

Decision No. 79380

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
the SOUTHERN CALIFORNIA WATER COMPANY }
for an order authorizing it to }
increase the rates for water service }
in its Desert District. }

Application No. 51987
(Filed June 22, 1970)

O'Melveny & Myers by William J. Bogaard, Attorney
at Law, for Southern California Water Company,
applicant.

Mrs. Daisy H. Daw, Mrs. Marie Morris, Mary Cowan,
Mrs. Chandler V. White (Mary M.), Mrs. Cecil
Korngute, Charlotte Kincaid, John B. Piraino,
Lawrence M. Kellis, and Joseph de Angelis, in
propria personae.

Mary Cowan, Hazel L. Bybee, for Golden Age Club
(Senior Citizens), and Joseph de Angelis,
protestants.

William C. Bricca, Attorney at Law, and John D.
Reader, for the Commission staff.

O P I N I O N ✓

By its application, Southern California Water Company
(applicant) requested authority to establish rates in its Desert
District¹ which were designed to increase annual revenues by \$91,900
or 110 percent over the rates now in effect. Because of the magni-
tude of the percentage increase, applicant proposed that the increase
be spread over a three-year period.

¹ The Desert District consists of two main service areas approxi-
mately 75 miles apart by road known as Morongo and Victorville
each of which has within it separate systems. In the Victorville
area, customers are served from five systems spread between
Lucerne Valley on the east and Apple Valley-Victorville on the
west. The Morongo Valley area is located in the high desert of
Southern California north and east of Palm Springs and just south-
east of Yucca Valley and it has two systems. There were 526 cus-
tomers in the Morongo area and 465 in the Victorville area as of
December 31, 1969.

The Desert District water systems were acquired by applicant on July 31, 1962 with the acquisition of Pacific Water Co. operating properties under the authorization granted by the Commission by Decision No. 64011 in Application No. 44579.

Rates were last established in the Morongo area by Decision No. 57863, dated January 13, 1959, in Application No. 39067, and in the Victorville area by Decision No. 60205, dated May 31, 1960, in Application No. 40805.

At the time of the acquisition by applicant the predecessor company was under this Commission's orders to make service improvements in the Victorville and Morongo areas. Applicant completed all the ordered service improvements and has expended some additional sums to improve the service to its Desert District customers.

Present Rate Schedules

Applicant now renders water service in its Desert District under five different schedules as follows:

<u>Schedule Number</u>	<u>Area</u>	<u>Service</u>
MV-1	Morongo Valley	General Metered Service
MV-2H	Morongo Valley	Haulage Flat Rate Service
VCA-1	Victorville Systems Nos. 1, 4, 5 and Lower Zone 6	General Metered Service
VCE-1	Victorville System No. 3	General Metered Service (nonpotable water)
VCU-1	Victorville Upper Zone 6	General Metered Service

In addition, applicant has three company-wide schedules: AA-9C, Construction and Other Temporary Flat Rate Service; AA-4, Private Fire Protection Service; and AA-10, Service to Company Employees, applicable to the Desert District.

Applicant's Proposed Rate Schedules

Applicant proposed to increase the rates and consolidate the four separate general metered service schedules into one district-wide rate schedule. The consolidation would incorporate a change from a minimum charge form to a service charge rate form.

The haulage flat rate service schedule would remain but it was proposed to be increased by 50 percent. (Customers use this service by filling customer owned containers at three established hydrants located in Morongo Valley and hauling the water to their residences, usually weekend cabins.)

It was proposed that the private fire protection service schedule be increased from a charge of \$1 per inch to \$2 per inch of service size. (At present there are no private fire protection service customers in the Desert District.) No change was contemplated in the construction and other flat rate service or in the company employee schedule.

After due notice, hearing was held before Examiner Gillanders at Morongo Valley on January 27 and 28 and at Apple Valley on January 29, 1971.

Morongo Valley Hearing January 27, 28, 1971

Approximately 80 customers attended the first day of hearing and 32 customers attended the second day of hearing.

Many of the customers gave statements regarding the poor water service and expressing their opposition to the requested rate increases. Two of the customers presented testimony regarding service problems and stated their reasons for opposing the requested rate increases.

Testimony was presented by three witnesses on behalf of applicant. Testimony on behalf of the staff was presented by two engineers.

According to applicant's testimony, since purchasing the systems in 1962, it has spent approximately \$250,000 to improve its facilities.

Apple Valley Hearing January 29, 1971

Approximately 170 customers attended the hearing. Eleven of these customers presented testimony regarding poor service and other matters.

Two witnesses presented testimony on behalf of applicant. Two engineers presented testimony on behalf of the staff.

The five systems comprising the Victorville service area were purchased by applicant in 1962. Since 1962 applicant has spent approximately \$68,700 improving the systems as required by previous decisions of this Commission, as well as making other improvements.

The complaints of the customers may be summarized as follows:

1. Presently, it is almost impossible to sell lots or houses in applicant's service area because the existing rates are too high.
2. If the rates are raised any higher the area will be black-balled in the eyes of prospective buyers. Some existing customers will be forced to move out; and new construction will come to a standstill.
3. People will not be able to expand their weekend homes into permanent homes for use when they retire if the rates are raised.
4. People are not building swimming pools because of the high cost of water.
5. People are letting their lawns and trees die because they cannot afford to water them.
6. Water pressure is low.
7. Applicant does not respond to complaints regarding service.
8. There are many leaks, some of which have been running for weeks and some for years.
9. The water is full of alkali.

As it was obvious to the examiner and some members of the public that applicant's proposal to join the two areas for rate-making purposes, acquiesced to by the staff, resulted in shifting much of Morongo's burden to Apple Valley, the examiner ordered applicant to prepare separate results of operation studies for each area. Thus, the matter was adjourned to a date to be set.

After due notice further hearings were set for Morongo Valley on June 22, 1971 and for Victorville on June 23, 1971. Hearings were held and the matter was submitted upon receipt of two late-filed exhibits on July 9, 1971. The matter is ready for decision.

Morongo Valley Hearing June 22, 1971

Thirty-four customers were in attendance at the hearing. A customer presented a petition signed by 46 users (Exhibit 16) vigorously protesting any rate increase inasmuch as the area has been set aside as a conservation area for wildlife and particularly the great number of rare migratory and resident birds.

Applicant's vice president of operations testified as to the steps applicant had already taken or intended to take to remedy the service complaints received from customers at the previous hearing. His testimony revealed that all the complaints were or could be satisfactorily² resolved. He further testified that unaccounted for water in the Del Sol System was 37.85 percent and in the Del Norte System unaccounted for water was 29.22 percent for the calendar year 1970.

Of great concern to the customers was the unauthorized use of water by water haulers. There are three authorized taps from which authorized haulers may draw water. Seven hundred fifty thousand gallons per year are drawn from the three taps or about 1.2 percent of the total water production.

As a review of the existing water hauling tariff sheet revealed that it contained ambiguities, the examiner ordered applicant to devise a tariff sheet which would eliminate the ambiguities and uncertainties of the existing tariff sheet and which would clearly state the conditions under which service would be rendered in order that enforcement of the tariff schedule could be accomplished. Applicant provided late-filed Exhibit 20 as its suggested remedy for the water hauling problem. While Exhibit 20 does not completely cure the infirmities of the previous schedule, we will authorize applicant to file a tariff schedule similar to Exhibit 20 with the positive caveat that we expect applicant to vigorously enforce the provisions contained therein.

² However, one lady testified she wasn't satisfied with applicant's handling of her complaint.

Applicant's Vice President Revenue Requirements presented a separate Results of Operation Study for the Morongo District (Exhibit 17).

This study showed that for the year 1971 estimated at present rates the rate of return would be .36 percent; for 1971 at step one proposed rates, the rate of return would be 3.42 percent; at step two rates the rate of return would be 5.38 percent; and at step three rates the rate of return would be 6.71 percent.

If step three rates were authorized a 125 percent increase in total revenue would be required.

Two staff engineers presented a study of the separate Results of Operation for the Morongo District (Exhibit 18). Pertinent portions of Exhibit 18 are shown below:

MORONGO SYSTEM

Summary of Earnings
(Estimated Year 1971)

Item	Applicant		Staff		Applicant	
	Present	Proposed	Present	Proposed	Exceeds Staff	
	Rates	Rates [#]	Rates	Rates [#]	Present	Proposed
Operating Revenues	\$ 34,575	\$ 77,512	\$ 34,580	\$ 77,510	\$ (5)	2
<u>Operating Expenses</u>						
Operation & Maintenance	22,714	22,714	23,010	23,010	(296)	(296)
Admin. and General	3,136	3,136	2,850	2,850	286	286
Taxes other than Income	4,498	4,728	4,560	5,040	(62)	(312)
Depreciation	11,340	11,340	11,920	11,920	(580)	(580)
Allocated Common	3,234	3,234	3,100	3,100	134	134
Subtotal	44,922	45,152	45,440	45,920	(518)	(768)
Income Taxes	(11,520)	10,653	(10,510)	11,410	(1,080)	(757)
Total Oper. Expenses	33,402	55,805	34,930	57,330	(1,328)	(1,525)
Net Operating Revenue	1,173	21,707	(350)	20,180	1,523	1,527
Depreciated Rate Base	323,665	323,665	269,600	269,600	54,065	54,065
Rate of Return	0.36%	6.71%	(0.13)%	7.49%	0.49%	(0.78)%

(Red Figure)

[#] At applicant's requested Step 3 rates.

MORONGO SYSTEM
1971 Results of Operation
 (At Steps 1, 2, and 3 Rates)

Item	Company Requested :		Staff Modified*		
	Step 1	Step 2	Step 1	Step 2	Step 3
Operating Revenues	\$ 55,279	\$ 68,530	\$ 48,940	\$ 62,180	\$ 71,190
% Increase over Present Rates	59.9%	98.2%	41.5%	79.8	105.9%
Operating Expenses					
Operation and Maintenance	\$ 22,714	\$ 22,714	\$ 23,010	\$ 23,010	\$ 23,010
Administrative and General	3,136	3,136	2,850	2,850	2,850
Taxes other than Income	4,728	4,876	4,720	4,870	4,970
Depreciation	11,340	11,340	11,920	11,920	11,920
Allocated Common	3,234	3,234	3,100	3,100	3,100
Subtotal	45,152	45,300	45,600	45,750	45,850
Income Taxes	(950)	5,815	(3,180)	3,590	8,180
Total Operating Expenses	44,202	51,115	42,420	49,340	54,030
Net Operating Revenue	11,077	17,415	6,520	12,840	17,160
Depreciated Rate Base	323,665	323,665	269,600	269,600	269,600
Rate of Return	3.42%	5.38%	2.42%	4.76%	6.36%

(Red Figure)

* Staff modified service charge component of rates.

After the staff presentation, applicant's vice president testified that because of the financial and other peculiar circumstances relating to Morongo Valley, such as limited payroll and high percentage of people on fixed income, applicant was willing to forego its claimed full legal return on its investment in Morongo Valley and thus would not challenge in any way the rates proposed by the staff³ for Morongo system.

³ The staff noticed that the increase requested by applicant was not uniform. To soften the effect of changing from a minimum charge to a service charge type of rate, the staff arbitrarily reduced applicant's proposal by \$1 for the five-eighths by three-quarter meter and a proportioned amount from all the other sizes of meters. The staff made no change in the quantity rates.

He did request, however, that as the staff recommendation was for only a 105.9 percent increase that such increase, if authorized, be granted in two equal steps, one year apart. The staff acquiesced to this request.

Victorville Hearing June 23, 1971

Sixteen customers attended the hearing.

Applicant's vice president of operations testified that he or other company representatives had investigated the service complaints registered by customers at the previous hearing held in Apple Valley and had resolved them to the extent possible. He testified that for the calendar year 1970 the unaccounted for water⁴ was as follows:

No. 1 system	43.82%
No. 3 system	40.50
No. 4 system	(18.91) ⁵
No. 5 system	30.93
No. 6 system	36.62

(Red Figure)

The witness testified that the percentages ranged from "extremely high" down to "unreasonable".

Applicant's vice president of revenue requirements presented a separate results of operation study for the Victorville area (Exhibit 17).

⁴ Unaccounted for water is the difference, expressed as a percentage, between the water produced and the water sold.

⁵ Applicant is not selling more water than it produces. The record, however, is silent as to the actual cause of such negative percent.

Exhibit 17 shows the following:

VICTORVILLE

Summary of Earnings and Rates of Return

Item	Present Rates		Proposed Rates	
	Step 1		Step 1	
	1970	1971	1970	1971
Operating Revenue	\$ 47,478	\$ 48,894	\$ 65,303	\$ 66,989
<u>Operating Expenses</u>				
Operation and Maintenance	21,179	21,986	21,179	21,986
Administrative and General	3,264	3,264	3,264	3,264
Taxes other than Income	14,997	15,732	15,195	15,932
Depreciation	16,176	16,160	16,176	16,160
Allocated Common Expenses	3,264	3,366	3,264	3,366
Subtotal	58,880	60,508	59,078	60,708
Income Taxes	(6,685)	(6,780)	2,420	2,460
Total Operating Expenses	52,195	53,728	61,498	63,168
Net Operating Revenue	(4,717)	(4,834)*	3,805	3,821*
Depreciated Rate Base	186,352	179,715	186,352	179,715
Rate of Return	(2.53)%	(2.69)%	2.04%	2.13%

Additional at Step 2 Rates

	Step 2	
	1970	1971
Revenue	\$ 17,485	\$ 18,060
Taxes	9,126	9,427
Net Operating Revenue	8,359	8,633*
Total Net Operating Revenue	12,164	12,454*
Rate of Return	6.53%	6.93%

Additional at Step 3 Rates

	Step 3	
	1970	1971
Revenue	\$ 12,400	\$ 12,765
Taxes	6,466	6,660
Net Operating Revenue	5,934	6,105
Total Net Operating Revenue	18,098	18,559*
Rate of Return	9.71%	10.33%

* Does not include effect of power cost increase, and postal rate increase.

Two staff engineers presented a separate results of operation study for the Victorville Area (Exhibit 18). Exhibit 18 shows the following:

VICTORVILLE AREA
Summary of Earnings
(Estimated Year 1971)

Item	Applicant		Staff		Applicant	
	Present	Proposed	Present	Proposed	Exceeds Staff	
	Rates	Rates#	Rates	Rates#	Present	Proposed
Operating Revenues	\$ 48,894	\$ 97,814	\$ 48,890	\$ 97,820	4	(6)
<u>Operating Expenses</u>						
Operation & Maintenance	21,986	21,986	21,790	21,790	196	196
Admin. and General	3,264	3,264	2,800	2,800	464	464
Taxes other than Income	15,732	15,932	15,790	16,330	(58)	(398)
Depreciation	16,160	16,160	11,290	11,290	4,870	4,870
Allocated Common Expense	3,366	3,366	3,200	3,200	166	166
Subtotal	60,508	60,708	54,870	55,410	5,638	5,298
Income Taxes	(6,780)	18,547	(6,640)	18,350	(140)	197
Total Oper. Expenses	53,728	79,255	48,230	73,760	5,498	5,495
Net Operating Revenue	(4,834)	18,559	660	24,060	(5,494)	(5,501)
Depreciated Rate Base	179,715	179,715	184,600	184,600	(4,885)	(4,885)
Rate of Return	(2.69)%	10.33%	0.36%	13.03%	(3.05)%	(2.70)%

(Red Figure)

At requested Step 3 rates.

VICTORVILLE AREA
1971 Results of Operation**
(At Steps 1, 2 and 3 Rates)

Item	Company Requested		Staff Modified*		
	Step 1	Step 2	Step 1	Step 2	Step 3
Operating Revenues	\$ 66,989	\$ 85,049	\$ 60,860	\$ 78,920	\$ 91,710
% Increase over Present Rates	37.0%	73.9%	24.5%	61.4%	88.0%
<u>Operating Expenses</u>					
Operation and Maintenance	\$ 21,986	\$ 21,986	\$ 21,790	\$ 21,790	\$ 21,790
Admin. and General	3,264	3,264	2,800	2,800	2,800
Taxes other than Income	15,932	16,134	15,920	16,120	16,260
Depreciation	16,160	16,160	11,290	11,290	11,290
Allocated Common Expense	3,366	3,366	3,200	3,200	3,200
Subtotal	60,708	60,910	55,000	55,200	55,340
Income Taxes	2,460	11,685	(530)	8,690	15,230
Total Operating Expenses	63,168	72,595	54,470	63,890	70,570
Net Operating Revenue	3,821	12,454	6,390	15,030	21,140
Depreciated Rate Base	179,715	179,715	184,600	184,600	184,600
Rate of Return	2.13%	6.93%	3.46%	8.14%	11.45%

(Red Figure)

* Staff modified service charge component of rates.

** Does not include effect of power cost increase and postal rate increase.

Rate of Return

Applicant presented Exhibit No. 2 entitled "1970 Report on Financial Statistics" and Exhibit No. 3 which updated certain schedules contained in Exhibit No. 2. In applicant's opinion, a fair rate of return for it would be 8 percent on rate base and a range of 12-1/2 percent to 14 percent on equity with a minimum of three times interest coverage on debt.

The staff presented Exhibit No. 10 entitled "Report on Cost of Money and Rate of Return." The staff recommended that the rate of return for applicant's Desert District be set in the range of 7.30 to 7.60 percent. Such a rate of return would produce earnings on common equity in the range of 11.29 to 12.13 percent.

Neither applicant nor the staff presented a rate of return recommendation for each separate system.

The record shows that for the Victorville system at rates proposed by applicant, there is an upward trend in rate of return between test years 1970 and 1971, ranging from .09 percent at Step One rates to .62 percent at Step Three rates.

If it is assumed that these test years reasonably reflect future operations, then the rate of return would increase annually by at least .4 percent due to decreasing rate base as a result of the depreciation reserve increasing faster than the net additions.

According to the staff, in 1977 advances for construction will begin to be transferred to donations in aid of construction. At this point, certain amounts of depreciation will no longer be an operating expense, thus, the rate of return will increase at an accelerated pace.

Because of the unusual circumstances involved in the Victorville system, we will authorize rates which are designed to produce a rate of return of 7.0 percent on applicant's rate base for the test year 1971 and which over a three-year period should produce an average rate of return of 7.40 percent and a return on common equity of approximately 11.57 percent.

Based on the above, applicant is entitled to an increase in gross revenues of \$25,740 instead of its requested increase (at Step Three rates) of \$48,920. The authorized rates (shown in Appendix A attached) include the staff modified service charge component.

We will, for the Morongo system, authorize applicant's request that the staff recommended rates (Appendix B attached) be granted in two equal steps one year apart.

Findings and Conclusion

The Commission finds that:

1. Applicant is in need of additional revenues but applicant's proposed rates are excessive.

2. The adopted estimates, previously discussed herein, of operating revenues, operating expense and rate base for the test year 1971, reasonably indicate the results of applicant's operations for the future in its Victorville and Morongo systems.

3. A rate of return of 7.0 percent on the adopted rate base for the year 1971, which should produce a rate of return of 7.4 percent over a three-year period, and a return on common equity of 11.57 percent is reasonable, for the Victorville system.

4. A rate of return of 6.36 percent is reasonable for the Morongo system.

5. 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.

The rates authorized herein are in the lower zone of reasonableness and are consistent with the purposes of the Federal Government's economic stabilization program in that no undue inflationary pressures should be engendered and applicant's costs require that some rate relief be accorded.

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

The Commission further concludes that because of the peculiar situation in the Victorville system regarding upward trend in rate of return and the apparent inability for realizing an adequate rate of return in the Morongo system, it should require applicant to periodically report the separate results of operation in

order that any required rate adjustments may be made expeditiously.

O R D E R

IT IS ORDERED that:

1. After the effective date of this order Southern California Water Company is authorized to file the revised rate schedules attached to this order as Appendices A and B and concurrently to withdraw and cancel presently effective Schedules Nos. MV-1, MV-2H, VCA-1, VCB-1 and VCU-1. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedule shall be four days after the date of filing. The revised schedule shall apply only to service rendered on and after the effective date thereof.

2. Applicant shall, beginning with the year 1972, file results of operation reports separately for its Victorville and Morongo systems.

3. Such results of operation reports shall contain enough information that the Commission will be able to analyze the various components of the report in detail.

4. Applicant shall report in writing, beginning July 1, 1972 and semiannually thereafter, the steps it has taken to reduce the percentage of unaccounted for water.

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

Dated at San Francisco, California, this 23rd day
of NOVEMBER, 1971.

Chairman

William J. ...
[Signature]
[Signature]

Commissioners

APPENDIX A
Page 1 of 4

Schedule No. VC-1

(C)

Victorville Tariff AreaGENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The vicinity of Victorville and Lucerne, San Bernardino County. (T)

RATES

Service Charges:

Per Meter
Per Month

For 5/8 x 3/4-inch meter	\$ 4.25	(I)
For 3/4-inch meter	4.75	
For 1-inch meter	5.75	
For 1 1/2-inch meter	7.00	
For 2-inch meter	9.75	
For 3-inch meter	19.00	
For 4-inch meter	30.00	
For 6-inch meter	50.00	

Quantity Rates:

For the first 2,000 cu.ft., per 100 cu.ft.	\$ 0.56	
For all over 2,000 cu.ft., per 100 cu.ft.50	(I)

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 Rates.

(Continued)

APPENDIX A
Page 2 of 4

Schedule No. VC-1

Victorville Tariff Area

GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITION

Water supplied in the territory comprising a portion of Section 16,
Township 4 north, Range 2 west, San Bernardino Base and Meridian, located
15 miles southeasterly of Victorville, San Bernardino County is of high
fluoride content.

(T)

(T)

APPENDIX A
Page 3 of 4

Schedule No. DE-4

Desert Tariff Area

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

Morongo Valley and vicinity, and portions of the areas located between Victorville and Lucerne, and vicinity, San Bernardino County.

RATE

Per Month

For each inch of diameter of service connection	\$2.00	(I)
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SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be 4 inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, than a service main from the nearest existing main of adequate capacity shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.

APPENDIX A
Page 4 of 4

Schedule No. DE-4

Desert Tariff Area

PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS—Contd.

4. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the utility, and are maintained to the satisfaction of the utility. The utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water and the cost paid by the applicant. Such payment shall not be subject to refund.

5. The utility undertakes to supply only such water at such pressure as may be available at any time through the normal operation of its system.

APPENDIX B
Page 1 of 3

Schedule No. MV-1

Morongo Valley Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Morongo Valley and vicinity, San Bernardino County.

(T)

RATES

Service Charges:

	Level No.1 Per Meter Per Month	Level No.2 Per Meter Per Month	
For 5/8 x 3/4-inch meter	\$ 3.70	\$ 5.00	(I)
For 3/4-inch meter	4.00	5.50	
For 1-inch meter	5.00	6.70	
For 1 1/2-inch meter	6.25	8.50	
For 2-inch meter	9.00	12.00	
For 3-inch meter	17.50	23.50	
For 4-inch meter	26.00	35.00	
For 6-inch meter	44.00	60.00	

Quantity Rates:

For the first 2,000 cu.ft., per 100 cu.ft.	\$ 0.51	\$ 0.70	
For all over 2,000 cu.ft., per 100 cu.ft.	0.46	0.62	(I)

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 Rates.

(Continued)

APPENDIX B
Page 2 of 3

Schedule No. MV-1

Morongo Valley Tariff Area

GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITION

Level No. 1 rates are to be effective on the effective date of this tariff sheet. Level No. 2 rates are to be effective 12 months after the effective date of this tariff sheet.

APPENDIX B
Page 3 of 3

Schedule No. MV-2H

Morongo Valley Tariff AreaHAULAGE FLAT RATE SERVICEAPPLICABILITY

Applicable to all water delivered from company designated outlets (T)
for haulage by customers for domestic use. (T)

TERRITORY

Morongo Valley and vicinity, San Bernardino County. (T)

RATEPer Month

For water delivered for domestic use only and when hauled by the customer	\$3.00 (I)
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SPECIAL CONDITIONS

1. Each customer desiring to obtain water under this schedule must (T)
make an application for service to the utility.

2. Service under this schedule will be furnished only from company
designated outlets specified for haulage service consisting of 3/4-inch
hose bib with garden hose fitting located in Morongo Valley as follows:

West side of Bella Vista Drive 400 feet north of Canyon Road,

Northwest corner of Park Avenue and Cholla Avenue,

East side of Hess Boulevard 100 feet north of Paradise Avenue. (T)