

Decision No. 85453

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA-PACIFIC UTILITIES COMPANY,
a California corporation, for authority
to increase its rates for electric
service in its Lassen Division.

Application No. 55610
(Filed April 9, 1975)

In the Matter of the Application of
CALIFORNIA-PACIFIC UTILITIES COMPANY,
a California corporation, for authority
to increase its rates for water service
in its Susanville Water District.

Application No. 55611
(Filed April 9, 1975)

Bradley Bunnin, Attorney at Law, for California-Pacific Utilities Company, applicant.
R. H. Ausmus, Francis T. Cornish, Ralph J. Elliott,
Charles S. Richardson, Alice T. Dresel,
Euphia Neely, and Josephine Neely, for
themselves; Boyd E. Rose, for Susanville
Merchants Association; Dushan Angius, Jr., and
Marshall S. Leve, Jr., for Lassen Union High
School and Susanville Elementary School
Districts; Mary Giacomelli, for Senior
Citizens of the Susanville Area; and Sylvia
Jiler, for Motel Operators of Susanville;
protestants.
Robert T. Baer, Attorney at Law, and Lloyd M.
Humphrey, for the Commission staff.

INTERIM OPINION

In these applications California-Pacific Utilities Company (Cal-Pacific)^{1/} seeks authority to increase electric rates in its Lassen Division by \$650,500 annually and to increase water rates in

^{1/} Applicant owns and operates public utility electric, gas, water, and telephone systems in various parts of California; electric, gas, and telephone systems in Oregon; electric, gas, water, and telephone systems in Nevada; and electric systems in Utah and Arizona. Applicant is also engaged in the nonutility sale of liquefied petroleum gas in Oregon. Applicant's principal place of business is located at San Francisco, California.

its Susanville Water District by \$210,000 annually. The rate increases proposed herein are designed to achieve a rate of return on depreciated rate base of 10.4 percent, and a return on common equity of 15 percent.

By petition filed April 15, 1975 Cal-Pacific seeks interim rate relief in the form of an increase in electric rates designed to provide additional annual revenues of \$325,250 for electric service and \$105,200 for water service pending final disposition of the proceedings. The requested interim increases represent 50 percent of the amount requested as final relief. Interim relief is proposed in order to enhance Cal-Pacific's ability to obtain capital for construction of needed plant. The petition alleges that the current level of earnings is insufficient to provide interest coverage on outstanding debentures as required by current lenders, thus limiting further borrowing on a long-term basis.

Public hearings on both the request for interim relief and on the full measure of relief sought were held before Examiner Mallory in Susanville on August 21 and 22, 1975. The applications were submitted upon receipt of certain late-filed exhibits on September 15, 1975.

Evidence was presented by five witnesses appearing for applicant, by three witnesses appearing for the Commission staff, and by seventeen protestants appearing for themselves or for local governmental agencies, merchant associations, and other citizen groups. The proposed rate increases were strongly opposed by customers of the utility.

Background

The last general rate increase for Cal-Pacific's Lassen Division electric service in Decision No. 82711 dated April 9, 1974 in Application No. 53884, authorized a rate of return of 8.35 percent on depreciated rate base, and a corresponding return on common equity of 11.05 percent. In Decision No. 83979 dated January 14, 1975 in

Application No. 55173, Cal-Pacific was authorized to increase its electric rates in its Lassen Division and Weaverville District to offset an increase in purchased power expense. The annual revenue increase authorized for the Lassen Division was \$130,700. Cal-Pacific purchases all of its electric power for its Lassen and Weaverville Divisions from Pacific Gas and Electric Company (PG&E) for resale to its electric customers.

The last general rate increase for Cal-Pacific's Susanville Water District in Decision No. 66740 dated February 4, 1964 in Application No. 45507, authorized a rate of return of 6.5 percent.

Protestants' Evidence

Cal-Pacific's customers appearing at the hearing universally opposed any further increase in the electric and water rates. Protestants' evidence shows that Cal-Pacific's Lassen electric and Susanville water service districts are comparatively poor areas in that unemployment is high, many residents are dependent upon social security, unemployment benefits, or other government programs for their income, and that economic activity is low. Protestants also testified that electricity is the major energy source for space heating, inasmuch as natural gas is not available, and manufactured gas has been substantially more costly than electricity for space heating and cooking.

Protestants request that rate increases, if granted, be designed so as to have less impact on users of minimum amounts of water and electricity, so that persons on fixed incomes or low incomes can continue to afford kitchen gardens in the summer and to adequately heat their homes in winter. Protestants point out that winters are severe in the Lassen Electric District and the minimum amount of electricity required to provide adequate heating may be greater than in areas of the State having more favorable climates.

Testimony was also received from representatives of school and college districts and local governments to the effect that all feasible economy measures already have been placed in effect to reduce electric usage; that the electric rate increases proposed by Cal-Pacific will cause increases of several cents per \$100 valuation in the tax rates for the involved districts or agencies; and that local taxpayers resist further increases in property taxes, which most believe to be too high at the present time.

Merchants testified that competition with similar businesses in other locales prevent them from raising their prices to offset increased costs of electricity and water, and that such costs are substantial components of their total costs of doing business.

The testimony of protestants, taken together, was that of strong opposition to increases in electric and water rates.

Staff Evidence Concerning Interim Relief

The discussion herein concerning interim relief is limited to evidence presented by the staff, inasmuch as the evidence offered by Cal-Pacific presents its revenues needs in a more favorable light than the data set forth in the staff presentation.

Finance and Accounts Division

A financial examiner from the Commission's Finance and Accounts Division presented Exhibits 8, 9, and 14, which contain the results of the staff's examinations of Cal-Pacific's books and records for historical periods, a review of the financing recently achieved by Cal-Pacific, and the conclusions and recommendations of the witness. Among other conclusions, the financial examiner stated that it is the opinion of the staff of the Finance and Accounts Division that no financial emergency exists with respect to the company as a whole and that, based on past Commission decisions, interim relief should not be granted because applicant is not experiencing a financial emergency.

Exhibit 14 presented by the staff's financial examiner contains comparative balance sheets and income statements for the total operations of Cal-Pacific and for Cal-Pacific's Lassen Division electric and Susanville water operations. The comparative income statements are for the years ended December 31, 1973 and 1974 and for the 12 months ended April 30, 1975. Those statements show net operating income and net plant in service as follows:

TABLE 1
(Exhibit 14)

<u>Year Ended</u>	<u>Lassen Electric District</u>			<u>Susanville Water System</u>		
	<u>Net Oper. Revenue</u>	<u>Net Plant in Service</u>	<u>Return on Net Plant</u>	<u>Net Oper. Revenue</u>	<u>Net Plant in Service</u>	<u>Return on Net Plant</u>
Dec. 31, 1973	\$185,510	\$4,127,466	4.5%	\$10,545	\$1,061,401	1.0%
Dec. 31, 1974	29,535	4,665,138	0.6%	(1,248)	1,069,640	(Loss)
April 30, 1975	67,926	(NA)	1.46%	(7,340)	(NA)	(Loss)

(Negative Amount)

* Based on net plant in service at end of 1974.

(NA) - Not available.

In computing net operating revenues in the above compilation negative income taxes are used, so that net income after income taxes may be greater than net income before income taxes.

It is clear that Cal-Pacific's Susanville water operations were conducted at a loss in recent periods. Lassen Division electric operations for the year ended April 30, 1975 do not include the increase authorized to offset increased costs of purchased power in Decision No. 83979, supra.

Utilities Division

Exhibit 7 presented by an assistant utility engineer from the Commission's Utilities Division contains developments of estimated results of operations for the year 1975 at the interim rates proposed by applicant.

In preparing those estimates, the engineer calculated income taxes and investment credit on a flow-through basis. For 1975 job development investment tax credit (JDIC) and investment credit (IC) were averaged over a four-year period and the difference between the average and the actual amount was deducted from rate base. For the purposes of showing estimates under the request for interim relief, the staff made an adjustment to applicant's estimate of federal income taxes. Applicant included deferred tax and IC adjustments to federal income taxes. Since Cal-Pacific is not currently authorized to use normalization, the staff believes that a flow-through adjustment to federal income tax is appropriate for purposes of the interim request.

The Utilities Division is of the opinion that should the Commission grant interim relief, the increase should not produce earnings which result in a rate of return more favorable than that found reasonable for Cal-Pacific in the most recent proceeding involving that applicant. The last authorized rate of return was 9.04 percent adopted in Decision No. 84006 dated January 1, 1975 in Application No. 58403, and pertained to Cal-Pacific's Needles District gas and electric operations.

The following tables show the staff's estimated results of operations for a 1975 test year at present and interim rates:

A-55610, A-55611, etc

TABLE 2
CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION ELECTRIC DEPARTMENT
Commission Staff
Summary of Earnings at Interim Rates
1975 Estimated

Description	Utility		Staff		Utility Exceeds Staff			
	1975		1975		Amount		Percent	
	Present*	Interim*	Present*	Interim*	Present	Interim	Present	Interim
Operating Revenue	\$2,468,200	\$2,793,450	\$2,476,747	\$2,803,057	\$ (8,547)	\$ (9,607)	(0.3)%	(0.3)%
<u>Operating Expenses</u>								
Purchased Power	1,489,204	1,489,204	1,490,774	1,490,774	(1,570)	(1,570)	(.1)	(.1)
Transmission	7,200	7,200	7,000	7,000	200	200	2.9	2.9
Distribution	161,100	161,100	148,136	148,136	12,964	12,964	8.8	8.8
Cust. Accounting	134,800	136,189	127,706	129,099	7,094	7,090	5.6	5.5
Sales	3,400	3,400	3,400	3,400	-	-	-	-
Admin. & General	166,807	166,807	163,000	163,000	3,807	3,807	2.3	2.3
Subtotal Oper. Exp.	1,962,511	1,963,900	1,940,016	1,941,409	22,495	22,491	1.2	1.2
Depreciation	151,507	151,507	139,256	139,256	12,251	12,251	8.8	8.8
<u>Taxes</u>								
Other Than Income	152,943	157,009	151,740	155,820	1,203	1,189	.8	.8
California State Franchise	-	22,568	(3,195)	25,681	3,195	(3,113)	(100.0)	(12.1)
Federal Income Tax	44,500	109,287	(66,232)	73,909	110,732	35,378	(167.2)	47.9
Total Oper. Exp.	2,311,461	2,404,271	2,161,585	2,336,075	149,876	68,196	6.9	2.9
Operating Income	156,739	389,179	316,162	466,982	(158,423)	(77,803)	(50.3)	(16.7)
Rate Base	4,658,810	4,658,810	4,628,819	4,628,819	29,991	29,991	.6	.6
Rate of Return	3.36%	8.35%	-	-	-	-	-	-
Flow-through Adj.	44,500	44,500	-	-	-	-	-	-
Adj. Rate of Return	4.32%	9.31%	6.81%	10.09%	(2.49)%	(.78)%	-	-

(Red Figure)

* Excludes revenue from purchased power adjustment clause and fuel adjustment on purchases from PG&E.

TABLE 3
CALIFORNIA-PACIFIC UTILITIES COMPANY
SUSANVILLE WATER DISTRICT

Commission Staff
Summary of Earnings at Interim Rates
1975 Estimated

Description	Utility		Staff		Utility Exceeds Staff			
	1975		1975		Amount		Percent	
	Present	Interim	Present	Interim	Present	Interim	Present	Interim
Operating Revenue	\$ 159,753	\$ 264,965	\$ 159,300	\$ 264,500	\$ 453	\$ 465	0.3%	0.2%
<u>Operating Expenses</u>								
Source of Supply	1,700	1,700	1,840	1,840	(140)	(140)	(7.6)	(7.6)
Pumping	13,600	13,600	13,930	15,000	(330)	(1,400)	(2.4)	(9.3)
Water Treatment	6,000	6,000	1,660	1,660	4,340	4,340	261.4	261.4
Transmission & Dist.	37,200	37,200	35,100	35,100	2,100	2,100	6.0	6.0
Customer Accounting	21,100	21,832	20,700	21,400	400	432	1.9	2.0
Sales Expense	200	200	-	-	200	200	-	-
Admin. & General	31,200	31,200	31,130	31,130	70	70	.2	.2
Subtotal Oper. Exp.	111,000	111,732	104,360	106,130	6,640	5,602	6.4	5.3
Depreciation	32,347	32,347	29,990	29,990	2,357	2,357	7.9	7.9
<u>Taxes</u>								
Other Than Income	37,241	37,241	37,084	37,084	157	157	.4	.4
California State Franchise	-	2,371	(6,461)	2,848	6,461	(477)	(100.0)	(16.7)
Federal Income Tax	2,600	13,775	(34,727)	10,451	37,327	3,324	(107.5)	31.8
Total Oper. Exp.	183,188	197,466	130,246	186,503	52,942	10,963	40.6	5.9
Operating Income	(23,435)	67,499	29,054	77,997	(52,489)	(10,498)	(180.7)	(13.5)
Rate Base	1,028,153	1,028,153	1,007,831	1,007,831	20,322	20,322	2.0	2.0
Rate of Return	(2.28)%	6.57%	-	-	-	-	-	-
Flow-through Adj.	2,600	2,600	-	-	-	-	-	-
Adj. Rate of Return	(2.03)%	6.82%	2.88%	7.74%	(4.91)%	(.92)%	-	-

(Red Figure)

In developing the revenues under interim rates in Tables 2 and 3, the following rate spread was used:

TABLE 4
CALIFORNIA-PACIFIC UTILITIES COMPANY
Staff Calculated Rate Spread for Interim Relief
Based on Last Authorized Rate of Return of 9.04%
1975 Estimated

Lassen Electric			Susanville Water		
Revenue	Billed	Additional	Revenue	Staff	Additional
Deficiency	Kwhrs	¢/Kwhr, Increase	Deficiency	Revenues at Present Rates	% Increase
\$220,775 ^{2/}	122,095,319	0.181¢	\$105,200	\$159,275	66.05%

^{1/} Increase to all blocks.

^{2/} Staff calculated revenue deficiency to bring applicant to the last authorized rate of return of 9.04%. Applicant's proposed interim increase of \$325,250 would require an additional increase of 0.266¢/Kwhr.

It is the staff's opinion that should the Commission grant an interim increase, rates should be spread on an additional cents per kilowatt-hour increase to all blocks for electric service, and an additional percentage increase to all blocks based on revenues for water service, as shown in the above table.

Lifeline Rates - Lassen Electric District

Lifeline rates and lifeline quantities of electricity should not be determined without consideration of all relevant data concerning Lassen District electric operations. There are considerations in that District which may be substantially different from elsewhere in California.

First, the electricity supplied to Cal-Pacific's customers in its Lassen District is all purchased from PG&E. A profit is made by Cal-Pacific above the costs of the electricity and the supplying of that service to its customers. Therefore, the base costs of electric service are higher in the Lassen District than in adjoining areas served by PG&E.

The Lassen District is a depressed economic area. Industrial activity is low. The principal industry, lumbering, has fallen on bad days because of the nationwide building slump. Unemployment is high, and a significant portion of the area's inhabitants rely on government programs for their existence. Retail businesses in the area cannot afford sharp increases in utility rates as those increases cannot be passed on to their retail customers. Schools, colleges, sewer districts, and governmental agencies which are relatively large users of electricity find it increasingly difficult to bear higher utility costs.

The staff engineer testified that one of the largest lumber mills still in operation in the Lassen District has purchased electric generation equipment and has ceased to purchase power from Cal-Pacific. The few other large industrial users are also in the position to switch to their own power generation.

The record contains no evidence concerning the quantity of electricity for lifeline service which would be appropriate in the Lassen District. The record shows, however, that because electricity is used for space heating, a greater lifeline quantity for electricity may be appropriate for the Lassen District and similar areas than in areas where natural gas is available for space heating.

The record shows that no segment of Cal-Pacific's electric customers in its Lassen District can assume a higher charge for electric service than is absolutely necessary because of general economic conditions in that area and because the cost of electricity already is high in the area. The Commission must be extremely careful in the manner in which the economic burden is shifted from lifeline customers to other customers in the Lassen District for the foregoing reasons, and because the few large industrial users can readily find an alternate source of electric power if their rates become too high.

The setting of lifeline rates for the Lassen District should await completion of the general investigation concerning lifeline electric rates and quantities now in progress.

Evidence Concerning Permanent Relief

Applicant and the Commission staff presented estimates of operating results for a 1976 test year, rate of return studies, and other economic data. In addition the staff presented a proposed rate spread for Lassen Electric District.

The presentations of the staff and Cal-Pacific differ in many respects. The staff made several adjustments to the projected operating results presented by Cal-Pacific, some of which were concurred in by Cal-Pacific and others which were opposed. The differences which have the greatest revenue impact are due to the development of federal income taxes on a flow-through or normalization method for ARD-CLS and IC, the level of wages to be included in the test year operating expenses, and the staff adjustments to weighted average electric plant in service.

The Commission staff has recommended that the Commission adopt a rate of return for 1976 in the range of 9.15 percent to 9.45 percent, which would provide a corresponding allowance for return on common stock equity in the range of 11.72 percent to 12.51

percent. As heretofore indicated, Cal-Pacific seeks a rate of return of 10.4 percent and a corresponding return on equity of 15 percent.

The Commission staff and Cal-Pacific differ in the manner in which rates should spread on a permanent basis in connection with the Lassen Division electric operations.

Discussion Concerning the Granting of Interim Relief

Table 2 shows that Cal-Pacific's Lassen Division electric operations in 1975 will produce a rate of return under present rates of 6.81 percent, and would produce a rate of return of 10.09 percent under the interim rates sought herein. Table 3 shows that, on the staff basis, Cal-Pacific's Susanville water operations in 1975 would earn a rate of return of 2.88 percent under present rates and under interim rates a rate of return of 7.74 percent. Substantial differences are apparent in those tables between the estimates of Cal-Pacific and the staff. Similar differences exist in the showings made with respect to permanent relief. Those differences must be resolved before permanent relief may be granted.

Based on the most favorable showing made, Cal-Pacific's Susanville water operations are being conducted at a very small rate of return. Under interim rates proposed the rate of return would be 7.74 percent which is substantially below the 9.04 percent granted in the most recent authorization involving Cal-Pacific's Needles District gas and electric operations.

Cal-Pacific's Lassen Division electric service 1975 operating results under present rates are not as marginal as the Susanville water operations. Under interim rates, the rate of return would be 10.09 percent, which exceeds the 9.04 percent granted with respect to Needles District gas operations.

Basis for Interim Relief

In recent months the Commission authorized interim rate relief to the following utilities (among others) in which a finding of financial emergency was made as the basis for granting interim relief: Del Este Water Company (Decision No. 84409 in A.55202), Airporttransit of California (Decision No. 84524 in A.55282), M.G.R.S. Inc. (Decision No. 84619 in A.55721), and Continental Telephone Company of California (Decision No. 84662 in A.55376). Airporttransit and M.G.R.S. were operating at a loss. Relief was granted to Del Este and Continental because inadequate interest coverage militated against acquisition of needed additional debt financing.

On the other hand, interim relief was granted to California-Pacific Utilities Company, with respect to its Needles gas and electric operations, in Decision No. 84765 in Application No. 54664 in order to prevent erosion of earnings resulting from increased costs of purchased gas and electricity for resale to its customers. The decision pointed out that offset relief of a similar nature had been granted to Cal-Pacific in other districts and to the several other utilities referred to in the decision in the form of purchased power adjustment (PPA) and purchased gas adjustment (PGA) authority by means of advice letter filings.

In Decision No. 84603 in Application No. 54807, Southwest Gas Corporation was authorized to increase its rates on an interim basis. All issues raised in the proceeding except the effect of the Tax Reduction Act of 1975 were resolved in the decision; rates were made interim pending determination of that issue in a later decision.

The Commission recently granted interim relief to California Water Service in the circumstances where a full record was made, but increases in operating expenses were so great as to warrant immediate consideration before a final decision was reached (Decision No. 84874 dated September 3, 1975). The decision points out the Commission has adopted many forms of interim relief, such as fuel adjustment clauses, advice letter filings, and other methods, in the face of rapidly changing economic conditions under which utility costs have accelerated and relief must be accorded rapidly.

In many other proceedings the Commission has granted offsets of known increases in expenses, such as fuel, labor, and payroll costs which have substantial impact on utility operations.

The Commission staff contends that interim rate relief can be granted only if the Commission finds that a financial emergency exists. While that finding has been made in many recent applications for utility rate increases, it is clear that the Commission has granted interim rate relief for other reasons.

In Greyhound Lines, Inc. (1968) 68 CPUC 574, 598, we stated as follows: "Generally interim relief is granted only when, pending final disposition of the application, the company's total earnings are so low as to constitute a severe threat to its ability to provide service." That dictum has been followed until recently when it became apparent that rapidly escalating inflation and energy costs could cause substantial erosion of a utility's earnings without causing total company earnings to deteriorate to the point where the utility faced a severe financial emergency. In recognition of the effect of rapidly rising expenses in certain areas the Commission set up procedures for the granting of expedited relief to cover added revenue needs. Examples are the labor and fuel offset procedures for transportation utilities

and the PPA and PGA advice letter procedures for electric, gas, and water companies. The Commission has considered interim relief in the following context:

- (a) Applicant has incurred additional known expenses of such magnitude as to affect its earnings.
- (b) The increased revenue sought on an interim basis is no more than the amount necessary to offset the increased operating costs.
- (c) Applicant's operating ratio or rate of return under the sought interim rates will not be more favorable than that found reasonable in connection with the last permanent rate increase authorized to applicant.

Findings

A. Interim relief with respect to Cal-Pacific's Susanville Water District is justified and should be granted based on the following:

- 1. Operations of the water system are being conducted at or near the breakeven point, accepting the data presented by the staff at its face value without consideration of adjustments proposed by the applicant.
- 2. All of the evidence indicates that a substantial increase in rates should be authorized to bring earnings of the water system up to a reasonable level.
- 3. The issues which remain to be decided, while having a material effect on the final rate levels to be established, are not of sufficient magnitude to make a partial grant of the final relief sought unreasonable or discriminatory. Those issues are:

- a. Appropriate methods of developing income taxes on the test year under the Tax Reduction Act of 1975.
 - b. Wage increases to be included in test-year operating expenses.
 - c. Appropriate adjustments to staff estimates of test-year operating results.
 - d. The reasonable rate of return and related return on common equity for the 1976 test year.
4. The statute which requires the establishment of lifeline rates effective January 1, 1976 [Miller-Warren Energy Lifeline Act, statutes 1975, Chapter 1010 (Lifeline Act)] does not apply to water systems. The Commission can defer to the final decision herein whether or to what extent lifeline rate for water service should be established and, if lifeline rates are established, the quantity of water to which the lifeline rate should apply.

B. Interim relief for Cal-Pacific's Lassen Division electric service should be denied based on the following:

1. Cal-Pacific has been authorized a purchased power adjustment procedure, which has already provided a measure of interim relief.
2. The Lassen Division historical results of operations show that although earnings for electric service are not as great as authorized for other operating divisions of Cal-Pacific, earnings are not so low as to cast a burden on the total operations of the utility.

3. The Commission is currently considering the lifeline amounts of energy for all electric and gas utilities. No evidence was specifically directed to that issue, but other evidence indicates that the lifeline quantity of electricity in Cal-Pacific's Lassen Division electric service would be different, and possibly greater than in other areas of the state with more moderate climatic conditions. The record also indicates that Cal-Pacific's electric customers are predominantly "residential" as that term is used in the Lifeline Act and, thus, would be eligible for lifeline rates. The establishment of lifeline electric rates should await completion of the general investigation now before the Commission.

C. The interim increase for water service found reasonable herein is that set forth in Table 4 under the heading "Susanville Water" (except no increase shall be made in rates for fire protection service). That increase of \$102,900 or 66 percent shall be spread uniformly to existing rates.

Conclusions

Interim relief, pending final disposition of all issues raised in the pleadings, at the hearings, or through recent legislative enactments, should be granted to the extent found reasonable in the above findings. The effective date of this order should be the date on which it is signed because there is an immediate need for rate relief.

INTERIM ORDER

IT IS ORDERED that:

1. California-Pacific Utilities Company is authorized to establish the increased rates in Appendix A. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.
2. The authority shall expire unless exercised within ninety days after the effective date of this order.
3. To the extent not granted herein the interim relief requested by California-Pacific Utilities Company in Applications Nos. 55610 and 55611 is denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 18th
day of FEBRUARY 1976.

L. Abtani
William L. Sproun, Jr.
Commissioner

[Signature]
President
Vernon L. Sturgeon
[Signature]
Robert L. Sturgeon
Commissioners

APPENDIX A
Page 1 of 2

Schedule No. SU-1
Susanville District Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The city of Susanville and vicinity, Lassen County.

RATES

		Per Meter Per Month	
Quantity Rates:			
First	600 cu.ft., or less	\$2.90	(I)
Next	1,400 cu.ft., per 100 cu.ft.37	
Next	28,000 cu.ft., per 100 cu.ft.22	
Over	30,000 cu.ft., per 100 cu.ft.15	
Minimum Charge:			
For	5/8 x 3/4-inch meter	\$ 2.90	
For	3/4-inch meter	4.15	
For	1-inch meter	5.80	
For	1-1/2-inch meter	11.60	
For	2-inch meter	14.95	
For	3-inch meter	26.55	
For	4-inch meter	41.50	
For	6-inch meter	75.00	
For	8-inch meter	125.00	
For	10-inch meter	175.00	(I)

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

(Continued)

APPENDIX A
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Schedule No. SU-1
Susanville District Tariff Area

GENERAL METERED SERVICE
(Continued)

SPECIAL CONDITION

Meters may not be read for billings for the months of December, January, February, and March. When meters are not read, bills will be based on an estimate of customer's use, to be adjusted to actual use based on the April meter reading.