing. The cost of treated water to be delivered by and purchased from West Basin will be \$25.50 per acre foot, as contrasted with applicant's present cost of producing water, at its own wells, of \$14.62 per acre foot. Applicant has started construction of a 1 million-gallon reservoir at the Charnock plant site in which to store and mix the Metropolitan water, and the cost of such tank will

be \$72,000. In addition to such costs, applicant has budgeted \$146,500 for the cost of installing 12-, 14-, and 16-inch cast-iron mains for distributing Metropolitan water; \$11,500 for company plant to be installed with the two connections with West Basin; and \$11,500 for curb and gutters at the Charnock plant; for a total of \$321,500 of additional budgeted plant for the year 1958 related to the Metropolitan Water District connection.

Water proposed to be distributed to Culver City District customers after September 1, 1958, will be blended water, 87.5 percent of which on a maximum demand day will be Metropolitan Water District water which will vary from 125 parts per million to 140 parts per million of total hardness; 10.5 percent from applicant's Charnock plant, the hardness of which has a weighted average of 415 parts per million; and 2.0 percent from applicant's Sentney plant, the weighted average hardness of which is 296 parts per million. The average hardness of the blended water will be 160 to 170 parts per million which is considerably softer than most of the well water delivered to domestic consumers in Southern California and is comparable to all Metropolitan Water District water delivered to and served by the large municipal water departments in Southern California. Such water will alleviate complaints of excessive hardness, and eliminate the necessity of applicant's consumers renting and maintaining individual water softeners at their premises, will stop the encrustation of distribution and service pipe lines, water heaters, washing machines and other water using appliances, and kitchenware. Odor and bad taste complained of will be alleviated, and the record shows that the applicant anticipates the

elimination of all low pressure conditions complained of when the Metropolitan Water District feeder line has been installed from the Hannum connection at a hydraulic gradient of 310 feet in the Baldwin Hills portion of applicant's service area.

The instant application was also based on applicant's allegations of increased wages, power costs, other operating costs, taxes, and increased capital expenditures and costs thereof.

SYSTEM-WIDE OPERATIONS

Southern California Water Company operates 21 separate water districts in Los Angeles, Orange, San Bernardino, Imperial, Ventura, and Sacramento Counties, a nonutility ice plant at Barstow, and a public utility electric system at Big Bear Lake. As of December 31, 1957, water service was being furnished to 104,263 water customers and 3,917 electric customers. Gross tangible water fixed capital as of said date amounted to \$29,245,350, electric capital was \$1,109,827, and ice capital was \$79,349. The related depreciation reserve was \$4,705,415. Gross water operating revenues for the year ending December 31, 1957, were \$4,668,938, electric \$315,228, and ice \$37,954, for total operating revenues of \$5,022,120.

The capital structure of applicant, as of December 31, 1957, is shown as follows:

<u>Type of Capital</u>	<u>Amount</u>	<u>Percent of Total</u>
Long Term Debt	\$13,900,000	61.3%
Preferred Stock	<u>1,939,900</u>	8.6
Equity Capital		
Common Stock	\$ 3,225,075	
Capital Surplus	1,363,621	
Earned Surplus	2,376,262	
Premium on Preferred Stock	82,765	
Capital Stock Expense and Unamortized Debt Discount Premium and Expense	<u>(217,548)</u>	
Total Equity Capital	\$ 6,830,175	30.1
Total Capitalization	\$22,670,075	100.0

(Red Figure)

The effective interest rate on the long-term debt is calculated at 3.73 percent and on the preferred stock, 4.18 percent.

Dividends paid per share on common stock have ranged from \$.70 in 1948 to \$.65 in the years 1949 through 1953; \$.675 for the year 1954; \$.75 for the year 1955; \$.7875 for the year 1956; and \$.85 for the year 1957. Earnings per common share on shares outstanding at years' end have ranged from \$.84 in 1948 to a low of \$.74 in 1952 and a high of \$1.19 in 1957.

A vice president of applicant testified that applicant's ratio of debt to other types of capital was on the high side and that to increase said ratio might result in the impairment of applicant's credit. He testified that applicant intended to issue and sell \$2,100,000 of preferred 6 percent stock to replenish and build up applicant's capital, and that in order to attract preferred stock investors, applicant should earn a rate of return of approximately 6.5 percent on its system-wide operations.

Applicant's main office address is 11911 South Vermont Avenue, Los Angeles 44, where executive offices, and engineering,

valuation, accounting and billing departments are maintained. The Culver City District is the executive responsibility of a vice president who is also responsible for the operations of applicant's Ojai District in Ventura County.

CULVER CITY DISTRICT OPERATIONS

Applicant furnishes water service in and about the City of Culver City in the area shown on the map, Chart 3-B of Exhibit No. 5, and as of December 31, 1957, 7,852 commercial, industrial, and public authority metered customers, and 30 private flat rate fire protection services, were being served. Additionally, there were 448 fire hydrants, for public fire protection service, connected to the water system as of that date.

The record shows that the Culver City District service area is substantially built up and without firm possibility of expansion of the Culver City limits. There is some indication in the record that present one and two-story dwellings may, in the future, be replaced by multi-unit and multi-storied apartment buildings, and that at least one annexation proceeding is pending before the City. There is some indication in the record that the elimination of excessive hardness of domestic water might encourage the use by domestic consumers of larger quantities of water which larger usage might be offset by lesser usage if the monthly charges for water consumption were increased.

Applicant's water supply in the Culver City District in the past has been obtained from 10 company-owned operating wells, 5 of which are located at applicant's Charnock plant which discharge directly into a forebay tank, with a capacity of 100,000 gallons,

from which water is boosted into the system by 4 electric and one natural gas booster pumps. Water produced from the 5 wells at applicant's Sentney plant is first aerated and treated with ferric chloride and chlorine in a tank, then passed through a sedimentation tank, then through rapid sand filters into forebay tanks, whence it is pumped through carbon filters into the distribution system.

Exhibit No. 6 is a series of tables and graphs of data relative to the water supply of applicant upon the introduction of Metropolitan Water District water on September 1, 1958.

A witness for applicant testified that applicant's customers would immediately be able to tell the difference between water which has been served from applicant's wells only, and the blended Metropolitan water which will be served.

Both applicant's president and chief engineer testified that applicant intended to utilize the maximum amount of Metropolitan water consistent with economical operation of the water system.

The record shows that it will be necessary to maintain both the Charnock and Sentney plants in full operating condition and that the pumping equipment therein will be tested and inspected daily. Applicant's witness testified that there will be no reduction in pumping operation or maintenance labor expenses as a result of the introduction and use of Metropolitan water in the Culver City District. The record shows that applicant intends to maintain its two wells at its Sepulveda plant, with an installed pumping plant capacity of 1400 gallons per minute, on a standby basis for fire protection and other emergency purposes in the event of an

interruption in, or breakdown of, the Metropolitan sources of supply. Applicant's witnesses testified, however, that the water fixed capital associated with the Sepulveda plant had not been included in its rate base for the purposes of the instant application.

Rates

Applicant's present rates became effective January 1, 1953, pursuant to Decision No. 47979, supra. The following tabulation is a comparison of applicant's present general metered service rates with its proposed rates for such service:

General Metered Service

<u>Quantity Rates:</u>	<u>Per Meter Per Month</u>	
	<u>Present</u>	<u>Proposed</u>
First 800 cu. ft., or less	\$ 1.35	\$ 2.10
Next 1,700 cu. ft., per 100 cu. ft. ..	.16	.23
Next 7,500 cu. ft., per 100 cu. ft. ..	.15	.21
Over 10,000 cu. ft., per 100 cu. ft. ..	.12	.18
<u>Minimum Charge:</u>		
For 5/8 x 3/4-inch meter	\$ 1.35	\$ 2.10
For 3/4-inch meter	2.00	3.00
For 1-inch meter	3.25	4.50
For 1 1/2-inch meter	6.50	9.25
For 2-inch meter	10.00	14.50
For 3-inch meter	20.00	30.00
For 4-inch meter	30.00	45.00
For 6-inch meter	50.00	75.00
For 8-inch meter	75.00	105.00

Under present rates the charge for a monthly consumption of 1500 cubic feet is \$2.47. Under the proposed rates such charge would be \$3.71, an increase of 50.2 percent.

A witness for the City proposed a rate of \$2.10 for the first 800 cubic feet, or less, of monthly usage; \$.20 per 100 cubic feet for the next 1200 cubic feet; \$.15 per 100 cubic feet for the next 5000 cubic feet; and \$.12 per 100 cubic feet for all over 7000 cubic feet. This would represent an over-all increase of approximately 24 percent over the present rates, but this witness testified that he had not computed the gross revenues which would result from the application of such a proposed schedule and had anticipated that with a lesser increase in rates, greater quantities of water would be sold by applicant to its customers. This witness submitted, as Exhibit No. 11, a comparison of applicant's present and proposed rates with 33 water systems in Los Angeles County, all but four of which were city-owned systems.

Earnings

Applicant submitted, as Exhibit No. 5, a report of operations in its Culver City District. Commission staff accounting and engineering witnesses submitted, as Exhibit No. 14, a report of applicant's operations in its Culver City District for the year 1957 recorded, and for the years 1957 adjusted, and 1958 estimated at present and proposed rates. The following tabulation is a summary of the earnings data contained in Exhibits Nos. 5 and 14:

SUMMARY OF EARNINGS

Item	Year 1957	Year 1958 Estimated			
	Recorded				
	Present	Present Rates		Proposed Rates	
	Rates	Per P.U.C.	Per Co.	Per P.U.C.	Per Co.
	Ex. 14	Ex. 5	Ex. 14	Ex. 5	Ex. 14
Operating Revenues	\$365,958	\$366,330	\$367,160	\$538,100	\$537,930
Operating Expenses	175,292	256,030	250,260	256,320	250,260
Depreciation	39,000	57,490*	50,800	57,490*	50,800
Taxes	64,199	43,850	10,690 [#]	102,000	103,600
Total Oper. Exp.	\$278,491	\$357,370	\$311,750	\$415,810	\$404,660
Net Revenue	87,467	8,960	55,410	122,290	133,270
Rate Base	1,488,300	1,853,900	1,980,700	1,853,900	1,980,700
Rate of Return	5.88%	0.48%	2.80%	6.60%	6.73%

* Includes amortization of \$6,620

Includes federal income tax of (\$32,360) reflecting negative income tax expense attributable to Culver City District operations for the year 1958 estimated at present rates.

It is evident from an analysis of the earnings tabulation, hereinbefore shown, that there are no significant differences between the estimates of the components of the rate of return at either the present or proposed rates submitted by the applicant and the staff for the year 1958 except that, as noted, the staff computed a federal income tax loss at present rates whereas the applicant computed zero income tax at present rates for the year 1958 estimated.

Applicant's president and secretary-treasurer each testified that although applicant had claimed accelerated depreciation expense in computing federal income tax payments for the years 1954,

1955, 1956, and 1957, but had accrued federal income tax expense on its books on a straight-line depreciation expense deduction basis for those years and had thereby accumulated an excess reserve of approximately \$410,000 as of December 31, 1957, it intended to and would accrue and pay its 1958 tax on the basis of claiming a straight-line depreciation expense deduction for income tax purposes. Said witnesses testified that applicant would apply the said excess reserve against the difference between income tax accrued against income tax paid in future years, and that in such years, the benefits of having claimed accelerated depreciation between the years 1954 and 1957 would be offset by reduced depreciation expense income tax deductions claimable in such future years.

The order which follows will provide that should applicant elect to claim accelerated depreciation expense in its income tax payments for the year 1958, or for any year subsequent thereto, it shall, within ten days after filing such claim, notify the Commission thereof, and the rates for water service authorized hereinafter may be adjusted accordingly.

Protests

In its written protest to the instant application, as contained in its Resolution CS-3310, supra, and in its brief, the City of Culver City concluded that the applicant had underestimated its anticipated revenues and overestimated its operating and maintenance costs by not taking into consideration the possible growth of the City through annexation or conversion of single family properties to apartment houses or other multiple unit houses, and by not reducing the pumping operation and maintenance costs at the

Charnock and Sentney plants due to the great reduction in their anticipated use upon the introduction and purchase of Metropolitan Water District water. The City also concluded that the applicant had failed to eliminate the value of the Sentney and Charnock plants from its fixed capital and rate base to conform to the percentage of anticipated use of these facilities to the over-all operation after September 1, 1958, the date of commencement of the use of Metropolitan Water District water in the Culver City system. The City concluded that the rate of return requested by the applicant was excessive. It further concluded that the proposed rate schedule was not properly designed to give to the large body of resident consumers, the quantity of water to which they should be entitled at a low minimum cost and, at the same time, to so fairly arrange the balance of the rate schedule among other users as to produce increased revenues. It urged that no increase in rates be allowed until applicant had demonstrated that all conditions complained of by protestants had been corrected, or that at least the applicant be required to impound the funds represented by any increase in rates allowed until the Commission will have determined that the conditions complained of were satisfactorily corrected.

The City also protested the proposed rate increase by its statement in its brief that applicant's rate of return on its Culver City District should not exceed 5 percent, and, further, that the taxpayers of Culver City would be required to pay, in addition to an excessive water rate, \$400,000 of taxes to the Metropolitan Water District to obtain the source of water supply which the applicant will be purchasing at the rate of \$25.50 per acre foot.

The complaint of Lewis A. Crank was directed to low pressure conditions in Tract No. 28215 which have existed since the summer of 1954.

As noted hereinbefore, the record shows clearly that applicant expects all low pressure conditions which have existed in its Culver City District to be eliminated upon the completion of construction of the new 1 million-gallon storage reservoir at the Charnock plant and the large transmission mains associated with the connection to the Metropolitan Water District facilities, and, thereafter, upon the introduction and use of Metropolitan water in the Culver City District.

The complaint of Melvin Hanberg was directed against the fact that a 1-inch meter had been installed by the applicant on his premises, which consist of a duplex dwelling unit, and that his repeated requests for a 5/8 by 3/4-inch meter had been denied by the

applicant. Applicant's president and its Culver City District superintendent each testified that a 5/8 by 3/4-inch meter would be installed at Mr. Hanberg's premises, without cost to him, if he obtained a clearance from the Culver City Plumbing Department which operates under ordinances of the City of Culver City with respect to water service and other plumbing installations within the City. This testimony did not satisfy Mr. Hanberg, and in his brief he claimed that it was not his responsibility to determine the proper size water meter to be placed on his premises, nor was it the individual responsibility of some 1,315 other 1-inch metered customers in the Culver City District to make such determination themselves. He felt that it was applicant's responsibility to place the proper size meter on each service connection. This witness also protested the rate increase on the grounds that the country was in a recession and that other large corporations were being required to accept lower earnings and rates of return than in more prosperous times.

Service Conditions

Each service complaint registered at the April hearings was, at the direction of the examiner, investigated by the applicant, and a report thereon was submitted for the record at the June 11th hearing by applicant's Culver City District superintendent. As noted hereinbefore, several of applicant's witnesses stated flatly on the record that after September 1, 1958, when Metropolitan water will be introduced in the Culver City District, the conditions of odor, bad taste, discoloration, and encrustation of consumers' water service facilities will be eliminated. The order which follows will require

applicant to advise the Commission by the submission of periodic written reports of applicant's success in eliminating all service deficiencies.

Findings and Conclusions

The Commission has no intention nor desire to thwart the sustained joint efforts of the applicant and the City of Culver City to bring Metropolitan water into the Culver City District system, and it is found as a fact that it would be adverse to the public interest to place any conditions upon applicant financially which might interfere with or delay the accomplishment of the Metropolitan water program so vigorously promoted, not only by the citizens of Culver City and its elected officials, and by the applicant, but by the Commission itself by its order to applicant in Decision No. 47979 in the year 1952. The City, as noted in its brief, has suggested that applicant's earnings be adjusted for what the City claims may be a reduction in the use by applicant of fixed capital at applicant's Charnock and Sentney plants, and a reduction, accordingly, in applicant's operating expenses. The City, however, offered no engineering or economic study for the record upon which the Commission might be able, accurately, to make any such adjustment. On the contrary, the testimony of applicant's witnesses, as noted, was that such plants would be operated as economically as possible and only to the extent that it was necessary to operate them to blend Metropolitan water with local well supplies on maximum demand days. No evidence was offered by the City that its suggested rate of return of 5 percent, or any other rate of return less than

that calculated by the applicant at the proposed rates, would be reasonable. The rate spreads suggested by the City, incorporating on the one hand applicant's proposed minimum quantity rate with lower block rates, and on the other hand a lower minimum monthly quantity rate, do not appear to be reasonably applicable to the Culver City District. The City's proposed rates would produce insufficient gross revenue for a reasonable rate of return and their authorization would result in an inequitable and unreasonable distribution among applicant's domestic, commercial, and industrial customers of charges for water service.

After careful review of the record, the Commission finds as a fact that the rate of return for the year 1958 estimated of 0.48 percent as submitted by the applicant, and of 2.80 percent as submitted by the Commission staff, at the present rates, is deficient and unreasonable and that applicant is entitled to and in need of financial relief in its Culver City District. The rates proposed by the applicant are, however, somewhat higher than appear to be necessary. They would yield a rate of return in the Culver City District calculated by the applicant to be 6.60 percent and by the Commission staff to be 6.73 percent for the test year 1958. In the situation here existing, we find that a rate of return of 6.5 percent is reasonable for the future. After considering and allowing for attrition in the rate of return of approximately 0.1 percent per annum, a rate of return of 6.6 percent is indicated for the test year 1958. Based on the staff's estimated results of operation and rate base of \$1,980,700, which we hereby adopt as reasonable and a rate of return of 6.6 percent, an increase over present gross revenues of \$165,000 or 45 percent, is indicated.

The Commission further finds as a fact that the increases in rates and charges authorized herein are justified and that present rates insofar as they differ from those herein prescribed will, for the future, be unjust and unreasonable.

It is found to be mandatory in the public interest that the complainants herein, the protestants, all of applicant's customers, and the Commission, be kept fully advised of the success of the Metropolitan water program in Culver City, and the order hereinafter will provide accordingly.

The complaint of Mr. Hanberg has merit to the extent that the Commission finds as a fact that the responsibility for the installation of the proper size water meter on a customer's service is with applicant according to its Rules which are on file with the Commission. It appears that a disproportionate number of 1-inch meters have been installed by applicant in its Culver City District. Whether or not such installations have been made by the applicant at the order and in accordance with the rules of the City's Plumbing Department is not clear in the record. Despite such lack of clarity, however, the order which follows will provide that applicant shall provide at the time of its next billing statements, a notice to every 1-inch metered consumer in the Culver City District that, upon written application by such consumer, the question of whether his 1-inch meter is of proper size will be investigated by the applicant. The order hereinafter will provide, further, that applicant in such investigation shall make a proper

check with the Culver City Plumbing Department, and that the proper size meter shall thereafter be installed by applicant.

O R D E R

Application as above entitled having been filed, public hearings having been held, evidence having been received, briefs having been filed, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED as follows:

1. That Southern California Water Company, a corporation, be and it is authorized to file in quadruplicate with the Commission, after the effective date of this order, in conformity with the Commission's General Order No. 96, the schedule of rates shown in Appendix A attached hereto, and upon not less than three days' notice to the Commission and to the public to make such rates effective for service rendered on and after September 1, 1958.

2. That if applicant elects to claim, under the provisions of Section 167 of the Internal Revenue Code, accelerated depreciation expense in its federal income tax return for the year 1958, or for any year subsequent thereto, applicant shall submit a report in writing to the Commission within ten days after the filing of such claim, such report to set forth in detail the amount and facts relating to such claim. Upon the receipt of such report, the Commission may issue such order or orders which may be appropriate, and may adjust the rates authorized hereinbefore to be filed to reflect the reduced income tax expense and the effect on the net revenue and rate of return hereinbefore found to be reasonable.

3. That applicant shall, within sixty days after the effective date of this order, file four copies of a comprehensive map drawn to an indicated scale not smaller than 600 feet to the inch,

delineating by appropriate markings various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant in its Culver City District.

IT IS HEREBY FURTHER ORDERED as follows:

1. That applicant shall, within ten days after the first day of introduction of Metropolitan Water District water into its Culver City District system, and every ninety days thereafter, for a period of one year, submit to the Commission in writing a report which shall contain the following information:

- (a) A statement showing the amount of hardness of the water delivered on the maximum demand day for the period covered in its Culver City District at points in the immediate vicinity of the Charnock and Sentney plants, and at two other widely separated points distant from said plants.
- (b) A pressure recording chart showing the water pressures for a period of 24 hours at two of the highest elevation points in Tract No. 28215 and, if such pressures are found at any time to have been below 25 pounds per square inch, a statement of its plans for maintaining and the steps taken or to be taken to maintain pressures thereabove.
- (c) A statement of its progress in eliminating the bad water odors and taste complained of in these proceedings.

2. That applicant shall provide at the time of its next billing statement, a notice to all 1-inch metered customers in its Culver City District that upon their written request the applicant will investigate the propriety of the size of their meter installation, will make a proper check with the Culver City Plumbing Department, and will thereafter install the proper size meter if

such investigation and check reveal that the size of the presently installed 1-inch meter is improper. Applicant shall submit, in writing, a report to this Commission within ten days after the completion of such notification together with a copy of the notice used.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 26th day of August, 1958.

[Signature]
President

[Signature]
Theodore H. Jenner

Commissioners

Ray E. Untereiner
Commissioner Matthew J. Dooley, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

Schedule No. CC-1

Culver City Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The City of Culver City and vicinity, Los Angeles County.

RATES

		<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:		
First	800 cu.ft. or less	\$ 2.10
Next	1,700 cu.ft., per 100 cu.ft.	-23
Next	7,500 cu.ft., per 100 cu.ft.	-20
Over	10,000 cu.ft., per 100 cu.ft.	-17

Minimum Charge:

For	5/8 x 3/4-inch meter	\$ 2.10
For	3/4-inch meter	3.00
For	1-inch meter	4.50
For	1-1/2-inch meter	9.25
For	2-inch meter	14.50
For	3-inch meter	30.00
For	4-inch meter	45.00
For	6-inch meter	75.00
For	8-inch meter	105.00

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

SPECIAL CONDITION

All meter readings for municipal departments of the City of Culver City will be combined for the purpose of computing monthly bills at the Quantity Rates, and for such municipal departments there will be a monthly minimum charge in the amount of the sum of the minimum charges for all meters serving the City of Culver City.