

ORIGINALDecision No. 63384

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the
CRYSTAL WATER CO., a California
corporation, for a Certificate of Public
Convenience and Necessity to operate a
public utility water system, to establish
rates therefor, and for a permit to issue
capital stock of said applicant corporation.

)
)
)
) Application No. 43341
) (Filed April 21, 1961)
)
)

Abramson & Bolz, by Sanford H. Bolz and Jacob
Abramson, for applicant.
Stave, Bryan & Ames, by Joseph A. Stave, for
Bruce Baird Water Company, protestant.
James C. Thomsen, for certificate holders of
Crescent Way Mutual Water Co., protestant.
Tom Dunne, City Manager, for City of Salinas,
interested party.
Verner L. Muth and L. L. Thornd, for the Commission
staff.

O P I N I O N

This application was heard before Examiner E. Ronald Foster at Salinas on October 19 and 20, 1961. The matter was submitted subject to the late filing of certain exhibits, which have since been received, and it is now ready for decision. Copies of the application were mailed to parties known to be interested and notices of the hearing were published and posted in accordance with the Commission's procedural rules.

Applicant's Requests

Crystal Water Co., a corporation, requests that the Commission: (1) grant it a certificate of public convenience and necessity for a public utility water system to be operated in an

area located northwest of and adjoining the City of Salinas in Monterey County; (2) establish rates for the water service to be rendered; and (3) authorize the issuance of its capital stock.

Service Area and
Proposed Operations

The area for which a certificate is requested consists of approximately 505 acres and is located west of U. S. Highway 101 (also known as North Main Street). The northerly portion borders on said highway and lies north of Crescent Way. The southwesterly portion extends south of West Laurel Drive.

The requested service area will be traversed from north to south by the proposed U. S. 101 Freeway, scheduled for construction within the near future. If constructed in accordance with the present general plan for North Salinas, the freeway and the interchanges related thereto will occupy an appreciable part of the 505 acres in said service area and will divide it into several parcels; the largest of these will lie north of Crescent Way, east of the freeway and west of the present Highway 101.

All of the 505 acres, other than the subdivisions immediately north of Crescent Way and other portions which may have been sold for freeway purposes, are owned by E. E. Harden and his wife, through their bank as trustee. Mr. Harden is one of the directors and officers of applicant.

Western Builders, Inc. of Salinas ^{1/} was organized in 1955 and is the subdivider engaged in developing the proposed service area. Western caused applicant to be incorporated for the specific purpose of providing public utility water service to its subdivisions.

1/ Sometimes hereinafter referred to as Western.

In 1956, Western subdivided Crescent Tract No. 291 on the north side of Crescent Way and built 27 homes therein which have since been supplied with water by Crescent Way Mutual Water Company,^{2/} another affiliate of Western. In 1960, Western acquired additional land adjoining Crescent Tract No. 291 on the north and began the development known as Crescent Park. At the time of the hearing, homes were being built on Units No. 1 and No. 2, expected to be completed within the next two years, with plans for Units No. 3 and No. 4 to be completed within three or four years. To supply these subdivisions with water, Western has constructed some water supply and distribution facilities, which have been integrated with Mutual's system, pending the certification of applicant.

Applicant has entered into agreements to acquire Mutual's existing water facilities and those constructed by Western and plans ultimately to extend its operations to serve the entire area requested to be certificated.

The concomitance of interest among applicant, Western and Mutual is illustrated by the fact that all three corporations have the same man as president and some of the directors and other officers are common to two or more of them.

Other Water Purveyors in the Area

In 1940 the Commission granted a certificate of public convenience and necessity to Bruce E. Baird and Neva B. Baird to operate a public utility water system in an area of about 168 acres located north of Rochex Avenue and west of U. S. Highway 101. Since that time the water system has been operated under the name of Bruce E. Baird Water Company^{3/} and at the present time service is

^{2/} Sometimes hereinafter referred to as Mutual.

^{3/} Sometimes hereinafter referred to as Baird.

being rendered to some 300 customers in the southeasterly portion of Baird's certificated area, containing about 70 acres, which adjoins the area herein requested to be certificated to applicant.

Baird renders no service in the remaining portion of his certificated area, northerly of Crescent Way, consisting of some 98 acres. Extension of service into this area is now virtually blocked by Crescent Tract No. 291, where service is being supplied by Mutual. When Mutual was organized, it contemplated rendering water service to this entire area certificated to, but not served by, Baird. Crescent Tract No. 291 and the 98-acre area are included in the total area for which applicant is requesting a certificate. Upon applicant's acquisition of Mutual's water facilities, Mutual will cease its operations.

The service area of Pacific Gas and Electric Company,^{4/} which renders public utility water service in the major portion of the City of Salinas and vicinity, includes all of the territory contiguous to the Baird certificated area on its east and southerly boundaries. Pacific's service area also includes some territory, on the east side of the proposed U. S. 101 Freeway, which is contiguous with and even overlaps a part of the southerly portion of applicant's requested service area. Although Western asked Pacific to serve its subdivisions, that utility declined to do so because it did not wish to invade the area which had been certificated to Baird. Pacific has not protested applicant's request for a certificate nor did it participate in the instant proceeding.

Description of Water System

Water supply for the system will initially be obtained from two wells. Mutual's well, with its related pumping and storage

^{4/} Sometimes hereinafter referred to as Pacific. The sale of Pacific's Salinas water system to California Water Service has been authorized by Decision No. 63204, dated February 6, 1962, in Application No. 44079.

facilities, was originally used to render service only to the 27 homes on Crescent Way through a six-inch pipeline. The discharge from this plant has now been rearranged with a ten-inch line interconnecting said pipeline with the distribution system supplying Crescent Park Units No. 1 and No. 2. When applicant acquires these water supply facilities, they will be continued in operation ordinarily for stand-by purposes.

The primary source of supply will be the well recently installed by Western. It produces water of good quality and ample quantity to supply at least the first four units of Crescent Park consisting of some 370 residential units. This well will be equipped with a suitable electrically operated pumping unit and there will also be installed a fuel-powered motor for emergency use. There are three other existing wells which applicant claims it can acquire for use when needed to supply additional areas.

The distribution system for Unit No. 1 of Crescent Park was designed and installed in accordance with plans and specifications prepared by a registered civil engineer and approved by the Salinas City Engineer. Extension of the system, using similar design and standards, is planned for supplying additional subdivision units. Five hydrants of approved design are included. All customers' services are to be metered.

Proposed Rates

Applicant's proposed rates for metered service are \$3.00 per month for water usage of 500 cubic feet or less, 40 cents per hundred cubic feet for the next 500 cubic feet and 30 cents per hundred cubic feet for all usage over 1,000 cubic feet of water per month. These rates are somewhat higher than those in effect for Pacific's Salinas water system, particularly for usage over 3,000 cubic feet per month, for which Pacific's rate is 13 cents per hundred cubic feet.

The rates proposed by applicant for public fire hydrant and private fire protection service are substantially the same as those in effect for Pacific's water system in Salinas.

Cost of Facilities

The purported costs of Mutual's existing plant proposed to be acquired by applicant were reviewed by an engineer and a financial examiner of the Commission's staff. Based on the undepreciated cost of the plant as shown in applicant's Exhibit K-1, the Commission's staff prepared late-filed Exhibit 11-A, which shows the net depreciated cost of said plant as of May 31, 1961, as adjusted by the staff, to be as follows:

Net Cost of Plant to be Acquired from Crescent Way Mutual Water Company

Staff Exhibit 11-A						
: Account :	Appl's :	Staff :	Adjusted :	Deprec. :	Net :	
:No. Title :	Exh. K-1 :	Adjustments:	Totals :	Reserve :	Acquis. :	
301 Organi-						
zation	\$ 3,055.84	\$ (3,055.84) ^b	\$ -	\$ -	\$ -	
306 Land (at						
Well)	2,500.00	44.48	2,544.48	-	2,544.48	
311 Structures						
(fencing)	922.91	-	922.21	153.80	769.11	
315 Well						
(No. 1)	2,500.00	296.75	2,796.75	932.25	1,864.50	
324 Pumping						
Equipment	3,425.68 ^a	651.44	4,077.12	1,899.10	2,178.02 ^e	
342 Reservoirs						
& Tanks	7,069.77	(354.69)	6,715.08	959.30	5,755.78	
343 Trans. &						
Distr.						
Mains	10,988.96	(570.27)	10,418.69	1,021.85	9,396.84	
345 Services	-	838.18	838.18	139.70	698.48	
346 Meters	1,964.93	(841.93)	1,123.00	140.40	982.60	
348 Hydrants	2,165.81	(26.96)	2,138.85	356.50	1,782.35	
- Engineering	641.88	(641.88) ^c	-	-	-	
Totals	35,235.78	(3,660.72) ^d	31,575.06	5,602.90	25,972.16 ^e	

(Red Figure)

- Includes well pump at \$1,600 and booster pump and equipment at \$1,825.68.
- Eliminated since Mutual is going to cease to exist and values to applicant to be derived from such organizational costs will cease to exist.
- Engineering cost estimated by applicant could not be substantiated.
- Except for added land cost of \$37.00, and the items marked b and c, the adjustments are the result of reclassifications by accounts and are therefore offsetting.
- Corrects inadvertent \$2,000 error in Exhibit 11-A.

In the foregoing tabulation, the record shows that land was included at estimated market value as of the time of acquisition by Mutual and that the remaining items of plant were included at their original cost, estimated if not known, at the time of their acquisition or installation by Mutual. We find that the resulting net amount of \$25,972.16 reasonably represents the cost of acquisition by applicant and said amount is hereby adopted for the purposes herein.

In its Exhibit 1, applicant shows the total estimated cost of the facilities necessary for supplying water to Crescent Park Units Nos. 1, 2, 3 and 4 as follows:

<u>Crescent Park</u>	<u>Lots</u>	<u>Total Cost</u>
Unit No. 1	105	\$ 48,312.60
Unit No. 2	78	35,889.36
Unit No. 3	72	33,128.64
Unit No. 4	68	31,288.16
Unit No. 4 Apt.	48	22,085.76
Total	371	\$170,704.52

The foregoing tabulation does not include the \$3,500 cost of the land at Well No. 2 nor the estimated organization cost of \$2,000, as shown on Exhibit K-1.

Financing

Applicant verbally amended its proposal at the hearing and now requests authority to issue sufficient shares of its capital stock at par to pay for the plant to be acquired from Mutual, for the acquisition of facilities already installed by Western, for additional facilities to be installed by Western or by applicant to enable water service to be rendered to the first four units of Crescent Park subdivision, and to provide working capital.

In the pro forma balance sheet attached to the application as Exhibit B, a stock issue of \$120,000 is indicated to cover the cost of facilities to be purchased from Mutual, the cost of facilities

installed in connection with the first two units of the subdivision, and \$10,632 for working capital. In the revised pro forma balance sheet filed herein as Exhibit B-1, a stock issue of \$250,000 is indicated to cover the following items:

Cash (working capital)	\$38,559.70
Organization	2,000.00
Land (for well sits No. 1 and No. 2)	6,000.00
Mutual's existing facilities	32,735.78
Facilities for first four units	170,704.52
Total	\$250,000.00

We find that applicant's capital requirements for the next few years can be adequately financed by the issuance of stock from time to time aggregating \$225,000 for the following purposes:

Acquisition of Mutual's existing facilities, including land at Well No. 1	\$25,972.16
Estimated organization expense	2,000.00
Land for facilities at Well No. 2	3,500.00
Estimated cost of facilities for first four units of Crescent Park	170,704.52
Additional, for working capital	22,823.32
Total	\$225,000.00

Applicant is put on notice that, in acquiring facilities from Western, an affiliate of applicant, such acquisitions shall be at Western's actual installed cost, as evidenced by invoices.

Estimated Results of Operation

Applicant's Exhibit K-1 includes an estimate of revenues and expenses and resulting rate of return, based on service to 208 prospective customers in Units No. 1 and No. 2. With an average consumption of 1,646 cubic feet of water per customer per month and revenues computed at applicant's proposed rates, the following estimated results are shown:

Operating revenues		\$ 18,126
Expenses of operation	\$10,574	
Depreciation expense	3,642	
Income tax	<u>1,173</u>	<u>15,389</u>
Net operating revenue		\$ <u>2,737</u>
Cost of facilities		\$134,881
Rate of Return		2.0%*

*Corrected figure. Applicant's exhibit shows 1.92%.

The Commission staff engineer testified that applicant's estimate of operating expenses, on a per customer basis, appears unusually high as compared with other water systems of similar nature. He stated that one reason for this unusually high expense may be the inclusion of expenses resulting from the construction and maintenance of facilities being installed in anticipation of future growth.

Applicant's proposal to issue stock for the distribution system to be constructed during the next three to four years results in a lag before the utility customers will have the protection, which is normally provided by the utility's filed main extension rule, from possible speculative and uneconomical aspects of service to the real estate development. Applicant is placed on notice that the customer density in portions of the area served by extensions made during this three-to-four year period may be given consideration in future rate proceedings. Applicant is aware that it may receive little or no return on its investment until the subdivisions are more fully developed and occupied.

We find that, except for usage over 3,000 cubic feet per month, the revenues obtainable from the rates proposed by applicant will not be excessive and will not produce an unreasonably high rate of return in the foreseeable future. The rates proposed will be authorized, except that a lower block rate will be included for usage over 3,000 cubic feet per month and the minimum charges for larger sized meters will be reduced accordingly.

Opposition to Application

A resident of Crescent Tract No. 291 appeared on behalf of himself and some 18 other customers of Mutual and protested the granting of the application for the reason that applicant's proposed rates are higher than those being charged by Mutual.

The City Manager of the City of Salinas presented the position of the City Council. He pointed to the fact that the area requested by applicant will be traversed from north to south by the construction of the proposed U. S. 101 Freeway and stated that this will have a retarding effect on subdivision development west of the freeway. The gist of his testimony was that the city opposes the formation of any additional public or mutual water systems to serve separate areas in the vicinity of Salinas. Instead, the city favors the extension of service by Pacific to all areas including that now served by Baird, as well as that proposed to be served by applicant. He urged the Commission to deny the granting of a certificate to applicant to supply all or any part of the proposed area. The record herein does not reveal that Pacific has indicated any desire or willingness to serve any portion of the area requested to be certificated to applicant. Under such circumstances the Commission cannot require extension of service by Pacific into the area here concerned.

Appearing as a protestant, Bruce E. Baird testified in opposition to the granting of a certificate to applicant, particularly for that portion of the area previously certificated to Baird. This witness testified that he is ready, willing and able to purchase the assets of Mutual and the existing water facilities of Western, and to operate the same under the Commission's jurisdiction; that he is also willing to provide the necessary facilities

and services required by development of this northern part of Salinas within his certificated area. The witness further alleged his ability to finance such operations by means of his own resources and those of some unnamed friends. The record does not reveal any willingness on the part of Mutual, Western or applicant to negotiate with Baird to effect extension of his service to any of the area herein requested to be certificated.

As a general rule, this Commission does not issue certificates of public convenience and necessity for water service in overlapping areas. However, based on the facts of this particular proceeding, the Commission finds that public convenience and necessity require that a certificate be granted to applicant to render service in that portion of Baird's certificated area in which he is not rendering such service. The Commission further finds that, as a result of the granting of a certificate to applicant, the public in the said protested area will be afforded a better quality of water service, for both general use and for fire protection purposes, than Baird has heretofore shown his willingness and ability to render.

Findings and Conclusions

Upon consideration of the evidence the Commission finds and concludes as follows:

1. The Bruce Baird Water Company has been unwilling and unable to extend and provide water service to the area certificated to it, which Crystal Water Co. by this application seeks to serve.

2. Public convenience and necessity require that applicant should be issued a certificate to provide water service in the northerly portion of the area requested, including that portion heretofore certificated to Baird, which lies generally north of Crescent Avenue. However, applicant has failed to establish that public convenience and necessity require it to serve the entire

area which it has requested to be certificated to it. Applicant should be authorized to serve only that portion of the requested area which lies generally north of Crescent Avenue and east of the proposed U. S. 101 Freeway.

3. Applicant possesses the financial resources to acquire, construct and operate the proposed water system, as authorized herein.

4. The money, property or labor to be procured or paid for by the issuance of the stock herein authorized is reasonably required for the purposes specified and such purposes are not in whole or in part reasonably chargeable to operating expenses or to income. The authorization herein granted is not to be construed as a finding of value of applicant's stock or properties, nor as indicative of amounts to be included in any future rate base for determination of just and reasonable rates.

5. The rates set forth in Appendix A attached hereto are fair and reasonable for the service to be rendered.

6. Applicant's water supply and distribution facilities as presently constructed, together with planned additions of comparable design, meet the minimum requirements of General Order No. 103 and will provide reasonable service for that portion of the proposed service area which will be certificated by the order herein.

7. Applicant should be required to apply for a water supply permit from the appropriate public health authority.

The certificate hereinafter granted shall be subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

Public hearing having been held and based upon the evidence adduced in this proceeding,

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Crystal Water Co., a corporation, authorizing it to acquire, construct and operate a public utility water system for the distribution and sale of water within the area comprising 220 acres, more or less, located approximately two miles north of the center of the City of Salinas in Monterey County, and consisting of the northerly portion of the area outlined in red on the map attached as Exhibit D to the application herein, which portion is, or will be, bounded on the west by the proposed U. S. 101 Freeway, on the north by the boundary of Rancho El Sausal and by a certain private road as shown on said map, on the east by U. S. 101 highway (also known as North Main Street), and on the south by Crescent Way and the easterly extension of the north line thereof. At the southerly boundary, said area will more specifically include Crescent Park Units No. 1 and No. 2 and Crescent Tract No. 291, but will exclude Laurel Park Tract No. 182, as such subdivisions are shown in more detail on the map filed herein as Exhibit 2.

2. Applicant is authorized to file, after the effective date of this order, the schedules of rates and charges set forth in Appendix A attached to this order, to be effective on or before the date service is first furnished to the public under the authority herein granted, together with rules governing service to customers, a tariff service area map and sample copies of printed forms normally used in connection with customers' services, all in a manner acceptable to this Commission and in accordance with the requirements of General Order No. 96-A. Such rates, rules, tariff service area map, and forms shall become effective upon five days' notice to this Commission and to the public after filing as hereinabove provided.

3. Applicant shall notify this Commission, in writing, of the date service is first furnished to the public under the rates and rules authorized herein, within ten days thereafter.

4. Applicant shall file, within thirty days after the system is placed in operation under the rates and rules authorized herein, four copies of a comprehensive map, drawn to an indicated scale not smaller than 400 feet to the inch, delineating by appropriate markings the tracts of land and territory served; the boundaries of its certificated area; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant.

5. Beginning with the year 1962, applicant shall determine depreciation accruals by multiplying the depreciable utility plant by a rate of 3 percent. This rate shall be used until review indicates that it should be revised. Applicant 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.

6. Prior to the date service is first furnished to the public under the rates and rules authorized herein, applicant shall (a) apply to the public health authority having jurisdiction for a water supply permit for the proposed system, and (b) report to the Commission, in writing, within ten days thereafter that such application has been made or that said permit has been obtained.

7. Applicant shall establish, for accounting purposes, records which will reflect the original investment in utility plant items and reserves for depreciation of such utility plant items.

8. On or after the effective date of this order and on or before January 1, 1965, applicant may issue, for the purposes hereinabove set forth, not to exceed \$225,000 aggregate par value of its capital stock at par.

9. Applicant shall file with this Commission the report or reports required by General Order No. 24A, which order insofar as applicable is hereby made a part of this order.

10. The certificate herein granted and the authority to render service under the rates and rules authorized herein will expire if not exercised on or before January 1, 1963. If the authorizations herein granted are exercised, applicant shall expressly dedicate to public utility purposes the lands, parcels or areas on which wells, pumps, tanks and related water facilities are located and any easements or permits where water mains are

located otherwise than in streets dedicated to public use, and within fifteen days thereafter applicant shall file a written statement with this Commission that such dedication in fact has been made.

11. Except to the extent granted herein, Application No. 43341 is denied.

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

Dated at San Francisco, California, this 6th
day of MARCH, 1962.

Levert All Ruge
President
W. L. M. M. M.
E. J. Fox
George H. Thover
Frederick B. Holbrook
Commissioners

APPENDIX A
Page 1 of 5

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The tract known as Crescent Park, and vicinity, located immediately west of North Main Street, near the northerly boundary of Salinas, Monterey County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
First 500 cu.ft. or less	\$ 3.00
Next 500 cu.ft., per 100 cu.ft.40
Next 2,000 cu.ft., per 100 cu.ft.30
Over 3,000 cu.ft., per 100 cu.ft.20
Minimum Charge:	
For 5/8 x 3/4-inch meter.	\$ 3.00
For 3/4-inch meter.	4.25
For 1-inch meter.	6.50
For 1 1/2-inch meter.	11.00
For 2-inch meter.	16.00
For 3-inch meter.	30.00
For 4-inch meter.	45.00

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

APPENDIX A
Page 2 of 5

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished for privately owned fire protection systems.

TERRITORY

The tract known as Crescent Park, and vicinity, located immediately west of North Main Street, near the northerly boundary of Salinas, Monterey County.

RATES

	<u>Per Month</u>
For each 4-inch connection	\$ 5.50
For each 6-inch connection	7.00
For each 8-inch connection	10.50
For each 10-inch connection	25.00

SPECIAL CONDITIONS

1. All service connections to provide private fire protection service will be installed at the cost of the customer and 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 customer. Such cost shall not be subject to refund.
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 the 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.

(Continued)

APPENDIX A
Page 3 of 5

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS (Contd.)

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.

APPENDIX A
Page 4 of 5

Schedule No. 5

PUBLIC FIRE HYDRANT SERVICEAPPLICABILITY

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

TERRITORY

The tract known as Crescent Park, and vicinity, located immediately west of North Main Street, near the northerly boundary of Salinas, Monterey County.

RATES

	<u>Per Hydrant Per Month</u>	
	<u>Facilities Installed at Cost of</u>	<u>Facilities Installed at Cost of</u>
	<u>Utility</u>	<u>Public Authority</u>
Wharf Hydrant:		
On Main 4 inches or larger		
in diameter	\$3.50	\$1.75
Standard Hydrant:		
Single Outlet	4.25	2.00
Double Outlet	5.75	2.75
Triple Outlet	8.00	3.50

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 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.
3. Relocation of any hydrant shall be at the expense of the party requesting relocation.
4. Where the facilities are installed at the cost of the public authority, such costs include all labor and materials except that the

(Continued)

APPENDIX A
Page 5 of 5

Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

SPECIAL CONDITIONS (Contd.)

utility will provide the materials for the service tee and the shutoff valve. The service tee and valve will be installed only by authorized utility personnel.

5. On and after the effective date of this tariff schedule, all facilities to provide service under this schedule will be installed at the cost of the public authority.