

sjg/JM

ORIGINAL

Decision No. 80374

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 Rates.

Application No. 52796
(Filed August 9, 1971)

Milford W. Dahl, Attorney at Law, for
applicant.

Martin E. Whelan, Jr., Inc., by Martin
E. Whelan, Jr., Attorney at Law, for
Leisure World Foundation and Mutual
Housing Corporations inside Leisure
World; Colonel Robert H. Calahan, for
Moulton Parkway Residents Association
No. 1, "New World"; Paul Doyle, for
New World Moulton Parkway Unit No. 2,
protestants.

Rufus G. Thayer, Jr., Attorney at Law, and
Andrew Tokmakoff, for the Commission
staff.

O P I N I O N

Applicant, a public utility water corporation, seeks authority to increase its general metered rates by 13.852 percent, its metered construction rates by 13.511 percent, its unmetered construction rates by 25 percent, and its private fire protection rates by 27.5 percent. In addition, it proposes to change the existing rate structure (minimum allowance type) to a service charge type.

During the year 1971, applicant had an estimated average of 2,659 meters.

Notice of public hearings was published, posted, and mailed as required by this Commission and hearings were held before Examiner Rogers in Laguna Hills, California, on March 14, 15, and 16, 1972. After submission, briefs were filed and considered.

Requested and Authorized Rate of Return

The applicant requested a return of 8 percent on rate base and the staff recommended a return of 7.7 percent thereon.

In the last general rate increase granted to applicant (Decision No. 76387, dated November 4, 1969, in Application No. 50365), applicant was authorized a rate of return of 7.2 percent. This rate of return was subsequently continued in effect in an offset decision (Decision No. 78176, dated January 13, 1971, in Application No. 51980. A rate of return of 7.4 percent in this proceeding should enable applicant to earn approximately the 8.79 percent return on equity allowed in the last proceeding.

We find that a 7.4 percent rate of return is reasonable for the applicant during the test year 1972 which we are using for the purposes of this decision.

History of Applicant

Applicant was organized under the laws of California on May 24, 1962. The Articles of Incorporation were filed with the Commission in connection with Application No. 44672 pursuant to which applicant's original certificate was granted by Decision No. 65273, dated April 23 1963.

Organization

There were 20 regular and 4 part-time employees on December 31, 1970. These employees also perform duties for other companies and districts which are invoiced for such service based on time card distribution.

Applicant's business office is in Laguna Hills. This office handles all matters relating to general administration, accounting, construction administration, and customer records and billing. The field office and warehouse is located in El Toro. This office handles all purchasing, warehousing, construction inspection, system operation and system maintenance.

Territory Served

The applicant serves generally the area surrounding the intersection of El Toro Road and the San Diego Freeway. Customers are primarily residential with some commercial and business activity.

Water Production

The applicant is totally dependent upon the Metropolitan Water District for its present water supply. The principal facilities of the Metropolitan Water District, which provide the only supply of Colorado River Water to the east Orange County area, are: the Lower Feeder, the Robert B. Diemer Filtration Plant, the East Orange County Feeder No. 2 and the Santiago Lateral.

The Lower Feeder delivers water to the Robert B. Diemer Filtration Plant where it is filtered and distributed to member agencies. The East Orange County Feeder No. 2 transports water from the Diemer Filtration Plant to the San Joaquin Reservoir northerly of Corona Del Mar.

The Santiago Lateral connects to the Lower Feeder easterly of the Diemer Filtration Plant, and carries untreated water southerly into Santiago Lake or, as it is more commonly known, Irvine Lake.

In 1962, the Santiago Aqueduct, connecting to the Santiago Lateral near Irvine Lake and terminating in the El Toro area, was completed. This line was constructed by the Santiago Aqueduct Commission which consists of the El Toro and Los Alisos Water Districts and is responsible for the maintenance and operation of the facilities through Reach No. 5. The end of Reach No. 5 is approximately one and one-half miles northerly of the El Toro Water District Filtration Plant.

In 1962, Tri-Cities Municipal Water District under a joint powers agreement with Moulton Niguel Water District, Irvine Ranch Water District, and Orange County Water Works District No. 4 completed the construction of the Tri-Cities Transmission Main Unit No. 1. This line connects to the East Orange County Feeder No. 2 at the Coastal Junction and terminates at the "Y" located in Tract 4920 in the most southerly portion of the Rossmoor Leisure World Development.

Lands served by the Rossmoor Water Company fall within the El Toro and Moulton Niguel Water Districts.

El Toro Water District

The El Toro Water District receives untreated water in its filtration plant at the terminus of Reach No. 6 of the Santiago Aqueduct. The filtration plant now has a rated capacity of 5 million gallons per day but can treat as much as 10 mgd for short periods of time. The plant is designed for expansion to a rated capacity of 10 mgd and can be further increased to at least 15 mgd by the addition of pre-treatment such as coagulation and sedimentation. In addition, the El Toro Water District has a 720 acre-foot raw water storage reservoir in operation. The reservoir enables the El Toro Water District to take a continuous flow from the Metropolitan Water District while providing a supply to the filter plant that can fluctuate with the Rossmoor Water Company system demand.

Following filtration, the water is stored in a small 300,000 gallon clear water reservoir ready for distribution and use. The filtration plant operates automatically to keep the clear water reservoir full.

Moulton Niguel Water District

The delivery of filtered Colorado River Water to the Moulton Niguel Water District is through the Tri-Cities Transmission Main. The Tri-Cities main crosses the Rossmoor Water Company service area in Moulton Parkway. Water is delivered to Rossmoor Water Company through a 16-inch connection.

Water Treatment

All water received by the company has been filtered and chlorinated. Therefore, no further treatment is required, however, the chlorine residual of the water in the system is monitored on a regular schedule.

Distribution and Storage

As of December 31, 1970, there were approximately 253,714 feet of distribution mains in the system ranging in size from 4 inches to 21 inches in diameter.

Storage facilities at the end of 1970 consisted of two steel tanks located on elevated ground with a combined capacity of 5 million gallons. The water level is controlled by altitude valves.

Use of Test Year 1972

Exhibit No. 2, which is the report on the results of operation of the applicant prepared by the staff, makes comparisons and analyzes its operations projected to a test year of 1972. Applicant used estimated 1971 results normalized to 1970. The question was raised by the examiner whether the staff exhibit adjusted to 1972 could provide a means of comparison with the applicant's figures adjusted to 1971.

The applicant may charge only those rates which have been authorized by the Commission and rate-making is prospective in character. In order to establish the reasonableness of the proposed rates, it is desirable to use the most recent financial data. The staff revenue estimates are based upon more up-to-date projections of average number of customers based on actual customer counts as of November 1971 and projected through December 1972. This information was not available at the time that the applicant's projections were submitted. Moreover, the staff had access to later tax bill information than applicant in that 1971-1972 tax bills were used in the staff estimate and projected for 1972. Finally, the 7.6 percent rate for state income tax, investment tax credit, and federal minimum preference taxes are reflected in the staff income tax calculations. These changes, together with methods of computation,

occurred after preparation of applicant's report. Actual operating results will be affected by the application of tax rules which were not included in applicant's presentation but were included in the staff projections.

Accordingly, while the staff's test year does not make a direct comparison with the 1971 test year of the applicant, it appears and we find that the 1972 test year used by the staff is the appropriate test year on which to make rate determinations in this case.

Staff Summary of Earnings
Estimated Year 1972

Item	1972 Estimated	
	Present Rates	Proposed Rates
Operating Revenues	\$ 913,200	\$1,037,500
Operating Expenses		
Oper. & Maint.	543,990	543,990
Taxes Other Than Income	89,080	89,080
Depreciation	102,010	102,010
Income Taxes	9,990	54,440
Total Oper. Exp.	<u>745,070</u>	<u>789,520</u>
Net Operating Revenue	168,130	247,980
Average Depr. Rate Base	\$2,539,790	\$2,539,790
Rate of Return	6.6%	9.8%

Revenues

The staff reviewed applicant's estimate of water use per customer for each classification and found it to be reasonable for the estimated years 1971 and 1972. However, the staff based its average number of customers on actual residential and commercial customer counts through November 1971 which it projected on the basis of planned occupancy of tracts and manor developments through December 1972. For the estimated year 1971, the later information used by the staff resulted in 0.7 percent greater total revenue than applicant's estimate at present rates and 1-1/2 percent greater at proposed rates. A comparison of operating revenues estimated by the staff for 1971 and 1972, and applicant for the year 1971 indicating the percent increase requested for each class of service is set forth in the following table.

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Item	Staff 1971 Est.	Applicant 1971 Est.	Co. Exceeds Staff	Staff 1972 Est.
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	<u>Present Rates</u>		<u>% for 1971 Est.</u>	
Operating Revenues				
Residential Single	\$249,400	\$245,643	(1.5)	\$348,900
Residential Multiple	374,700	375,507	0.2	396,500
Residential Mobile Homes	2,000	1,450	(27.5)	6,100
Subtotal Residential	626,000	622,600	(0.6)	751,500
Comm. & Public Authority	133,000	132,507	(0.4)	139,000
Construction	17,100	15,928	(6.9)	17,100
Unmetered Construction	1,400	1,400	0.0	1,400
Private Fire	3,600	3,600	0.0	4,000
Other Revenue	200	200	0.0	200
Total Revenue ^{2/}	781,400	776,235	(0.7)	913,200

	<u>Proposed Rates</u>		<u>Percent Incr.) Proposed/Present</u>	<u>for 1972 Est.</u>
Residential Single	\$253,000	\$250,695	1.5	\$354,000
Residential Multiple	453,700	452,026	21.1	480,100
Residential Mobile Homes	2,900	2,236	16.4	7,100
Subtotal Residential	709,600	704,957	11.9	841,200
Comm. & Public Authority				
Subtotal Comm.	160,900	154,747	20.9	168,000
Construction	21,100	18,080	23.4	21,100
Unmetered Construction	1,800	1,750	28.6	1,800
Private Fire	4,600	4,590	30.0	5,200
Other Revenue	200	200	0.0	200
Total Proposed Revenue	898,200	884,324	13.6	1,037,500

(Negative)

^{2/}

Applicant's 1971 annual report (Exhibit No. 9) show recorded revenues of \$806,499.

We find that the staff's estimates of revenues for 1972 at present and proposed rates are reasonable and should be adopted for the purposes of this decision.

Operating and Maintenance Expenses Including Administrative and General Expenses

The following table is a comparison of such expenses for the periods herein considered:

Item	1971 Estimated			1972
	Staff	Applicant	App. Exceeds Staff	Estimated Staff
Source of Supply				
Purchased Water	\$344,340	\$338,600	(1.7)%	\$394,330
Other	2,140	2,170	1.4	2,600
Subtotal	<u>346,480</u>	<u>340,770</u>	<u>(1.6)</u>	<u>396,930</u>
Pumping				
Purchased Power	4,510	4,170	(7.5)	4,900
Other	6,220	6,200	(0.3)	7,360
Subtotal	<u>10,730</u>	<u>10,370</u>	<u>(3.4)</u>	<u>12,260</u>
Water Treatment	600	-	--	600
Trans. & Distribution	22,000	25,780	17.18	24,840
Customer Accounts	22,300	22,740	2.0	25,550
Administrative & Gen. Exp.				
Employee Benefits	2,440	4,800	96.7	2,760
Regulatory Comm. Exp.	5,800	12,720	119.3	5,800
Rent	6,060	4,800	(20.8)	6,060
Other A & G Exp.	64,380	65,035	1.0	69,190
Subtotal	<u>78,680</u>	<u>87,355</u>	<u>11.0</u>	<u>83,810</u>
Total O & M Exp.	\$480,790	\$487,015	1.3	\$543,990

(Negative).

Operating Expenses

Staff estimates of purchased water and purchased power for pumping reflect slightly greater water sales than estimated by applicant for the year 1971. The purchased water charge in effect through June 1972, \$74.50 per acre foot, was used by the staff for both estimated years 1971 and 1972. The applicant used \$66.50 and \$70.50 per acre foot for 1970 normalized and \$74.50 per acre foot for 1971 estimated.

Applicant has made no allowance for water treatment expense. However, the staff has estimated \$50 per month, or \$600 annually, to cover current costs of sampling and bacteriological testing by an independent laboratory, not incurred when applicant made its study.

The major difference between the staff's and the applicant's estimates of transmission and distribution expenses resulted from their independent calculation and annual amortization of the estimated cost of painting the interior and exterior of the two reservoirs. The staff's estimate was \$1,400 and the applicant's was \$2,700 per year.

We find that the staff's estimates of operating and maintenance expenses for 1972, including \$21.170 for the July 1972 increase of \$4 per acre-foot in the price of purchased water, are reasonable and should be adopted for the purposes of this decision.

Administrative and General Expenses

The major differences here are (1) the cost of employee benefits and (2) regulatory commission expense.

The staff allowed only \$2,440 for 1971 and \$2,760 for 1972 to cover Workmen's Compensation, life insurance and health insurance based on a cost of 4-1/2 percent of total payroll. The applicant charged an additional \$2,360 for the applicant's cost of the plan (Exhibit No. 11) which the staff characterized as a profit sharing plan and the applicant characterized as a pension plan. The staff concedes that if the plan were a pension plan the cost to the applicant would be included as an administrative expense. We have examined the plan. It was unfortunately labeled by applicant a "profit sharing plan" but is, in our opinion and we so find, a true pension plan and hence the cost to the applicant is a true administrative expense. Accordingly, for the purposes of this decision, we find the 1972 employee benefits cost to applicant will be \$5,100.

The regulatory commission expense estimated by the applicant is \$12,720 and the staff estimated \$5,800. The difference is due to the method of amortizing the costs of this application and the prior rate cases.

The staff estimate of regulatory commission expense includes the unamortized balance of the previous rate proceeding as of December 31, 1971; the current balance of the company expenditures and estimated additional costs for the completion of this proceeding all amortized over a period of five years. The applicant has continued full amortization of the previous rate proceeding in addition to the costs on the current proceeding.

The applicant points out that by Decision No. 76387, *supra*, a total rate case cost of \$20,000 was allowed to be amortized for five years at \$4,000 per year and by Decision No. 78176, *supra*, the allowable rate case costs were reviewed and an additional \$23,600 to be amortized at \$4,720 per year was allowed; that this, when added to the original allowance, amounted to \$8,720 per year to be amortized for five years; and that at page 9 of Decision No. 78176, the Commission found that the sum of \$8,720 per year for five years was a reasonable sum to allow for regular regulatory commission expense and adopted the same at page 10 of the decision.

The applicant states that the staff has ignored the five years amortization portion of the order of the Commission in Decision No. 78176; has reamortized the remainder in combination with the estimated costs of this proceeding; has taken the unamortized balance of the costs of the previous proceeding on the company's books and added the costs of this proceeding up to the first of the year, plus an estimated cost for the conclusion of this proceeding and then reamortized the total for a five-year period; and that this resulted in a new total of \$29,036.32 amortized at \$5,800 per year (Exhibit 2, page 18; Exhibit 8, column (B)).

The applicant, pursuant to the request of the examiner, prepared Exhibit 8, which sets forth computations of the amortization of rate case expense. This exhibit explains in column (A) the figures and methods used in Exhibit 1; in column (B), the figures used by staff in Exhibit 2; in column (C), the actual balance of applicant's books as of December 31, 1971 without any estimate of the additional costs of this rate case; and in column (D) the applicant's revised projected 1971 amortization of rate case costs on the staff theory of adding the present case costs to the balance of the first case

costs and reamortizing the total for a period of five years. The exhibit shows that the unamortized balance of the prior rate case actually remaining on the books of the company as of December 31, 1971 is \$29,956.32, rather than the \$17,236.32 used by staff.

Applicant urges that the order of the Commission in Decision No. 78176, supra, amortizing all of the costs of the original rate case for five years should be continued and that \$8,720 for that case should be allowed for an additional three and a half years together with the costs of this case amortized for five years. Applicant states that if the method recommended by the staff is used, it faces the potential of never realizing the total of its costs for rate cases, should it be required to file an application for an increase of rates more often than five years.

The applicant states that if, however, the Commission decides to reamortize the balance of the prior rate case along with the total cost of this rate case, the yearly amortization that should be allowed is \$8,367, as shown in column (D) of Exhibit 8. This column reflects the correct unamortized balance of the first rate case, the exact unamortized balance of rate case 2 on the books as of December 31, 1971, plus an estimate of the balance of such costs, to bring a total of all rate case costs accrued to date of \$41,836. This amount amortized for five years is \$8,367.

We agree with the last contention of the applicant. We will include \$8,370 per year for five years for regulatory commission expense. We find this sum is reasonable.

As adjusted, administrative and general expenses allowed for 1972 will total \$88,720.

Taxes Other Than Income

The staff's estimate of such taxes is found to be reasonable and is adopted for the purposes of this decision. The sum allowed is \$89,080.

Depreciation Expense

We find that the staff's estimate of depreciation expense for 1972 is reasonable. This sum is \$102,010.

Income Taxes

Using the foregoing figures, we find the income taxes for 1972 will be \$8,010 at present rates and \$42,050 at proposed rates.

Rate Base

The staff's estimated 1971 rate base was \$2,396,230 and for 1972 \$2,539,790. The applicant's for 1971 was \$2,500,710. The difference in the 1971 rate base is \$104,480. The reason for the difference is that both parties included a reservoir and warehouse site for \$118,890 which was disallowed on the prior Decision No. 76387, supra. Both the staff and the applicant agree that this property is properly part of, and we so find, the rate base. However, the staff, after allowing the property referred to, disallowed 51.84 percent of the original value, \$106,300 in 1971 and \$104,360 in 1972, for the reason that this 51.84 percent was used for the affiliated Rossmoor Sanitation Company purposes.

The record is clear that applicant paid from its funds the total purchase price of the land and the warehouse structure. The staff agrees to this. The 51.84 percent deduction by the staff is based on the arbitrary abstraction by the staff engineer for

the reason that, in his opinion, the warehouse was used that percent-
agewise by the sanitation company. There is no testimony or evidence
in the record to support this action by the staff and the witness
for the applicant testified that the only equipment of the sanitation
company stored on the premises is certain clay pipe stored in the
yard and that a handling charge is made by applicant for all material
purchased by applicant for the sanitation company and that a very
small portion of the materials used by the sanitation company is
ever stored at the warehouse site.

We find that the entire \$106,296 for 1971 and \$104,358
(rounded to \$104,360) should be added to the staff estimated 1972 rate
base. We find that applicant's 1972 rate base will be \$2,644,150.

Using the foregoing adopted adjusted results, we find
applicant's results of operation for 1972 at present and proposed
rates will be as follows:

Item	Present Rates	Proposed Rates
Operating Revenues	\$ 913,200	\$1,037,500
Operating Expenses		
Oper. & Maint.	570,070	570,070
Taxes Other Than Income	89,080	89,080
Depreciation	102,010	102,010
Income Taxes	8,010	42,050
Total Oper. Exp.	<u>769,170</u>	<u>803,210</u>
Net Operating Revenue	144,030	234,290
Average Depr. Rate Base	\$2,644,150	\$2,644,150
Rate of Return	5.45%	8.86%

We have heretofore held that a rate of return of 7.4 percent is reasonable. Such a rate of return will require gross revenues in the amount of \$969,100, an increase of \$55,900 over the gross revenues at present rates. We find such increase is reasonable and applicant should be permitted to increase its rates to obtain such a rate of return. It is estimated that such rate of return will produce a return on common equity of 8.79 percent.

Commission Staff

The staff stated that applicant's results of operations (1971-1972) indicates an annual increase in rate of return of approximately 1.3 percent at present rates and 0.6 percent at proposed rates; and that the upward trend is the result of many factors including an increase in the number of single family customers, reduced rate base per customer and eliminating the effect of annual increases in the cost of purchased water. It recommended that no recognition be given to trend in rate of return in this proceeding as it does not believe the upward trend will continue into the future. We agree with the staff and have disregarded an increased rate of return. It requests that, in order for it to be kept informed on the level of earnings, applicant be ordered to file with the Commission, concurrently with the 1973 Annual Report, recorded and normalized earnings for the year 1973. We find this request is reasonable and it will be so ordered.

The staff said applicant should be relieved of the obligation of filing its water system maps annually as ordered in paragraph 4 of Decision No. 67873, dated September 22, 1964, since this information is properly maintained in applicant's office and is available to the Commission staff as required by General Order No. 103. This will be ordered.

Rate Structure

Each party advocated a service charge type of rate structure but none presented any evidence to support the change from the existing rate structure (minimum allowance) to the proposed structure. It appears that each party (except Leisure World Foundation and Mutual Housing Corporations inside Leisure World) assumed the Commission would automatically grant the change. We have spent considerable time which, with the press of business, we can ill afford searching the record for evidence (not argument in the briefs) supporting the change. We have been unable to find any support. We note that the applicant proposed one set of service charge type of rates in its application (page 1 of Exhibit D) and another in its opening brief; the staff presented two grossly different proposed rates in its brief and the protestant, while objecting to the proposed form of rates, submitted still different proposed rates.

On the record herein, we find that the minimum type rate structure is reasonable and proper and should be continued in effect for the purpose of implementing the increased rates herein authorized.

Findings

On a review of the record herein and the briefs of the parties, the Commission finds:

1. A reasonable rate of return for applicant during the test year 1972 is 7.4 percent. At present rates applicant will have a rate of return of 5.45 percent and at the rates proposed by applicant it would have a rate of return of 8.86 percent, which is excessive.
2. During the test year 1972 applicant's revenues will be \$913,200 at present rates and \$1,037,500 at its proposed rates.
3. For the test year 1972 applicant's operating and maintenance expenses, including administrative and general expenses, will be \$570,070.

4. For the test year 1972 applicant's non-income taxes will be \$89,080.

5. For the test year 1972 applicant's depreciation expense will be \$102,010.

6. For the test year 1972 applicant's income taxes will be \$8,010 at present rates and \$42,050 at its proposed rates.

7. For the test year 1972 applicant's rate base will be \$2,644,150.

8. Using the foregoing adopted figures, applicant's 1972 test year net revenue at present rates will be \$144,030 and its net revenue at the proposed rates will be \$234,290.

9. Using the foregoing figures, the 1972 test year rate of return at the present rates will be 5.45 percent, which is deficient, and the rate of return at the proposed rates will be 8.86 percent, which is excessive.

10. Applicant is in need of rate relief.

11. A rate of return of 7.4 percent is reasonable and applicant should be permitted to file rates and charges which will give it such a rate of return.

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

13. Concurrently with the filing of its 1973 Annual Report applicant should file a report of its recorded and normalized earnings for the year 1973.

14. Applicant should be relieved of the obligation of filing water system maps annually as required by Decision No. 67873.

15. Pursuant to Rule 23.1 of the Commission's Rules of Procedure:

- (a) The increased rates are expected to provide increased revenues of \$55,900 yearly for the applicant.
- (b) The rate of return on the herein adopted rate base is expected to be 7.4 percent, as compared to 5.45 percent at present rates.
- (c) The increases are cost-justified and do not reflect future inflationary expectations; the increases are reduced to reflect productivity gains; the increases are the minimum rates which are necessary to assure continued and adequate service; and any increase in the rate of return above that allowed previously either is required by an increase in the cost of money, including equity capital, or is necessary to provide for necessary expansion to meet future requirements, and it is the minimum rate of return needed to attract capital at reasonable cost and which will not impair the applicant's credit.

Conclusions

Based on the foregoing findings, the Commission concludes that the application should be granted in part and denied in part and the Rossmoor Water Company should be authorized to file schedules of rates in accordance with Appendix A, attached hereto, which will produce revenues resulting in a rate of return of 7.4 percent on a rate base of \$2,644,150 for the test year 1972, after deducting operating expenses including depreciation and taxes. In all other respects the application is denied.

O R D E R

IT IS ORDERED that:

1. 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 its existing General Metered Service Schedule, Private Fire Protection Service Schedule, Fire Hydrant Service on Private Property Schedule, Public Fire Hydrant Service Schedule, Unmetered Service to Tract Houses During Construction Schedule, and its Metered Construction

Service Schedule. Said rates shall be effective four days after the date of filing and shall apply only to service rendered on and after the effective date. Such filing shall comply with General Order No. 96-A.

2. Concurrently with the filing of its 1973 Annual Report to the Commission, applicant shall file a report of its recorded and normalized earnings for the year 1973.

3. Applicant is relieved of the obligation to file annually water system maps as required by Decision No. 67873.

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

Dated at San Francisco, California, this 15th day of AUGUST, 1972.

Vernon L. Stinson
President

[Signature]

Commissioners

[Signature]
[Signature] - Commissioners

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
Page 1 of 9

Schedule No. 1

(T)

GENERAL METERED SERVICEAPPLICABILITY

Applicable to general metered water service.

TERRITORY

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

RATES

Quantity Rates:

Per Meter
Per Month

First 200 cu. ft. or less.....	\$ 3.50	(C)
Next 4,800 cu. ft., per 100 cu. ft.....	0.424	
Next 28,000 cu. ft., per 100 cu. ft.....	0.372	(C)
Over 33,000 cu. ft., per 100 cu. ft.....	0.323	(I)

Minimum Charge:

For 5/8 x 3/4-inch meter.....	\$ 3.50	(C)
For 3/4-inch meter.....	4.10	
For 1-inch meter.....	6.00	
For 1 1/2-inch meter.....	10.00	
For 2-inch meter.....	14.00	
For 3-inch meter.....	22.00	
For 4-inch meter.....	36.00	
For 6-inch meter.....	85.00	(C)

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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Schedule No. 4

All Tariff Areas

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service rendered for privately owned fire protection systems other than to fire hydrants on private property.

(T)

TERRITORY

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

(T)

(T)

RATES

Per Meter
Per Month

For each inch of service connection

\$3.75

(I)

SPECIAL CONDITIONS

1. The fire protection service connection will be installed by the utility at the cost to the applicant. Such cost shall not be subject to refund.
2. The minimum diameter for fire protection service will be four inches, and the maximum diameter will 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 services does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed by the utility at the cost of the applicant. Such cost shall not be subject to refund.

(Continued)

Schedule No. 4

All Tariff Areas

PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS—Contd.

4. The customer's installation must be such as to effectively separate the fire protection system from that of the customer's regular water service.

5. As a part of the Fire Protection Service installation, there shall be a detector check or other similar device acceptable to the utility which will indicate the use of water. Any unauthorized use will be charged therefore under the General Metered Service Schedule for the particular tariff area, and/or may be grounds for the utility to discontinue the Fire Protection Service without liability to the utility.

6. There shall be no cross connection between the Fire Protection System supplied with water through the utility's Fire Protection Service to any other source of supply without the specific approval of the utility. This specific approval will require, at the customer's expense, a special double check valve installation or other device acceptable to the utility. Any such unauthorized cross connection may be grounds for immediate disconnection of the Fire Protection Service without liability to the utility.

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Schedule No. 4 F

All Tariff Areas

FIRE HYDRANT SERVICE ON PRIVATE PROPERTY

APPLICABILITY

Applicable to all fire hydrant service, furnished to duly organized or incorporated fire districts or other political subdivisions of the state, rendered from fire hydrants connected to company owned mains on private property.

TERRITORY

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

(T)
(T)

RATES

Per Month

6-inch standard type fire hydrant

\$3.75 (I)

SPECIAL CONDITIONS

1. The fire hydrant will be installed by the utility at the cost of the applicant. The cost will be subject to refund.
2. The fire hydrant shall be used for fire fighting purposes and fire drills only. Water use for fire drills will be limited to 15 minutes per week.
3. The replacement, enlargement or relocation of any hydrant made at the request of the customer shall be paid for by the customer.
4. The repair and maintenance of the hydrants will be done by the utility at its expense.

Schedule No. 5

All Tariff Areas

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to duly organized or incorporated fire districts or other political subdivisions of the state, rendered from fire hydrants connected to company owned mains on public property.

TERRITORY

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

(T)
(T)

RATES

Per Month

6-inch standard type fire hydrant

\$3.75

(I)

SPECIAL CONDITIONS

1. The fire hydrant will be installed by the utility at the cost of the applicant. The cost will be subject to refund.
2. The fire hydrant shall be used for fire fighting purposes and fire drills only. Water use for fire drills will be limited to 15 minutes per week.
3. The replacement, enlargement or relocation of any hydrant made at the request of the customer shall be paid for by the customer.
4. The repair and maintenance of the fire hydrant will be done by the utility at its expense.

APPENDIX A
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Schedule No. 9 FC

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.

RATE

For each single-family or multiple-family dwelling unit
for the entire construction period \$2.50 (I)

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.

3. All unmetered services to each and every dwelling unit of the development must be turned on if spacer service is to be rendered.

(Continued)

Schedule No. 9 FC

UNMETERED SERVICE TO TRACT HOUSES DURING CONSTRUCTION

SPECIAL CONDITIONS—Contd.

4. The \$2.50 charge shall be paid prior to construction of water facilities in the development. (I)

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.

APPENDIX A
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Schedule No. 9-MC

METERED CONSTRUCTION SERVICEAPPLICABILITY

Applicable to all measured water service furnished for general construction.

TERRITORY

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

RATES

Quantity Rates:	Per Meter Per Month	
First 9,000 cu. ft. or less	\$ 38.00	(I)
Over 9,000 cu. ft., per 100 cu. ft34	(I)
Minimum Charge:		
For 2-inch meter	\$ 38.00	(I)
For 3-inch meter	51.00	
For 4-inch meter	76.00	
For 6-inch meter	150.00	
For 8-inch meter	300.00	(I)

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

(Continued)

Schedule No. 9-MC

METERED CONSTRUCTION SERVICE
(Continued)

SPECIAL CONDITIONS

1. A. \$250.00 refundable deposit will be required for each meter.
2. Rossmoor Water Company reserves the right to discontinue the service without notice if water is not used for a period of 15 consecutive days.
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 \$10.00 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.