

**ORIGINAL**

Decision No. 74888

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of ARROWHEAD MANOR WATER COMPANY, )  
a California corporation, for )  
authorization to increase its )  
rates for water service. )

Application No. 49895  
(Filed December 18, 1967)

Arthur D. Guy, Jr., for applicant.  
K. J. Greeley, protestant.  
Raymond E. Heytens, for the Com-  
mission staff.

O P I N I O N

Applicant Arrowhead Manor Water Company seeks authority to increase its rates for water service.

Public hearing was held before Examiner Main at Lake Arrowhead on May 1 and 2, 1968. Copies of the application had been served and notice of hearing had been mailed to customers and published, in accordance with the Commission's Rules of Procedure. The matter was submitted on May 2, 1968.

Testimony on behalf of applicant was presented by a consulting engineer and an accountant. The Commission staff presentation was made by an accountant and an engineer.

Some 20 customers attended the hearing and about half of them either testified or made statements. In addition, the Commission received letters from another approximately 20 customers. Most of the customers heard from object to having the rates increased in view of the quality of service rendered and the short period of use.

Ownership and Associated Interests

Applicant is a California Corporation. Its outstanding stock is held by E. A. and Jean Schoettmer, who are its president and secretary, respectively. The Schoettmers have personally operated the utility since acquiring its stock in 1957. Some contract labor is used and outside services are employed for the more difficult engineering and accounting work.

In addition to operating the water company, the Schoettmers are engaged in a real estate business, which shares an office with the water company. Segregation of costs pertaining to their personal affairs, real estate business and utility operations is not adequately made.

Service Area and Water System

Applicant's service area consists of some 400 acres of territory in San Bernardino County, located approximately one mile southeast of Lake Arrowhead near the community of Cedar Glen. It is primarily a resort and vacation area, with a number of year-round residents. Of the 546 active service connections as of May 1, 1968, approximately 70 serve year-round residents. About 3,600 lots in subdivided tracts remain available for potential future development.

The service area and its water system represents the consolidation of two areas or systems, one known as Lake Brook Park and the other as Arrowhead Manor. Since the inception in 1933 of applicant's predecessor utility in the Lake Brook Park area, there have been numerous operating problems due to the type and age of the water system installations and the meager and rather uncertain water supplies.

Applicant's sources of water supply consist of a tunnel (Deep Creek Tunnel), an infiltration gallery and a horizontal well. The tunnel source provides most of the water and its supply lines link the otherwise separate Lake Brook and Arrowhead Manor systems. The tunnel is one of several constructed many years ago to divert surface run-off into Lake Arrowhead. It now serves as an infiltration and collection gallery, except as otherwise provided in an irrevocable agreement dated December 9, 1963 between applicant and Lake Arrowhead Development Company (LADC).

In substance, this agreement makes the tunnel available to LADC from December through March of each water year to convey surplus surface run off waters, requires LADC to provide applicant with a substitute water supply free of cost during that period, provides easements to applicant and precludes claims by LADC which would tend to diminish the claimed water rights of applicant associated with the tunnel.

Water flows from the tunnel source to collection points (Booster Station F, where commingled with infiltration gallery flow, for Lake Brook System and Tanks G, where commingled with horizontal well flow, for Arrowhead Manor System) and is pumped into storage tanks located at various elevations throughout the service area. Six operating reservoirs provide a combined capacity of 225,000 gallons on the system. The distribution systems includes about 30,000 feet of mains ranging in size from 1/2-inch to 4-inches.

Water Supply/Requirements

Applicant estimates that its existing sources of supply, supra, produce about 70 gallons per minute (gpm). These sources have not been metered as required by General Order No. 103 and essential data as to their yield is not available.

The character of these sources of supply indicates that their yield may vary widely as between wet and dry years. During the summer of 1966 the Commission staff measured the yield from these sources as being 71 gpm. For that water year (October 1, 1965 through September 30, 1966), the precipitation at Lake Arrowhead was 51.66 inches. In the water year 1960-1961, the driest of the last ten water years, the precipitation there was 19.46 inches.

Six storage tanks with a combined capacity of 225,000 gallons are operated in conjunction with the supply sources. In the last two years, i.e., the summers of 1966 and 1967, applicant has had impending water shortages, but at such times has been able to make rather extensive water purchases, on an emergency basis, from Arrowhead Utility Company. This indicates either that applicant's water requirements have outgrown its sources of supply and existing storage or that such sources and storage are not being properly operated because of limitations of other water system components or of personnel.

Applicant's consulting engineer contends that supply sources yielding 70 gpm in combination with storage of about 130,000 gallons are adequate under proper operation to satisfy the water requirements of the present number of customers.

This is based on the assumption that demands on summer weekends average 100 gpm and drop down to 15-20 gpm during the week. It appears doubtful that on weekdays in popular vacation periods, such as near the Fourth of July or Labor Day, there would be an adequate margin of supply over requirements for any substantial replenishment of storage.

A supplemental water supply from State Water Plan facilities is expected to be available in the Crestline-Lake Arrowhead area by the mid-1970s.

#### Improvement Program

A three-stage master plan of improvements on the system has been prepared. In Stages I and II the improvements contemplated would allow applicant to provide a minimum standard of service for the next five to ten years, if sources of supply are made adequate, and if overloaded, 1½-inch and smaller distribution laterals are replaced.

Stage I and Stage II improvements are estimated to cost \$41,500 and \$31,900, respectively, and the Stage I plant additions have been included in the revenue requirement study, Exhibit 1, upon which applicant bases its proposed rates.

If limitations of sources of water supply do not render many of the proposed improvements largely ineffectual, there will be no question as to their desirability and need. There remains, however, another important unresolved question on this record and that is whether or not applicant can obtain the necessary financing of even the Stage I improvements.

Rates

Applicant has four tariff schedules in effect: annual general metered service, seasonal general metered service, annual residential flat rate service, and seasonal residential flat rate service, all of which became effective February 1, 1960, by authority granted by Decision No. 59373 in Application No. 41207. Both seasonal rate schedules include alternate summer or winter rates. Applicant serves 23 seasonal flat rate customers. No customers are served under the seasonal meter rate schedule. Applicant proposes to cancel its two seasonal service rate schedules and increase its annual metered service and annual residential flat rate service rates by approximately 54 percent. Applicant also proposes to discontinue its reduced annual flat rate for additional residential units on the same premises.

Applicant's present and proposed rates and the rates authorized hereinafter for annual general metered service, annual flat rate service and summer season flat rate service are set forth in the following tabulations:

Annual General Metered Service

	<u>Per Meter Per Year</u>		
	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Authorized Rates</u>
Annual Quantity Rates:			
First 4,500 cu.ft., or less .....	\$39.00	\$60.00	\$45.00
Next 1,500 cu.ft., per 100 cu.ft....	.45	.69	.52
Over 6,000 cu.ft., per 100 cu.ft....	.30	.46	.35

Annual Flat Rate Service

	<u>Per Service Connection Per Year</u>		
	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Authorized Rates</u>
For one single family residence or residential unit .....	\$39.00	\$60.00	\$45.00
For each additional single family residence or residential unit on the same premises and served from the same service connection .....	20.00	60.00	25.00

Seasonal Flat Rate Service  
(May 1 through October 31)

	<u>Per Service Connection Per Season</u>		
	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Authorized Rates</u>
For one single family residence or residential unit .....	\$24.00	-	\$28.00
For each additional single family residence or residential unit served from the same service connection .....	11.00	-	13.00

No customers were billed on the winter seasonal schedule during 1967 and 23 customers were billed on the summer seasonal rate schedule. Of the 23 customers billed at the summer seasonal rate, 22 are located in Little Bear Creek Canyon where applicant does not attempt to provide service during the winter months because of exposed distribution mains, as result of soil erosion, and frigid temperatures. Many of these customers desire service on an annual basis. Stage I improvements, supra, would make year-round service available to all existing customers.

The Commission staff recommends retention of a reduced flat rate for additional residential units served through the same service connection and retention of summer seasonal rates until applicant is capable of rendering year-round service to all customers. Such recommendations are reasonable and have been adopted.

Results of Operation

Witnesses for applicant and the Commission staff have analyzed and estimated applicant's operational results with Stage I improvements, supra. In view of (1) the complete lack of any evidence with probative value that such improvements will be made in the near future and (2) our earlier discussion of these improvements in relation to applicant's existing water supplies, the estimated results of applicant's operation reflecting such improvements are too speculative for consideration in fixing rates at this time. Only the staff evaluated applicant's operational results excluding the uncompleted Stage I improvements.

Summarized in Table 1 below, from the staff's Exhibit 3, are the estimated results of operation for the test year 1968 under present water rates and those proposed by applicant. For comparison, this table also shows the results of operation, modified as discussed hereinafter, at present rates, at those proposed by applicant, and at those authorized herein.



Table 1  
 Estimated Results of Operation, Test Year 1968  
 Without Stage I Improvements\*

Item	Staff	Modified
<u>At Present Rates</u>		
Operating Revenues	\$21,770	\$21,770
<u>Deductions</u>		
Operating Expenses	16,420	16,470
Depreciation	1,980	2,020
Taxes, Other Than On Income	2,140	2,160
Subtotal	20,540	20,650
Income Taxes	140	170
Total	20,680	20,820
Net Revenue	1,090	950
Rate Base	47,170	48,150
Rate of Return	2.3%	2.0%
<u>At Rates Proposed by Applicant</u>		
Operating Revenues	34,400	34,400
<u>Deductions</u>		
Excluding Income Taxes	20,540	20,650
Income Taxes	3,580	3,860
Total	24,120	24,510
Net Revenue	10,280	9,890
Rate Base	47,170	48,150
Rate of Return	21.8%	20.5%
<u>At Rates Authorized Herein</u>		
Operating Revenues	-	25,150
<u>Deductions</u>		
Excluding Income Taxes	-	20,650
Income Taxes	-	1,130
Total	-	21,780
Net Revenue	-	3,370
Rate Base	-	48,150
Rate of Return	-	7.0%

\*Other than bulkhead constructed in tunnel.

From Table 1 it can be seen that applicant's requested rates would result in an increase of 58 percent in operating revenues, whereas the rates authorized herein will produce a 16 percent increase. However, upon proper showing of adequate sources of water supply, upon securing adequate financing for the Stage I improvements, and upon fixing a firm construction schedule for said improvements, a further increase would be justified.

The staff estimates of operational results for test year 1968, without Stage I improvements, represent in large measure an extension of applicant's 1967 operating experience<sup>1/</sup> and reflect:

(1) Five hundred fifty-five active service connections, of which 16 are metered, 24 are seasonal flat rate, and 515 are annual flat rate. This represents a gain of 15 customers over 1967 and includes 12 residential units not on separate service connections. The estimates of operating revenues are based upon this customer count.

(2) An increase in purchased water and power expenses from \$1,493 in 1967 to \$1,700 in 1968; an increase in other operating expenses of \$773, including \$2,000 in regulatory proceeding costs spread over five years.

(3) Operational utility plant as of December 31, 1967, plus one-half 1968 normal plant additions.

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<sup>1/</sup> The staff found that applicant's accounting books and records are not being properly maintained; the staff adjusted 1967 recorded results to place recorded revenues on an accrual basis, to eliminate personal and real estate business expenses included in utility operating expenses, and to increase utility plant and reduce expenses where certain plant additions were expensed.

(4) Computation of depreciation accruals and ad valorem taxes on the straight-line remaining life method and at the fiscal year 1967-1968 tax rate, respectively.

Except to the extent modified in Table 1, the staff estimates appear reasonable and have been adopted. Such modifications reflect (1) an increase of \$1,000 in utility plant as an allowance for a small booster pump and vault required by Decision No. 71765, dated December 29, 1966, in Case No. 8441, for metering the sources of supply, and for chlorination facilities, and (2) the related effects of this additional utility plant on operating expenses, depreciation, and taxes.

For the operational results adopted in Table 1, taxes on income have been computed using the income tax rates and provisions in effect and applicable to year 1968. The investment tax credit used is three percent of one-third of the sum of the 1967 and 1968 plant additions or \$110.

#### Rate of Return

Applicant requested an increase in water rates, which by its estimates will produce an 8.9 percent rate of return on a rate base including the Stage I improvements. The Commission staff recommends an increase in water rates, which by the staff estimates would produce a 6.5 percent rate of return on a rate base excluding Stage I improvements. The staff further recommends that, after satisfactory completion of the Stage I improvements, applicant be authorized by supplemental order to file revised rate schedules which would provide a rate of return of 7.5 percent on a rate base including such improvements.

The rates to be authorized herein are designed to produce a return of seven percent on the adopted rate base. We have expressed hereinbefore our view that the estimated results of applicant's operations, including Stage I improvements, are too speculative for consideration in fixing rates at this time, and also our related concern as to the adequacy of applicant's sources of water supply. At such time as applicant overcomes such problem areas by proper showing (a supplemental application might be filed for this purpose), it is apparent that debt service requirements associated with Stage I improvements and improved service conditions would warrant a higher rate of return on rate base.

Capitalized Labor

During the year 1967, \$2,310 was charged to utility plant accounts for E. A. Schoettmer's personal labor in making capital improvements. Such charges are represented to be the stated dollar value of the hours of labor put in by him on plant construction for which he received no pay above his regular managerial salary. During the past ten years of present management, the amount capitalized in this manner has totaled nearly \$16,500 and represents all but \$1,000 of the total long-term debt reported by this utility in its 1966 annual report to the Commission.

The staff found that applicant is currently using an hourly wage rate for such labor of \$7.50 per hour whereas the going rate in the area is about \$4.50 per hour. The staff adjustment to utility plant, as set forth in Exhibit 3, for

overcharges of capitalized labor appears reasonable in the circumstances and has been adopted for the purpose of fixing rates in this proceeding.

Applicant is placed on notice that records and memoranda must be maintained to support fully the facts pertaining to capitalized labor.

Health Permit

Applicant has not obtained as yet a State Health Department water supply permit, although application for the permit was made in February, 1964. It appears that with the protection provided to its main source of supply by the bulk-head recently constructed at the tunnel and with the provision made herein for chlorination facilities, applicant's system may qualify for the permit.

Fixed Costs in Readiness to Serve

Some of applicant's present customers feel that they are now paying excessive bills for the short periods in which they occupy their mountain cabins. It should be apparent to them, however, that the water system must be so constructed and maintained that the peak demands on the system may be met. The physical system may not be expanded during periods of high demand and contracted during periods when little water is used, nor can year-round maintenance and repairs be foregone if the system is to continue to serve its customers.

Findings and Conclusions

The Commission finds that:

1.a. Applicant is in need of additional revenues but the proposed rates set forth in the application are excessive.

b. The adopted estimates, previously summarized and discussed herein, of operating revenues, operating expenses and rate base for the year 1968 reasonably represent the results of applicant's future operations without a system improvement program.

c. A rate of return of 7.0 percent on applicant's rate base is reasonable.

d. The increases in rates and charges authorized herein are justified; the rates and charges authorized herein are reasonable; and the present rates and charges, insofar as they differ from those prescribed herein, are for the future unjust and unreasonable.

2. The lack of assured financing for Stage I improvements, coupled with the questionable effectiveness of such improvements, unless sources of water supply are adequate, renders the proposed improvements too uncertain of actual installation and of system benefit for consideration in fixing rates at this time.

3. Applicant has not installed the booster pump, 70 gpm capacity, as ordered in Decision No. 71765, dated December 29, 1966, in Case No. 8441.

4. Applicant has not obtained State Health Department water supply permit.

5. Applicant has not metered its sources of water supply as required by General Order No. 103.

6. Applicant's accounting books and records are not being maintained in accordance with the Uniform System of Accounts for Class D Water Utilities; applicant is not properly segregating for accounting purposes the stockholders' personal affairs, the real estate business, and the utility operations.

The Commission concludes that the application should be granted to the extent set forth in the order which follows and that applicant should be required to take the actions set forth therein.

O R D E R

IT IS ORDERED that:

1. After the effective date of this order, applicant, Arrowhead Manor Water Company, is authorized to file the revised rate schedules attached to this order as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be December 1, 1968, or four days after the date of filing, whichever is later. The revised schedules shall apply only to service rendered on and after the effective date thereof. Concurrently, applicant shall cancel its presently effective tariff sheets Nos. 77-W through 82-W.

2. Within forty-five days after the effective date of this order, applicant shall file appropriate general tariff

rules which reflect current practices. Such filing shall comply with General Order No. 96-A. The effective date of the revised tariff sheets shall be four days after the date of filing.

3. On or before May 15, 1969, applicant shall install a suitable measuring device at each source of supply in order that a record may be maintained, as required by General Order No. 103, of the quantity of water produced by each source. Thereafter, at least once a month, the quantity produced from each source of supply shall be determined and recorded. Within ten days after complying with this requirement, applicant shall so notify the Commission in writing.

4. On or before May 15, 1969, applicant shall install chlorination facilities for treating its water supplies. Within ten days after complying with this requirement, applicant shall so notify the Commission in writing.

5. Within one hundred eighty days after the effective date of this order, applicant shall report to the Commission in writing as to the progress being made in obtaining a permanent water supply permit. Applicant shall continue to make such written progress reports every ninety days thereafter until such permanent permit has been obtained.

6. On or before May 15, 1969, applicant shall install the booster pump as directed in Decision No. 71765, dated December 29, 1966, in Case No. 8441.



7. Within one hundred twenty days after the effective date of this order, applicant shall review its accounting records and procedures, shall effect revisions as needed to make them conform with the Uniform System of Accounts for Class D Water Utilities prescribed by this Commission, and shall file in this proceeding a notice of compliance with this requirement.

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

Dated at San Francisco, California, this 29<sup>th</sup> day of OCTOBER, 1968.

William J. ...  
President

Hallam ...

Avogator

Commissioners

I dissent.  
...

Commissioner Fred P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A  
Page 1 of 8

Schedule No. 1A (T)

ANNUAL METERED SERVICE (T)

APPLICABILITY

Applicable to all metered water service furnished on an annual basis.

TERRITORY

Cedar Glen and vicinity, located approximately one mile southeast of (T)  
Lake Arrowhead, San Bernardino County. (T)

RATES

Annual Quantity Rates:	<u>Per Meter Per Year</u>	
First 4,500 cu.ft. or less .....	\$45.00	(I)
Next 1,500 cu.ft., per 100 cu.ft. ....	.52	
Over 6,000 cu.ft., per 100 cu.ft. ....	.35	(I)

Annual Minimum Charge:	<u>Per Meter Per Year</u>	
For 5/8 x 3/4-inch meter .....	\$ 45.00	(I)
For 3/4-inch meter .....	52.00	
For 1-inch meter .....	70.00	
For 1 1/2-inch meter .....	90.00	
For 2-inch meter .....	140.00	(I)

The Annual Minimum Charge will entitle the customer (C)  
to the quantity of water each quarter which one quarter  
of the annual minimum charge will purchase at the  
prorated quarterly Quantity Rates. (C)

(Continued)

Schedule No. 1A

(T)

ANNUAL METERED SERVICE  
(Continued)

(T)

SPECIAL CONDITIONS

1. The annual minimum charge applies to service during the 12-month period commencing May 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the billing year, to pay prorated minimum charges in advance at intervals of less than one year, quarterly, in accordance with the utility's established billing periods for water used in excess of the prorated quarterly allowance under the annual minimum charge.

(C)

2. The opening bill for metered service, except upon conversion from flat rate service, shall be the established annual minimum charge for the service. Where initial service is established after the first day of any billing year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth ( $1/365$ ) of the number of days remaining in the billing year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.

(C)

Schedule No. 1S

SEASONAL METERED SERVICE

(T)

APPLICABILITY

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

TERRITORY

Cedar Glen and vicinity, located approximately one mile southeast of Lake Arrowhead, San Bernardino County.

(T)  
(T)

RATES

Seasonal Quantity Rates:	Per Meter Per Season May 1 to October 31	
First 2,500 cu.ft. or less .....	\$27.00	(I)
Next 1,000 cu.ft., per 100 cu.ft. ....	.52	
Over 3,500 cu.ft., per 100 cu.ft. ....	.35	(I)

Seasonal Minimum Charge:	Per Meter Per Season May 1 to October 31	
For 5/8 x 3/4-inch meter .....	\$27.00	(I)
For 3/4-inch meter .....	31.00	
For 1-inch meter .....	43.00	
For 1 1/2-inch meter .....	54.00	
For 2-inch meter .....	77.00	(I)

The Seasonal Minimum Charge will entitle the customer to the quantity of water each quarter which one-half of the seasonal minimum charge will purchase at the Seasonal Quantity Rates.

(C)  
|  
(C)

(Continued)

Schedule No. 1S

SEASONAL METERED SERVICE  
(Continued)

(T)

SPECIAL CONDITIONS

1. The seasonal minimum charge is payable in advance on or before the initial day of the season.

(C)

2. The charge for water used in excess of the quantity allowed each season under the seasonal minimum charge may be billed quarterly at the option of the utility.

3. The opening bill for metered service, except upon conversion from flat rate service, shall be the established seasonal minimum charge for the service. Where initial service is established after the first day of any season, the portion of such seasonal charge applicable to the current season shall be determined by multiplying the seasonal charge by one one-hundred-eightieth (1/180) of the number of days remaining in the season. The balance of the payment of the initial seasonal charge shall be credited against the charges for the succeeding seasonal period in which service is taken. If service is not continued for at least six months of the first year after the date of initial service, no refund of the initial seasonal charges shall be due the customer.

(C)

Schedule No. 2RA

(T)

ANNUAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service furnished on an annual basis.

TERRITORY

Cedar Glen and vicinity, located approximately one mile southeast of Lake Arrowhead, San Bernardino County.

(T)  
(T)

RATES

	<u>Per Service Connection Per Year</u>	
For a single-family residential unit, including premises.....	\$45.00	(I)
For each additional single-family residential unit on the same premises and served from the same service connection.....	25.00	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to a service connection not larger than one inch in diameter. (C)

2. For service covered by the above classification, if the utility so elects, a meter shall be installed and service provided under Schedule No. 1A, Annual Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day.

3. The annual flat rate charge applies to service during the 12-month period commencing May 1 and is due in advance. If a permanent resident of the area has been a customer of the utility for at least 12 months, he may elect, at the beginning of the billing year, to pay prorated flat rate charges in advance at intervals of less than one year quarterly in accordance with the utility's established billing periods. (C)

(Continued)

Schedule No. 2RA

(T)

ANNUAL RESIDENTIAL FLAT RATE SERVICE  
(Continued)

SPECIAL CONDITIONS (Continued)

4. The opening bill for flat rate service shall be the established annual flat rate charge for the service. Where initial service is established after the first day of any billing year, the portion of such annual charge applicable to the current year shall be determined by multiplying the annual charge by one three-hundred-sixty-fifth ( $1/365$ ) of the number of days remaining in the billing year. The balance of the payment of the initial annual charge shall be credited against the charges for the succeeding annual period. If service is not continued for at least one year after the date of initial service, no refund of the initial annual charges shall be due the customer.

(C)

(C)

Schedule No. 2RS

SEASONAL RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

Cedar Glen and vicinity, located approximately one mile southeast of Lake Arrowhead, San Bernardino County. (T)  
(T)

RATES

	Per Service Connection Per Season May 1 to October 31	
For a single-family residential unit, including premises .....	\$28.00	(I)
For each additional single-family residential unit on the same premises and served from the same service connection .....	13.00	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to a service connection not larger than one-inch in diameter. (C)

2. For service covered by the above classification, if the utility so elects, a meter shall be installed and service provided under Schedule No. 1S, Seasonal Metered Service, effective as of the first day of the following calendar month. Where the flat rate charge for a period has been paid in advance, refund of the prorated difference between such flat rate payment and the minimum meter charge for the same period shall be made on or before that day. (C)

(Continued)



Schedule No. 2RS

SEASONAL RESIDENTIAL FLAT RATE SERVICE  
(Continued)

SPECIAL CONDITIONS (Continued)

3. The seasonal minimum charge is payable in advance on or before the initial day of the season.

(C)

4. The opening bill for flat rate service shall be the established seasonal flat rate charge for the service. Where initial service is established after the first day of any season, the portion of such seasonal charge applicable to the current season shall be determined by multiplying the seasonal charge by one one-hundred-eightieth (1/180) of the number of days remaining in the season. The balance of the payment of the initial seasonal charge shall be credited against the charges for the succeeding seasonal period in which service is taken. If service is not continued for at least six months of the first year after the date of initial service, no refund of the initial seasonal charges shall be due the customer.

(C)