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Decision No. 85847

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA WATER SERVICE COMPANY, a
corporation, for an order authorizing
it to increase rates charged for
water service in the Bakersfield
district.

Application No. 55053
(Filed July 23, 1974;
amended December 26, 1974)

And Related Matters:

Hermosa-Redondo District

Dixon District

Willows District

South San Francisco District

Oroville District

Broadmoor District

Marysville District

Application No. 55065
(Filed July 29, 1974)
Application No. 55077
(Filed August 1, 1974)
Application No. 55099
(Filed August 12, 1974)
Application No. 55114
(Filed August 15, 1974)
Application No. 55115
(Filed August 15, 1974)
Application No. 55156
(Filed September 10, 1974)
Application No. 55206
(Filed September 26, 1974)

McCutchen, Doyle, Brown & Enersen, by A. Crawford
Greene, Jr., Attorney at Law, for applicant.
Verner R. Muth, for Garden Water Corporation,
interested party.
Walter H. Kessenick and Cyril M. Saroyan,
Attorneys at Law, Kenneth Chew, and Ernst G.
Knolle, for the Commission staff.

FINAL OPINION

By Decisions Nos. 85279 and 85283 dated December 30, 1975 we authorized increased rates of \$1,013,600 for California Water Service Company (CWS) in the captioned applications on a preliminary basis. The purpose of authorizing preliminary rates was to reduce regulatory lag by putting into effect rates which would cover justified expenses after a full record was made based upon the staff's recommended rate of return, rather than wait for the resolution of certain issues that are common to the nine districts involved here, as well as the entire company. Certain minor issues pertinent to each district were also reserved for resolution in a final decision. These issues involve approximately 10 percent of the rate increases CWS seeks. All parties agreed that eight of the nine districts could be consolidated for a final order. Further hearings are scheduled for A.55327, Bear Gulch District.

The common issues are:

1. The effect of changed accounting for the State Corporation Franchise Tax (SCFT).
 - a. Does the accounting change result in an immediate saving in federal income taxes (FIT), or only a potential ultimate saving if and when CWS goes out of business?
 - b. Should the amortization of the SCFT not previously expensed be retroactive, or should it be prospective for future years commencing with the first year in each district that the change is recognized in setting rates?
2. Should capitalized overheads be increased?
3. What is a reasonable rate of return?

We will discuss the above issues first and then take up the specific district issues under each district's heading. The jurisdictional, service area, and service facts were set forth in D.85279 and D.85283, and will not be repeated.

State Corporation Franchise Tax

CWS has changed its method of accounting for the SCFT. Before this accounting change, the franchise tax was expensed in the year after the income year on which the tax was based. The change-over was in accordance with Accounting Principles Board Opinion No. 11. This opinion stated that the franchise tax should be expensed in the income year on which the tax was based. A consequence of this change is that there will be an amount of \$455,618 remaining in the Prepaid Franchise Tax Account indefinitely, unless amortized. The staff recommends that CWS amortize the Prepaid Franchise Tax balance over a period of five years and computed its results of operations accordingly.

The prepaid franchise tax issue resulting from an accounting changeover was considered and decided in D.85161 dated November 25, 1975 in A.55177. There we found it unreasonable to include in future revenues an allowance to amortize amounts in the Prepaid Franchise Tax Account. We will follow our finding in D.85161 here.

Capitalized Overheads

The record shows that CWS has been capitalizing fringe benefits expenses at a different ratio than it capitalized payroll expenses. For example, in 1974 CWS expensed 83.5 percent of its total payroll cost, capitalized 12.1 percent, and charged 4.4 percent to miscellaneous, part of which will be capitalized. On the other hand, 98.7 percent of total fringe benefits in 1974 were expensed and only 1.3 percent were capitalized.

It is the staff's position that employee fringe benefits are part of salaries and wages and should be capitalized or expensed in the same manner and ratio as that of total payroll costs. The staff finds support for its position in the Uniform System of Accounts for Water Utilities, Instructions 5 and 6. These instructions refer

to the components of construction costs as pay and expenses of employees engaged on construction projects. Includable items referred to are Workers' Compensation Insurance, payroll taxes, and similar items of expense. Under Overhead Construction Costs includable items are insurance, injuries and damages, relief and pensions, taxes, and other costs.

The staff also relies upon the National Association of Regulatory Utility Commissioners' publication entitled "Interpretation of Uniform System of Accounts for Electric, Gas and Water Utilities" for further support of its position.

CWS argues that it has followed a policy of expensing fringe labor costs for many years which was not questioned by the staff. Furthermore, it is contended that this policy is in furtherance of the customers' interest since this cost is not locked into rate base which would result in the customer continuing to pay even after the cost had been recovered.

The fact that the staff did not question the policy in prior rate cases does not necessarily mean that it approved the policy, nor that it was the correct policy. Suffice it to say that the instructions and interpretations of the Uniform System of Accounts require that fringe labor costs be capitalized at the same ratio as payroll is expensed and capitalized. Insofar as CWS's argument is concerned that capitalization of fringe benefit costs (adding to rate base) requires the customer to pay continuously for these costs, CWS overlooks the fact that the costs are recovered through depreciation. Once the plant, or rate base, associated with the cost is fully depreciated, there can be no more recovery. The staff's approach to this issue is reasonable and we will adopt it.

Rate of Return

CWS seeks an 8.85 percent rate of return and has requested step rates for 1974, 1975, 1976, and 1977 which it is estimated would produce a uniform rate of return for each of the years. The passage of time has rendered the 1974 and 1975 step rates moot.

The staff proposed a range of 8.5 percent to 8.8 percent as reasonable and recommended that the rate be set at the lower end of the range, viz., 8.5 percent. No recommendation was made with respect to step rates.

During the pendency of these proceedings, CWS was granted rate relief in the amount of \$859,900 (2.19 percent average for all 22 districts) to offset the cost of \$26 million of refinancing at effective interest rate of 9.1 percent.^{1/} The result of this refinancing was to raise the rate of return requirement slightly over one percent. This increase did not raise the return on equity. The derivation of these figures is set forth below:

<u>Item</u>	<u>Capital Ratio</u>	<u>Rate</u>	<u>Weighted Cost</u>
Before Refinancing:			
Long-term Debt	55.5%	5.90%	3.27%
Preferred Stock	3.0	4.25	.13
Common Equity	41.5	12.29	5.10
Total	100.0		8.50
After Refinancing:			
Long-term Debt	55.5	7.80	4.33
Preferred Stock	3.0	4.25	.13
Common Equity	41.5	12.29	5.10
Total	100.0		9.56

A large source of funds for CWS has been internal financing. For example, new construction of utility plant in 1974 amounted to \$8,616,000 with \$6,432,000 financed by company funds and the balance financed by developers. CWS states that its success is measured in two ways - maintaining a high quality of service for customers and

^{1/} D.85020 dated October 21, 1975 in A.55561.

maintaining earnings for the shareholders. On this latter point, CWS reports to its shareholders that its earnings for the past two years have shown a significant improvement over prior years. It attributes this accomplishment - living with inflation and improving earnings - directly to its success in keeping utility rates in step with advancing costs of labor, material, and borrowed money through an intensified program of rate relief. It is reported that 1974 was the seventh consecutive year in which dividends on common stock were higher than the previous year. It is also reported that the 1975 quarterly dividend on common stock would be increased \$.04; the equivalent annual rate is \$2.20 per share compared with \$2.04 for 1974. (Exhibit 11, in A.55053 - 1974 Annual Report to Shareholders.)

We agree that CWS has been doing an excellent job for its shareholders. Under the Commission's offset procedures to obtain immediate rate relief for increased costs in purchased water and power, as well as wages and taxes, of which CWS has made use, coupled with the fact that interest rates have dropped substantially, we believe that the 8.85 percent rate of return (9.91 percent after refinancing) sought is too high. With the refinancing of \$26,000,000 of debt completed, the sought rate of return would not be in the best interest of the ratepayer. Based upon the above we conclude that a 9.7 percent rate of return on the rate bases adopted herein is reasonable. As indicated below, this results in a 12.63 percent return on equity, an increase over the prior return.

<u>Item</u>	<u>Capital Ratio</u>	<u>Rate</u>	<u>Weighted Cost</u>
Long-term Debt	55.5%	7.80%	4.33%
Preferred Stock	3.0	4.25	.13
Common Equity	41.5	12.63	5.24
Total	<u>100.0</u>		<u>9.70</u>

Step Rates

CWS argues that for it to realize a rate of return considered reasonable for a period of years, it is necessary to seek either (1) a single level of rates which will yield rates of return which, over the effective period, will result in the appropriate average, or (2) seek multiple or "step" rates which will yield the appropriate rate of return during each of the years in which the rates are expected to be effective. CWS considers step rates to be more equitable than single-level rates in that with step rates the customers during the initial year or years do not pay a premium to offset increased costs during later years. Step rates also have the advantage, from CWS's standpoint, of reducing fluctuations in the level of earnings.

The staff recognizes an annual decline in rate of return of 0.12 percent for the Hermosa-Redondo Beach District, 0.32 percent for the Willows District, 0.22 percent for the South San Francisco District, 0.30 percent for the Oroville District, and 0.17 percent for the Marysville District, and recommends that these declines be considered in the development of future rates. Since we expect the rates we prescribe herein to be effective for approximately two years we will recognize an appropriate amount of attrition to accomplish this rather than authorize step rates, except in the Oroville District.

To authorize step rates and grant periodic offset increases will, in the main, guarantee future utility earnings. Such a guarantee removes substantial financial risks from the operation. Further, it is axiomatic that to guarantee earnings is to substantially decrease motivation to increase the efficiency of utility operations. Many of the factors contributing to decline in rate of return, such as increases in purchased water and power costs, wages, and taxes, have been handled or can be handled by offset rate increases.

Considering the allowance for equity adopted herein, the burden on consumers of step rates without consideration of changes in current operating results, and the negative impact of step rates on the promotion of efficiency, we shall not authorize step rates, except for the Oroville District where special conditions justify a two-step increase. Under present day rapidly changing economic conditions it is not reasonable to expect a reliable projection of utility earnings four years into the future when based only on consideration of the earnings for two years.

Rates

Table I presents a comparison for each of the eight districts, showing CWS's rates which were prescribed in D.85279, D.85283, and Resolution No. W-1873 dated March 2, 1976 (identified as present rates), CWS's proposed step rates set forth in Table I of the above decisions, and the rates authorized herein. The further authorized increases shown in Table I are summarized by districts:

<u>Districts</u>	<u>Dollars</u> (In Thousands)	<u>Metered Service</u> <u>Quantity Rate</u>		<u>Flat Rate</u> <u>Service</u>	
Bakersfield	\$ 58.6	\$0.003		\$0.10	
Hermosa-Redondo Beach	23.7	.004			
Dixon	3.8	.008			
Willows	7.3	.011		.34	
South San Francisco	20.3	.005			
Broadmoor	0.4	.001			
Marysville	7.4	.006		.17	
	<u>1976</u> <u>1977</u>	<u>1976</u>	<u>1977</u>	<u>1976</u>	<u>1977</u>
Oroville (step rates)	\$83.0 \$67.1	\$0.038	\$0.063	\$1.64	\$2.97

TABLE I
Bakersfield District
Comparison of Monthly Rates

Item	D.85279 Rates	Advice Letter 474	Requested Rates			Authorized Rates
		Present Rates	Total			
			1975	1976	1977	
<u>General Metered Service</u>						
Service Charge ^a	\$ 3.24	\$ 3.24	\$ 3.44	\$ 3.50	\$ 3.56	\$ 3.24
Quantity Rate, per 100 cu.ft.	0.184	0.196	0.204	0.207	0.209	0.199
<u>Residential Flat Rate Service</u>						
Single-family unit, including premises having area of:						
6,000 sq.ft. or less	8.98	9.38	9.77	9.94	10.07	9.47
6,001 to 10,000 sq.ft.	9.91	10.35	10.80	10.97	11.12	10.45
10,001 to 16,000 sq.ft.	12.81	13.37	13.96	14.19	14.38	13.50
16,001 to 25,000 sq.ft.	16.63	17.36	18.13	18.43	18.66	17.52
Each additional unit on premises	5.78	6.03	6.30	6.41	6.49	6.09
<u>Limited Flat Rate Service</u>						
Four specific, small stores, each	6.25	6.53	6.41	6.52	6.60	6.59

a. Service charge for a 5/8 x 3/4-inch meter. A graduated scale of increased charges is provided for larger meters.

TABLE I

Hermosa-Redondo District
Comparison of Monthly Rates

<u>Item</u>	<u>D.85279 Present Rates</u>	<u>Requested Rates</u>			<u>Authorized Rates</u>
		<u>Total</u>			
		<u>1975</u>	<u>1976</u>	<u>1977</u>	
<u>General Metered Service</u>					
Service Charge ^a	\$3.36	\$3.62	\$3.72	\$3.83	\$3.36
Quantity Rate, per 100 cu.ft.	0.398	0.426	0.437	0.447	0.402

a. Service charge for a 5/8 x 3/4-inch meter. A graduated scale of increased charges is provided for larger meters.

TABLE I

Dixon District
Comparison of Monthly Rates

Item	D.85279 Present Rates	Requested Rates			Authorized Rates
		Total			
		1975	1976	1977	
<u>General Metered Service</u>					
Service Charge ^a	\$3.49	\$3.69	\$3.75	\$4.11	\$3.49
Quantity Rate, per 100 cu.ft.	0.227	0.242	0.246	0.269	0.235
<u>Public Fire Hydrant Service</u>					
First 51 hydrants, minimum charge	0.00	0.00	0.00	0.00	0.00
Each additional	0.00	0.00	0.00	0.00	0.00

a. Service charge for a 5/8 x 3/4-inch meter. A graduated scale of increased charges is provided for larger meters.

TABLE I
Willows District
Comparison of Monthly Rates

Item	D.85279	Requested Rates			Authorized Rates
	Present Rates	Total			
		1975	1976	1977	
<u>General Metered Service</u>					
Service Charge ^a	\$ 3.69	\$ 3.84	\$ 3.88	\$ 3.92	\$ 3.69
Quantity Rate, per 100 cu.ft	0.265	0.274	0.277	0.279	0.276
<u>Residential Flat Rate Service</u>					
Single-family unit, including premises having area of:					
6,000 sq.ft. or less	7.69	7.99	8.07	8.14	7.95
6,001 to 10,000 sq.ft.	10.19	10.59	10.70	10.79	10.53
10,001 to 16,000 sq.ft.	12.75	13.25	13.39	13.50	13.18
16,001 to 25,000 sq.ft.	16.56	17.21	17.39	17.53	17.12
Each additional unit on premises	6.08	6.31	6.38	6.43	6.28

a. Service charge for a 5/8 x 3/4-inch meter. A graduated scale of increased charges is provided for larger meters.

TABLE I
South San Francisco District
Comparison of Monthly Rates

Item	D.85279 Present Rates	Requested Rates			Authorized Rates
		Total			
		1975	1976	1977	
<u>General Metered Service</u>					
Service Charge ^a	\$2.84	\$2.94	\$3.00	\$3.07	\$2.84
Quantity Rate:					
First 50,000 cu.ft. per 100 cu.ft.	0.326	0.335	0.342	0.350	0.331
Over 50,000 cu.ft. per 100 cu.ft.	0.299	0.307	0.314	0.319	0.306

a. Service charge for a 5/8 x 3/4-inch meter. A graduated scale of increased charges is provided for larger meters.

TABLE I
Oroville District
Comparison of Monthly Rates

Item	D.85279 Present Rates	<u>Requested Rates</u>			<u>Authorized Rates</u>	
		<u>Total</u>			<u>Rates</u>	
		<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1976</u>	<u>1977</u>
<u>General Metered Service</u>						
Service Charge ^a	\$ 5.71	\$ 6.06	\$ 6.94	\$ 7.14	\$ 6.50	\$ 7.14
Quantity Rate, per 100 cu.ft.	0.275	0.290	0.334	0.343	0.313	0.343
<u>Residential Flat Rate Service</u>						
Single-family unit, including premises having area of:						
6,000 sq.ft. or less	11.86	12.56	14.43	14.84	13.50	14.83
6,001 to 10,000 sq.ft.	13.23	14.01	16.09	16.54	15.07	16.54
10,001 to 16,000 sq.ft.	15.90	16.83	19.34	19.88	18.11	19.88
16,001 to 25,000 sq.ft.	19.69	20.84	23.94	24.61	22.42	24.61
Each additional unit on premises	6.89	7.30	8.39	8.62	7.85	8.62
<u>Limited Flat Rate Service</u>						
One specific untreated water customer	5.12	5.12	5.12	5.12	5.12	5.12
<u>Irrigation Service</u> <u>(Untreated Water)</u>						
Quantity rate, per miner's inch day	0.51	0.51	0.51	0.51	0.51	0.51

a. Service charge for a 5/8 x 3/4-inch meter. A graduated scale of increased charges is provided for larger meters.

TABLE I

Broadmoor DistrictComparison of Monthly Rates

Item	D.85283 Present Rates	Requested Rates			Authorized Rates
		Total			
		1975	1976	1977	
<u>General Metered Service</u>					
Service Charge ^a	\$2.84	\$2.94	\$3.00	\$3.07	\$2.84
Quantity Rate, per 100 cu.ft.	0.466	0.471	0.470	0.469	0.467

a. Service charge for a 5/8 x 3/4-inch meter. A graduated scale of increased charges is provided for larger meters.

TABLE I

Marysville DistrictComparison of Monthly Rates

Item	D.85283 Present Rates	Requested Rates			Authorized Rates
		Total			
		1975	1976	1977	
<u>General Metered Service</u>					
Service Charge ^a	\$ 3.86	\$ 4.11	\$ 4.28	\$ 4.47	\$ 3.86
Quantity Rate, per 100 cu.ft.	0.129	0.133	0.138	0.145	0.135
<u>Residential Flat Rate Service</u>					
Single-family unit, including premises having area of:					
6,000 sq.ft. or less	6.45	6.78	7.06	7.37	6.60
6,001 to 10,000 sq.ft.	7.51	7.90	8.22	8.58	7.68
10,001 to 16,000 sq.ft.	8.93	9.40	9.78	10.21	9.13
16,001 to 25,000 sq.ft.	11.42	12.01	12.50	13.05	11.68
Each additional unit on premises	4.32	4.54	4.73	4.94	4.42

a. Service charge for a 5/8 x 3/4-inch meter. A graduated scale of increased charges is provided for larger meters.

Results of Operations

We turn now to a discussion of the specific issues by district.

Bakersfield

There are two issues to be resolved for the Bakersfield District. These are:

1. Should 65 percent of the Pacheco Ranchland be excluded from rate base because it is not used or useful utility property?
2. Is the staff's estimate of revenues from commercial metered services reasonable?

Pacheco Ranchland

The Pacheco Ranchland is the site of five wells used to supply the former Crestview Water Company's system.^{2/} The land is located in the southwest corner of the CWS service area. More specifically, in the southeast quadrant of the intersection of Stine and Pacheco Roads. The five wells parallel Pacheco Road on the northern boundary of the land. The land is rectangular in shape, consists of approximately 70 acres, and is inaccessible from the other boundaries. Of the total acreage, the staff estimates that only 7.21 acres per well are used and useful utility property and therefore has excluded approximately 65 percent of the acreage, or \$150,700 from rate base. Staff also excluded \$3,000 of revenues, and \$5,500 of ad valorem taxes.

CWS's president testified that, although the Commission excluded 70 percent of the cost of the Pacheco Road well field in a prior proceeding,^{3/} it is management's judgment, after review of the

^{2/} D.70242 dated January 18, 1966 in A.48069 (65 CPUC 210) authorized CWS to acquire Crestview Water Company.

^{3/} D.80196 dated June 27, 1972 in A.52499 (73 CPUC 549) wherein \$162,300 of rate base was excluded.

investment and alternate uses, the entire acreage is necessary and essential to utility operations. He pointed out that it has been CWS's policy to limit its investment in property acquired, and if the property is not required for utility purposes, it is either sold or disposed of at the time it becomes surplus.

The acquisition of the Pacheco land was different from the usual practice in acquiring well sites in that under the usual practice a subdivision is involved and a lot is deeded to the utility along with underground water and pumping rights of the entire subdivision. In the Pacheco situation, no subdivision was involved and the circumstances were unusual as the wells were not for the purpose of supplying water to the immediate area, but were to supply water to an area on the other side of CWS's service area in connection with the acquisition of the Crestview system whose water supply was of very poor quality. Thus, it was necessary to construct a 36-inch transmission main across the service area. In order to control water extraction from the Pacheco area it is necessary that CWS control the entire acreage of the well field just as if a subdivision is involved.

CWS investigated whether a more beneficial use could be made of the surface than the present agricultural lease, whose rents are credited to the customers' benefit in determining water rates. No feasible alternative surface use of the property was found. CWS is continuing to study the problem. When and if a more beneficial use of the land is feasible, such increased revenues received will be utilized for the customers' benefit, that is, the revenue requirement will be reduced accordingly.

While we adopted the staff's estimate of rate base in D.80196 as better suited for ratemaking purposes, we recognized there were errors in the staff's calculation of rate base. In view of the facts adduced here, we believe that the entire acreage of the Pacheco

well field is properly includable in rate base. Whatever revenue CWS can obtain from use of the surface, other than the actual well sites themselves, redounds to the benefit of the customers. As long as revenues from this property are credited for the benefit of the customers, and all of the property is needed to control water and pumping rights for the wells located thereon, the entire acreage is used and useful utility property and is properly includable in rate base.

Commercial Metered Revenues

The revenues from commercial metered services involve a difference of \$13,900. The staff estimate is higher than CWS's. The difference occurs as a result of the time periods used. CWS used the 1966-1973 period, which excluded the Crestview system. The staff used a longer period, 1960-1974, consistent with the Modified Bean Method, to obtain a good correlation. We will adopt the staff's estimate.

Hermosa-Redondo Beach, Willows, South San Francisco, Broadmoor, and Marysville

There are no specific issues to be resolved for the Hermosa-Redondo Beach, Willows, South San Francisco, Broadmoor, and Marysville Districts.

Dixon

The one specific issue in the Dixon District involves the cost of purchased power prior to the electric rate increase authorized Pacific Gas and Electric Company (PG&E) in D.84902 dated September 16, 1975 in A.54279 and modified by D.84959 dated October 7, 1975. The difference amounts to \$900. The staff used a 1968-1974 average unit cost of \$30.72 per million gallons of production for purchased power. CWS, on the other hand, trended these costs which resulted in a unit cost of \$33 per million gallons of production, with a resultant increase in expenses. We adopt CWS's method because it more accurately reflects the realities.

Oroville

Purchased Chemicals

The cost of purchased chemicals is the specific issue to be resolved for the Oroville District. The difference between the staff and CWS is \$900. Here the staff used actual costs for 1974 and projected them into the test year. CWS, on the other hand, trended these costs. We adopt CWS's method because it more accurately reflects the realities.

Filter Plant

In accordance with the agreement of the parties to defer consideration until the final order, we must now consider the effect of the new filter plant CWS is installing in this district. It is expected that the filter plant will begin operation in the middle of 1976.

We note that the final construction bid was \$1,404,842 (Exh. 18), almost double the original estimate used by CWS. It was stated by CWS's witness that rather than amend the application to ask for higher rates to cover this increased cost, it would be willing to accept a lower rate of return in this district.

The impact of the new filter plant, on a partial-year basis, which will prevail during the calendar year 1976, and a full-year basis, which will prevail during the calendar year 1977, was summarized in Exhibit 17 in A.55115. The amounts shown in that exhibit are summarized in Columns 11 and 16 of Table II, Results of Operations for the Oroville District. However, since CWS has not asked for rates sufficient to produce the additional revenue necessary to cover the increased cost of the filter plant, depreciation, and ad valorem taxes, as shown in Column 14 of Table II, Oroville District, we can only authorize the rates sought. Thus the additional revenue authorized amounts to \$67,100 rather than the \$110,700 shown in Column 17 of Table II. This will produce a rate of return of 8.10 percent rather than 9.7 percent for this district. Because of the significantly different revenue requirements for 1976 and 1977, we will authorize step rates for this district.

Additional Bond Interest and Amortization

The preliminary order in D.85279 reflected the post-refinancing Interest and Amortization (I & A) deductions in the income taxes adopted in that order, but did not consider the filter plant effect. Exhibit 17 in A.55115 reflected the pre-refinancing I & A deduction, consistent with jointly sponsored Exhibit 16. As a result we now have additional I & A deductions which must be considered here. The effect on income taxes is shown in Columns 10 and 15 of Table II for the Oroville District for 1976 and 1977.

Offset Increases for Purchased Power Costs

Since submission of these matters, electric rates of PG&E were increased, as noted above. In our preliminary order in D.85279 we did not consider these increased costs because of insufficient data in the record at that time. We did, however, consider and authorize the increased costs in D.85283 for the Broadmoor and Marysville Districts since the record was complete. Bakersfield District was authorized increases due to these purchased power costs by Resolution No. W-1873 dated March 2, 1976 in accordance with Advice Letter No. 474. The Hermosa-Redondo District is not in PG&E's service area and therefore is not involved with these costs. There remains to be considered the Dixon, Willows, South San Francisco, and Oroville Districts.

Exhibit 15 in A.55206 shows that purchased power costs increased by 21.08 percent for the Dixon District, 21.35 percent for the Oroville District, 19.59 percent for the South San Francisco District, and 21.26 percent for the Willows District. The total company average increase was 20.27 percent. These increased costs are reflected in Table II.

TABLE II

Bakersfield DistrictSummary of Earnings - 1975

(Dollars in Thousands)

Item	D.85279 Present Rates	Advice Letter 474		Issues A.55053 & A.L. 474		At Adopted Rates		
		Adjustment A.L. 474	At Rates Authorized by A.L.474	Eliminate SCFT	Include All Pacheco Rd. Land	Issues and A.L. 474	Revenue Require- ment	Results of Operations @ 9.70%
Operating Revenues	\$ 5,469.7	\$242.5	\$ 5,712.2	\$ -	\$ 3.0	\$ 5,715.2	\$55.6	\$ 5,770.8
<u>Operating Expenses</u>								
Oper. & Maintenance	2,195.4	198.6	2,394.0	-	-	2,394.0	-	2,394.0
Admin. & General	70.9	4.6	75.5	-	-	75.5	-	75.5
Miscellaneous	10.1	-	10.1	-	-	10.1	-	10.1
Taxes Other Than Income	546.4	23.1	569.5	-	5.5	575.0	.7	575.7
Depreciation	455.5	-	455.5	-	-	455.5	-	455.5
SCFT Amortization	5.6	-	5.6	(5.6)	-	-	-	-
Allocated Expenses	<u>313.4</u>	<u>17.5</u>	<u>330.9</u>	<u>-</u>	<u>-</u>	<u>330.9</u>	<u>-</u>	<u>330.9</u>
Subtotal	3,597.3	-	3,841.1	(5.6)	5.5	3,841.0	.7	3,841.7
Taxes on Income	<u>495.6</u>	<u>(.7)</u>	<u>494.9</u>	<u>-</u>	<u>(1.3)</u>	<u>493.6</u>	<u>28.9</u>	<u>522.5</u>
Total Oper. Exp.	4,092.9	243.1	4,336.0	(5.6)	4.2	4,334.6	29.6	4,364.2
Net Operating Revenue	1,376.8	(.6)	1,376.2	5.6	(1.2)	1,380.6	26.0	1,406.6
Depreciated Rate Base	14,401.3	-	14,401.3	(50.7)	150.7	14,501.3	-	14,501.3
Rate of Return	9.56%	-	9.56%	-	-	9.52%	-	9.70%

(Red Figure)

TABLE II

Hermosa-Redondo District
Summary of Earnings - 1975
(Dollars in Thousands)

<u>Item</u>	<u>D.85279 Present Rates</u>	<u>Issue A.55065</u>		<u>At Adopted Rates</u>	
		<u>Eliminate SCFT</u>	<u>Effects Of Issue</u>	<u>Revenue Require- ment</u>	<u>Results of Operations @ 9.70%</u>
Operating Revenues	\$3,355.4	\$ -	\$3,355.4	\$23.7	\$3,379.1
<u>Operating Expenses</u>					
Operation & Maintenance	1,458.2	-	1,458.2	-	1,458.2
Administrative & General	37.8	-	37.8	-	37.8
Miscellaneous	7.9	-	7.9	-	7.9
Taxes Other Than Income	289.7	-	289.7	-	289.7
Depreciation	228.2	-	228.2	-	228.2
SCFT Amortization	3.5	(3.5)	-	-	-
Allocated Expenses	<u>200.1</u>	<u>-</u>	<u>200.1</u>	<u>-</u>	<u>200.1</u>
Subtotal	2,225.4	(3.5)	2,221.9	-	2,221.9
Taxes on Income	<u>268.1</u>	<u>-</u>	<u>268.1</u>	<u>12.5</u>	<u>280.6</u>
Total Operating Expenses	2,493.5	(3.5)	2,490.0	12.5	2,502.5
Net Operating Revenue	861.9	3.5	865.4	11.2	876.6
Depreciated Rate Base	8,959.0	(32.4)	8,926.6	-	8,926.6
Rate of Return	9.62%	-	9.69%	-	9.82%
Attrition Adjustment	(.06)%	-	-	-	(.12)%
After Attrition Adjustment	9.56%	-	-	-	9.70%

(Red Figure)

TABLE II
Dixon District
Summary of Earnings - 1975
(Dollars in Thousands)

Item	D.85279 Present Rates	Issues A.55077			Purchase Power Increase		At Adopted Rates	
		Eliminate SCFT	Company Purchase Power	Effects Of Issues	Increase Effective 9/14/75	Effect On R/R	Revenue Require- ment	Results of Operations @ 9.70%
Operating Revenues	\$180.9	\$ -	\$ -	\$180.9	\$ -	\$180.9	\$3.8	\$184.7
<u>Operating Expenses</u>								
Operation & Maintenance	55.7	-	0.9	56.6	2.6	59.2	-	59.2
Administrative & General	5.5	-	-	5.5	-	5.5	-	5.5
Miscellaneous	1.2	-	-	1.2	-	1.2	-	1.2
Taxes Other Than Income	18.4	-	-	18.4	-	18.4	-	18.4
Depreciation	18.1	-	-	18.1	-	18.1	-	18.1
SCFT Amortization	0.3	(0.3)	-	-	-	-	-	-
Allocated Expenses	<u>14.4</u>	<u>-</u>	<u>-</u>	<u>14.4</u>	<u>-</u>	<u>14.4</u>	<u>-</u>	<u>14.4</u>
Subtotal	113.6	(0.3)	0.9	114.2	2.6	116.8	-	116.8
Taxes on Income	<u>17.6</u>	<u>-</u>	<u>(0.5)</u>	<u>17.1</u>	<u>(1.4)</u>	<u>15.7</u>	<u>2.0</u>	<u>17.7</u>
Total Operating Exp.	131.2	(0.3)	0.4	131.3	1.2	132.5	2.0	134.5
Net Operating Revenue	49.7	0.3	(0.4)	49.6	(1.2)	48.4	1.8	50.2
Depreciated Rate Base	520.2	(2.3)	-	517.9	-	517.9	-	517.9
Rate of Return	9.55%	-	-	9.58%	-	9.35%	-	9.70%

(Red Figure)

TABLE II
Willows District
Summary of Earnings - 1975
(Dollars in Thousands)

<u>Item</u>	<u>D.85279 Present Rates</u>	<u>Issue A.55099</u>		<u>Purchase Power Increase</u>		<u>At Adopted Rates</u>	
		<u>Eliminate SCFT</u>	<u>Effect Of Issue</u>	<u>Increase Effective 9/14/75</u>	<u>Effect On R/R</u>	<u>Revenue Require- ment</u>	<u>Results of Operations @ 9.70%</u>
Operating Revenues	\$243.2	\$ -	\$243.2	\$ -	\$243.2	\$7.3	\$250.5
<u>Operating Expenses</u>							
Operation & Maintenance	74.7	-	74.7	3.8	78.5	-	78.5
Administrative & General	6.3	-	6.3	-	6.3	-	6.3
Miscellaneous	1.5	-	1.5	-	1.5	-	1.5
Taxes Other Than Income	26.3	-	26.3	-	26.3	0.1	26.4
Depreciation	22.9	-	22.9	-	22.9	-	22.9
SCFT Amortization	18.7	-	18.7	-	18.7	-	18.7
Allocated Expenses	0.6	(0.6)	-	-	-	-	-
Subtotal	151.0	(0.6)	150.4	3.8	154.2	0.1	154.3
Taxes on Income	24.9	0.3	25.2	(2.0)	23.2	3.8	27.0
Total Operating Expenses	175.9	(0.3)	175.6	1.8	177.4	3.9	181.3
Net Operating Revenue	67.3	0.3	67.6	(1.8)	65.8	3.4	69.2
Depreciated Rate Base	692.5	(2.2)	690.3	-	690.3	-	690.3
Rate of Return	9.72%	-	-	-	9.53%	-	10.02%
Attrition Adjustment	(.16)%	-	-	-	-	-	(.32)%
After Attrition Adjustment	9.56%	-	-	-	-	-	9.70%

(Red Figure)

TABLE II
South San Francisco District
Summary of Earnings - 1975
(Dollars in Thousands)

Item	D.85279 Present Rates	Issue A.55114		Purchase Power Income		At Adopted Rates	
		Eliminate SCFT	Effect Of Issue	Increase Effective 9/14/75	Effect On R/R	Revenue Require- ment	Results of Operations @ 9.70%
Operating Revenues	\$1,654.7	\$ -	\$1,654.7	\$ -	\$1,654.7	\$20.3	\$1,675.0
<u>Operating Expenses</u>							
Operation & Maintenance	912.5	-	912.5	9.8	922.3	-	922.3
Administration & General	20.6	-	20.6	-	20.6	-	20.6
Miscellaneous	4.4	-	4.4	-	4.4	-	4.4
Taxes Other Than Income	85.0	-	85.0	-	85.0	-	85.0
Depreciation	103.7	-	103.7	-	103.7	-	103.7
Allocated Expenses	112.5	-	112.5	-	112.5	-	112.5
SCFT Amortization	3.8	(3.8)	-	-	-	-	-
Subtotal	1,242.5	(3.8)	1,238.7	9.8	1,248.5	-	1,248.5
Taxes on Income	92.2	1.8	94.0	(5.1)	88.9	10.7	99.6
Total Operating Expenses	1,334.7	(2.0)	1,332.7	4.7	1,337.4	10.7	1,348.1
Net Operating Revenue	320.0	2.0	322.0	(4.7)	317.3	9.6	326.9
Depreciated Rate Base	3,308.9	(13.4)	3,295.5	-	3,295.5	-	3,295.5
Rate of Return	9.67%	-	9.77%	-	9.63%	-	9.92%
Attrition Adjustment	(.11)%	-	-	-	-	-	(.22)%
After Attrition Adjustment	9.56%	-	-	-	-	-	9.70%

(Red Figure)

TABLE II
Greenville Municipal
Summary of Revenues - 1975
(Dollars in thousands)

Item	1975 Actual		1975 Budget		1976 Budget		1977 Budget		1978 Budget		1979 Budget		
	Actual	Change	Budget	Change	Budget	Change	Budget	Change	Budget	Change	Budget	Change	
Operating Revenues	\$ 624.5	\$ -	\$ -	\$ -	\$ 624.5	\$ -	\$ 624.5	\$ -	\$ 624.5	\$ -	\$ 624.5	\$ -	
Operating Expenses	213.5	-	0.9	214.4	4.4	218.9	-	218.9	-	218.9	-	218.9	-
Administrative & General	16.8	-	-	16.8	-	16.8	-	16.8	-	16.8	-	16.8	-
Maintenance	3.4	-	-	3.4	-	3.4	-	3.4	-	3.4	-	3.4	-
Capital Outlay	32.7	-	-	32.7	-	32.7	-	32.7	-	32.7	-	32.7	-
Depreciation	47.7	-	-	47.7	-	47.7	-	47.7	-	47.7	-	47.7	-
S&T Acquisition	1.5	(1.5)	-	46.2	-	46.2	-	46.2	-	46.2	-	46.2	-
Allocated Expenses	46.2	-	-	46.2	-	46.2	-	46.2	-	46.2	-	46.2	-
Subtotal	382.3	(1.5)	0.9	381.4	4.4	381.4	-	381.4	-	381.4	-	381.4	-
Taxes on Income	70.8	0.1	(0.5)	70.3	(2.3)	68.0	1.1	68.0	1.1	68.0	1.1	68.0	1.1
Total Operating Exp.	453.1	(0.6)	0.4	452.7	2.1	449.4	1.0	449.4	1.0	449.4	1.0	449.4	1.0
Net Operating Revenue	171.0	0.6	(0.4)	170.6	(2.1)	175.1	-	175.1	-	175.1	-	175.1	-
Net Operating Rate Base	1,707.4	(5.4)	-	1,702.0	-	1,702.0	-	1,702.0	-	1,702.0	-	1,702.0	-
Rate of Return	9.7%	-	-	9.7%	-	9.7%	-	9.7%	-	9.7%	-	9.7%	-
Attribution Adjustment	(.15)%	-	-	-	-	-	-	-	-	-	-	-	-
After Attribution Adjustment	9.55%	-	-	-	-	-	-	-	-	-	-	-	-

Test Figure)

(See Figure)

TABLE II
Broadmoor District
Summary of Earnings - 1975
(Dollars in Thousands)

<u>Item</u>	<u>D.85283 Present Rates</u>	<u>Issue A.55156</u>		<u>Purchase Power Increase</u>		<u>At Adopted Rates</u>	
		<u>Eliminate SCFT</u>	<u>Effects Of Issue</u>	<u>Increase Effective 9/14/75</u>	<u>Effect On R/R</u>	<u>Revenue Require- ment</u>	<u>Results of Operations @ 9.70%</u>
Operating Revenues	\$196.9	\$ -	\$196.9	\$ -	\$196.9	\$0.4	\$197.3
<u>Operating Expenses</u>							
Operation & Maintenance	97.8	-	97.8	0.3	98.1	-	98.1
Administrative & General	0.3	-	0.3	-	0.3	-	0.3
Miscellaneous	1.0	-	1.0	-	1.0	-	1.0
Taxes Other Than Income	12.8	-	12.8	-	12.8	-	12.8
Depreciation	12.2	-	12.2	-	12.2	-	12.2
Prorated Expenses	13.4	-	13.4	-	13.4	-	13.4
SCFT Amortization	0.5	(0.5)	-	-	-	-	-
Subtotal	138.0	(0.5)	137.5	0.3	137.8	-	137.8
Taxes on Income	17.9	0.2	18.1	(0.2)	17.9	0.2	18.1
Total Operating Exp.	155.9	(0.3)	155.6	0.1	155.7	0.2	155.9
Net Operating Revenue	41.0	0.3	41.3	(0.1)	41.2	0.2	41.4
Depreciated Rate Base	428.8	(1.6)	427.2	-	427.2	-	427.2
Rate of Return	9.56%	-	9.67%	-	9.64%	-	9.70%

(Red Figure)

TABLE II
Marysville District
Summary of Earnings - 1975
(Dollars in Thousands)

<u>Item</u>	<u>D.85283 Present Rates</u>	<u>Issue A.55206</u>		<u>Purchase Power Increase</u>		<u>At Adopted Rates</u>	
		<u>Eliminate SCFT</u>	<u>Effect On R/R</u>	<u>Increase Effective 9/14/75</u>	<u>Effect On R/R</u>	<u>Revenue Require- ment</u>	<u>Results of Operations @ 9.70%</u>
Operating Revenues	\$339.2	\$ -	\$339.2	\$ -	\$339.2	\$7.4	\$346.6
<u>Operating Expenses</u>							
Operation & Maintenance	114.4	-	114.4	4.9	119.3	-	119.3
Administrative & General	9.6	-	9.6	-	9.6	-	9.6
Miscellaneous	2.4	-	2.4	-	2.4	-	2.4
Taxes Other Than Income	32.4	-	32.4	-	32.4	-	32.4
Depreciation	28.6	-	28.6	-	28.6	-	28.6
Prorated Expenses	31.0	-	31.0	-	31.0	-	31.0
SCFT Amortization	1.1	(1.1)	-	-	-	-	-
Subtotal	219.5	(1.1)	218.4	4.9	223.3	-	223.3
Taxes on Income	29.8	0.5	30.3	(2.6)	27.7	3.9	31.6
Total Operating Expenses	249.3	(0.6)	248.7	2.3	251.0	3.9	254.9
Net Operating Revenue	89.9	0.6	90.5	(2.3)	88.2	3.5	91.7
Depreciated Rate Base	932.0	(3.7)	928.3	-	928.3	-	928.3
Rate of Return	9.65%	-	9.75%	-	9.50%	-	9.88%
Attrition Adjustment	(.09)%	-	-	-	-	-	(.18)%
After Attrition Adjustment	9.56%	-	-	-	-	-	9.70%

(Red Figure)

Findings of Fact

1. CWS is in need of additional revenues beyond those authorized in D.85279, D.85283, and Resolution No. W-1873.
2. The staff has shown that the sought increases are excessive.
3. It is unreasonable to include in future revenues an allowance to amortize amounts in the Prepaid Franchise Tax Account.
4. Overhead expenses, such as fringe benefits, should be capitalized at the same ratio as payroll expenses are capitalized.
5. The entire parcel of land known as Pacheco Ranch which is the site of five wells in the Bakersfield District is used and useful utility property properly includable in rate base.
6. The staff's estimate of commercial metered water revenue in the Bakersfield District is reasonable.
7. The use of trended purchased power costs in the Dixon District is reasonable.
8. The use of trended costs for purchased chemicals in the Oroville District is reasonable.
9. Substantial amounts of money have been invested in a filter plant in the Oroville District, which is expected to be in operation in mid-1976.
10. It is reasonable to include a partial year effect, in 1976, of the impact of the filter plant on the results of operations in the Oroville District, and a full year effect in 1977.
11. The impact of the Oroville District filter plant on revenue requirements is such that it is reasonable to provide for a two-step rate increase in this district.
12. Offset increases for purchased power costs should be authorized as follows: 21.1 percent, Dixon District; 21.4 percent, Willows District; 19.6 percent, South San Francisco District; and 21.3 percent, Oroville District.

13. A rate of return of 9.7 percent on the adopted rate base for the Bakersfield, Hermosa-Redondo Beach, Dixon, Willows, South San Francisco, Oroville, Broadmoor, and Marysville Districts is reasonable.

14. Revenues will be increased by \$58,600 for the Bakersfield District, \$23,700 for the Hermosa-Redondo Beach District, \$3,800 for the Dixon District, \$7,300 for the Willows District, \$20,300 for the South San Francisco District, \$150,100 for the Oroville District, \$400 for the Broadmoor District, and \$7,400 for the Marysville District by the rates authorized herein. The total increase amounts to \$271,600.

15. The preliminary orders in these matters applied the authorized increase in rates applicable to metered service, flat-rate residential service, and limited flat-rate service, amounting to approximately 90 percent of the sought increases, on an across-the-board basis.

16. The increases authorized herein should follow the same pattern where feasible.

17. Except for the Oroville District, a single scale of rates should be prescribed.

18. The adopted estimates previously discussed herein of operating revenues, operating expenses, and rate base for the test year 1975, and the adopted trends in rate of return, reasonably indicate the results of CWS's operations in its Bakersfield, Hermosa-Redondo Beach, Dixon, Willows, South San Francisco, Oroville, Broadmoor, and Marysville Districts for the near future.

19. 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.

Conclusion of Law

The Commission concludes that the applications should be granted to the extent set forth in the following order.

FINAL ORDER

IT IS ORDERED that, after the effective date of this order, California Water Service Company is authorized to file the revised rate schedules attached to this order as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the revised rate 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 hereof.

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

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

Robert Bateman
Commissioner

William J. Lyons President
Thomas L. Sturgeon
Udon
Commissioners

APPENDIX A
Page 1 of 17

Schedule No. BK-1

Bakersfield Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Bakersfield and vicinity, Kern County.

RATES

Quantity Rate:		Per Meter Per Month	
For all water delivered per 100 cu.ft.		\$.199	(I)
Service Charge:			
For	5/8 x 3/4-inch meter	\$ 3.24	
For	3/4-inch meter	3.56	
For	1-inch meter	4.86	
For	1-1/2-inch meter	6.48	
For	2-inch meter	8.75	
For	3-inch meter	16.20	
For	4-inch meter	22.03	
For	6-inch meter	36.61	
For	8-inch meter	54.42	
For	10-inch meter	67.38	

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

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Schedule No. EK-2R

Bakersfield Tariff Area

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Bakersfield and vicinity, Kern County.

RATES

Per Service Connection
Per Month

For a single-family residential unit,
including premises having the following area:

6,000 sq.ft. or less	\$ 9.47 (I)
6,001 to 10,000 sq.ft.	10.45
10,001 to 16,000 sq.ft.	13.50
16,001 to 25,000 sq.ft.	17.52

For each additional single-family residential unit on the same premises and served from the same service connection	6.09 (I)
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SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger
than one inch in diameter.

(Continued)

APPENDIX A
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Schedule No. BK-2R

Bakersfield Tariff Area

RESIDENTIAL FLAT RATE SERVICE

SPECIAL CONDITIONS - Contd.

2. All service not covered by the above classification will be furnished only on a metered basis.

3. Meters shall be installed if either the utility or customer so chooses for above classification, in which event service thereafter shall be furnished on the basis of Schedule No. BK-1, General Metered Service.

APPENDIX A
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Schedule No. BK-2L

Bakersfield Tariff Area

LIMITED FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service furnished to customers listed on this schedule.

TERRITORY

° Bakersfield and vicinity, Kern County.

RATES

	<u>Per Month</u>	
Jewelry Store	\$6.59	(I)
Shoe Store	6.59	
Lamp Store	6.59	
Plant Store	6.59	(I)

SPECIAL CONDITIONS

1. No new service connections may receive service under this schedule.

2. Meters shall be installed if the utility chooses for the above customers, in which event service thereafter shall be furnished on the basis of Schedule No. BK-1, General Metered Service.

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Schedule No. HR-1

Hermosa-Redondo District

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Hermosa Beach, Redondo Beach, Torrance and vicinity, Los Angeles County.

RATES

	Per Meter Per Month
Quantity Rate:	
For all water delivered, per 200 cu.ft.	\$.402 (I)
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 3.36
For 3/4-inch meter	3.70
For 1-inch meter	5.04
For 1 1/2-inch meter	7.06
For 2-inch meter	9.07
For 3-inch meter	16.80
For 4-inch meter	22.85
For 6-inch meter	37.98
For 8-inch meter	56.46
For 10-inch meter	69.91

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

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Schedule No. DX-1

Dixon Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Dixon and vicinity, Solano County.

RATES

	Per Meter Per Month
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 3.49
For 3/4-inch meter	3.85
For 1-inch meter	5.19
For 1 1/2-inch meter	7.18
For 2-inch meter	9.18
For 3-inch meter	16.82
For 4-inch meter	23.18
For 6-inch meter	37.72
For 8-inch meter	55.89
For 10-inch meter	69.22
Quantity Rate:	
For all water delivered, per 100 cu.ft.	\$.235 (I)

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

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Schedule No. WL-1

Willows Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The City of Willows and vicinity, Glenn County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 3.69
For 3/4-inch meter	4.05
For 1-inch meter	5.48
For 1 1/2-inch meter	7.63
For 2-inch meter	9.77
For 3-inch meter	17.99
For 4-inch meter	23.95
For 6-inch meter	40.63
For 8-inch meter	59.69
For 10-inch meter	73.99
Quantity Rate:	
For all water delivered, per 100 cu.ft.	\$ 0.276 (I)

The Service Charge is applicable to all metered service. It is a readiness-for-service charge to which is added the charge, computed at the Quantity Rate, for water used during the month.

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Schedule No. WL-2R

Willows Tariff Area

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all residential water service furnished on a flat rate basis.

TERRITORY

The City of Willows and vicinity, Glenn County.

RATES

	Per Service Connection	
	<u>Per Month</u>	
For a single-family residential unit, including premises having the following areas:		
6,000 sq.ft. or less	\$ 7.95	(I)
6,001 to 10,000 sq.ft.	10.53	
10,001 to 16,000 sq.ft.	13.18	
16,001 to 25,000 sq.ft.	17.12	
For each additional single-family residential unit on the same premises and served from the same service connection	6.28	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.

(Continued)

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Schedule No. WL-2R

Willows Tariff Area

RESIDENTIAL FLAT RATE SERVICE

SPECIAL CONDITIONS - Contd.

2. All service not covered by the above classification will be furnished only on a metered basis.

3. Meters shall be installed if either the utility or customer so chooses for above classification, in which event service thereafter shall be furnished on the basis of Schedule No. WL-1, General Metered Service.

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Schedule No. SS-1

South San Francisco Tariff Area

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

South San Francisco and vicinity, San Mateo County.

RATES

	Per Meter Per Month
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 2.84
For 3/4-inch meter	3.13
For 1-inch meter	4.26
For 1 1/2-inch meter	5.96
For 2-inch meter	7.66
For 3-inch meter	14.19
For 4-inch meter	19.30
For 6-inch meter	32.07
For 8-inch meter	47.68
For 10-inch meter	59.03
Quantity Rates:	
First 50,000 cu.ft., per 100 cu.ft.	\$.331 (I)
Over 50,000 cu.ft., per 100 cu.ft.306 (I)

The Service Charge is applicable to all metered service. It is a readiness-to-serve charge to which is added the charge, computed at the Quantity Rates, for water used during the month.

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Schedule No. OR-1

Oroville Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Oroville and vicinity, Butte County.

RATES

		<u>Per Meter</u> <u>Per Month</u>		
Service Charge:		<u>1976</u>	<u>1977</u>	
For 5/8 x 3/4-inch meter	\$	6.50	\$ 7.14	(I)
For 3/4-inch meter		7.14	7.84	
For 1-inch meter		9.76	10.72	
For 1 1/2-inch meter		13.65	14.79	
For 2-inch meter		17.54	19.27	
For 3-inch meter		32.53	35.73	
For 4-inch meter		44.27	48.53	
For 6-inch meter		73.55	90.79	
For 8-inch meter		109.33	120.10	
For 10-inch meter		135.36	148.69	
Quantity Rates:				
For all water delivered, per 100 cu.ft. ..		.313	.343	(I)

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

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Schedule No. OR-2R

Oroville Tariff Area

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Oroville and vicinity, Butte County.

RATES

For a single-family residential unit,
including premises having the following
area:

Per Service Connection
Per Month

	<u>1976</u>	<u>1977</u>	
6,000 sq.ft. or less	\$13.50	\$14.84	(I)
6,001 to 10,000 sq.ft.	15.07	16.54	
10,001 to 16,000 sq.ft.	18.11	19.88	
16,001 to 25,000 sq.ft.	22.42	24.61	
For each additional single-family residential unit on the same premises and served from the same service connection	7.85	8.62	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. All residential service not covered by the above classification will be furnished only on a metered basis.

(Continued)

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Schedule No. OR-2R

Oroville Tariff Area

RESIDENTIAL FLAT RATE SERVICE

SPECIAL CONDITIONS - Contd..

3. Meters shall be installed if either the utility or customer so chooses for above classification, in which event service thereafter shall be furnished on the basis of Schedule No. OR-1, General Metered Service.

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Schedule No. BD -1

Broadmoor Tariff Area

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Broadmoor and vicinity, adjacent to Daly City, San Mateo County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 2.84
For 3/4-inch meter	3.13
For 1-inch meter	4.26
For 1 1/2-inch meter	5.96
For 2-inch meter	7.66
For 3-inch meter	14.19
For 4-inch meter	19.30
For 6-inch meter	32.07
For 8-inch meter	47.68
For 10-inch meter	59.03

Quantity Rate:

For all water delivered, per 100 cu.ft. \$ 0.467 (I)

The Service Charge is applicable to all metered service. It is a readiness-to-serve charge to which is added the charge, computed at the Quantity Rate, for water used during the month.

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Schedule No. MR-1
Marysville Tariff Area
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Marysville and vicinity, Yuba County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 3.86
For 3/4-inch meter	4.27
For 1-inch meter	5.79
For 1 1/2-inch meter	8.12
For 2-inch meter	10.40
For 3-inch meter	19.29
For 4-inch meter	26.24
For 6-inch meter	43.60
For 8-inch meter	64.82
For 10-inch meter	80.24
Quantity Rate:	
For all water delivered, per 100 cu.ft.	\$ 0.135 (I)

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

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Schedule No. MR-2R

Marysville Tariff Area

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all residential water service furnished on a flat rate basis.

TERRITORY

Marysville and vicinity, Yuba County.

RATES

Per Service Connection
Per Month

For a single-family residential unit, including premises having the following area:

6,000 sq.ft. or less	\$ 6.60	(I)
6,001 to 10,000 sq.ft.	7.68	
10,001 to 16,000 sq.ft.	9.13	
16,001 to 25,000 sq.ft.	11.68	

For each additional single-family residential unit on the same premises and served from the same service connection

4.42 (I)

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.

(Continued)

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Schedule No. MR-2R

Marysville Tariff Area

RESIDENTIAL FLAT RATE SERVICE

SPECIAL CONDITIONS - Contd.

2. All residential service not covered by the above classification will be furnished only on a metered basis.

3. Meters may be installed at option of utility or customer for above classification in which event service thereafter will be furnished only on the basis of Schedule No. MR-1, General Metered Service.