

ORIGINAL

Decision No. 83610

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
WASHINGTON WATER AND LIGHT COMPANY,
a corporation, for authority FIRST
to increase its rates and to alter
its rate schedules for its water
system serving the unincorporated
communities and subdivisions of
West Sacramento, Bryte, Broderick,
the Port of Sacramento, Arlington
Oaks and Linden Acres in Yolo County,
AND SECOND, for Interim Rate Relief.

Application No. 52160
(Filed August 26, 1970)

Application of WASHINGTON WATER AND
LIGHT COMPANY to increase its rates and
charges for its water system serving
the unincorporated communities and
subdivisions of West Sacramento, Bryte,
Broderick, the Port of Sacramento,
Arlington Oaks, Linden Acres and
Southport Development in Yolo County.

Application No. 54323
(Filed September 14, 1973)

John H. Engel, Attorney at Law, and Heller, Ehrman,
White & McAuliffe, by Paul Alexander, Attorney at
Law, for Washington Water and Light Company,
applicant.

Walter Colby, Chief Deputy City Counsel, for Yolo
County, and Carl W. Landerman, for East Yolo Ad
Hoc Water Committee, protestants.

Peter Arth, Jr., Attorney at Law, John E. Brown, and
Kenneth Chew, for the Commission staff.

O P I N I O N

After due notice, public hearing in these matters was held before Examiner Coffey in Sacramento on June 17, 1974, and in Broderick on June 18, 19, 20, and 21, 1974. The matters were submitted on August 8, 1974 upon the receipt of late-filed exhibits and transcripts.

Interim Decision No. 79919 dated April 4, 1972 in Application No. 52160 authorized increased water rates and made the following service orders:

"2. Washington Water and Light Company is directed to develop and to execute a plan to improve the quality of the water produced from its wells with regard to the presence of sand in the system, low pressure, the level of iron and manganese in the system, and taste and odor. Washington Water and Light Company is further directed to report on the progress, or lack of progress, in achieving improvement in the quality of its water and service to all the parties in this proceeding every six months after the effective date of this decision through 1974. These reports shall describe in detail the actions planned to be taken, and whatever past action has been taken with a description of the results attained.

"3. If Washington Water and Light Company determines that it is not possible to improve the quality of the water as directed to do in paragraph 2 of the order herein, it shall file a report with a full explanation with the Commission, serving all the parties to this proceeding."

Because of applicant's continuing service problems, Application No. 52160 was consolidated with Application No. 54323 for further hearing.

Applicant provides water service to approximately 5,900 customers in the communities and subdivisions of West Sacramento, Bryte, Broderick, Port of Sacramento, Arlington Oaks, Linden Acres, and Southport Development in Yolo County.

Rates

Applicant proposes to increase general metered service rates as indicated by the following comparison of present and proposed rates. The approximately 200 metered service customers are primarily large industrial or commercial users.

GENERAL METERED SERVICERATES

		<u>Per Meter Per Month</u>	
		<u>Present</u>	<u>Proposed</u>
		<u>Rates</u>	<u>Rates</u>
Quantity Rates:			
First	700 cu.ft. or less	\$ 2.75	\$ 4.75
Next	2,300 cu.ft., per 100 cu.ft. . . . .	.24	.40
Next	27,000 cu.ft., per 100 cu.ft. . . . .	.18	.30
Next	70,000 cu.ft., per 100 cu.ft. . . . .	.14	.24
Over	100,000 cu.ft., per 100 cu.ft. . . . .	.10	.17
Minimum Charge:			
For	5/8 x 3/4-inch meter	\$ 2.75	\$ 4.75
For	3/4-inch meter	4.00	6.75
For	1-inch meter	5.50	9.25
For	1-1/2-inch meter	10.00	17.00
For	2-inch meter	14.00	23.50
For	3-inch meter	23.00	39.00
For	4-inch meter	40.00	67.00
For	6-inch meter	68.00	115.00
For	8-inch meter	113.00	190.00

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

The present and proposed rates for general flat rate service are compared in the following table. The approximately 5,700 flat rate customers are primarily residential.

GENERAL FLAT RATE SERVICERATES

	Per Service Connection Per Month	
	<u>Present Rates</u>	<u>Proposed Rates</u>
1. For a single family residential unit, church, firehouse, or public landscaped strip on a single premises served through a 3/4-inch service connection	\$ 3.90	\$ 6.55
a. For each additional single family residential unit on the same premises and served through the same service connection.	2.10	3.50
b. In addition, when a 1-inch service connection is provided in lieu of a 3/4-inch service connection.	2.10	3.50
2. For each apartment house, motel, auto court, and trailer court, including only the office, manager's living quarters, central bath, utility room, and irrigation of adjacent lawn and garden area.	5.50	9.25
a. For each additional apartment motel unit, including use of water for kitchen, bath, and irrigation of adjacent lawn and garden area.	1.95	3.25
3. For each business service, school, or industrial service, other than motels or trailer courts:		
For 3/4-inch service connection.	4.85	8.15
For 1-inch service connection.	6.90	11.60
For 1-1/2-inch service connection.	10.35	17.50
For 2-inch service connection.	16.60	28.00
For 3-inch service connection.	25.00	42.00
For 4-inch service connection.	41.50	70.00
For 6-inch service connection.	76.00	128.00
For 8-inch service connection.	131.00	220.00
a. For each additional business unit on the same premises and served through the same service connection.	2.75	4.60
b. For each single family residential unit on the same premises and served through the same service connection.	2.10	3.50

A. 52160, A. 54323 ei

Applicant also proposes to increase its rates for special flat rate industrial water service in the Sacramento-Yolo Port District and related industrial areas for private fire protection service and for public fire hydrant service.

Results of Operation

The following tabulation compares the estimated summaries of earnings for the test year 1974, under present and proposed rates prepared by applicant and by the staff, and the results of operation adopted for the purposes of this proceeding:

Item	Applicant		Staff		Adopted
	Present	Proposed	Present	Proposed	
	Rates	Rates	Rates	Rates	
Estimated Year 1974					
Operating Revenues	\$ 459,400	\$ 770,800	\$ 483,270	\$ 777,740	\$ 661,700
<u>Operating Expenses</u>					
Oper. & Maint.	214,700	215,200	226,030	226,030	226,030
Admin. & Gen.	80,700	80,700	68,330	68,330	68,330
Taxes Other than Inc.	77,200	79,500	70,400	72,620	71,740
Depreciation	65,600	65,600	65,400	65,400	65,400
Income Taxes	-	132,600	(38,560)	115,400	69,220
Total Expenses	438,200	573,600	391,600	547,780	500,720
Net Operating Rev.	21,200	197,200	91,670	229,960	160,980
Deprec. Rate Base	1,906,400	1,906,400	1,935,600	1,935,600	1,893,900
Rate of Return	1.11%	10.34%	4.74%	11.88%	8.5%
Avg. Cust.	5,910		5,910		

(Red Figure)

Operating Revenues

The staff reviewed applicant's methods of estimating consumption and revenue and made independent estimates of those quantities. The staff found applicant's method of determining metered and flat rate consumption to be reasonable and agrees with the unit consumption for each class of customer. Differences in sales and revenue between the staff and applicant result from staff estimates of more metered customers and fewer flat rate customers than applicant. The total staff customer estimate is equal to applicant's. Differences in customers resulted from the use of later customer information by the staff. This customer and sales difference accounts for \$4,270 of the difference in revenue estimates.

In addition to the foregoing, the staff estimate of present revenues includes \$19,600 of increased revenues authorized in June 1974 to offset increases in the cost of electric power.

We shall adopt the staff method of estimating operating revenues.

Operating and Maintenance Expenses

The staff estimated higher operating and maintenance expenses than applicant since the staff had access to final 1973 recorded data and early 1974 price increases which were not available to applicant when the application was prepared. For instance, the staff estimate of salaries and wages exceeded applicant's by \$2,650 because of information on a new union contract effective February 1, 1974 which was not known to applicant at the time of the application. The staff estimates also reflect increases in electric power rates, postage, costs of gasoline and propane, and local franchise taxes. Applicant's witness accepted as reasonable the staff's operating and maintenance expense estimates.

Administrative and General Expense

Administrative office expenses charged to applicant are from two offices of parent companies, Citizens Utilities Company of Delaware of Stamford, Connecticut, and Citizens Utilities Company of California at Redding. The 1974 administrative office expenses estimated by the staff are \$12,370 less than those requested by applicant. The staff adjustments follow similar adjustments adopted in Decision No. 82361 dated January 22, 1974 for Jackson Water Works, Inc., another wholly owned subsidiary of Citizens Utilities Company of Delaware. We shall adopt the staff estimates of administrative and general expense as reasonable.

Taxes Other than Income

The staff net estimate of taxes other than income at present rates is \$6,800 less than applicant's estimate. Applicant's estimate of ad valorem taxes is \$7,900 greater than that of the staff due to different estimates of plant additions. The staff estimate of local franchise taxes is \$350 greater than applicant's due to the difference in the quantities of water purchased and revenues received. The staff estimate of payroll taxes is \$750 greater than applicant's because the staff used tax information not available to applicant when the application was prepared. Since the staff estimates of plant additions and revenue are herein adopted, we shall adopt the staff estimate of taxes other than income at the present rates and shall adjust the estimate to reflect the increase in franchise taxes which will result from the rate increases authorized herein.

Depreciation

The difference between applicant's and staff's estimates of depreciation expense is due primarily to different estimates of plant additions. Since we hereafter adopt the staff estimate of plant additions, we shall adopt the staff estimate of depreciation expense.

Income Taxes

Differences in income tax estimates are mainly due to the differences in estimates of operating income and deductions for income tax purposes.

Applicant computed depreciation for rate case purposes for both state and federal tax on a straight-line basis. However, its parent company, Citizens Utilities Company, which includes applicant in its consolidated income tax returns, applied liberalized depreciation to the 1971 plant additions in the 1971 consolidated income tax returns, and similarly to the 1972 and 1973 plant additions. The staff computed depreciation on a straight-line basis for plant constructed before January 1, 1971, and used liberalized depreciation for qualifying additions in 1971, 1972, 1973, and 1974. Applicant computed job development investment tax credit on the 1971 and 1972 plant additions and deducted 3.5 percent (spread over 28 years) of this credit as an annual amount from the federal income tax. The staff computed the job development investment tax credit on a four-year average (1971-1974) of the tax credit and deducted the entire amount from the federal income tax. The computation of liberalized depreciation with flow-through by the Commission staff for ratemaking purposes is based on a recent State Supreme Court decision.^{1/} The staff used full flow-through of tax depreciation, and job development investment credit and negative income taxes where indicated.

^{1/} City and County of San Francisco v PUC (1971) 6 C 3d 119.

The issue of flow-through, normalization, or pro forma normalization methods of computing income taxes for regulatory purposes was recently considered in Decision No. 83162 dated July 23, 1974. In that decision normalized accelerated depreciation was adopted for the federal income tax calculation and state income taxes were computed on a projected three-year average flow-through basis. We shall adopt for this proceeding income taxes computed in accordance with the methods adopted in Decision No. 83162. Applicant by letter dated July 1, 1974 agreed that if the Commission utilized normalization for this proceeding it would refund to its customers any difference in revenue which, after final adjudication, is determined to be applicable. Inasmuch as Decision No. 83162 may be reviewed by the State Supreme Court, applicant should maintain its customer records as may be appropriate to implement customer refunds if the Supreme Court should in its final adjudication prescribe a method other than adopted herein.

Rate Base

The difference between the estimates of plant additions accounts for the \$29,200 higher rate base estimate of the staff.

Based on the plant additions in 1971, 1972, and 1973 and the related increase in construction cost, and a review of applicant's budget, and monthly construction reports filed under General Order No. 65-A, the staff estimated plant additions of \$300,000 for the year 1974, with \$100,000 of nonrevenue producing plant additions rolled back to January 1, 1973.

Applicant in Exhibit No. 1 estimated that by the end of 1974 \$760,900 would be expended. Of this amount \$582,400 is shown as "Expended or Committed to Date" and \$489,500 is shown as "Additional Estimated to Complete". We note that applicant's results of operation attached to its application, Exhibit No. 7, Table 9-B, show the estimated construction for 1973 to be \$320,600 and that applicant's revision on June 20, 1974 of this table shows the recorded construction for 1973 to be \$224,839. We shall adopt the staff's estimate of plant additions.

Applicant's witness testified that he included \$21,300 in the rate base for so-called compensating balances required to be maintained by banks in order to obtain short-term bank financing at the prime rate. He further stated:

"These non-interest-bearing compensating balances differ from the operational working cash balances contemplated by and included in the so-called simplified basis of working cash computation used by both the staff and applicant. These compensating bank balances carry a cost, and since they are not included in a working cash computation nor in the cost of capital, it is necessary to make an allowance for them in the rate base.

"I should add that when the simplified basis of working cash computation was first developed, compensating bank balances required to obtain short-term financing were far lower than are required today and in many cases were not required at all."

In addition to a working cash allowance of \$14,900, the staff included in the rate base \$17,000 for minimum bank balances. Applicant included \$15,200 for working cash and \$21,300 for minimum bank balances.

The simplified basis of determining the working cash allowance is an empirical method developed to easily and speedily make a determination for a small utility or a portion of a large utility. It is an allowance to compensate investors for the use of funds which may be recorded in such current asset balance sheet accounts as cash, special deposits, working funds, notes receivable, prepayments, and other deferred payments.

Since minimum bank balances are part of the above current assets for which the working cash allowance compensates investors, it would appear that the separate inclusion of minimum bank balances is a duplication of the allowance for working cash. If applicant believes the allowance developed by the use of the simplified method is inadequate, the working cash allowance should have been developed using the detailed basis. The detailed basis would consider the use of funds prudently held in minimum bank balances and would at the same time consider the funds generated by the bimonthly billing of flat rate service in advance which largely offsets the need for investor funds. The prudence of holding funds in minimum bank balances "in order to obtain a short-term bank financing at the prime rate" will have to be demonstrated. It appears that such minimum bank balances automatically increase the effective interest rate above the prime rate. Interest savings resulting from minimum bank balances may not be in the public interest if they are less than the cost to customers. Further, in these days of high interest rates, the use of minimum bank balances may not be desirable if less interest cost after taxes results from borrowing smaller amounts at higher rates.

Applicant in the previous rate proceeding, Application No. 52160, included noninterest-bearing minimum bank balances and made the same argument in support of its position. Decision No. 79919 dated April 4, 1972 rejected applicant's plea and cited Decision No. 76996 dated March 24, 1970 on the rate increase requested for the Guerneville District of Citizens Utilities Company of California, an affiliate of applicant.

We shall eliminate the allowance for minimum bank balances in the adopted rate base.

Rate of Return

A vice president of Citizens Utilities Company, applicant's parent, testified that a reasonable rate of return for applicant on an original cost net investment rate base would be no less than 10.5 percent. The staff recommends that a range of 8.30 to 8.60 percent be applied to the rate base.

In applicant's last rate proceeding a rate of return of 7.70 percent on the adopted rate base for the year 1970 was found reasonable before adjustment for the poor quality of service provided. A 0.5 percent penalty on the rate of return was imposed until corrective action had been accomplished. As will hereafter be discussed, applicant has improved service to such a level that it is reasonable to remove the penalty on the rate of return.

Applicant's presentation is substantially the same as that made in the last rate proceeding. Again, applicant overemphasizes the current cost of debt, de-emphasizes Citizens-Delaware's lower imbedded cost of debt, and excludes low cost REA Notes from consideration of its effective interest rate.

After evaluating the rate of return evidence and testimony, we find the staff recommendations more reasonable and shall adopt 8.5 percent as the rate of return for this proceeding.

Service

The staff made a field investigation of applicant's operations and facilities during January, February, and May of 1974. An analysis of the service complaints indicates a gradual decrease in all categories since 1970, which probably results from betterments to the water treatment plants and replacement of leaky and undersized mains. Applicant makes a practice of investigating each complaint on the day of receipt. A detailed flushing schedule is in effect and being carried out. The total number of service complaints is in excess of those received by water utilities of comparable size which would indicate that better water treatment and upgrading of the distribution system is required.

A tabulation of service complaints on file in applicant's office shows the following:

<u>Type of Complaint</u>	<u>Year</u>				1974 to May 30
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	
Taste and Odor	175	203	189	132	22
Sand	97	110	96	81	25
Chlorine	17	-	-	1	2
Air	10	16	13	12	7
Pressure	148	87	117	99	22
Oil	8	2	4	1	-
Iron and Manganese	454	406	282	222	71
Total	909	824	701	548	149

Informal complaints registered with the Commission from December 31, 1970 to May 30, 1974 are listed below:

<u>Item</u>	<u>Year</u>			
	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
Low Pressure	3	-	-	-
Water Quality	1	1	-	-
Miscellaneous	1	1	-	-
Total	5	2	0	0

The informal complaints were investigated by the staff and the customers were notified of the staff findings.

In compliance with Decision No. 79919 applicant employed the firm of Brown and Caldwell, Consulting Engineers, to prepare an engineering plan for the improvement of service to the customers. The completed plan explores various alternatives and recommends an improvement program to correct existing deficiencies in water treatment and distribution under a staged construction program.

Since May of 1971 applicant has installed treatment facilities at all of its operating wells and has drilled new wells to increase its supply and improve pressure. The ability of the system to provide increased flows at higher pressures has been improved by replacing old steel mains with larger diameter cement asbestos mains. A number of installations have been made to increase capacity, improve pressure, and control sand. However, problems of water quality persist due to accumulations of iron, manganese, and sand, although the number of complaints appears to be steadily decreasing. Applicant's witness testified that no significant improvement in water quality over the level attained can be accomplished without undertaking one of the complex and costly plans of improvement developed by Brown and Caldwell and set forth in Exhibit No. 2.

Brown and Caldwell recommend that its plan of improvement designated as Plan A be adopted since it would be the most effective and the least costly of the alternatives. It is estimated that Stage I of the plan over a four-year period would result in the requirement of a 359 percent revenue increase and an increase to \$17.90 for the monthly flat rate residential service.

Public witnesses and representatives of the public question the assumptions of the Brown and Caldwell report and doubt that all alternatives have been considered, or that the lowest cost alternatives have been considered, or that the best quality water would be obtained. The Board of Supervisors of Yolo County has allocated \$10,000 for an analysis and study of the Brown and Caldwell report and to study the feasibility of public ownership. A moratorium on any rate increase was requested pending the public studies.

Applicant is willing to make the required investment but does not propose to implement the Brown and Caldwell proposal until the following conditions are met:

1. The customers indicate their desire that applicant undertake the project and willingness to assume the necessary increases in rates and charges.
2. Unequivocal resolutions indicating the above public desires are passed by the Board of Supervisors of Yolo County and from other community associations and groups in the area.
3. The project is approved by the Health Department.
4. This Commission approves the project and the level of rates required for the operation and maintenance of the facilities and to enable applicant to earn a reasonable return on its investment.

The staff presented no analysis or recommendations on the proposed system improvements.

Although applicant has substantially improved service since 1972, it appears from public testimony in this proceeding that further improvement is desired by the public. It is not possible to clearly determine from this record what degree of public dissatisfaction results from past inadequacies and what part from present operations. None of the parties is requesting in this proceeding that a determination be made of what further improvements should be required.

Although we shall make no service determination in this proceeding, it is not appropriate to defer indefinitely applicant's request for rate relief pending the completion of public studies. At such time as they are complete it will be appropriate to request the Commission to order desired improvements. However, the foregoing does not in any way relieve applicant of its duty as a public utility to solve its water quality and rate problems and render adequate service at reasonable rates. The statement of conditions under which applicant is willing to improve its service does not relieve applicant of its public utility responsibilities. It is not the function of regulation to relieve management of responsibility for the assumption of the risks of operating as a public utility in a free economy.

Findings

1. Applicant is in need of additional revenues, but the proposed rates set forth in the application are excessive.
2. The adopted estimates, previously discussed herein, of operating revenues, operating expenses, and rate base for the test year 1974 reasonably indicate the results of applicant's operations in the near future.
3. A rate of return of 8.5 percent on the adopted rate base and a 9.36 percent return on that portion of common equity applicable to utility operations are reasonable.
4. Revenues will be increased by \$178,430 by the rates herein authorized.
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.

6. Applicant should study and program further service improvements.

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

O R D E R

IT IS ORDERED that after the effective date of this order Washington Water and Light Company is authorized to file the revised rate schedules attached to this order as Appendix A and concurrently to withdraw and cancel Schedule No. P-5, Port District Public Fire Hydrant Service. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be four days after the date of filing. The revised schedules shall apply only to service rendered on and after the effective date thereof.

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

Dated at San Francisco, California, this 16th
day of OCTOBER, 1974.

Vernon L. Sturgeon
President
William J. Quinn
[Signature]
[Signature]
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

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Schedule No. 1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Broderick, Bryte, West Sacramento, Arlington Oaks, and Linden Acres, and vicinity, Yolo County.

RATES

Quantity Rates:		Per Meter Per Month
First	700 cu.ft. or less	\$ 3.85
Next	2,300 cu.ft., per 100 cu.ft. ....	.341
Next	27,000 cu.ft., per 100 cu.ft. ....	.260
Next	70,000 cu.ft., per 100 cu.ft. ....	.206
Over	100,000 cu.ft., per 100 cu.ft. ....	.152

Minimum Charge:

For	5/8 x 3/4-inch meter	3.85
For	3/4-inch meter	5.40
For	1-inch meter	7.90
For	1-1/2-inch meter	13.50
For	2-inch meter	18.85
For	3-inch meter	31.00
For	4-inch meter	53.85
For	6-inch meter	91.60
For	8-inch meter	152.00

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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Schedule No. L-2

GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to general flat rate water service.

TERRITORY

Broderick, Bryte, West Sacramento, Arlington Oaks, and Linden Acres, and vicinity, Yolo County.

RATES

	Per Service Connection Per Month
1. For a single family residential unit, church, firehouse, or public landscaped strip on a single premises served through a 3/4-inch service connection	\$5.55
a. For each additional single family residential unit on the same premises and served through the same service connection	3.00
b. In addition, when a 1-inch service connection is provided in lieu of a 3/4-inch service connection	3.05
2. For each apartment house, motel, auto court, and trailer court, including only the office, manager's living quarters, central bath, utility room, and irrigation of adjacent lawn and garden area ...	7.85
a. For each additional apartment motel unit, including use of water for kitchen, bath, and irrigation of adjacent lawn and garden area	2.80

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Schedule No. 1-2

GENERAL FLAT RATE SERVICE

RATES - Contd.

	Per Service Connection Per Month	
3. For each business service, school, or industrial service, other than motels or trailer courts:		I
For 3/4-inch service connection	\$ 6.90	
For 1-inch service connection	9.85	
For 1 1/2-inch service connection	14.80	
For 2-inch service connection	23.70	
For 3-inch service connection	35.70	
For 4-inch service connection	59.30	
For 6-inch service connection	108.60	
For 8-inch service connection	187.15	
a. For each additional business unit on the same premises and served through the same service connection	3.90	
b. For each single family residential unit on the same premises and served through the same service connection ..	3.00	I

SPECIAL CONDITIONS

1. All service not covered by the above classifications shall be furnished only on a metered basis.
2. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.

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Schedule No. H-2 I

SPECIAL FLAT RATE INDUSTRIAL SERVICE

APPLICABILITY

Applicable to special flat rate industrial water service.

TERRITORY

Sacramento-Yolo Port District and related industrial areas,
Yolo County.

RATES

	Per Service Connection Per Month	
For each 3/4-inch service connection	\$ 10.00	I
For 1-inch service connection	15.70	
For 1 1/2-inch service connection	23.60	
For 2-inch service connection	33.60	
For 3-inch service connection	47.15	
For 4-inch service connection	86.00	
For 6-inch service connection	193.00	
For 8-inch service connection	350.00	
For 10-inch service connection	543.00	
For 12-inch service connection	779.00	I

SPECIAL CONDITIONS

1. All service not covered by the above classifications shall be furnished only on a metered basis.

2. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. 1, General Metered Service.

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Schedule No. 5

PUBLIC FIRE HYDRANT SERVICE

APPLICABILITY

Applicable to all fire hydrant service furnished to municipalities, duly organized or incorporated fire districts or other political subdivisions.

TERRITORY

Broderick, Bryte, West Sacramento, Arlington Oaks, and Linden Acres, and vicinity, Yolo County.

RATE

Per Month

For each fire hydrant owned by public authority ...	\$2.15
For each fire hydrant owned by the utility	2.85

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SPECIAL CONDITIONS

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

2. The cost of installation and maintenance of hydrants will be borne by the owner.

3. Relocation of any hydrant shall be at the expense of the party requesting relocation.

4. The utility will supply only such water at such pressure as may be available from time to time as the result of its normal operation of the system.

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Schedule No. H-4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

Sacramento-Yolo Port District and related industrial areas, Yolo County.

RATES

	<u>Per Month</u>	
For each 2-inch service connection	\$ 8.60	I
For each 3-inch service connection	12.80	|
For each 4-inch service connection	17.10	|
For each 6-inch service connection	26.70	|
For each 8-inch service connection	34.30	|
For each 10-inch service connection	42.80	|
For each 12-inch service connection	51.40	I

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 two 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, then 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.

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Schedule No. L-4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

Broderick, Bryte, and West Sacramento, and vicinity, Yolo County, excluding the Sacramento-Yolo Port District and related industrial areas.

RATES

	<u>Per Month</u>	
For each 2-inch service connection	\$ 4.30	I
For each 3-inch service connection	6.40	|
For each 4-inch service connection	8.60	|
For each 6-inch service connection	12.80	|
For each 8-inch service connection	17.10	|
For each 10-inch service connection	21.40	|
For each 12-inch service connection	25.70	I

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 two 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, then 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.

(Continued)