

Decision No. 53476**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Independence Water)
 Company to increase rates for)
 water service, Independence,)
 Inyo County, California. }

Application No. 41104

O'Melveny & Myers, by Lauren M. Wright, for applicant.
Boyd A. Taylor, District Attorney, and George C.
Chatterton, Assistant District Attorney, for
County of Inyo, interested party.
Nina A. Brinton for Independence Garden Club,
 protestant.
Donald B. Steger, for the Commission staff.

O P I N I O N

By the above-entitled application filed May 1, 1959,
 Independence Water Company, a corporation, seeks authority of this
 Commission to increase rates for water service rendered to the un-
 incorporated community of Independence, the county seat of Inyo County,
 to produce an increase in annual gross revenues of about \$6,000.

Public Hearings

Public hearing was held before Examiner E. Ronald Foster at
 Independence on September 30 and October 1, 1959. The matter was
 submitted subject to the later filing of an exhibit, which has since
 been received, and also subject to the request of applicant's counsel
 to argue two particular points before the Commission in bank or before
 the assigned Commissioner. Such oral argument was made before
 Commissioner Matthew J. Dooley and Examiner Foster at a public hear-
 ing held in Los Angeles on November 3, 1959, following which the
 matter was finally submitted and is now ready for decision.

History of Applicant and Description of the System

Applicant has been engaged in the distribution of water for domestic and other purposes since its organization in 1887. As of January 1, 1959, there were outstanding 7,620 shares of its common stock, of which 3,825 shares or slightly over 50 per cent were held by J.A. Gemmell and H.R. Gemmell, his wife; 2,795 shares or nearly 37 per cent were held by the City of Los Angeles; and the remaining 1,000 shares or about 13 per cent were held in the names of six other individuals. John A. Gemmell is the president of the corporation and serves as its manager; S.L. Parratt is vice-president; and Helen R. Gemmell is secretary and treasurer and is employed as the general clerk of the company.

Based on its established rights to 55 miner's inches of continuous flow, water is diverted from Independence Creek at a point about 3.5 miles below its junction with Pinyon Creek. The diversion works, settling basin and 405,000-gallon open reservoir are located on land leased from the City of Los Angeles, which facilities are located about 1/2 mile southwest of the Town of Independence and approximately 150 feet higher in elevation. After being chlorinated, the gross water usage is recorded by a meter owned and maintained by the City of Los Angeles. The water flows by gravity through 3534 feet of 16-, 12- and 10-inch pipe to the distribution system which consists of 33,472 feet of pipeline varying in size from 10-inch to 1-inch diameter. As of December 31, 1958, there were about 284 active services, plus six sewer flushing connections and 30 public fire hydrants attached to the system. There are no customers' meters, all service being rendered at flat rates. Based on an average of 282 services, in 1958 the average gross water consumption per consumer was about 12,550 cubic feet per month.

Applicant's Position

The present rates for water service were authorized by the Commission in 1949, since which time system growth has been slow, averaging about 4 new customers per year. In the meantime the recorded expenses have increased to the point where they have nearly equalled or exceeded the operating revenues in recent years. Wherefore applicant requests that the Commission authorize such rates as may be necessary to provide a just and reasonable return on its investment in plant facilities.

For many years applicant has had the problem of free water service to certain property owners, and now to their successors or assigns, as a perpetual right to have water delivered to their properties without cost by virtue of two certain deeds conveying rights to water which are included in applicant's total entitlement. Copies of the said deeds executed in 1887 and 1888, are attached as appendices to Exhibit B of the application. The Commission is requested to make such findings in this matter as are just and proper and to specifically set forth in its order in this proceeding the conditions under which applicant shall continue to furnish free water service, if at all, to anyone or to any property within its service area.

Rates, Present and Proposed

Applicant's present rates have been in effect since January 1, 1950, as authorized by Decision No. 43464, dated November 1, 1949, in Application No. 30353.

General Metered Service

To-date none of the customers' services have been equipped with meters, all water having been supplied at flat rates. Applicant has indicated its intention to continue to deliver all water at flat rates, at least for residential purposes, as long as an adequate supply of water is available at its diversion works. Although little

or no metered service revenue is anticipated in the near future, applicant desires to have a schedule of meter rates on file as complementary to its flat rate schedule. The following tabulation compares the present rates and charges for metered service with those proposed by applicant for use whenever applicable in the future:

		<u>Per Meter Per Month</u>		
		<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
<u>Quantity Rates</u>		<u>Rates</u>	<u>Rates</u>	
First	1,000 cu.ft. or less	\$2.50	\$3.00	20.0%
Next	9,000 cu.ft. per 100 cu.ft.	.20	.20	0.0
Next	15,000 cu.ft. per 100 cu.ft.	.15	.15	0.0
Over	25,000 cu.ft. per 100 cu.ft.	.10	.10	0.0
<u>Minimum Charge</u>				
For	5/8 x 3/4-inch meter	2.50	3.00	20.0
For	3/4-inch meter	3.00	3.60	20.0
For	1-inch meter	4.00	4.00	0.0
For	1 1/2-inch meter	5.50	6.00	9.1
For	2-inch meter	8.00	8.00	0.0
For	3-inch meter	14.00	14.00	0.0
For	4-inch meter	20.00	20.00	0.0

General Flat Rate Service

Applicant's currently filed schedules of general flat rates contain some 70 billing items. In an attempt to reduce the number of such items and to eliminate some of the problems experienced in applying the present rates, applicant has proposed a simplified schedule which is designed to improve customer relations by minimizing possibilities of discrimination claimed to exist under the present rates.

In particular, applicant proposes to discontinue the charge of two cents per 100 square feet of irrigated area in excess of 7500 square feet, chargeable during the months of May to October, inclusive, which has necessitated annual surveys and considerable policing. In lieu thereof, applicant proposes to charge at the rate of two cents per 100 square feet for service to all areas in excess of 6500 square feet (the prevalent lot size), such charge to be applied every month of the year. The effect of this proposed change would be to increase

the 1958 annual revenue of \$308 from charges for irrigated areas to an estimated annual amount of about \$1,750 from charges for excess lot areas, as determined from an analysis of revenue data shown in Chapter 5 of Exhibit B^{1/} attached to the application.

Applicant also proposes to place certain annual flat rates on a monthly flat rate basis, together with some proposed increases to eliminate apparent inequities, and to bring such rates up-to-date for the customers' premises currently being served.

The proposed schedule of rates for general flat rate service involves increases ranging from zero to 300 per cent. The over-all effect would be to increase revenues from such flat rate service about 46 per cent.

Special Flat Rate Service

The present schedule of special flat rates applies to water service for construction work. The proposed schedule omits unused and impracticable rate items and leaves the remaining items unchanged in amount.

Fire Protection Service

No increases are proposed in the rates applicable to service furnished to the public fire hydrants which are owned and maintained by the local fire protection district nor to privately owned fire hydrants and sprinkler systems.

Customer Participation

About twenty customers attended the first day of hearing, some of whom testified in protest to the proposed increase in water rates. Much of their opposition was based on a comparison of costs for water service in other communities in the county, two of which have municipally operated water systems. One witness mentioned the

^{1/} Also received as Exhibit No. 2 in this proceeding.

fact that the recently increased basic flat rate for residential service by Lone Pine Water Company is \$2.85 per month, which is lower than applicant's present comparable rate of \$3.00.

The chairman of the board of trustees of the local cemetery association objected to the proposed increase from the established rate of \$12 per annum (although applicant has been collecting \$20 per year) to a rate of \$4 per month, representing a 300 per cent increase over the present rate. Water is supplied through a 2-inch service connection for about 7 months of irrigation of plantings in the cemetery grounds which comprise over two acres.

On behalf of the Independence Garden Club, a witness protested the proposed 100 per cent increase from \$1.50 to \$3.00 per month for this service. The building is used by several groups for their monthly meetings and the surrounding areas of the lot are irrigated.

Some witnesses testified that the water supplied by applicant is often dirty, particularly during times of heavy spring runoff in the mountain streams. During such periods many residents haul water for drinking and cooking purposes from a nearby artesian well. One witness, claiming to represent a citizens committee, also testified that some of the public fire hydrants supply insufficient water for the fire district's pumper, because of too small water mains.

Summary of Showings

The respective showings of applicant and of the Commission staff for the years 1958 and 1959 are compared in the following tabulations taken from applicant's Exhibit No. 2 and the staff's Exhibit No. 3 as revised and corrected at the hearing:

SUMMARY OF EARNINGSApplicant's Showing - Exhibit No. 2

<u>Item</u>	Year : 1958 Adjusted : 1959 Estimated			
	1958 : Recorded:	Present Rates	Proposed: Rates	Present Proposed Rates Rates
Operating Revenues	\$13,836	\$14,044	\$20,036	\$14,152 \$20,180
Expenses				
Maintenance & Operation	11,254	12,538	12,567	13,126 13,155
Taxes Other Than Income	863	836	836	925 925
Taxes On Income	-	25	1,663	25 1,465
Depreciation	1,563	1,563	1,563	1,633 1,633
Total Expenses	<u>13,680</u>	<u>14,962</u>	<u>16,629</u>	<u>15,709</u> <u>17,178</u>
Net Revenue	156	(918)	3,407	(1,557) 3,002
Depreciated Rate Base	39,473	40,528	40,528	43,384 43,384
Rate of Return	0.4%	(2.3%)	8.41%	(3.6%) 6.92%

(Red Figures)

CPUC STAFF - Exhibit No. 3 (Revised and Corrected)

<u>Item</u>	1958 Adjusted : 1959 Estimated			
	Present Rates	Proposed: Rates	Present Rates	Proposed Rates
Operating Revenues	\$14,040	\$20,030	\$14,150	\$20,180
Expenses				
Maintenance & Operation	9,080	9,100	9,240	9,260
Taxes Other Than Income	760	760	790	790
Taxes On Income	870	2,890	830	2,870
Depreciation	1,640	1,640	1,660	1,660
Total Expenses	<u>12,350</u>	<u>14,390</u>	<u>12,520</u>	<u>14,580</u>
Net Revenue	1,690	5,640	1,630	5,600
Depreciated Rate Base	44,060	44,060	43,450	43,450
Rate of Return	3.8%	12.8%	3.7%	12.9%

Operating Revenues

The staff accepted the applicant's estimates of revenues obtainable at both present and proposed rates as determined by the detailed analysis in Chapter 5 of applicant's exhibit. Such revenues do not include any from the properties which have been receiving water free of charge under the two deeds previously mentioned herein; the estimated revenues would be increased by about \$220 if the present flat rates were applied to those properties and by approximately \$300 if the proposed rates were to be applied.

Maintenance and Operation Expenses

The considerable difference between the two showings results chiefly from the divergent treatment of maintenance and operation expenses. For the years 1956, 1957 and 1958 these expenses were recorded as \$11,527, \$11,212 and \$11,254 respectively. Of the latter amount, payroll and other compensation to the manager amounted to \$7,723, exclusive of \$606 for the services of applicant's consulting engineer.^{2/}

Except for part time help employed on an hourly basis (amounting to \$517 in 1958), all management, supervision and operation of the water system is performed by Mr. and Mrs. Gemmell who are the principal officers of the applicant corporation and hold slightly more than fifty per cent of the stock. As president, Mr. Gemmell is paid \$55 per month in addition to his salary of \$250 per month as manager. Mrs. Gemmell receives \$25, \$125 and \$75 respectively, per month, for her services as secretary, treasurer, and office bookkeeper-clerk, the total salaries paid to these two individuals amounting to \$6,360 per year. Mr. Gemmell testified that he spends not less than one hundred hours a month on water company business and that his wife spends twenty-five hours per week, or more. Mr. Gemmell is also

^{2/} Analysis is shown in Table 2-C, Exhibit No. 3.

employed by the county on a full time basis of forty hours per week. For time lost from his regular employment which is spent in operating the water system, compensating charges are recorded in the utility accounts. For the year 1958 the amount of such reimbursement to Mr. Gemmell was \$1,138 for lost wages and travel expenses, but the record does not show the segregation between the two items. Since the monthly amounts paid by applicant to Mr. Gemmell as president and manager are intended to cover his services on operating the water system, to the extent that he is reimbursed for time spent away from his county employment, it appears that there is a duplication of payment for his services to applicant.

The staff exhibit shows that in arriving at the 1958 adjusted expenses considered normal for rate making purposes, a downward adjustment of \$2,531 was made for the labor portion of certain expenses, partially offset by allowances of \$42 for telephone expense chargeable to the water utility and \$311 for regulatory expenses (discussed in more detail later), thus arriving at a rounded amount of \$9,080 for this group of expenses for the year 1958. Of that amount, the staff engineer testified that he had estimated total salaries at \$5,109, including the retainer fee paid to the consulting engineer.

It is evident from the record that some portion of total payroll is properly chargeable to capital accounts. During the year 1959, applicant's manager was faced with a period of water shortage and necessary rationing and during the past two or three years he has been concerned with the preparation of the current rate increase application, both of which have involved some time not required in a normal year. In view of all of the facts before us, the

Commission is of the opinion that to operate a gravity type water system supplying less than 300 unmetered customers, the time claimed to have been spent by Mr. Gemmell and his wife is excessive for the normal operation and management of the utility.

Another element in the difference between the two estimates is the proration of the cost of the current rate increase proceeding. Applicant's engineer prorated the estimated cost of \$2,800 over a period of four years, or \$700 per annum. On the other hand, the staff prorated the same amount at \$311 per year over a period of nine years, that being the approximate average period between rate proceedings actually experienced by applicant. The cost of applicant's previous rate increase proceeding was \$500 which was amortized over a period of five years for rate making purposes.^{3/} The Commission is of the opinion that to amortize the current amount of \$2,800 (equal to about \$10 per customer) over any lesser period would place an undue burden on applicant's consumers for this type of expense. Therefore, for the purposes herein, the said amount will be prorated over a period of five years, or at the rate of \$560 per annum.

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See the staff report, Exhibit No. 9 in Application No. 30353 and Decision No. 43464 therein, both of which have been incorporated in this record by reference, at the request of applicant's counsel.

Based partially on the premise that low earnings by applicant in recent years have caused the deferment of maintenance of portions of the system, applicant's engineer has adjusted the recorded 1958 expenses upward by some \$1,300 to provide for such deferred maintenance to be accomplished when earnings improve. Based on the record of increasing costs for maintenance and operation of the system, this witness increased the adjusted 1958 expenses by five per cent in arriving at his estimate of such expenses for 1959. While there is some merit in the methods used by applicant, the record reveals some factors which would tend to mitigate the results reached thereby.

After a careful review of all of the evidence introduced in this proceeding, with due weighting of the various testimony of all witnesses, and not overlooking the arguments advanced by applicant's counsel, by the exercise of informed judgment the Commission is of the opinion that an amount of \$11,500 adequately represents the reasonable estimated cost of operating and maintaining applicant's water system for the test year of 1959, and the said amount will be adopted for the purposes of this proceeding.

Taxes and Depreciation

Applicant's estimate is \$135 higher than the staff's estimate of taxes other than those based on income, the major element of which is the ad valorem tax. To give proper effect to the latest known tax rate and assessed values of applicant's property, an amount of \$850 will be adopted as reasonably representing this group of taxes for the year 1959.

Taxes on income vary, of course, with the amount of taxable income which, in turn, depends upon the gross revenue and the allowable deductions. This largely accounts for the staff's estimates of income taxes being considerably higher than applicant's. The staff also based its calculations on the fact that the state corporation franchise tax rate has been increased from 4 per cent to 5½ per cent, and the minimum from \$25 to \$100. The results herein adopted will reflect such increase, of which the Commission takes official notice.

There is little difference between the two estimates of depreciation expense. The staff's estimate of \$1,660 appears reasonable and will be adopted.

Rate Base

The rate bases of the two showings, while somewhat differently determined, are in close agreement for the year 1959. Both of them include certain additions to plant contemplated for 1959. At the hearing applicant's engineer revealed the possibility of reducing the estimated cost of installing a certain pipeline by reason of acquiring a right of way across property not originally contemplated as feasible. This revision would have the effect of reducing the staff's rate base by about \$500. Therefore a rate base of \$43,000 for the test year 1959 will be adopted as reasonable for the purposes of this proceeding.

Rate of Return

Using the revised amounts found reasonable in the foregoing discussion, the following tabulation indicates the results of applicant's operations as estimated for the year 1959 at present rates, at the rates proposed by applicant and at the rates herein-after authorized, had such rates been put into effect at the beginning of the year.

RESULTS OF OPERATION AS ADOPTED

<u>Item</u>	<u>Estimated Year 1959</u>		
	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Authorized Rates</u>
<u>Operating Revenues</u>	<u>\$14,150</u>	<u>\$20,180</u>	<u>\$18,530</u>
<u>Expenses</u>			
Maintenance & Operation	\$11,500	\$11,500	\$11,500
Taxes Other Than Income	850	850	850
Taxes On Income	110	2,090	1,530
Depreciation	1,660	1,660	1,660
Total Expenses	<u>14,120</u>	<u>16,100</u>	<u>15,540</u>
Net Revenue	30	4,080	2,990
Depreciated Rate Base	43,000	43,000	43,000
Rate of Return	0.1%	9.5%	7.0%

The evidence is clear, as the foregoing tabulations indicate, that revenues obtainable from existing water rates are inadequate to meet applicant's reasonable needs. It has been conclusively demonstrated that applicant is entitled to rate relief. However, the rates which applicant has proposed would yield revenues considerably greater than a reasonable return would require.

Free Water Service

That portion of the application concerning applicant's problem of free water service obtained and claimed by certain property owners by reason of certain conveyance deeds previously mentioned herein will be dealt with more completely by the Commission in a supplemental decision.

The potential revenues obtainable from delivery of water to the properties involved, would amount to about \$280 per year at the rates hereinafter authorized. Even if added at the full amount to the gross revenues shown in the preceding tabulation, the net effect of such increased revenues, after allowance for taxes on income, would be to increase the rate of return to about 7.4 per cent.

Recommendations

The staff made recommendations pertaining to depreciation practices and the filing of up-to-date maps, rules governing customer relations revised to reflect present-day practices, and sample copies of printed forms that are normally used in conjunction with customer service.

The staff also recommended that applicant investigate the possibility of further simplifying the flat rate structure and submit the results of such investigation to the Commission. The staff suggested that simplified rates could be based on the size of service connection, with added charges for additional lot areas and dwelling units served from a 1-inch service.

Form of Rate Schedules

In order to simplify the existing schedule of flat rates for residential and other service, and to eliminate the necessity for repeated measurements of irrigated areas in excess of a certain allowance, applicant has proposed that the size of the premises served be incorporated in the rate structure.

The present record is considered insufficient to permit the design of a schedule of flat rates based on the size of the service connection, as suggested by the staff, which would be feasible to administer and prove to be equitable to all consumers. However, some further simplification of the schedules proposed by

applicant appears possible and desirable by the elimination of repetitive items and this will be done in the schedules hereinafter authorized. Also the several schedules will be re-arranged in an effort to achieve greater uniformity with those filed by other water utilities.

Experience has demonstrated the difficulty of designing and administering flat rates for business establishments and almost all classifications other than residential consumers without the possibility of unfair discrimination. The most equitable method of charging for such service is by means of meters. It is suggested that applicant adopt and put into effect a policy of progressively metering all services other than residential.

Findings and Conclusions

The Commission finds and concludes that the estimates of operating revenues, expenses, including taxes and depreciation, and the rate base for the year 1959 as hereinabove revised reasonably represent the results of applicant's operations and they will be and hereby are adopted for the purposes of this proceeding.

After considering all of the evidence, we find that applicant is entitled to a portion of the relief sought and that an order should be issued revising and increasing the rates for water service to the extent set forth in Appendix A following the order herein. The authorized schedule of rates for general flat rate service will provide for an increase in revenues of about 32 per cent over the rates and charges now on file for such service. Applicant will also be authorized to file the schedules of rates for general metered service, special flat rates for construction purposes, rates for tank truck service, and rates for both public and private fire protection service essentially as proposed. The revenues from all

such rates are estimated to produce for the year 1959 total operating revenues of about \$18,530, had they been made effective at the beginning of the year, which revenues are \$4,380 more than those estimated to be obtainable from the present rates being applied. After due allowance for all reasonable operating expenses, depreciation and taxes amounting to \$15,540, the resulting net revenue of \$2,990 represents a rate of return of 7.0 per cent on the depreciated rate base of \$43,000. Were additional revenue to be received from the properties now being delivered water without charge, as hereinabove discussed, the corresponding rate of return would not exceed 7.4 per cent. In either case the estimated rate of return lies within a range which we find to be fair and reasonable for this water utility.

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

O R D E R

Independence Water Company, a corporation, having applied to this Commission for an order authorizing increases in rates and charges for water service rendered in the unincorporated community of Independence, Inyo County, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED that:

1. Applicant is authorized to file in quadruplicate with this Commission, after the effective date of this order and in conformance with General Order No. 96, the schedules of rates attached to this

order as Appendix A and, on 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 February 1, 1960.

2. Within forty-five days after the effective date of this order, applicant 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 acceptable to the Commission and sample copies of printed forms normally used in connection with customers' services. 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. Within sixty days after the effective date of this order, applicant shall file with this Commission four copies of a comprehensive map drawn to an indicated scale not smaller than 100 feet to the inch, delineating by appropriate markings the 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.

4. Applicant shall continue to determine depreciation accruals by applying the present depreciation rates by accounts, or as a composite rate, to the gross depreciable plant as of the beginning of the year plus one half of the additions during the year. Such rates shall be reviewed at intervals of not more than five years or whenever substantial changes in depreciable utility plant occur. Results of these reviews shall be submitted to this Commission.

5. Applicant shall continue to carry out the acquisition and installation of the contemplated 1959 additions to utility plant substantially as outlined in its Exhibit No. 2 introduced in evidence in this proceeding, including but not limited to the following major items:

- (a) Rapid sand filter, with necessary piping and accessories, to be installed in connection with the existing diversion works.
- (b) Install necessary length of 4-inch pipe in vicinity of Citrus Avenue to connect existing dead ends in blocks east and west of State Highway (Edwards Street).
- (c) Replace existing 2-inch pipe with 4-inch pipe along State Highway (Edwards Street) north of Inyo Street to airport area.

Applicant shall complete such installations and place them in operation within six months after the effective date hereof and shall notify the Commission in writing of the completion thereof within ten days after each major item has been placed in operation.

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

Dated at San Francisco, California, this 5th
day of January, 1960

Grant R. Page
President
W. E. [unclear]
W. H. [unclear]
E. J. Fox
Theodore J. Jenner
Commissioners

APPENDIX A
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Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated community of Independence and vicinity, Inyo County.

RATES

		<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:		
First	1,000 cubic feet or less	\$ 3.00
Next	9,000 cubic feet, per 100 cubic feet .....	.20
Next	15,000 cubic feet, per 100 cubic feet .....	.15
Over	25,000 cubic feet, per 100 cubic feet .....	.10

Minimum Charge:

For	5/8 x 3/4-inch meter	\$ 3.00
For	3/4-inch meter	3.60
For	1-inch meter	4.00
For	1 1/2-inch meter	6.00
For	2-inch meter	8.00
For	3-inch meter	14.00
For	4-inch meter	20.00

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

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Schedule No. 2

GENERAL FLAT RATE SERVICEAPPLICABILITY

Applicable to all water service furnished on a flat rate basis, other than for construction purposes.

TERRITORY

The unincorporated community of Independence and vicinity, Inyo County.

RATES

Per Service Connection
Per Month

Classification

1. For a single-family residence or the first unit of a multiple-family dwelling or business establishment other than those listed herein, including premises not exceeding 6,500 sq.ft. in area	\$ 3.75
a. For each additional residential unit or business establishment on the same premises and supplied from the same service connection	2.00
b. Additional for each permanent type swimming pool supplied from the same service connection, per 100 cu.ft. of water capacity, during the months of June to September, inclusive .....	.05
2. For each restaurant, cafe, coffee shop or other public eating places, including soda fountains, cocktail bars, game rooms and like accessory facilities operated under the same management, and including premises not exceeding 6,500 sq.ft. in area	6.00

(Continued)

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Schedule No. 2

GENERAL FLAT RATE SERVICE
(Continued)

<u>Classification</u>	<u>Per Service Connection</u> <u>Per Month</u>
3. For each hotel, motel, auto court, trailer park or similar facility, including the resident manager's living quarters and excluding restaurants, and including premises not exceeding 6,500 sq.ft. in area	\$ 4.00
a. Additional for each rental unit with kitchen or housekeeping facilities	1.00
b. Additional for each rental unit with bath and toilet facilities .....	.75
c. Additional for each rental unit with water basin .....	.50
d. Additional for each toilet, bath tub (or shower), and clothes washing machine for use by public .....	.50
4. For each church, meeting hall, club house, fire station and other civic building, including premises not exceeding 6,500 sq. ft. in area	3.00
a. Additional for each parsonage or other residential unit supplied from the same service connection	2.00
5. For each commercial or industrial building used for general office, warehouse, post office and similar purposes, including jails but excluding the county courthouse and private or public school buildings, and including premises not exceeding 6,500 sq.ft. in area	5.00
a. Additional for each office or space having separate water facilities installed and supplied from the same building service connection	2.00

(Continued)

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Schedule No. 2

GENERAL FLAT RATE SERVICE
(Continued)

<u>Classification</u>	<u>Per Service Connection Per Month</u>
b. Additional for gross area of floors or basements in excess of 3,000 sq.ft., exclusive of areas in (a) above, per 100 sq.ft.	\$ 0.10
6. For each vacant lot not exceeding 6,500 sq. ft. in area, for irrigation of lawn, shrubs, trees and gardens	2.00
7. For each dormitory or bachelor living quarters located on a lot not exceeding 6,500 sq.ft. in area	4.00
8. Additional for lots or land in excess of 6,500 sq.ft. in area supplied from the same service connection as one of the units in above classifications 1 through 7 per 100 sq.ft. ....	.01
9. For water for livestock, excluding service to any residence, for first 25 head or less of horses, cattle or other animals	2.00
a. Additional for each animal in excess of 25 head .....	.05
10. For sewer flushing service for City of Los Angeles .....	.50
11. For Independence Cemetery, supplied from a single 2-inch nominal diameter service connection	4.00
12. For City of Los Angeles storage yard occupying approximately 15 acres, supplied from a single 2-inch nominal diameter service connection	20.00

(Continued)

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Schedule No. 2

GENERAL FLAT RATE SERVICE
(Continued)

<u>Classification</u>	<u>Per Service Connection</u> <u>Per Month</u>
13. For Owens Valley Unified School District buildings, facilities and grounds occupying approximately 13.7 acres, supplied from a single 4-inch nominal diameter service connection (or from the equivalent thereof consisting of four 2-inch nominal diameter service connections)	\$50.00
14. For Inyo County Courthouse building and grounds occupying approximately 97,000 sq.ft. of land area, supplied from two 4-inch nominal diameter service connections, each	30.00

SPECIAL CONDITIONS

1. The above flat rate charges for classifications numbered 1 through 9 apply to service connections not larger than one inch in diameter..
2. In all cases where a service connection is now installed of larger diameter than specified for classifications numbered 1 through 14 and where a service connection of larger diameter, or more than one service connection of like diameter, is requested by a customer and his request is approved by the utility, the customer shall pay for each larger service and all such additional services an amount equal to the sum of the monthly minimum charges for meters of a comparable size as set forth in Schedule No. 1, General Metered Service.
3. All service not covered by the above classifications will be furnished only on a metered basis (unless supplied under other applicable schedules included herewith).
4. Meters may be installed at option of utility or customer for above classifications in which event service thereafter will be furnished only on the basis of Schedule No. 1, General Metered Service. When a meter is installed at option of customer, metered service must be continued for at least 12 months before service will again be furnished at flat rates.

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Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service rendered to privately owned fire protection systems.

TERRITORY

The unincorporated community of Independence and vicinity, Inyo County.

RATES

Per Month

1. For service to fire hydrants owned and maintained by the customer and located on his premises:

For each hydrant less than 1½-inch size	\$ 0.50
For each 1½-inch hydrant .....	.75
For each 2-inch hydrant	1.00

2. For service to a privately owned fire sprinkler system:

For each 1½-inch connection	\$ 3.00
For each 2-inch connection	5.50
For each 2½-inch connection	9.00
For each 3-inch connection	12.00
For each 4-inch connection	18.00

SPECIAL CONDITIONS

1. The fire protection service connection will be installed by the utility at the cost of the applicant. Such cost shall not be subject to refund.

2. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed by the utility at the cost of the applicant. Such cost shall not be subject to refund.

(Continued)

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Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE
(Continued)

SPECIAL CONDITIONS

3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water.

4. For water delivered for other than fire protection purposes, charges will be made therefor under Schedule No. 1, General Metered Service.

5. The utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.

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Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized or incorporated fire districts, or other political subdivisions of the State.

TERRITORY

The unincorporated community of Independence and vicinity, Inyo County.

RATES

	<u>Per Hydrant</u> <u>Per Month</u>
Hydrants on mains less than 4-inch diameter	\$1.00
Hydrants on mains 4-inch diameter and larger:	
4-inch connection, 2 $\frac{1}{2}$ -inch single outlet	1.50
5-inch connection, 2 $\frac{1}{2}$ -inch single outlet	2.50
6-inch connection, 2 $\frac{1}{2}$ -inch double outlet	3.00

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the quantity rates under Schedule No. 1, General Metered Service.
2. The cost of installation and maintenance of hydrants will be borne by the fire protection agency.
3. Relocation of any hydrant shall be at the expense of the party requesting relocation.
4. The utility will supply only such water at such pressure as may be available from time to time as the result of its normal operation of the system.

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Schedule No. 9CF

CONSTRUCTION FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate service for construction purposes.

TERRITORY

The unincorporated community of Independence and vicinity, Inyo County.

RATES

1. For use of a fire hydrant by a contractor or builder, when applicable ordinances and rules and regulations of the County of Inyo permit such use, not including water service, per hydrant connection \$1.00
2. For water for settling backfill in ditches and trenches:
 - a. Per sq.ft. of cross section, per lineal foot of trench001
 - b. Minimum charge per lineal foot of trench01
 - c. Minimum charge per service connection or job .. 1.00

SPECIAL CONDITION

All service not covered by the above classifications will be furnished only on a metered basis (unless supplied under other applicable schedules included herewith).

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Schedule No. 9T

TANK TRUCK SERVICE

APPLICABILITY

Applicable to all water delivered to tank trucks or other containers furnished and transported by the customer from stand pipes, hydrants or other outlets at locations specified by the utility for the purpose.

TERRITORY

The unincorporated community of Independence and vicinity, Inyo County.

RATES

Per Month

Quantity Rates:

First 3,000 gallons or less	\$1.00
Over 3,000 gallons, per 100 gallons03

Minimum Charge:

For service under this schedule	1.00
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SPECIAL CONDITIONS

1. An applicant for intermittent service under this schedule may be required to pay the monthly minimum charge in advance for each month of service and to notify the utility in writing of the date such service will be required.

2. The quantity of water delivered to tank trucks under this schedule may be metered or estimated at the option of the utility.

3. This schedule does not apply to water used for fire protection purposes by the Inyo County Fire Protection District.