

Decision No. 76387

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
ROSSMOOR WATER COMPANY, for an Order )  
Authorizing a Raise in Rate. )

Application No. 50365  
(Filed July 1, 1968)  
(Amended January 20, 1969)

Application for Interim  
Rate Increase  
(Filed February 17, 1969)

(For Appearances at Original Hearings  
See Decision No. 75458)

Additional Appearances at Adjourned Hearings

Helen C. Runge, for El Toro Water Consumers,  
Lee E. Lawrence and A. C. Isaak,  
protestants.

O P I N I O N

Following the issuance of Decision No. 75458, dated March 13, 1969, an Interim Opinion and Order on this application which authorized a 15 percent overall increase, spread 20 percent to customers inside Leisure World and 50 percent for construction water service with no increase for customers outside Leisure World, adjourned hearings were held before Examiner Warner on May 13, 14, 15, 22 and 23, 1969, at Laguna Hills and the matter was submitted subject to the receipt of late-filed Exhibit No. 15, and subject to the receipt of opening briefs on or before July 14, 1969, and closing briefs on or before July 18, 1969. Said exhibit and briefs having been filed, the matter is ready for decision.

On June 4, 1969 the protestant, Leisure World Foundation (LWF) filed a Petition for Modification of Decision No. 75458 claiming that the evidence in the proceedings negated the validity of said decision. On June 18, 1969, applicant mailed an Answer to said Petition to all parties of record, but inadvertently it was not filed with the Commission,<sup>1/</sup> and LWF replied thereto on June 24, 1969.

In its opening brief, LWF moved for an investigation of alleged double charges to it, based on the testimony of the attorney for Golden Rain Foundation, one of the principals of LWF, for the installation of water mains both by Rossmoor Corporation (applicant's parent), and through the recovery of said costs in water bills.

The record of the proceedings consists of 39 exhibits and 1,155 pages of testimony, plus 129 pages and 3 appendices of argument in the briefs.

On March 19, 1969, notice of adjourned hearings commencing May 13, 1969 were sent by the Commission to all parties, and applicant was directed to notify all customers which it did on April 9, 1969, by the mailing of a notice which, among other things, stated that the "question of cost of service to and rate spread between classes of customers and service territories will be particularly considered" at the adjourned

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<sup>1/</sup> Said Answer was filed on September 15, 1969.

hearing(s). This special notice was made because, in the application as originally filed, and as amended, no increase, and in fact a decrease in rates, was proposed for customers outside Leisure World based on a cost of service study, Exhibit F, attached to the amendment to the application.

The witnesses at the hearings for the applicant were its vice president and general manager, a vice president of a consulting engineering firm, and a certified public accountant; witnesses for the Commission staff included a financial expert, and an associate and a senior hydraulic engineer; and witnesses for LWF included a certified public accountant who specializes in cost accounting, an attorney for Golden Rain Foundation, and the administrator of, who is also an attorney for, LWF.

The gross annual rate increase sought in the application, as calculated by the applicant, was \$153,710 (the staff estimate was \$145,320) based on estimated operations for the test year 1969. The interim increase granted amounted to \$73,397, which is 15 percent of the company's estimated revenue at present rates (this was \$80,091 based on staff estimates).

#### Earnings and Revenue Requirements

The following tabulation compares applicant's earnings, on a company-wide basis, for the year 1969 estimated at present

and proposed rates as said earnings data are set forth in Exhibits E and 1 by the applicant and in Exhibit No. 4 by the staff.

Summary of Earnings

Item	Year 1969 Estimated			
	Present Rates		Proposed Rates*	
	Per PUC Ex. 4	Per Co. Exs. E & 1	Per PUC Ex. 4	Per Co. Exs. E & 1
Operating Revenue \$	533,940	\$ 489,310	\$ 679,260	\$ 643,020
Operating Expense	377,100	354,940	377,100	354,940
Depreciation	79,830	77,450	79,830	77,450
Taxes	55,120	35,560	60,790	41,750
Subtotal	512,050	467,950	517,720	474,140
Net Revenue	21,890	21,360	161,540	168,880
Rate Base	2,235,960	2,269,560	2,235,960	2,269,560
Rate of Return	1.0%	0.94%	7.2%	7.44%

\*Per application as amended, and as recommended by the staff, based on cost of service studies Exhibits F, FX and 4-A respectively.

It will be noted that the end resultant rates of return estimated by the applicant and the staff are within acceptable minimal differences. However, there are some differences in the rate of return components which should be noted.

The estimated revenues at proposed rates are based on applicant's proposal to change from a minimum charge to a service charge type of rate. The original minimum type general metered service schedule was applicable to both single and multiple unit establishments, with the standard quantity charge by descending unit cost blocks depending on usage, plus a minimum charge for different size meters. Applicant seeks to replace this with two service charge types of rates. The first is a General Metered

Single Service Schedule, which would have a different service charge for each meter size, the second is a General Metered Multiple service schedule, which would have the service charge for a meter based upon the number of units connected to the meter. Both proposed schedules have a single quantity rate, but applicant proposes an escalation formula related to the cost of purchased water.

The original type of rate structure for general metered service was authorized by Decision No. 65273, dated April 23, 1963, in Application No. 44672. The proceedings on said application were concerned with a request for a certificate of public convenience and necessity to serve the proposed multimillion dollar development of Laguna Hills Leisure World by the Rossmoor Corporation, and at that time growth through some six Phases was projected through the years 1968 and 1969 when, as fully developed, the area would contain 21,500 to 24,000 multiple residential units and 40,000 people. During 1968 only an average of 5,818 units had been constructed, and the projected average during 1969 by both the applicant and the staff was 6,571 units. Since the hearings which resulted in Decision No. 65273 in 1963, the area outside Leisure World, north of the freeway, has been developed in the areas known as Lake Forest, Amberwood, Cardinal Park, Republic Homes, Laguna North, Laguna Real, Aegean Hills and Monte Viejo, mostly in single unit family residences, although some commercial property has been developed, and multiple family units are proposed. Projected averages for 1969 were 1,734 customers outside Leisure World.

In addition to the type of rate structure sought to be established, another major and vital consideration in Decision No. 65273 was the method of financing Phase I of Leisure World. The Commission authorized applicant to effect such financing through the issuance of \$800,000 of common stock and \$550,000 of 6 percent, 5 year notes rather than use the main extension rule. Said decision specifically provided, however, that main extensions to serve others than Phase I should be made in accordance with the main extension rule, and, thus, all construction north of the freeway, and north of El Toro Road inside Leisure World which now includes and is proposed to include Mutuals Nos. 19 and 20, has been financed by subdividers' advances for construction under said rule. In the setting of rates and determination of rate base, utility plant financed by capital is included for rate making purposes; utility plant financed by subdividers' advances, to the extent that such advances have not been refunded to the subdividers, is deductible from utility plant in service for rate making purposes.

Exhibit No. 1-C is a map of applicant's service area showing the locations of the mutuals and the subdivisions and the commercial developments, and Exhibit No. 1-D shows a typical water system and building layout detail, using Mutual No. 7 as an example.

To produce the required 20 percent rate increase inside Leisure World, Interim Decision No. 75458, among other things, and based on an incomplete record, authorized the filing of block-type quantity rates and minimum charges for Metered Multiple Service, but retained applicant's then (March, 1969) effective Schedule No. 1, Metered Service rates applicable to metered

water service other than multiple residential apartments within Rossmoor Leisure World.

Balance Sheet and Income Statement

As of December 31, 1968, Exhibit No. 1-G shows that utility plant in service amounted to \$3,109,153, with related depreciation reserve of \$245,269; common stock amounted to \$800,000; 6 percent bonds totaled \$1,207,200; advances for construction, \$960,542; contributions, \$270,547; current liabilities payable to affiliated companies, \$144,658; and accounts receivable-affiliated companies, \$55,788. Operating revenues for 1968 recorded were \$448,392; total costs and expenses, including cost of water purchased, \$213,261, operating and maintenance expenses, \$29,561, general and administrative expenses, \$96,692, interest \$73,283, depreciation and amortization, \$67,738, totaled \$480,535; net loss before extraordinary income-reversal of officers compensation accrued in prior years was \$32,143; and net income was \$26,977.

Executive Salaries

The record shows that executive salaries are currently being accrued, but not paid, in the amount of \$10,000 monthly totaling \$70,000 annually to Ross W. Cortese, President, and \$50,000 annually to M. E. Ward, Executive Vice President. At the present time \$3,800 of the \$10,000 monthly accrual is being charged to the applicant; the balance being distributed to associated companies. Both the applicant and staff estimates for the year 1969 adjusted payroll accordingly, and it appears that the 1968 income statement, Exhibit No. 1-G, reflects such adjustments for the year ending December 31, 1968.

#### Operating Revenues

The major differences between the estimates of operating revenues submitted by the applicant and the staff are as follows:

- a. Residential and commercial metered revenues were normalized by applicant to reflect water use per customer of 94.43 percent of 1967 recorded consumption. The staff determined that 1967 recorded water use was normal and made no adjustment for climatological conditions.
- b. Applicant has not billed construction water sales to its parent, Rossmoor Corporation, in accordance with its tariffs. The staff used the 1967 recorded construction water revenue and consumption per dwelling and commercial unit constructed by developers other than Rossmoor Corporation in estimating 1969 metered construction water revenue.
- c. Applicant did not include proposed rate revenue for unmetered service to tract houses under construction. The staff included such revenue.

#### Operating Expenses

The Major differences between the estimates of operating expenses submitted by the applicant and the staff are:

- a. Payroll estimated by the staff for 1969 was based on applicant's personnel and pay rates as of September 1, 1968 and included overtime pay at the rate experienced during August 1968. Applicant projected an additional 5 percent wage increase for 1969.
- b. The difference in purchased water expenses reflects the difference in water sales estimates. In addition, the staff priced out its estimate of purchased water from El Toro and Moulton Niguel Water Districts, both constituent agencies of Metropolitan Water District of Southern California (MWD), at the July 1, 1969 unit cost of \$66.60 per acre foot. <sup>2/</sup> Applicant applied the July 1968 cost of \$66.50 per acre foot for water purchased during the first half of 1969 and the \$66.50 unit cost during the second half of 1969.

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<sup>2/</sup> MWD water sold in the Central and Upper San Gabriel Valley Basins in Los Angeles County costs water purveyors about \$46.30/acre foot; MWD water is sold by Los Angeles County Water Works District No. 29 to Malibu Water Company for about \$100/acre foot, including about \$55 for transmission from Culver City to Topanga Canyon.



- c. The staff estimated the cost of the instant rate proceedings in Regulatory Commission expense to be \$20,000 amortized, over a five year period at \$4,000 per year. The applicant included no such expense in its studies for 1969.
- d. Outside Services Employed expenses as recorded for 1967 were adjusted downward by the staff to reflect a nonrecurring duplication resulting from the change of outside auditors during 1967.

Taxes

The differences in tax expense estimates resulted from the following:

- a. The staff estimate reflects the use of more recent tax rates and assessed valuations than applicant's.
- b. The staff utilized liberalized depreciation for 1969 utility plant additions for federal and state tax purposes. The applicant used liberalized depreciation for federal income tax purposes only.

The record shows that applicant's income tax returns are consolidated with its parent, Rossmoor Corporation. The latter has taken advantage of applicant's liberalized depreciation deductions even in years when applicant sustained operating losses and liberalized depreciation would have been of no advantage to applicant had it filed separate returns. The extent of such tax advantages to applicant's parent cannot be determined from the record herein, but it is evident that they existed in some of the years of applicant's operations as a public utility water corporation.

Utility Plant in Service and Rate Base

In its Utility Plant in Service estimates the staff included the cost of a reservoir proposed to be constructed during 1969 at \$144,000 on a full-year basis, and the cost of the installation of pumping equipment at \$15,000, also on a full-year basis, whereas the applicant included them on an average one-half year basis, only.

The record shows that the pumping equipment was expected to have been installed by August 1, 1969, but that the installation probably will not have been completed before September 1, 1969. Also, the plant site for the reservoir has not been purchased, no construction has been commenced, and probably will not be commenced during 1969.

Rate of Return

The staff recommended a company-wide rate of return of 7.2 percent based on applicant's capital structure, cost of money, and operations for the test year 1969. The applicant requests the authorization of rates for water service which would produce a 7.44 percent rate of return, but suggested that a rate of return of 7.5 percent would be more nearly required.

The record shows that applicant's growth will take place in areas where the basic water system and backup facilities have already been installed, and that revenue from water sales will increase at a faster rate than rate base. Another major determining factor in increasing rate of return will be the advances for construction in the new areas, all extensions to which have been, are being, and will be made under the main extension rule, as noted heretofore.

Cost of Service Studies and Proposed Rate Spreads

Exhibits Nos. F. and F-X are Cost of Service Studies for the years ending December 13, 1968 and 1969, respectively, submitted by the applicant; Exhibit No. 4-A is a Cost of Service Study submitted by the staff for the year 1969 estimated; and Exhibit No. 7 is a Cost of Service Study for the year 1969 estimated submitted by LWF. Each suggests different types of rate spreads - different from presently authorized structures and different from each other, the application of any one of which would result in different impacts on customers inside Leisure World, outside Leisure World, commercial and construction. Each study is based on major assumptions and allocations, each of the latter of which drastically affects the results.

If the applicant's study were accepted the rates proposed in this application would be reasonable;<sup>3/</sup> if the staff's study were accepted, the staff's spread of rates, which slightly modifies applicant's, but essentially supports it would be reasonable;<sup>3/</sup> and if LWF's study were accepted, LWF's spread of rates, which would considerably lessen the impact of a rate increase on customers inside Leisure World and increase rates for customers outside Leisure World, would be reasonable.<sup>3/</sup>

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<sup>3/</sup> Assuming the company-wide resultant rate of return to be reasonable.

Findings

Based on a review of the record, not only of these proceedings but of the proceedings on Application No. 44672 incorporated herein and made a part hereof by reference, and after careful consideration of the briefs, the Commission finds as follows:

1.a. Rossmoor Water Company was organized in early 1962, and was granted a certificate of public convenience and necessity by Decision No. 65273, dated April 23, 1963 in Application No. 44672 to construct and operate a public utility water system in the multimillion dollar development, known as Laguna Hills Leisure World, by Rossmoor Corporation - applicant's parent.

b. The development of Leisure World, projected in 1963 to be completed in 1969 with nearly 24,000 residential units and 40,000 people, has developed to only a projected average for 1969 of 6,571 dwelling units inside Leisure World, plus an additional 1,734 outside Leisure World and approximately 130 commercial customers.

c. Approximately 85 percent of the water system installations in the development inside Leisure World has been financed by debt and common stock issued to Rossmoor Corporation, but applicable future in-tract water system installation costs will be financed by subdividers' advances for construction under the Commission's Water Main Extension Rule.

d. Under orthodox rate making procedures, costs of water system facilities financed by capital issues are included in rate base determinations, and cost of water system facilities financed by advances for such construction are excluded from rate base. The resultant revenue requirements to produce a specific rate of return under the two methods of financing are significantly different; the capital-financed facilities would require greater revenues than the subdividers'-advances-financed facilities. Where the two occur in major amounts, within the same service area, the impact on rates for water service will result in gross discriminations between customers unless the rates are made uniformly applicable without regard to such major inconsistencies in water system financing.

2.a. The rate of return which would have been produced at applicant's rates, prior to Interim Decision No. 75458, dated March 18, 1969, on the instant application which, as shown in Exhibits 1 and 4 would have been approximately one percent for the test year 1969 estimated, is deficient.

b. Decision No. 75458 authorized an increase in rates of 15 percent - 20 percent to customers inside Leisure World, 50 percent for construction, none to customers outside Leisure World or commercial, all based on present rate structures originally authorized and established by Decision No. 65273, dated April 23, 1963 in Application No. 44678. The record on said application, incorporated herein, shows deliberate and serious consideration of different proposed rate structures including to some extent the type of structures proposed herein.

c. The rate of return of 4.7 percent produced by the rates authorized by Decision No. 75458 is likewise deficient, and applicant is in need of further relief.

3.a. The company-wide rate of return of 7.2 percent recommended by the staff for the test year 1969 estimated is reasonable.

b. The average depreciated rate base calculated by the staff in Exhibit No. 4 is reasonable, except that it should be reduced by \$144,000, since the reservoir, the cost of which is estimated to be said amount, will not be constructed during 1969.

c. Applicant's rate of return will increase during the foreseeable future despite announced future increases in costs of purchased water, increased wages, taxes and other operating expenses, due to the rapid development of large areas and the addition of substantial domestic and commercial water customers both inside and outside Leisure World.

4. Because of applicant's rapid growth, development and changes in methods of financing capital improvements all of which result in volatile results of operations and earnings on the one hand and the broadening and widening of applicant's system-wide utility plant costs on the other hand, applicant's proposal to change its type of tariffs is untimely, unreliable, and unreasonable. We are not persuaded that any of the cost of service analyses submitted for this record, under applicant's past, present or foreseeable future operations are meaningful. We are not able to formulate, from this record,

any valid or reasonable tariffs based on cost of service studies.

5.a. Applicant's present type of rate schedule was found in the year 1963 by Decision No. 65273 to be just and reasonable. It is just and reasonable now.

b. It is impractical, unnecessary, undesirable, unreasonable, and not in the public interest to authorize at this time a separate and different schedule of rates for multiple-dwelling units, either inside or outside Leisure World, as proposed by applicant and the staff.

6. An investigation into the relationship between the mutual corporations composing Leisure World Foundation and applicant's parent Rossmoor Corporation is not within our jurisdiction.

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

#### Conclusions

Based on the foregoing findings, the Commission concludes that the application as amended should be granted in part and denied in part and that Rossmoor Water Company should be authorized to file schedules of rates which will produce revenues resulting in a rate of return of 7.2 percent on a company-wide rate base of \$2,091,960 for the test year 1969, after deducting

operating expenses including depreciation and taxes of \$516,900 and resulting in net revenue of \$150,800.

Tariffs authorized by Decision No. 75458, as Appendix A, attached thereto, should be cancelled and the authorized rate increase should be in the form of the tariffs authorized and established by Decision No. 65273. Appendix B attached hereto compares applicant's present and authorized rates for general metered service. Also shown are applicant's proposed rates for such service and those proposed by the staff, and the interim rates presently in effect.

Also, applicant should be directed to meter construction water sales to its parent; tariff schedules for public fire hydrant service and fire hydrant service on private property should not be authorized to be cancelled; applicant's request to include an escalation clause in its tariffs to cover increased cost of water purchased should be denied; and the staff recommendations on accounting contained on page 32 of Exhibit No. 4 should be carried out.

Further, the motion of Leisure World Foundation for an investigation by the Commission regarding alleged double charges by Rossmoor Corporation for water system facilities through payment by Mutual stockholders for occupancy rights for



dwelling units within Leisure World and a rate on water system facilities financed through capital rather than by main extension agreement advances through water rates, should be denied.

In all other respects the application, as amended, should be denied.

O R D E R

IT IS ORDERED that:

1. Tariffs authorized by Decision No. 75458, as Appendix A attached thereto, are cancelled with the filing of rates hereinafter authorized.

2.a. Application No. 50365, as amended, of Rossmoor Water Company is granted in part, and denied in part and applicant is authorized to file, after the effective date of this order, the revised schedules of rates as set forth in Appendix A attached hereto, and concurrently to withdraw and cancel Schedule No. 3M, Metered Irrigation Service. Said rates shall be effective four days after the date of filing and shall apply only to service rendered on and after said effective date. Such filing shall comply with General Order No. 96-A.

b. Applicant shall meter all construction water sales to its parent, Rossmoor Corporation.

c. Applicant shall not cancel tariff schedules for public fire hydrant service and fire hydrant service on private property.

d. In accordance with the recommendations by the staff financial examiner contained on page 32 of Exhibit No. 4 applicant shall:

(1) Install and maintain, on a current basis, a utility plant ledger incorporating a historical record by location, in each category of plant.

- (2) Keep the utility books on a calendar year basis.
- (3) Adjust land values for currently owned reservoir and warehouse sites according to the findings of the Commission in this proceeding.
3. In all other respects the application is denied.
4. The motion of Leisure World Foundation for an investigation by the Commission regarding alleged double charges to applicant's customers is denied.

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

Dated at San Francisco, California, this 4th  
day of NOVEMBER, 1969. D

William Lyman  
President  
August 11/12  
J. H. H. H.  
Commissioners

APPENDIX A  
Page 1 of 4

## Schedule No. 1

GENERAL METERED SERVICE

(T)

APPLICABILITY

Applicable to general metered water service.

(T)

TERRITORYEl Toro, Laguna Hills, and Rossmore Leisure World, and vicinity,  
Orange County.RATES

Quantity Rates:		Per Meter Per Month	
First	500 cu.ft. or less .....	\$ 3.70	(I)
Next	800 cu.ft., per 100 cu.ft. ....	.48	
Next	6,700 cu.ft., per 100 cu.ft. ....	.36	
Next	10,000 cu.ft., per 100 cu.ft. ....	.33	
Next	30,000 cu.ft., per 100 cu.ft. ....	.30	
Over	48,000 cu.ft., per 100 cu.ft. ....	.28	(I)
Minimum Charge:			
For	5/8 x 3/4-inch meter .....	\$ 3.70	(I)
For	3/4-inch meter .....	5.00	
For	1-inch meter .....	8.50	
For	1 1/2-inch meter .....	14.50	
For	2-inch meter .....	23.00	
For	3-inch meter .....	36.00	
For	4-inch meter .....	55.00	
For	6-inch meter .....	110.00	(I)

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

Schedule No. 9FC

UNMETERED SERVICE TO TRACT HOUSES DURING CONSTRUCTION

APPLICABILITY

Applicable to tract houses being constructed as a part of a total real estate development.

TERRITORY

El Toro, Laguna Hills, and Rossmore Leisure World, and vicinity, Orange County.

RATE

For each single-family or multiple-family dwelling unit  
for the entire construction period ..... \$2.00 (R)

SPECIAL CONDITIONS

1. This rate is available only to real estate developers who undertake the construction of all or a substantial portion of the houses in a tract as part of the tract development. It does not apply to builders of houses in tracts subdivided for lot sales.
2. The water service under this tariff schedule applies only to use of water for construction of residences. It does not include water use for slab flooding, for garden irrigation, for model homes or for general tract improvement work. (T)
3. All unmetered services to each and every dwelling unit of the development must be turned on if spacer service is to be rendered. (N)
4. The \$2.00 charge shall be paid prior to construction of water facilities in the development.
5. Spacer service must be discontinued prior to the time the dwelling unit or units are occupied and at this time a meter will be installed.
6. The company may discontinue service under this schedule, if in the opinion of the company, spacer water is being misused or if the duration of spacer water usage exceeds a reasonable period of time. In this event, the company reserves the right to install meters in place of the spacers. (N)

## Schedule No. 9-KC

METERED CONSTRUCTION SERVICEAPPLICABILITY

Applicable to all measured water service furnished for general construction.

TERRITORY

El Toro, Laguna Hills, and Rossmore Leisure World, and vicinity, Orange County.

RATES

	Per Meter Per Month	
Quantity Rates:		
First 12,500 cu.ft. or less .....	\$ 38.00	(R)
Over 12,500 cu.ft., per 100 cu.ft. ....	.30	(R)
Minimum Charge:		
For 2-inch meter .....	\$ 38.00	(R)
For 3-inch meter .....	51.00	(N)
For 4-inch meter .....	76.00	(R)
For 6-inch meter .....	150.00	(R)
For 8-inch meter .....	300.00	(R)

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

SPECIAL CONDITIONS

1. A \$250 refundable deposit will be required for each meter. (N)
2. Rossmore Water Company reserves the right to discontinue the service without notice if water is not used for a period of 15 consecutive days. (N)

(Continued)

Schedule No. 9-MC

METERED CONSTRUCTION SERVICE  
(Continued)

SPECIAL CONDITIONS (Contd.)

3. The customer shall notify Rossmoor Water Company when he wishes to have the service discontinued. The regular rates including monthly minimum charge shall continue until such notice has been received, unless the service is discontinued under Special Condition 2, above.

4. Rossmoor Water Company will move a meter once without charge within the project area. Additional moves within the project will be made at a cost of \$10 per move.

5. If during the course of obtaining flooding water the applicant causes any damage to the water company's facilities, the company will bill the applicant for such damages.

(N)

(N)

(N)

APPENDIX B  
Page 1 of 3COMPARISON OF ORIGINAL, PRESENT (INTERIM)  
AND AUTHORIZED RATESGeneral Metered Service

Item	Per Meter Per Month			
	: Present (Interim) : Autho- :			
	: Original : Single : Multiple : rized :			

## Quantity Rates:

First 500 cu.ft. or less	\$ 3.00	\$ 3.00	\$ 3.60	\$ 3.70
Next 800 cu.ft., per 100 cu.ft.	.40	.40	.48	.48
Next 6,700 cu.ft., per 100 cu.ft.	.30	.30	.36	.36
Next 10,000 cu.ft., per 100 cu.ft.	.27	.27	.325	.33
Next 30,000 cu.ft., per 100 cu.ft.	.24	.24	.29	.30
Over 48,000 cu.ft., per 100 cu.ft.	.23	.23	.275	.28

## Minimum Charge:

For 5/8x3/4-inch meter	3.00	3.00	3.60	\$ 3.70
For 3/4-inch meter	4.00	4.00	4.80	5.00
For 1-inch meter	7.00	7.00	8.40	8.50
For 1 1/2-inch meter	12.00	12.00	14.40	14.50
For 2-inch meter	18.00	18.00	21.60	23.00
For 3-inch meter	30.00	30.00	36.00	36.00
For 4-inch meter	45.00	45.00	54.00	55.00
For 6-inch meter	90.00	90.00	108.00	110.00

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

APPENDIX B  
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PROPOSED RATES-BY APPLICANT

GENERAL METERED SINGLE SERVICE

- (1) The cost of water used as registered on the meter regardless of size, shall be at the rate of .168 per 100 cu.ft. The rate shall automatically increase or decrease as the price of El Toro Water District water increases or decreases.
- (2) The monthly service charge shall be based on the meter size as set forth below. This service charge shall provide no water allowance:

<u>Meter Size</u>	<u>Monthly Service Charge per Meter</u>
5/8x3/4-inch	\$3.20
3/4-inch	4.80
1-inch	8.00
1 1/2-inch	16.00
2-inch	25.60

GENERAL METERED MULTIPLE SERVICE

- (1) Same as (1) above.
- (2) The monthly service charge shall be based on the number of residential dwelling units or commercial units connected to a single meter whether occupied or not as shown below, or the Monthly Service Charge for Single Service based on meter size whichever is greater. This service charge shall provide no water allowance.

MONTHLY SERVICE CHARGE

\$3.20 per Residential Dwelling Unit  
3.20 per Commercial Unit



APPENDIX B  
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PROPOSED RATES-BY STAFF  
(Sheet 1 of 2)  
METERED SERVICE

APPLICABILITY

Applicable to metered water service other than multiple-residential apartments within Rossmoor Leisure World.

TERRITORY

El Toro, Laguna Hills, and Rossmoor Leisure World, and vicinity, Orange County.

RATES

Per Meter  
Per Month

Service Charge:

For 5/8 x 3/4-inch meter.....	\$2.10
For 3/4-inch meter.....	2.30
For 1-inch meter.....	3.50
For 1½-inch meter.....	5.50
For 2-inch meter.....	6.50
For 3-inch meter.....	9.50

Quantity Rate:

For all water delivered, per 100 cu.ft.\$0.31

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rate..

APPENDIX B  
Page 4 of 2

PROPOSED RATES-BY STAFF  
(Sheet 2 of 2)  
METERED MULTIPLE SERVICE

APPLICABILITY

Applicable to all metered water service to multiple-residential apartments within Rossmoor Leisure World.

TERRITORY

Rossmoor Leisure World, Orange County.

RATES

Per Meter  
Per Month

Service Charge:

For 5/8 x 3/4-inch meter.....	\$ 2.40
For 3/4-inch meter.....	3.60
For 1-inch meter.....	6.00
For 1 1/2-inch meter.....	9.00
For 2-inch meter.....	20.00

Quantity Rate:

For all water delivered, per 100 cu.ft... \$ 0.31

The Service Charge is a readiness-to-serve charge applicable to all metered service and to which is to be added the monthly charge computed at the Quantity Rate.

APPENDIX B  
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INTERIM RATES PER D.75458  
Dated March 18, 1969  
Sheet 1 of 4  
METERED SERVICE

APPLICABILITY

Applicable to metered water service other than multiple residential apartments within Rossmoor Leisure World.

TERRITORY

El Toro, Laguna Hills, and Rossmoor Leisure World, and vicinity, Orange County.

RATES

Per Meter  
Per Month

## Quantity Rates:

First	500 cu.ft. or less.....	\$ 3.00
Next	800 cu.ft., per 100 cu.ft.....	.40
Next	6,700 cu.ft., per 100 cu.ft.....	.30
Next	10,000 cu.ft., per 100 cu.ft.....	.27
Next	30,000 cu.ft., per 100 cu.ft.....	.24
Over	48,000 cu.ft., per 100 cu.ft.....	.23

## Minimum Charge:

For	5/8 x 3/4-inch meter.....	\$ 3.00
For	3/4-inch meter.....	4.00
For	1-inch meter.....	7.00
For	1½-inch meter.....	12.00
For	2-inch meter.....	18.00
For	3-inch meter.....	30.00
For	4-inch meter.....	45.00
For	6-inch meter.....	90.00

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

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INTERIM RATES PER D.75458  
Dated March 18, 1969  
Sheet 2 of 4  
METERED MULTIPLE SERVICE

APPLICABILITY

Applicable to all metered water service to multiple residential apartments within Rossmoor Leisure World.

TERRITORY

El Toro, Laguna Hills, and Rossmoor Leisure World, and vicinity, Orange County.

RATES

Per Meter  
Per Month

## Quantity Rates:

First	500 cu.ft. or less.....	\$ 3.60
Next	800 cu.ft., per 100 cu.ft.....	.48
Next	6,700 cu.ft., per 100 cu.ft.....	.36
Next	10,000 cu.ft., per 100 cu.ft.....	.325
Next	30,000 cu.ft., per 100 cu.ft.....	.29
Over	48,000 cu.ft., per 100 cu.ft.....	.275

## Minimum Charge:

For	5/8 x 3/4-inch meter .....	\$ 3.60
For	3/4-inch meter .....	4.80
For	1-inch meter .....	8.40
For	1½-inch meter .....	14.40
For	2-inch meter .....	21.60
For	3-inch meter .....	36.00
For	4-inch meter .....	54.00
For	6-inch meter .....	108.00

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

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Sheet 3 of 4

UNMETERED SERVICE TO TRACT HOUSES DURING CONSTRUCTION

APPLICABILITY

Applicable to tract houses being constructed as a part of a total real estate development.

TERRITORY

El Toro, Laguna Hills, and Rossmoor Leisure World, and vicinity, Orange County.

RATES

For each residence for the first two months of the construction period .....	\$9.00
For each residence for each additional month or portion thereof .....	4.50

SPECIAL CONDITIONS

1. This rate is available only to real estate developers who undertake the construction of all or a substantial portion of the houses in a tract as part of the tract development. It does not apply to builders of houses in tracts subdivided for lot sales.

2. The water service, under this tariff schedule applies only to use of water for construction of residences. It does not include water use for garden irrigation or for model homes or for general tract improvement work.

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INTERIM RATES PER D.75458  
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Sheet 4 of 4

METERED CONSTRUCTION SERVICE

APPLICABILITY

Applicable to all measured water service furnished for general construction.

TERRITORY

El Toro, Laguna Hills, and Rossmoor Leisure World, and vicinity, Orange County.

RATES

Per Meter  
Per Month

Quantity Rates:

First 12,500 cu.ft. or less.....	\$ 45.00
Over 12,500 cu.ft., per 100 cu.ft.....	.36

Minimum Charge:

For 2-inch meter .....	\$ 45.00
For 4-inch meter .....	90.00
For 6-inch meter .....	180.00
For 8-inch meter .....	360.00

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