

ORIGINAL

Decision No. 68075

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Dominguez Water Corporation,
a Corporation, for authority to
increase its rates for service.

} Application No. 45861
} (Filed October 11, 1963)

Ralph B. Helm, for applicant.
William L. Knecht, for California Farm Bureau
Federation and Los Angeles County Farm
Bureau; George B. Navarretts, Edwin Paul
Fawcett, Leola M. Hershberger, Ursula McMorrow,
and Linda L. Armstrong; protestants.
C. L. Stuart, for Southern California Water Company,
Leo I. Wagner, for the Calvary Community Church;
and R. W. Russell, by K. D. Wolpert, for the City
of Los Angeles; interested parties.
William C. Bricca, for the Commission staff.

O P I N I O N

Applicant, Dominguez Water Corporation, (sometimes hereinafter referred to as Dominguez and sometimes as applicant) seeks authority to increase its rates for water service.

The application was heard before Examiner Rogers at Torrance, California, on April 15 and May 13, 14 and 15, 1964. Notice of the hearing was mailed and published as required by this Commission. The matter was submitted on May 15, 1964.

General Information

Dominguez is a California corporation, organized on January 26, 1937. It provides water service in a portion of Los Angeles County and in a portion of the City of Torrance, a portion of the City of Long Beach and a portion of the City of Los Angeles. All of said areas are contiguous.

As of January 1, 1964, Dominguez had 18,095 residential, 1,449 business, 68 public authority, 82 industrial, 311 irrigation, 86 private fire protection and 1,238 public fire hydrant services in a 35 square mile service area ranging in elevation from 28 feet to 196 feet.

The Water Supply and System

Dominguez water supply is obtained by pumping ground water from the Central Basin and from the West Coast Basin and by purchasing water from the Metropolitan Water District (MWD), through the West Basin Municipal Water District. Approximately 40 percent of the delivered water is obtained from wells.

Overlying the two basins is a replenishment district organized in 1959. The purpose of the district is to raise funds for the purchase of MWD water to be used to recharge the basins. To raise money for the purchase of MWD water, the district has levied a "pump tax" on each producer, charging it a fixed amount per acre foot pumped. This "pump tax" has been increased from time to time. In addition to the tax, each producer having adjudicated water rights in the basins must offer to pool a portion of such rights. These water rights are to be made available for service by other entities which do not have sufficient rights of their own to secure the water necessary for their operations.

Applicant is permitted to pump 9,599.5 acre feet per year from the West Coast Basin and 6,367 acre feet per year from the Central Basin. A total of 1,500 feet per year from the West Coast Basin is contracted to Richfield Oil Corporation and 20 percent of its Central Basin agreed pumping allocation is made available to the exchange pool as required by Decision No. 64308 of this

Commission, dated September 25, 1962, in Application No. 44616.

The operations of the basins and the replenishment district materially increase the applicant's costs of operation.

Applicant's water is secured from 13 wells and 4 MWD connections with a total capacity of approximately 56,000 gallons of water per minute. Four additional wells not connected to the domestic system serve irrigation and some industrial consumers. Its booster plants are capable of delivering an additional 22,000 gallons of water per minute to the system from ground level storage having a combined capacity of 31 million gallons. An elevated storage tank provides an additional 750,000 gallons of storage.

Dominguez' distribution system consists of approximately 1,250,000 feet of mains ranging in size from 4 inches to 42 inches in diameter. Fifty-four percent of the mains are asbestos cement and the remainder are cast iron, steel, concrete and redwood.

Basis of Application

Applicant's rates were established by Decision No. 61396, dated January 24, 1961, in Application No. 42262. Subsequently, applicant was authorized to charge higher rates to offset replenishment district pumping charges. Except for such changes the rates are substantially as authorized in 1961. It is applicant's contention that its current revenue requirements show the need for a rate increase. It alleges that the rates proposed will provide an increase of 17 percent above the gross revenues derived from the rates set in 1961 and about a 15 percent increase

in the gross revenues over those derived under the present rates.

The applicant further alleges that the rates proposed for general metered service consist of a rate structure having the same blocking as present rates with principal increases in the monthly minimum charge and in the rate for high consumption. The rate structure proposed for irrigation service is the same as presently in effect except that the charges for service would be increased by about 21 percent. Rates proposed for fire protection would be increased by 40 percent for public fire protection and 25 percent for private fire protection. A new type flat rate schedule for construction water has been proposed. In place of the single rate applicable to water used in compacting fill material in trenches, the new schedule provides for the use of water for all types of fill compaction and, in addition, includes a flat rate for general use of water for construction purposes in tract developments. These changes are designed to expand the flat rate service for construction water and the schedule is to be used in those instances when it is impractical or to the disadvantage of the company or customer to have this service furnished through a meter.

Rates

Domínguez' rates for general metered service, irrigation service, private fire protection, public fire hydrant service, and construction flat rate service were established by Decision No. 61396, supra. These rates were subsequently increased to offset replenishment district pumping charges by Decision No. 62656, dated October 10, 1961, in Application No. 43615 and Decision No. 64653, dated December 18, 1962, in Application No. 44569. The applicant does not herein request increases in rates for six contract customers,

Shell Oil Co., Shell Chemical Co., Richfield Oil Corp., Johns-Manville, Hancock Chemical Co., and Harvey Aluminum, each of which secures its water under the terms of a special contract authorized by this Commission.

Following is a comparison of Dominguez' existing, proposed and authorized general metered rates and irrigation rates:

GENERAL METERED SERVICE

RATES

Quantity Rates:

		<u>Per Meter Per Month</u>		
		<u>Present</u>	<u>Proposed</u>	<u>Authorized</u>
First	600 cf., or less.....	\$ 2.24	\$ 2.70	\$ 2.29
Next	1,900 cf., per Ccf.....	.29	.30	0.29
Next	17,500 cf., per Ccf.....	.23	.25	0.24
Next	80,000 cf., per Ccf.....	.16	.21	0.16
Next	1,900,000 cf., per Ccf.....	.13	.18	0.14
Over	2,000,000 cf., per Ccf.....	.09	.15	0.096

Minimum Charge:

For	5/8 x 3/4-inch meter	\$ 2.24	\$ 2.70	\$ 2.29
For	3/4-inch meter	3.50	4.25	3.55
For	1-inch meter	5.75	7.00	5.80
For	1½-inch meter	11.00	13.00	11.00
For	2-inch meter	16.00	19.00	16.00
For	3-inch meter	28.00	34.00	29.00
For	4-inch meter	45.00	55.00	46.00
For	6-inch meter	80.00	95.00	82.00
For	8-inch meter	120.00	145.00	122.00
For	10-inch meter	160.00	190.00	162.00
For	12-inch meter	220.00	260.00	225.00

METERED IRRIGATION SERVICE

Quantity Rate:	<u>Present</u>	<u>Proposed</u>	<u>Authorized</u>
For each Ccf or fraction thereof	\$.0823	\$.10	\$ 0.0838
Minimum Charge:			
For all meters	\$ 2.24	\$ 2.70	\$ 2.29

COMBINATION RESIDENTIAL AND IRRIGATION SERVICE

Irrigation Service

Quantity Rate:	<u>Per Meter Per Month</u>		
	<u>Present</u>	<u>Proposed</u>	<u>Authorized</u>
For each Ccf or fraction thereof	\$.0823	\$.10	\$ 0.0838
Minimum Charge:			
For all meter sizes	\$ 2.24	\$ 2.70	\$ 2.29

Residential Service

A flat rate in addition to the above charges for irrigation service	\$ 2.24	\$ 2.70	\$ 2.29
---	---------	---------	---------

The public fire protection revenue is small compared with applicant's gross operating revenues. The total revenue from this item in 1963 was \$36,233, whereas applicant's operating revenues for that year were \$2,241,647. The staff states that the rate for this service is not commensurate with the cost and the proposed increase is not opposed. It will be authorized as requested. The rate for private fire protection will be increased from \$4.00 to \$4.10 per inch diameter of service connection. We find these increases for fire protection service to be reasonable.

Construction water charges at the proposed rates will not materially affect the gross revenues, as applicant states that most construction water is sold through meters at the general metered service rates. These rates were not opposed. They are reasonable and will be authorized as requested.

The following tabulation compares monthly charges for general metered service for consumption in hundreds of cubic feet at present and proposed rates and at the rates hereinafter authorized. Said tabulation also shows the percentage increase of the authorized rates over the present rates.

Comparative Monthly Charges
for General Metered Service

Ccf per mo.	Present rates	Proposed rates	Authorized rates	Per cent increase over present rates
6	\$ 2.24	\$ 2.70	\$ 2.29	2.2%
8	2.82	3.30	2.87	1.8
10	3.40	3.90	3.45	1.5
12	3.98	4.50	4.03	1.3
14	4.56	5.10	4.61	1.1
16	5.14	5.70	5.19	1.0
18	5.72	6.30	5.77	0.9
20	6.30	6.90	6.35	0.8
25	7.75	8.40	7.80	0.6
30	8.90	9.65	9.00	1.1
50	13.50	14.65	13.80	2.2
100	25.00	27.15	25.80	3.2
150	36.50	39.65	37.80	3.6
200	48.00	52.15	49.80	3.8
400	80.00	94.15	81.80	2.3
600	112.00	136.15	113.80	1.6
1,000	176.00	220.15	177.80	1.0
5,000	696.00	940.15	737.80	6.0
10,000	1,346.00	1,840.15	1,437.80	6.8
20,000	2,646.00	3,640.15	2,837.80	7.2
50,000	5,346.00	8,140.15	5,717.80	7.0

Accounting Practices

Section II of Exhibit 9 submitted by the staff's Finance and Accounts witness contains a report on the applicant's accounting practices and an analysis of its financial operations and condition

during the period of said operations for the years 1960, 1961, 1962 and 1963. The exhibit states that applicant's records generally conform to the requirements of this Commission but notes several instances in which there are deviations from or exceptions to the prescribed procedures. The staff witness detailed his suggestions on the record for the benefit of the applicant and further elaboration is not required herein.

Earnings

Witnesses for the applicant and the Commission staff have analyzed and estimated applicant's results of operations. Summarized in applicant's Exhibit 5 are the adjusted results of operation for the calendar year 1962 and summarized in Exhibit 11-A are the estimated results of operation for the year 1964 as estimated by the staff and the applicant at present and proposed rates. The information contained in said exhibits is as follows:

SUMMARY OF EARNINGS

Item	1962 Adjusted (Company)	1964 Estimated Rates			
		Present Staff	Present Company	Proposed Staff	Proposed Company
Operating Revenue	\$2,162,835	\$2,472,500	\$2,397,760	\$2,786,000	\$2,725,247
Operating Expenses	1,330,350	1,387,700	1,409,770	1,387,700	1,409,770
Depreciation	265,654	266,500	270,979	266,500	270,979
Taxes	254,231	354,600	285,505	514,100	458,240
Total Rev. Deduc.	\$1,850,235	\$2,008,800	\$1,966,254	\$2,168,300	\$2,138,989
Net Oper. Income	\$ 312,600	\$ 463,700	\$ 431,506	\$ 617,700	\$ 586,258
Rate Base	\$6,665,391	\$7,346,000	\$7,700,440	\$7,346,000	\$7,700,440
Rate of Return	4.69%	6.3%	5.6%	8.4%	7.6%

The record shows a difference of only 3.02 per cent or \$74,740 between the applicant's and the staff's estimates of operating revenues for the year 1964 at the present rates and only 2.18 per cent or \$60,753 at the proposed rates. Applicant's estimates for 1964 were based on the recorded year 1962 adjusted to normalized rainfall and temperature conditions. The staff's estimates were based on 1963 recorded revenues also adjusted for such normalized conditions. In addition, the staff's revenues include the revenues from the contract customers based on the July 1, 1964, price of MWD water for the full test periods. We find the staff's estimated revenues are reasonable and they will be used herein.

In the last general rate increase (Decision No. 61396, supra), the applicant was allowed rates which gave consideration to certain specified adjustments in its operating expenses, including reductions in administrative and general salaries, a reduction in the allowance for uncollectibles, and a reduction in transportation costs. In preparing for this application, applicant used certain costs which have been materially changed. These include an increase in pumpage tax by the replenishment district of 78 cents per acre foot commencing on July 1, 1964; a reduction in costs of MWD's irrigation water; a saving from exchange pool water; changed depreciation rates resulting in a reduction in expenses, and a reduction in federal income taxes.

The staff, in forecasting its 1964 results of operation considered all factors referred to in arriving at its estimated expenses. In addition, the staff's financial examiner pointed out that there are, in his opinion, excessive or top heavy expenses in

some particulars, for example, charges to the account in which officers' salaries are recorded increased from \$13,771 in 1960 to \$46,800 in 1963. It also appears that in the prior rate proceeding the transportation costs were found to be excessive. In the instant proceeding the same situation prevails, although progress has been made and applicant stated it would continue to study transportation costs. The staff's estimates of costs of operation for both test periods include the cost of purchased water based on July 1, 1964, MWD water costs. We find the staff's estimates of operating, administrative and general expenses are reasonable and they will be adopted herein.

In the prior rate proceeding, the Commission adopted certain rate base adjustments. In preparing for this proceeding, applicant purports to have followed generally the rate base allowed in that proceeding, and adjusted therefor. The adjustments made included a deduction of \$78,242 for property classified as non-operative, a deduction of \$11,934 to exclude the cost of test wells, a deduction of \$80,940 to exclude costs of remodeling company-owned buildings used to house employees at plant locations, the deletion of the cost of installing IBM equipment in the amount of \$14,348, and the deletion of \$93,335, the cost of a main to serve Shell Oil Company only. For this proceeding, the applicant has moved some of the nonoperative plant to other locations and placed it in active service, placed some in storage, and sold some. Applicant states that the wells are being used to check water levels and it considers this function as essential to its operations and necessary parts of its water supply. Some of the dwellings have been converted to office space and are still carried on the company's books while

others have been retired. Costs connected with the IBM system have been eliminated for rate making purposes. Also, applicant states the Shell Oil Company main extension would have been fully refunded at present so applicant has made no adjustment therefor.

In developing its rate base, the applicant used an end of the year 1963 utility plant of \$12,348,354, including 1963 additions estimated at \$781,600. Applicant estimated the total end of the year 1964 utility plant at \$12,971,161, and the 1964 average at \$12,659,758. The staff adjusted the utility plant to \$12,469,252 at the end of the year 1963, and estimated the end of the year 1964 at \$12,735,431, and the average utility plant for 1964 at \$12,602,000.

The applicant estimated gross additions will total \$701,940 in 1964, including \$318,100 for mains, \$133,970 for services and \$49,970 for meters. The staff estimated additions in the amount of \$266,179, including \$160,400 for mains, \$70,500 for services and \$44,020 for meters.

The staff engineer stated that the rate base was overstated in that applicant underestimated the advances for construction and contributions in aid of construction, which are deductions from the rate base items, and overestimated the utility plant, resulting in an overstatement of the overall rate base for 1964 of \$226,867.

We find the staff's estimate for 1964 of the utility plant, advances for construction, depreciation reserve and contributions in aid of construction reasonable. They will be adopted..

Applicant's estimates of working cash and materials and supplies appear to be reasonable and will be adopted. The adoption of these items, as estimated by applicant, increases the rate base for 1964, as estimated by the staff, by a total of \$42,000. Applicant's rate base for the purposes of this decision is determined to be \$7,388,000. We find it reasonable. It will be adopted.

There is a difference of only \$4,500 between applicant's and the staff's estimates of depreciation expense for 1964. We find the staff's estimate reasonable and it will be adopted.

Customer Complaints

A petition was filed in opposition to any rate increase without stating any reason for such opposition. However, a public utility is entitled to an opportunity to earn a fair return on its investment subject to modification for inadequate or defective service.

Several customers appeared at the hearing and voiced specific objections to the existing service. Such objections included complaints that the water was too hard, oily, rusty, and foul and offensive to the taste and smell. Several people stated that water softeners were necessities. In addition, some customers objected to allegedly excessive charges. Some of

the poor water complaints appear to have resulted from repair work on the system. It also appears that while applicant has very nearly a completely circulating system, some valves are, on occasions, shut off thus prohibiting the circulation of the water and possibly resulting in stagnant tasting water. In addition, some lines necessarily terminate in dead ends. Applicant should keep all circulation valves open and should flush its dead-end lines frequently.

Several parties complained of excessive charges. A check was made, however (Exhibit 4), and it appears that the charges were correct.

After a careful review of the record, the Commission finds that the applicant's presently filed rates for water service in its service area would produce an unreasonably low rate of return for the test year 1964; that the estimated earnings for such test year are deficient and that the applicant is entitled to and in need of financial relief. It is further found that the revenues which would be produced by the rates proposed in the application are unreasonably high and that the rate of return which would result from the granting of the application is excessive.

The estimates of operating expenses submitted by the staff for the test year 1964, as shown in Exhibit 11-A, of \$1,387,700, are found to be reasonable. The rate base submitted by the staff is found to be reasonable, except that larger allowances for working cash, and materials and supplies as submitted by the applicant are found reasonable and will be adopted.

The staff made a cost of money and rate of return study (Exhibit 12). It summarizes applicant's depreciated investment in utility plant and a net investment in other assets at December 31, 1963, and the source from which finances for these investments was obtained. This summary is as follows:

Investment

Utility Plant	\$12,363,810	
Less - Reserve for Depreciation	<u>1,896,217</u>	
	10,467,593	96.7%
Other Assets (net)	<u>357,407</u>	<u>3.3</u>
	<u>\$10,825,000</u>	<u>100.0%</u>

Source of Funds

Long Term Debt	\$ 3,645,500	33.7%
Advances for Construction	2,407,560	22.2
Contributions in Aid of Construction	919,625	8.5
Preferred Stock	750,000	6.9
Common Stock Equity	<u>3,102,315</u>	<u>28.7</u>
	<u>\$10,825,000</u>	<u>100.0%</u>

The staff anticipates that future growth will not match the rate experienced in the past few years and that the need for external financing will diminish. The applicant has not had to avail itself of short-term financing in the year 1963. The corporate budget for 1964 reflects short-term borrowings in the amount of \$500,000, which will subsequently be converted into long-term obligations, presumably bonds.

Using the adjusted capitalization, as developed by the staff in its report (Exhibit 9), and net investments in properties, development of the relationship between rate base component accounts and capital structure as of December 31, 1963, is shown in the following tabulation:

Utility Plant Depreciated	\$10,467,593
Materials and Supplies	57,417
	<u>10,525,010</u>
Less: Advances for Construction	2,407,560
Contributions	919,625
	<u>3,327,185</u>
Net Investment	<u>\$ 7,197,825</u>
Funded Debt (adjusted)	\$ 3,556,093
Preferred Stock	750,000
Equity Capital (adjusted)	<u>2,984,330</u>
Total Capitalization	<u>\$ 7,290,423</u>

For the purposes of this decision, we have adopted the 1964 rate base of \$7,388,000, whereas the staff's estimate for 1964 is \$7,346,000.

In estimating the cost of capital and dollar earnings requirements for 1963, the staff considered preferred dividends of \$37,500, debt charges of \$173,850, and an allowance on common equity ranging from 8 per cent or \$238,746, to 12 per cent or \$358,120. It submitted data showing that the average earnings on common equity for eleven Class A water utilities for a five-year average were 8.81 per cent; that relating this percentage to applicant's adjusted capitalization, the resulting dollar requirement becomes \$474,269, producing a 6.51 per cent cost of capital.

The staff further points out that mere computation and comparison do not alone constitute a basis for determining a reasonable rate of return for applicant and that its future financing needs from external sources do not appear extensive.

The applicant urges that it is entitled to a 10 per cent return on common stock equity and at least a 7 per cent overall rate of return.

The report of the staff financial witness states that a rate of return of approximately 6.6 per cent on adjusted capitalization would provide for debt servicing, preferred dividends and an indicated return of 9 per cent on common stock equity and recommends that until the company further demonstrates its capability to maintain the higher level of proficiency in management indicated for the year 1963, the rate of return to be allowed should be slightly less than would normally be considered appropriate. A rate of return of 6.6 per cent on a rate base of \$7,388,000 appears appropriate. This should result in a 6.7 per cent return on adjusted capitalization, which would provide for debt and preferred stock servicing and yield approximately 9.3 percent on adjusted common stock equity.

In the last rate increase decision (Decision No. 61396, supra), we found that a rate of return of 6 per cent was reasonable

based in part on conditions arising out of the relationship between the applicant and the parent corporation. The record shows that this relationship has been terminated. Based upon all of the above factors we find that a rate of return of 6.6 per cent on the rate base heretofore adopted is just and reasonable.

The following tabulation summarizes the adopted summary of earnings for the test year 1964:

Operating Revenues	\$2,521,100
Deductions	
Operating Expenses	1,387,700
Depr. Expense	266,500
Taxes other than Income	183,000
State Income Tax	24,000
Net Federal Income Tax	<u>172,300</u>
Total Deductions	\$2,033,500
Net Revenues	487,600
Avg. Depr. Rate Base	7,388,000
Rate of Return	6.6%

The new schedules of rates authorized to be filed by the order which follows will produce the hereinbefore estimated gross annual revenues of \$2,521,100, an increase of approximately \$48,600 over the gross revenues which the staff estimates would be produced for the estimated test year of 1964 at the present rates.

The Commission finds 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.

The Commission concludes that the application should be granted to the extent set forth in the ensuing order.

O R D E R

IT IS ORDERED that:

1. Dominguez Water Corporation, a corporation, is authorized to file with this Commission after the effective date of this order and in conformity with General Order No. 96-A the schedules of rates attached to this order as Appendix A and to make such rates effective for service rendered on and after November 16, 1964, or on the fourth day following the date of filing, whichever is later.

2. Beginning with the year 1964 applicant shall determine the accrual of depreciation for each plant account by the straight-line remaining life method using the rates set forth in Column "E" of Tables 3-B and 3-C of Exhibit No. 9 herein. Applicant shall review the depreciation rates annually and submit the results of these reviews to the Commission.

3. Within sixty days after the effective date hereof, applicant shall file with this Commission four copies of a

comprehensive map drawn to an indicated scale not smaller than 600 feet to the inch, delineating by appropriate markings the various tracts of land and territory served, the principal water production, storage, transmission and distribution facilities, and the location of the various water system properties of the applicant.

4. Except as herein granted the application is denied.

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

Dated at San Francisco, California, this 20th day of OCTOBER, 1964.

*I dissent.
Return allowed in
excessive.
Gust W. Page
Commissioner*

Fredrick B. Holbrook

President

John E. Hill

Commissioner

George T. Trover

Commissioner

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
Page 1 of 7

Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service, excepting Metered Irrigation Service and excepting Combination Residential and Irrigation Service.

TERRITORY

Approximately 35 square miles located south of the City of Los Angeles, north of the community of Wilmington, east of the City of Redondo Beach, and west of the Los Angeles River, all in the County of Los Angeles. Included are portions of the Cities of Torrance, Los Angeles, and Long Beach.

RATES

Quantity Rates:		<u>Per Meter</u> <u>Per Month</u>	
First	600 cu.ft. or less	\$ 2.29	(I)
Next	1,900 cu.ft., per 100 cu.ft.29	
Next	17,500 cu.ft., per 100 cu.ft.24	(I)
Next	80,000 cu.ft., per 100 cu.ft.16	
Next	1,900,000 cu.ft., per 100 cu.ft.14	(I)
Over	2,000,000 cu.ft., per 100 cu.ft.096	(I)

Minimum Charge:

For	5/8 x 3/4-inch meter	\$ 2.29	(I)
For	3/4-inch meter	3.55	(I)
For	1-inch meter	5.80	(I)
For	1 1/2-inch meter	11.00	
For	2-inch meter	16.00	
For	3-inch meter	29.00	(I)
For	4-inch meter	46.00	(I)
For	6-inch meter	82.00	(I)
For	8-inch meter	122.00	(I)
For	10-inch meter	162.00	(I)
For	12-inch meter	225.00	(I)

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 7

Schedule No. 3M

METERED IRRIGATION SERVICE

APPLICABILITY

Applicable to all metered irrigation water service, excepting Combination Residential and Irrigation Service.

TERRITORY

Approximately 35 square miles located south of the City of Los Angeles, north of the community of Wilmington, east of the City of Redondo Beach, and west of the Los Angeles River, all in the County of Los Angeles. Included are portions of the Cities of Torrance, Los Angeles, and Long Beach.

RATES

	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rate:		
For each 100 cu.ft. or fraction thereof	\$0.0838	(I)
Minimum Charge:		
For all meter sizes	\$2.29	(I)

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

SPECIAL CONDITIONS

1. An application for service under this schedule shall be filed by the customer with the utility. Such application shall set forth the conditions of service requested and the proposed use of water.
2. The size of meter for the above service shall not be greater than reasonably necessary to furnish service to the area to be irrigated.

Schedule No. 3RL

COMBINATION RESIDENTIAL AND IRRIGATION SERVICE

APPLICABILITY

Applicable to all combination residential and irrigation water service furnished on a limited basis.

TERRITORY

Approximately 35 square miles located south of the City of Los Angeles, north of the community of Wilmington, east of the City of Redondo Beach, and west of the Los Angeles River, all in the County of Los Angeles. Included are portions of the Cities of Torrance, Los Angeles, and Long Beach.

RATES

<u>Irrigation Service</u>	<u>Per Meter</u> <u>Per Month</u>	
Quantity Rate:		
For each 100 cu.ft. or fraction thereof	\$0.0838	(I)
Minimum Charge:		
For all meter sizes	\$2.29	
The Minimum Charge will entitle the customer to the quantity of water which that minimum charge will purchase at the Quantity Rate.		
<u>Residential Service</u>	<u>Per Month</u>	
A flat rate in addition to the above charges for irrigation service	\$2.29	(I)

SPECIAL CONDITION

Combination Residential and Irrigation Service is available only to those customers being served as of October 23, 1961. Service to new occupants of premises which have been served under this schedule will be available only under other appropriate tariff schedules.

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

Approximately 35 square miles located south of the City of Los Angeles, north of the community of Wilmington, east of the City of Redondo Beach, and west of the Los Angeles River, all in the County of Los Angeles. Included are portions of the Cities of Torrance, Los Angeles, and Long Beach.

RATE

Per Month

For each inch of diameter of the service connection	\$4.10 (I)
---	------------

SPECIAL CONDITIONS

1. The customer shall pay, without refund, the entire cost of installing the fire protection service connection. Such service connection shall become and remain the property of the utility.
2. The minimum diameter of the connection for fire protection service will be 1/2 inches and the maximum diameter will be the diameter of the main to which the service is connected.
3. The customer's installation must be such as effectively to separate the fire protection system from all of the customer's other piping systems. The installation shall include a detector type meter or other similar device acceptable to the utility.
4. No cross connection between the fire protection system and any source of supply other than that of the utility will be allowed without specific approval of the utility. Such approval will not be forthcoming until a double check valve installation, or other device acceptable to the utility, has been installed at the customer's expense. Unauthorized cross connections may be grounds for immediate discontinuance of service without liability to the utility.

(Continued)

Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE
(Continued)

SPECIAL CONDITIONS (Contd.)

5. For water delivered for other than fire protection purposes, charges will be made at the quantity rates under Schedule No. 1, General Metered Service.

6. 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.

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

Approximately 35 square miles located south of the City of Los Angeles, north of the community of Wilmington, east of the City of Redondo Beach, and west of the Los Angeles River, all in the County of Los Angeles. Included are portions of the Cities of Torrance, Los Angeles, and Long Beach.

RATE

	<u>Per Month</u>
For each hydrant	\$3.50 (I)

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 utility.
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 a result of its normal operation of the system.

Schedule No. 9CF

CONSTRUCTION FLAT RATE SERVICE

APPLICABILITY

Applicable to unmetered service for construction purposes. (T)

TERRITORY

Approximately 35 square miles located south of the City of Los Angeles, north of the community of Wilmington, east of the City of Redondo Beach, and west of the Los Angeles River, all in the County of Los Angeles. Included are portions of the Cities of Torrance, Los Angeles, and Long Beach.

RATES

For compaction of earth or fill, per cubic yard of fill ..	.03	(N)
For compaction of earth in backfilling trenches per cubic yard of backfill05	
For construction purposes in tracts exclusive of fill compaction, and applicable only to tracts where the developer undertakes the construction of all or a substantial portion of the houses in the tract, per gross acre of development	\$40.00	(N)

SPECIAL CONDITIONS

1. A separate application shall be made for each project or tract development. (C)
2. The total charge for water service covered by the application shall be estimated and shall be paid in advance.
3. The company will designate the locations where water is to be taken.
4. The company may, at its option, fix a schedule of hours in the day that water may be taken for this purpose.
5. If temporary facilities are required to furnish this service, the customer shall pay, in advance, for the cost of installation and removal of said facilities. (C)