

Decision 82 10 036

OCT " 6 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of the Big Hill Water Company,)
Inc., a California corporation,)
to borrow funds under the Safe)
Drinking Water Bond Act, and to)
add a surcharge to water rates to)
repay the principal and interest)
on such loan.)

Application 82-06-52
(Filed June 22, 1982)

O P I N I O N

Big Hill Water Company, Inc., (Big Hill) requests authority to borrow \$130,400 for 35 years at an interest rate of 8-1/2% per annum, under the California Safe Drinking Water Bond Act of 1976 (SDWBA) (Water Code Sections 13850 et seq.), and to add surcharges to water rates to repay the principal and interest on such loan.

Notice of the filing appeared on the Commission's Daily Calendar of June 23, 1982.

Big Hill provides water to two noncontiguous systems known as the Monte Grande Division (MG) and the Big Hill Division (BH), which are separated from each other by approximately 20 miles. The unincorporated MG service area is located approximately 10 miles southeast of the City of Sonora, Tuolumne County,

with an estimated population of 250. The unincorporated BH service area is located approximately 10 miles northeast of the City of Sonora, Tuolumne County, with an estimated population of 500. Currently, there are 50 active metered connections and 149 active flat rate connections in Big Hill's MG and BH systems, respectively. Big Hill has a potential to serve approximately 16 and 24 additional customers, within the MG and BH systems, respectively.

MG's present water supply is obtained from the Soulsbyville Ditch of the Pacific Gas and Electric Company's (PG&E) Tuolumne County ditch systems. The water flows into a 350,000-gallon reservoir before it is chlorinated and filtered by Big Hill. Then, the treated water flows into a 40,000-gallon, redwood storage tank, for eventual distribution to the utility's customers living within MG's service area.

BH's present water supply is obtained from the Columbia or Main Ditch of PG&E's Tuolumne County ditch systems. The water flows into a 350,000-gallon reservoir before it is chlorinated and filtered by Big Hill. Then, the treated water flows into a 20,000-gallon, redwood storage tank and a 60,000-gallon, steel storage tank, for eventual distribution to the utility's customers living within BH's service area. For standby purposes, BH has an

additional source of water obtained from an underground well located within the utility's property. The water derived from this well is treated only for iron content.

Big Hill has serious deficiencies within its MG and BH water systems, including insufficient and deteriorating storage tanks, and inadequate water treatment facilities resulting in unreliable chlorination and filtration of raw water.

Big Hill proposes to correct the deficiencies in its MG system by replacing the present redwood storage tank with a 50,000-gallon steel storage tank, installing two automatic pressure sand filters and related appurtenances, replacing a liquid chlorinator with an automatic gas chlorinator, installing backwash pump and three-phase power, and installing a clarifier and related appurtenances. Also, because of a public nuisance and health hazard, Big Hill plans to install a chain link fence enclosing the raw water reservoir located in its MG system.

Big Hill proposes to correct the deficiencies in its BH system by replacing the present redwood storage tank with a 50,000-gallon steel storage tank and installing an additional 20,000-gallon steel storage tank and approximately 300 feet of 4-inch pipe. Further, within its BH system, the utility is installing three automatic pressure sand filters and related appurtenances,

replacing a liquid chlorinator with an automatic gas chlorinator, installing a 525-gallon pressure tank, switch and three-phase power, and installing two clarifiers and related appurtenances. In addition, Big Hill proposes to meter all the flat rate services within its BH system.

The SDWBA states, among other things, that water utilities failing to meet California Health and Safety Code standards and which cannot otherwise finance necessary plant improvements may apply to the California Department of Water Resources (DWR) for low-interest loans. The California Department of Health Service (DHS) is required by SDWBA to analyze the public health issues and determine plant improvements needed to meet water quality and quantity standards. DWR assesses financial need and acts as the lending agency and fiscal administrator. Before a loan is granted, the applicant must demonstrate to DWR its ability to repay the loan and show that it has taken steps to maximize water conservation. Under the provisions of Public Utilities (PU) Code Sections 816 through 851, public utility water companies must obtain authorization from the Commission to enter into any long-term loan. PU Code Section 454 requires a public utility water company to obtain Commission approval for rate increases.

The DHS and Tuolumne County Health Department (TCHD) have reviewed the Big Hill loan proposal and have set forth a summary of construction to be undertaken with the loan proceeds. By letter dated December 30, 1981, DWR informed Big Hill of its eligibility for a loan under the SDWBA.

The items of construction and estimated costs as proposed by TCHD are detailed as follows:

Monte Grande Division

<u>Description of Item</u>	<u>Estimated Cost</u>
1. Install two automatic pressure sand filters	\$ 7,266
2. Install backwash pump, gas chlorinator and clarifier	9,628
3. Install materials and appurtenances relating to 1 and 2 above	12,230
4. Install three-phase power	1,500
5. Construct a 50,000-gallon steel storage tank	10,500
6. Install 856 feet of chain link fence to enclose raw water storage reservoir	<u>6,938</u>
Subtotal	\$48,062
DWR Administrative Fee 3%	<u>1,444</u>
Total	<u>\$49,506</u>

Big Hill Division

<u>Description of Item</u>	<u>Estimated Cost</u>
1. Install three automatic pressure sand filters	\$ 11,454
2. Install a 525-gallon pressure tank and switch	975
3. Install gas chlorinator and two clarifiers	16,000
4. Install materials and appurtenances relating to 1, 2 and 3 above	15,900
5. Install three-phase power	1,709
6. Construct a 50,000-gallon steel storage tank	10,500
7. Construct a 20,000-gallon steel storage tank at higher elevation	8,000
8. Acquire right-of-way and site	500
9. Install approximately 150 meters	<u>13,500</u>
Subtotal	\$ 78,538
DWR Administrative Fee 3%	<u>2,356</u>
Total	<u>\$ 80,894</u>

SUMMARY OF PROJECT COSTS

Monte Grande Division	\$ 49,506
Big Hill Division	<u>80,894</u>
Total Estimated Project Costs	<u>\$130,400</u>

The proposed loan from DWR will provide for a 35-year repayment schedule with equal semiannual payments of principal and interest, at an interest rate of 8-1/2% per annum.

The revenue to meet the semiannual payments on the SDWBA loan will be obtained from surcharges on all metered and flat rate services. The total amount of revenue from the proposed surcharges will exceed the loan repayment requirements by approximately 10%. In accordance with DWR requirements, these surcharges including the overcollection will be deposited with the fiscal agent to accumulate a reserve of two semiannual loan payments over a 10-year period. Earnings on funds deposited with the fiscal agent, net of charges for the fiscal agent's services, will be added to the fund. Net earnings of the fund will be used, together with rate surcharge amounts collected from customers, to meet the semiannual loan payments. The Commission reserves the right to review the manner in which the fund is invested and to direct that a different fiscal agent acceptable to DWR be selected if appropriate.

The annual requirements for debt service for the MG customers will be approximately \$4,920. The amount of the surcharge to repay principal, interest and necessary reserve on the loan will be in direct proportion to the capacity of each customer's meter on service connection. The following surcharge

would produce approximately \$410 per month, requiring an increase in water rates of approximately \$8.20 per month for each residential customer with a 5/8-inch by 3/4-inch meter.

If the actual construction costs of the MG water system improvements exceed the presently estimated costs, and if Big Hill is authorized to increase the amount of the SDWBA loan to cover such additional costs, it may be necessary to adjust MG's monthly rate surcharge accordingly.

MONTE GRANDE DIVISION

SURCHARGE SCHEDULE

<u>Size of Meter</u>	<u>Monthly Surcharge(1)</u>
5/8" x 3/4"	\$ 8.20
3/4"	12.30
1"	20.50
1-1/2"	41.00
2"	65.60

(1) This surcharge is in addition to regular charges for water service.

MG's present rates were authorized by Commission Resolution W-2872, effective September 1, 1981. The estimated annual gross revenues for 1982 at present rates exclusive of the surcharge will be approximately \$4,672. The \$4,920 yearly increase resulting from the SDWBA loan surcharge thus would increase MG's revenues by approximately 105%.

The annual requirements for debt service for the BH customers will be approximately \$8,010. The amount of the surcharge to repay principal, interest and necessary reserve on the loan will be in direct proportion to the capacity of each customer's meter or service connection. The following surcharge would produce approximately \$668 per month, requiring an increase in water rates of approximately \$4.45 per month for each residential customer.

If the actual construction costs of the BH water system improvements exceed the presently estimated costs, and if Big Hill is authorized to increase the amount of the SDWBA loan to cover such additional costs, it may be necessary to adjust BH's monthly rate surcharge accordingly.

BIG HILL DIVISION

SURCHARGE SCHEDULE

<u>Size of Service or Meter</u>	<u>Monthly Surcharge⁽²⁾</u>
Residential (1)	\$ 4.45
3/4" Meter	6.70
1" Meter	11.15
1-1/2" Meter	22.25
2" Meter	35.60

(1) 5/8" x 3/4" meter or flat rate service not larger than 3/4".

(2) This surcharge is in addition to regular charges for water service.

BH's present rates were authorized by Commission Resolution W-2872, effective September 1, 1981. The estimated annual gross revenues for 1982 at present rates exclusive of the surcharge will be approximately \$14,356. The \$8,010 yearly increase resulting from the SDWBA loan surcharge thus would increase BH's revenues by approximately 56%.

On the evenings of July 14 and 15, 1982, a staff accountant from the Commission's Revenue Requirements Division conducted public meetings at the Council Chambers, Sonora City Hall, Sonora California. The July 14, 1982 public meeting was held for the MG customers, and the July 15, 1982 public meeting for the BH customers.

The MG public meeting was attended by 12 customers of the utility, while 35 customers were present for the BH public meeting. Also participating in both public meetings were representative from TCHD, DHS, DWR and Big Hill. At the direction of the Commission, Big Hill had sent a letter to all customers within both the MG and BH systems, notifying them of the public meetings. Notices were also published in the local newspaper.

After a general introduction which included an explanation of all basic aspects of the SDWBA loan proposal, the floor was opened for questions from customers attending each public meeting. Most of the questions were of a routine nature concerning

the plant reconstruction program and the related SDWBA rate surcharge, and the panel members answered these questions to the customers' satisfaction.

At both meetings, some customers asked what TCHD would do if Big Hill did not make the necessary improvements to its existing MG and BH water systems. The TCHD representative stated that no matter what happens and regardless of the financing method used, TCHD would insist that Big Hill make the system improvements required to bring its MG and BH water up to minimum standards.

On both meeting nights, several customers asked questions concerning the decision-making process in approving the borrowing under the SDWBA program and increasing rates to repay the loan. The staff accountant replied that the Commission is the decision-maker. The Commission will take all of the relevant factors of the program into consideration in reaching its decision, which include the need for water which meets DHS standards and the reasonableness of the engineering and financial aspects of the SDWBA improvement project.

Both MG and BH customers asked if the proposed SDWBA water system improvements would help correct the current problem of low water pressure, particularly at higher elevations; and if such improvements could also accomodate any future customer hookups within the present service areas. The TCHD and Big Hill representatives mentioned that the installation of newer and larger storage

facilities at both systems should help prevent low water pressure and outages; and that any future customer hookups could be handled within each of the water systems of Big Hill, especially after the SDWBA plant reconstruction program has been completed.

Some of the BH customers questioned the necessity for metering the utility's flat rate services. The staff accountant replied that Big Hill was under a Commission mandate to install meters on all customer service connections. Also, the DWR representative mentioned that the SDWBA program encourages water utilities to meter their service areas primarily to maximize water conservation.

The staff accountant assured the MG and BH customers that Big Hill is required by the Commission to make periodic adjustments to the SDWBA rate surcharges to reflect changes in the number of connections as new customers come on line in each water system. Also, in response to a question, he stated that Big Hill's customers would not be obligated to DWR if, for some reason, the utility should default on its SDWBA loan contract. Further, the staff accountant and Big Hill representatives reassured a MG customer that a chain link fence definitely would be installed completely enclosing the raw water reservoir, as a portion of the SDWBA water system improvements proposed for the MG system.

The panel members also discussed the SDWBA loan interest rate. DWR's authorization letter to Big Hill dated December 30, 1981, projects an interest rate of 8-1/2% per annum. However, the true interest rate will be recalculated at the time all of the State of California's Safe Drinking Water bonds have been sold. At that time an average interest cost for the entire SDWBA program will be calculated. Big Hill's loan interest rate will then be adjusted to the average. Utilities currently in the SDWBA program will have the option to either:

1. Continue repaying the SDWBA loan at the contract rate, and extend the term until the equivalent of the adjusted interest rate has been paid; or
2. Increase the amount of semiannual payments so that the adjusted interest rate will be paid by the end of the term of the contract for the SDWBA loan.

At the conclusion of the public meetings, the utility's MG and BH customers were asked for their opinions. By a show of hands, the customers almost unanimously agreed that Big Hill's present MG and BH systems needed improvements to bring the water quality and quantity up to minimum standards. When asked whether they favored the SDWBA loan repayment and accompanying rate surcharges, again the MG and BH customers almost unanimously agreed.

The staff of the Commission's Revenue Requirements Division reviewed the application together with the statements of TCHD concerning the proposed plant improvements and believes that service will be substantially improved. The proposed SDWBA loan is clearly the most feasible and economical method of financing these improvements. The Commission, therefore, will authorize Big Hill to enter into the proposed loan contract with DWR and to institute surcharges on customers' bills to repay the loan.

To ensure adequate accountability of SDWBA loan construction funds advanced by DWR to the utility, such funds should be deposited by Big Hill in a separate bank account. All disbursements of such DWR loan funds should also pass through this bank account.

The DWR has expressed a clear preference for the surcharge method of financing SDWBA loans, in lieu of rate base treatment, because the surcharge method provides greater security for its loans. The Commission considered this issue of surcharge versus rate base in Application (A.) 57406 of Quincy Water Company,^{1/} wherein it concluded that the surcharge method, which requires a substantially lower initial increase in customer rates, is the most desirable method of financing SDWBA loans.

^{1/} Decision (D.) 88973, dated June 13, 1978 (mimeo.).

The SDWBA loan repayment surcharges should be separately identified on customers' bills. The utility plant financed through the surcharges should be permanently excluded from rate base for ratemaking purposes and the depreciation on this plant should be recorded in memorandum accounts for income tax purposes only.

By adopting this surcharge method of accounting, the Commission does not imply that SDWBA-financed plant should be treated any differently in the event of condemnation by a public agency than if such plant had been included in the utility's rate base and had been financed in some other manner.

Big Hill should establish separate balancing accounts for MG and BH to be credited with revenue collected through the surcharges, and with interest earned on funds deposited with the fiscal agent. Surcharge revenues should be deposited with the fiscal agent within 30 days after collection. Each balancing account should be charged with payments of principal and interest on the loan, and for the services of the fiscal agent. The surcharges should be adjusted periodically to reflect changes in the number of connections and resulting overages or shortages in the balancing accounts. Such changes in future rates should be accomplished by normal advice letter procedures.

The surcharges authorized will cover only the cost of the loan incurred to finance the added plant and will not preclude the likelihood of future rate increase requests to cover rising costs of repair materials, wages, property taxes, power bills, or other operating expenses that may be incurred in the future.

In order for the surcharges to produce enough revenue to meet the initial payment of interest on the SDWBA loan due in July 1983, it is necessary for Big Hill to place the surcharges into effect beginning February 1983. This will enable the utility to meet the initial payment and make the regular semiannual payments thereafter.

Findings of Fact

1. The proposed water system improvements are needed to produce a healthful, reliable water supply.
2. The SDWBA loan provides low-cost capital for the needed water system improvements and is a prudent means of acquiring an estimated \$130,400 including a 3% administrative charge by DWR.
3. The proposed borrowing is for proper purposes and the money, property, or labor to be procured or paid for by the issue of the loan authorized by this decision is reasonably required for the purposes specified, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

4. The proposed surcharges will generate approximately \$12,930 per year. Approximately \$11,720 will be used to meet the loan payment. The remaining \$1,210, which is approximately 10% of the loan payment, will be deposited with the fiscal agent approved by DWR, in order to accumulate a reserve equal to two semiannual loan payments over a 10-year period. Deposits of the SDWBA surcharge funds should be made with the fiscal agent within 30 days after collection from the customers.

5. The establishment of a reserve equal to two semiannual loan payments is required by DWR administrative regulations.

6. Big Hill has two separate water systems. Each system has been allocated a share of the amount required to repay the SDWBA loan, based on the percentage of total construction dollars expended on each system.

7. The establishment of a separate bank account by Big Hill is required to ensure adequate accountability for deposits and disbursements of SDWBA loan construction funds advanced by DWR to the utility.

8. The rate surcharges will increase MG's and BH's annual gross revenues by approximately \$4,920 and \$8,010 respectively, and increase the water rates by approximately \$8.20 and \$4.45 per month for an average residential customer with a 5/8-inch by 3/4-inch

meter or 3/4-inch flat rate service for the MG and BH systems, respectively. Water rates of residential or commercial customers with larger meter or service capacities would be increased proportionately.

9. The rate surcharges established to repay the SDWBA loan should last as long as the loan. The rate surcharges should not be intermingled with other utility charges, and such repayment surcharges should be separately identified on customers' bills.

10. The utility plant financed through this SDWBA loan should be permanently excluded from rate base for ratemaking purposes.

11. Special accounting requirements are necessary to ensure that there are no unintended windfalls to the utility's owners. Big Hill should establish separate balancing accounts for MG and BH to be credited with revenue collected through the surcharges, and with interest earned on funds deposited with the fiscal agent. The balancing accounts should be reduced by payments of principal and interest on the loan and with any charges for the services of the fiscal agent. The rate surcharges should be adjusted periodically to reflect changes in the number of connections and resulting overages or shortages in the balancing accounts.

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

13. These surcharges should be placed into effect beginning February 1, 1983, to meet the initial payment due in July 1983.

14. An average interest rate for all SDWBA loans will be determined after all of the State of California Safe Drinking Water bonds have been sold. At that time the interest rate on each SDWBA loan outstanding will be adjusted to reflect the average rate.

Conclusions of Law

1. The increased rates are just and reasonable, and the application should be granted to the extent set forth in the following order.

2. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. On or after the effective date of this order, Big Hill Water Company, Inc., (Big Hill) is authorized to file the revised rate schedules attached to this order as Appendix A. Such filing shall comply with General Order 96-A. The effective date of the revised rate schedules shall be 30 days after the date of filing, and shall apply only to service rendered on or after February 1, 1983.

2. Big Hill is authorized to borrow \$130,400 from the State of California, to execute the proposed loan contract, and to use the proceeds for the purposes specified in the application.

3. Big Hill shall establish and maintain separate balancing accounts for the Monte Grande Division and the Big Hill Division in which shall be recorded all billed surcharge revenue and interest earned on deposits made with the fiscal agent. The balancing accounts shall be reduced by payments of principal and interest to the California Department of Water Resources (DWR) and by any charges for the services of the fiscal agent. A separate statement pertaining to the surcharges shall appear on each customer's water bill issued by Big Hill.

4. As a condition of the rate increase granted, Big Hill shall be responsible for refunding or applying on behalf of its customers any surplus accrued in the balancing accounts when ordered by the Commission.

5. Plant financed through the California Safe Drinking Water Bond Act of 1976 (SDWBA) loan shall be permanently excluded from rate base for ratemaking purposes.

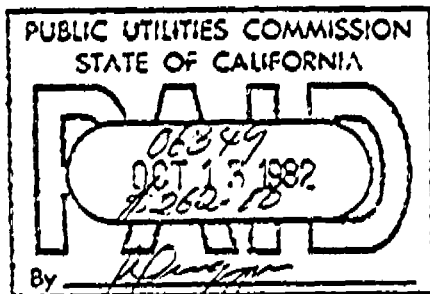
6. To assure repayment of the loan, Big Hill shall deposit all rate surcharge revenue collected with the fiscal agent approved by DWR. Such deposits shall be made within 30 days after the surcharge moneys are collected from customers.

7. Big Hill shall file with the Commission a copy of the loan contract with DWR and a copy of the agreement with the fiscal agent, within 30 days after these documents have been executed.

8. Big Hill shall establish and maintain a separate bank account, to ensure adequate accountability for deposits and disbursements of SDWBA loan construction funds advanced by DWR to the utility.

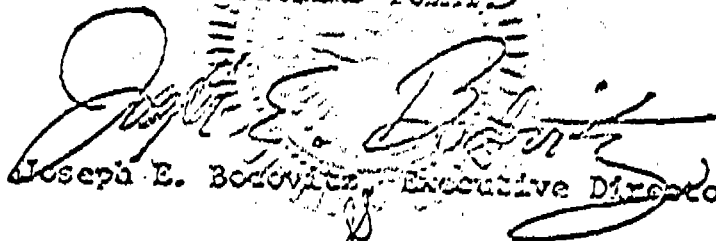
The authority granted by this order to issue an evidence of indebtedness and to execute a loan contract will become effective when the issuer pays \$262, set by PU Code Section 1904(b). In all other respects, this order becomes effective 30 days from today.

Dated OCT 6 1982, at San Francisco, California.



JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Borovitz, Executive Director

APPENDIX A
Page 1

Schedule No. MG-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Monte Grande Division on Soulsbyville Road and vicinity,
located approximately 1 mile south of Soulsbyville, Tuolumne
County.

RATE

Service Charge:

	<u>Per Meter Per Month Charge</u>	<u>Per Meter Per Month Surcharge</u>
For 5/8 x 3/4-inch meter	\$ 2.75	\$ 8.20
For 3/4-inch meter	4.00	12.30
For 1-inch meter	6.75	20.50
For 1-1/2 inch meter.....	13.75	41.00
For 2-inch meter	22.00	65.60

(N)

(N)

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

Quantity Rates:

First 300 cu.ft., per 100 cu.ft.	\$0.42
Over 300 cu.ft., per 100 cu.ft.	0.48

METERED SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular monthly
metered water bill. The total monthly surcharge must be
identified on each bill. This surcharge is specifically for
the repayment of the California Safe Drinking Water Bond Act
loan as authorized by D. (a).

(N)

(a) Insert D. Number in A. 82-06-52 before filing tariff.

(N)

APPENDIX A
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Schedule No. MG-2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

Monte Grande Division on Soulsbyville Road and vicinity, located approximately 1 mile south of Soulsbyville, Tuolumne County.

RATES

	<u>Per Service Connection Per Month Charge</u>	<u>Per Service Connection Per Month Surcharge</u>	(N)
For each service connection	\$ 9.75	\$ 8.20	(N)

SPECIAL CONDITIONS

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

2. After the utility has installed meters to all service connections, after the effective date of this tariff, it shall then render service on Schedule MG-1, General Metered Service, and this schedule will be closed.

FLAT RATE SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular charge of \$9.75 per one-inch or less service connection, per month. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by D. _____ (a).

(a) Insert D. Number in A. 82-06-52 before filing tariff.

APPENDIX A

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Schedule No. MG-2RS

RESIDENTIAL PART TIME FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service furnished to non-permanent residents on a monthly basis.

TERRITORY

Monte Grande Division on Soulsbyville Road and vicinity, located approximately 1 mile south of Soulsbyville, Tuolumne County.

RATES

	Per Service Connection Per Month Charge	Per Service Connection Per Month Surcharge	(N)
For each service connection	\$ 4.90	\$ 8.20	(N)

SPECIAL CONDITIONS

1. The above rates apply to service connections not larger than one inch in diameter.
2. After the utility has installed meters to all service connections, after the effective date of this tariff, it shall then render service on Schedule MG-1, General Metered Service, and this schedule will be closed.

FLAT RATE SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular charge for residential part time flat rate service. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by D. (a).

(a) Insert D. Number in A. 82-06-52 before filing tariff.

(N)

(N)

APPENDIX A
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Schedule No. BH-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Big Hill Division on Big Hill Road and vicinity, located approximately 5 miles east of Columbia, Tuolumne County.

RATE

Service Charge:

	<u>Per Meter Per Month Charge</u>	<u>Per Meter Per Month Surcharge</u>
For 5/8 x 3/4-inch meter	\$ 2.75	\$ 4.45
For 3/4-inch meter	4.00	6.70
For 1-inch meter	6.75	11.15
For 1-1/2-inch meter	13.75	22.25
For 2-inch meter	22.00	35.60

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

Quantity Rates:

First 300 cu.ft., per 100 cu.ft.	\$0.42
Over 300 cu.ft., per 100 cu.ft.	0.48

METERED SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular monthly metered water bill. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by D. (a).

(a) Insert D. Number in A. 82-06-52 before filing tariff.

APPENDIX A
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Schedule No. BH-2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

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

TERRITORY

Big Hill Division on Big Hill Road and vicinity, located approximately 5 miles east of Columbia, Tuolumne County.

RATES

	<u>Per Service Connection Per Month Charge</u>	<u>Per Service Connection Per Month Surcharge</u>	(N)
For each service connection	\$ 9.75	\$ 4.45	(N)

SPECIAL CONDITIONS

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

2. After the utility has installed meters to all service connections, after the effective date of this tariff, it shall then render service on the basis of Schedule No. BH-1, General Metered Service, and this schedule will be closed.

FLAT RATE SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular charge of \$9.75 per one-inch or less service connection, per month. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by D. (a).

(a) Insert D. Number in A. 82-06-52 before filing tariff.

APPENDIX A

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Schedule No. BH-2RS

RESIDENTIAL PART TIME FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service furnished to non-permanent residents on a monthly basis.

TERRITORY

Big Hill Division on Big Hill Road and vicinity, located approximately 5 miles east of Columbia, Tuolumne County.

RATES

	Per Service Connection Per Month Charge	Per Service Connection Per Month Surcharge	(N)
For each service connection	\$ 4.90	\$ 4.45	(N)

SPECIAL CONDITIONS

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

2. After the utility has installed meters to all service connections, after the effective date of this tariff, it shall then render service on the basis of Schedule No. BH-1, General Metered Service, and this schedule will be closed.

FLAT RATE SERVICE SURCHARGE

NOTE: This surcharge is in addition to the regular charge for residential part time flat rate service. The total monthly surcharge must be identified on each bill. This surcharge is specifically for the repayment of the California Safe Drinking Water Bond Act loan as authorized by D. (a) .

(a) Insert D. Number in A. 82-06-52 before filing tariff.

(END OF APPENDIX A)