

Decision 83 12 038

DEC 20 1983

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 83-03-65
) (Filed March 25, 1983)

And Related Matters.)

) Application 83-03-66
) Application 83-03-67
) Application 83-03-68
) Application 83-03-69
) Application 83-03-71
) (Filed March 25, 1983)

McCutchen, Doyle, Brown & Enersen, by A. Crawford
Greene, Attorney at Law, for California
Water Service Company, applicant.
Nick Tibbetts and Robert Innes, for
Congressman Douglas H. Bosco; Robert Edward
Green, Attorney at Law, for Community
Forward; and Thomas Dalzell, Attorney at
Law, for Utility Workers Union of America,
AFL-CIO and Coalition of California Utility
Workers; interested parties.
Alberto Guerrero, Attorney at Law, and Mehdi
Radpour, for the Commission staff.

O P I N I O N

On March 25, 1983 California Water Service Company (CWS) filed applications for general rate increases in seven of its districts - Stockton (Application (A.)83-03-70), Bakersfield(A.83-03-65), Chico-Hamilton (A.83-03-66), Salinas (A.83-03-67), San Mateo (A.83-03-68), Selma (A.83-03-69), and Visalia (A.83-03-71). All of these matters were heard on a consolidated record and all were submitted for decision on September 19, 1983.

Today we concurrently decide all seven applications and incorporate herein the entire text of our decision in the Stockton district application (A.83-03-70) as if fully set forth. The tables, findings of fact, conclusions of law and appendixes in this decision are predicated upon the entire analysis confirmed in the Stockton district decision.

Applicant's request for rate increases and our adopted increases follow:

Bakersfield

	<u>Additional Revenues Requested</u>	<u>Percent Rate Increase</u>	<u>Additional Revenues Adopted</u>	<u>Percent Rate Increase</u>
1984	\$1,509,700	13.3%	\$475,500	4.2%
1985	451,300	3.5	247,600	2.1
1986	458,000	3.4	251,700	2.1

Table 1-1 shows the adopted summary of earnings at present rates and at adopted rates for 1984 and 1985.

TABLE 1-1

California Water Service Company
Bakersfield District

ADOPTED SUMMARY OF EARNINGS

<u>Item</u>	Test Year 1984 <u>(Dollars in Thousands)</u>	Test Year 1985 <u>(Dollars in Thousands)</u>
<u>Present Rates</u>		
Operating Revenues	\$11,208.6	\$11,381.8
Operating Expenses:		
Purchased Power	2,131.9	2,164.5
Purchased Water	656.0	656.0
Groundwater Charges	851.0	867.8
Purchased Chemicals	1.0	1.0
Payroll - District	1,233.8	1,301.2
Other O&M	870.4	912.6
Other A&G and Misc.	(231.2)	(251.7)
Ad Valorem Taxes - District	281.5	296.6
Payroll Taxes - District	90.9	99.5
Depreciation	833.5	880.8
Ad Valorem Taxes - G.O.	4.8	4.9
Payroll Taxes - G.O.	21.6	23.4
Other Prorates - G.O.	958.9	1,021.8
Subtotal	<u>7,704.1</u>	<u>7,978.4</u>
Reimbursement Fee	0.0	0.0
Uncollectibles	49.6	50.4
Local Franchise Tax	153.2	155.6
Income Taxes Before ITC	901.3	838.3
Investment Tax Credit	(13.0)	(10.6)
Total Operating Expenses	<u>8,795.2</u>	<u>9,012.1</u>
Net Operating Revenues	2,413.4	2,369.7
Rate Base	21,370.0	21,933.8
Rate of Return	11.29%	10.80%
<u>Authorized Rates</u>		
Operating Revenues	\$11,684.1	\$12,112.2
Operating Expenses:		
Subtotal	7,704.1	7,978.4
Reimbursement Fee	0.0	0.0
Uncollectibles	51.7	53.6
Local Franchise Tax	159.7	165.6
Income Taxes Before ITC	1,140.3	1,205.4
Investment Tax Credit	(13.0)	(10.6)
Total Operating Expenses	<u>9,042.8</u>	<u>9,392.4</u>
Net Operating Revenues	2,641.3	2,719.8
Rate Base	21,370.0	21,933.8
Rate of Return	12.36%	12.40%

(Red Figure)

Chico-Hamilton

	<u>Additional Revenues Requested</u>	<u>Percent Rate Increase</u>	<u>Additional Revenues Adopted</u>	<u>Percent Rate Increase</u>
1984	\$569,900	19.2%	\$288,700	9.8%
1985	139,900	3.9	87,500	2.7
1986	142,100	3.8	88,600	2.6

Table 1-2 shows the adopted summary of earnings at present rates and at adopted rates for 1984 and 1985.

TABLE 1-2

California Water Service Company
Chico-Hamilton City District

ADOPTED SUMMARY OF EARNINGS

<u>Item</u>	<u>Test Year</u> <u>1984</u>	<u>Test Year</u> <u>1985</u>
	(Dollars in Thousands)	
<u>Present Rates</u>		
Operating Revenues	\$ 2,933.7	\$ 2,997.5
Operating Expenses		
Purchased Power	538.3	552.1
Purchased Chemicals	0.1	0.1
Payroll-District	463.9	489.2
Other O&M	224.6	234.1
Other A&G & misc.	5.7	7.1
Ad Valorem Taxes-District	94.9	103.5
Payroll Taxes-District	34.1	37.3
Business License	12.0	12.2
Depreciation	298.7	326.3
Ad Valorem Taxes-G.O.	1.5	1.5
Payroll Taxes-G.O.	6.7	7.3
Other Prorates-G.O.	297.0	316.5
Subtotal	1,977.5	2,087.2
Uncollectibles	5.1	5.3
Reimbursement Fee	0.0	0.0
Income Taxes before ITC	216.5	187.1
Investment Tax Credit	(4.7)	(3.0)
Total Operating Expenses	2,194.4	2,276.6
Net Operating Revenues	739.3	720.9
Rate Base	7,119.8	7,317.2
Rate of Return	10.38%	9.85%
<u>Authorized Rates</u>		
Operating Revenues	3,222.4	3,380.0
Operating Expenses		
Subtotal	1,977.5	2,087.2
Uncollectibles	5.6	6.0
Reimbursement Fee	0.0	0.0
Income Taxes before ITC	364.0	382.5
Investment Tax Credit	(4.7)	(3.0)
Total Operating Expenses	2,342.4	2,472.7
Net Operating Revenues	880.0	907.3
Rate Base	7,119.8	7,317.2
Rate of Return	12.36%	12.40%

(Red Figure)

Salinas

	<u>Additional Revenues Requested</u>	<u>Percent Rate Increase</u>	<u>Additional Revenues Adopted</u>	<u>Percent Rate Increase</u>
1984	\$597,800	19.3%	\$262,100	8.5%
1985	172,600	4.6	85,200	2.5
1986	173,300	4.4	89,600	2.6

Table 1-3 shows the adopted summary of earnings at present rates and at adopted rates for 1984 and 1985.

TABLE 1-3

California Water Service Company
Salinas District

ADOPTED SUMMARY OF EARNINGS

<u>Item</u>	<u>Test Year</u> <u>1984</u> (Dollars in Thousands)	<u>Test Year</u> <u>1985</u> (Dollars in Thousands)
<u>Present Rates</u>		
Operating Revenues	\$ 3,082.8	\$ 3,113.9
Operating Expenses:		
Purchased Power	376.2	376.2
Payroll - District	477.9	504.0
Other O&M	306.5	325.5
Other A&G & Misc.	38.2	40.1
Ad Valorem Taxes - District	100.7	103.9
Payroll Taxes - District	35.2	38.6
Depreciation	271.2	279.6
Ad Valorem Taxes - G.O.	1.6	1.6
Payroll Taxes - G.O.	7.0	7.6
Other Prorates - G.O.	309.7	330.1
Subtotal	<u>1,924.2</u>	<u>2,007.2</u>
Reimbursement Fee	0.0	0.0
Uncollectibles	4.7	4.7
Local Franchise Tax & Business License	29.6	29.9
Income Taxes Before ITC	277.5	254.9
Investment Tax Credit	(7.6)	(6.8)
Total Operating Expenses	<u>2,228.4</u>	<u>2,289.9</u>
Net Operating Revenues	854.4	824.0
Rate Base	7,936.1	8,007.5
Rate of Return	10.77%	10.29%
<u>Authorized Rates</u>		
Operating Revenues	\$ 3,344.9	\$ 3,463.8
Operating Expenses:		
Subtotal	1,924.2	2,007.2
Reimbursement	0.0	0.0
Uncollectibles	5.1	5.2
Local Franchise Tax & Business License	32.1	33.3
Income Taxes Before ITC	410.2	432.0
Investment Tax Credit	(7.6)	(6.8)
Total Operating Expenses	<u>2,364.0</u>	<u>2,470.9</u>
Net Operating Revenues	980.9	992.9
Rate Base	7,936.1	8,007.5
Rate of Return	12.36%	12.40%

San Mateo

	<u>Additional Revenues Requested</u>	<u>Percent Rate Increase</u>	<u>Additional Revenues Adopted</u>	<u>Percent Rate Increase</u>
1984	\$915,700	17.4%	\$346,300	6.1%
1985	301,200	4.9	187,500	3.1
1986	303,000	4.7	182,300	2.9

Table 1-4 shows the adopted summary of earnings at present rates and at adopted rates for 1984 and 1985.

TABLE 1-4

California Water Service Company
San Mateo District

ADOPTED SUMMARY OF EARNINGS

<u>Item</u>	Test Year 1984 (Dollars in Thousands)	Test Year 1985 (Dollars in Thousands)
<u>Present Rates</u>		
Operating Revenues	\$ 5,683.9	\$ 5,709.4
Operating Expenses:		
Purchased Power	124.1	124.7
Purchased Water	1,959.6	1,968.4
Payroll - District	499.0	513.3
Other O&M	385.5	400.0
Other A&G & Misc.	29.1	30.4
Ad Valorem Taxes - District	120.6	127.8
Payroll Taxes - District	36.6	39.1
Business License	20.0	20.0
Depreciation	330.4	349.8
Ad Valorem Taxes - G.O.	2.2	2.2
Payroll Taxes - G.O.	9.9	10.8
Other Prorates - G.O.	441.3	470.2
San Carlos Allocation	(3.7)	(4.6)
Subtotal	3,954.6	4,052.1
Uncollectibles	11.4	11.5
Reimbursement Fee	0.0	0.0
Income Taxes Before ITC	438.8	399.8
Investment Tax Credit	(2.2)	(1.3)
Total Operating Expenses	4,402.6	4,462.1
Net Operating Revenues	1,281.3	1,247.3
Rate Base	11,731.3	12,166.2
Rate of Return	10.92%	10.25%
<u>Authorized Rates</u>		
Operating Revenues	\$ 6,030.2	\$ 6,245.8
Operating Expenses:		
Subtotal	3,954.6	4,052.1
Uncollectibles	12.1	12.6
Reimbursement Fee	0.0	0.0
Income Taxes Before ITC	615.7	673.8
Investment Tax Credit	(2.2)	(1.3)
Total Operating Expenses	4,580.2	4,737.2
Net Operating Revenues	1,450.0	1,508.6
Rate Base	11,731.3	12,166.2
Rate of Return	12.36%	12.40%

(Red Figure)

Selma

	<u>Additional Revenues Requested</u>	<u>Percent Rate Increase</u>	<u>Additional Revenues Adopted</u>	<u>Percent Rate Increase</u>
1984	\$165,800	24.5%	\$106,900	15.9%
1985	49,700	5.8	29,000	3.7
1986	49,800	5.5	25,900	3.2

Table 1-5 shows the adopted summary of earnings at present rates and at adopted rates for 1984 and 1985.

A balancing account adjustment of \$27,800 is included in expenses for 1984.

TABLE 1-5

California Water Service Company
Selma DistrictADOPTED SUMMARY OF EARNINGS

<u>Item</u>	<u>Test Year</u> <u>1984</u> <u>(Dollars in Thousands)</u>	<u>Test Year</u> <u>1985</u> <u>(Dollars in Thousands)</u>
<u>Present Rates</u>		
Operating Revenues	\$ 698.2 ^{1/}	\$ 682.0
Operating Expenses:		
Purchased Power	89.6	90.4
Groundwater Charge	8.2	8.2
Payroll - District	155.7	164.2
Other O&M	51.7	54.9
Other A&G & Misc.	14.9	15.9
Ad Valorem Taxes - District	20.2	21.8
Payroll Taxes - District	11.5	12.6
Business License	0.1	0.1
Depreciation	53.4	56.3
Ad Valorem Taxes - G.O.	0.4	0.4
Payroll Taxes - G.O.	1.7	1.8
Other Prorates - G.O.	75.8	80.8
Balancing Account Adj.	27.8	0.0
Subtotal	<u>511.0</u>	<u>507.4</u>
Uncollectibles	1.0	1.1
Reimbursement Fee	0.0	0.0
Income Taxes Before ITC	31.8	23.6
Investment Tax Credit	(0.9)	(0.8)
Total Operating Revenues	<u>542.9</u>	<u>531.3</u>
Net Operating Revenues	155.3	150.7
Rate Base	1,678.0	1,756.1
Rate of Return	9.26%	8.58%
<u>Authorized Rates</u>		
Operating Revenues	\$ 805.1 ^{1/}	\$ 819.7
Operating Expenses:		
Subtotal	511.0	507.4
Uncollectibles	1.2	1.3
Reimbursement Fee	0.0	0.0
Income Taxes Before ITC	86.4	94.0
Investment Tax Credit	(0.9)	(0.8)
Total Operating Expenses	<u>597.7</u>	<u>601.9</u>
Net Operating Revenues	207.4	217.8
Rate Base	1,678.0	1,756.1
Rate of Return	12.36%	12.40%

(Red Figure)

^{1/} Includes \$27,800 for amortization of under-collected balancing account.

Visalia

	<u>Additional Revenues Requested</u>	<u>Percent Rate Increase</u>	<u>Additional Revenues Adopted</u>	<u>Percent Rate Increase</u>
1984	\$754,600	32.6%	\$467,700	19.8%
1985	151,900	4.9	49,700	1.7
1986	152,700	4.7	49,500	1.7

Table 1-6 shows the adopted summary of earnings at present rates and at adopted rates for 1984 and 1985.

TABLE 1-6

California Water Service Company
Visalia District

ADOPTED SUMMARY OF EARNINGS

<u>Item</u>	Test Year 1984 <u>(Dollars in Thousands)</u>	Test Year 1985 <u>(Dollars in Thousands)</u>
<u>Present Rates</u>		
Operating Revenues	\$ 2,368.9	\$ 2,452.7
Operating Expenses:		
Purchased Power	433.4	449.0
Payroll - District	501.4	528.7
Other O&M	224.9	242.5
Other A&G & Misc.	34.4	36.0
Ad Valorem Taxes - District	82.4	86.0
Payroll Taxes - District	36.8	40.3
Business License	0.9	0.9
Depreciation	264.1	278.1
Ad Valorem Taxes - G.O.	1.5	1.6
Payroll Taxes - G.O.	6.9	7.5
Other Prorates - G.O.	306.5	326.5
Subtotal	<u>1,893.2</u>	<u>1,997.1</u>
Uncollectibles	4.1	4.2
Reimbursement Fee	0.0	0.0
Income Taxes Before ITC	15.1	(5.5)
Investment Tax Credit	(14.4)	(12.8)
Total Operating Expenses	<u>1,898.0</u>	<u>1,983.0</u>
Net Operating Revenues	470.9	469.7
Rate Base	5,654.0	5,886.3
Rate of Return	8.33%	7.98%
<u>Authorized Rates</u>		
Operating Revenues	\$ 2,836.6	\$ 2,986.6
Operating Expenses:		
Subtotal	1,893.2	1,997.1
Uncollectibles	4.9	5.1
Reimbursement Fee	0.0	0.0
Income Taxes Before ITC	254.1	267.3
Investment Tax Credit	(14.4)	(12.8)
Total Operating Expenses	<u>2,137.8</u>	<u>2,256.7</u>
Net Operating Revenues	698.8	729.9
Rate Base	5,654.0	5,886.3
Rate of Return	12.36%	12.40%

(Red Figure)

Findings of Fact

Bakersfield District

1. The adopted estimates of operating revenues, operating expenses, rate base, and rate of return for test years 1984 and 1985 are reasonable.
2. A rate of return of 12.36% on the adopted rate base of \$21,370,000 for test year 1984 is reasonable.
3. A rate of return of 12.40% on the adopted rate base of \$21,933,800 for test year 1985 is reasonable.
4. CWS's earnings under present rates for test year 1984 would produce net operating revenues of \$2,413,400 on a rate base of \$21,370,000 based on the adopted results of operations, resulting in a rate of return of 11.29%.
5. CWS's earnings under present rates for test year 1985 would produce net operating revenues of \$2,369,700 on a rate base of \$21,933,800 based on the adopted results of operations, resulting in a rate of return of 10.80%.
6. The authorized increases in rates are expected to provide annual increases in revenues of \$475,500 in 1984, \$247,600 in 1985, and \$251,700 in 1986.
7. Operational attrition on the basis of adopted rates is 0.49% and financial attrition is 0.06% for 1986.
8. The increases in rates and charges authorized in Appendix A-1 and Appendix B-1 are just and reasonable; and the present rates and charges insofar as they differ from those prescribed are for the future unjust and unreasonable.

Chico-Hamilton District

1. The adopted estimates of operating revenues, operating expenses, rate base, and rate of return for test years 1984 and 1985 are reasonable.

2. A rate of return of 12.36% on the adopted rate base of \$7,119,800 for test year 1984 is reasonable.

3. A rate of return of 12.40% on the adopted rate base of \$7,317,200 for test year 1985 is reasonable.

4. CWS's earnings under present rates for test year 1984 would produce net operating revenues of \$739,300 on a rate base of \$7,119,800 based on the adopted results of operations, resulting in a rate of return of 10.38%.

5. CWS's earnings under present rates for test year 1985 would produce net operating revenues of \$720,900 on a rate base of \$7,317,200 based on the adopted results of operations, resulting in a rate of return of 9.85%.

6. The authorized increases in rates are expected to provide annual increases in revenues of \$288,700 in 1984, \$87,500 in 1985, and \$88,600 in 1986.

7. Operational attrition on the basis of adopted rates is 0.53% and financial attrition is 0.06% for 1986.

8. The increases in rates and charges authorized in Appendix A-2 and Appendix B-2 are just and reasonable; and the present rates and charges insofar as they differ from those prescribed are for the future unjust and unreasonable.

Salinas District

1. The adopted estimates of operating revenues, operating expenses, rate base, and rate of return for test years 1984 and 1985 are reasonable.

2. A rate of return of 12.36% on the adopted rate base of \$7,936,100 for test year 1984 is reasonable.

3. A rate of return of 12.40% on the adopted rate base of \$8,007,500 for test year 1985 is reasonable.

4. CWS's earnings under present rates for test year 1984 would produce net operating revenues of \$854,400 on a rate base of \$7,936,100 based on the adopted results of operations, resulting in a rate of return of 10.77%.

5. CWS's earnings under present rates for test year 1985 would produce net operating revenues of \$824,000 on a rate base of \$8,007,500 based on the adopted results of operations, resulting in a rate of return of 10.29%.

6. The authorized increases in rates are expected to provide annual increases in revenues of \$262,100 in 1984, \$85,200 in 1985, and \$89,600 in 1986.

7. Operational attrition on the basis of adopted rates is 0.48% and financial attrition is 0.06% for 1986.

8. The increases in rates and charges authorized in Appendix A-3 and Appendix B-3 are just and reasonable; and the present rates and charges insofar as they differ from those prescribed are for the future unjust and unreasonable.

San Mateo District

1. The adopted estimates of operating revenues, operating expenses, rate base, and rate of return for test years 1984 and 1985 are reasonable.

2. A rate of return of 12.36% on the adopted rate base of \$11,731,300 for test year 1984 is reasonable.

3. A rate of return of 12.40% on the adopted rate base of \$11,731,300 for test year 1985 is reasonable.

4. CWS's earnings under present rates for test year 1984 would produce net operating revenues of \$1,281,300 on a rate base of \$11,731,300 based on the adopted results of operations, resulting in a rate of return of 10.92%.

5. CWS's earnings under present rates for test year 1985 would produce net operating revenues of \$1,247,300 on a rate base of \$12,166,200 based on the adopted results of operations, resulting in a rate of return of 10.25%.

6. The authorized increases in rates are expected to provide annual increases in revenues of \$346,300 in 1984, \$187,500 in 1985, and \$182,300 in 1986.

7. Operational attrition on the basis of adopted rates is 0.67% and financial attrition is 0.06% for 1986.

8. The increases in rates and charges authorized in Appendix A-4 and Appendix B-4 are just and reasonable; and the present rates and charges insofar as they differ from those prescribed are for the future unjust and unreasonable.

Selma District

1. The adopted estimates of operating revenues, operating expenses, rate base, and rate of return for test years 1984 and 1985 are reasonable.

2. A rate of return of 12.36% on the adopted rate base of \$1,678,000 for test year 1984 is reasonable.

3. A rate of return of 12.40% on the adopted rate base of \$1,756,100 for test year 1985 is reasonable.

4. CWS's earnings under present rates for test year 1984 would produce net operating revenues of \$155,300 on a rate base of \$1,678,000 based on the adopted results of operations, resulting in a rate of return of 9.26%.

5. CWS's earnings under present rates for test year 1985 would produce net operating revenues of \$150,700 on a rate base of \$1,756,100 based on the adopted results of operations, resulting in a rate of return of 8.58%.

6. The authorized increases in rates are expected to provide annual increases in revenues of \$106,900 in 1984, \$29,000 in 1985, and \$25,900 in 1986.

7. Operational attrition on the basis of adopted rates is 0.68% and financial attrition is 0.06% for 1986.

8. The increases in rates and charges authorized in Appendix A-5 and Appendix B-5 are just and reasonable; and the present rates and charges insofar as they differ from those prescribed are for the future unjust and unreasonable.

Visalia District

1. The adopted estimates of operating revenues, operating expenses, rate base, and rate of return for test years 1984 and 1985 are reasonable.

2. A rate of return of 12.36% on the adopted rate base of \$5,654,000 for test year 1984 is reasonable.

3. A rate of return of 12.40% on the adopted rate base of \$5,886,300 for test year 1985 is reasonable.

4. CWS's earnings under present rates for test year 1984 would produce net operating revenues of \$470,900 on a rate base of \$5,654,000 based on the adopted results of operations, resulting in a rate of return of 8.33%.

5. CWS's earnings under present rates for test year 1985 would produce net operating revenues of \$469,700 on a rate base of \$5,886,300 based on the adopted results of operations, resulting in a rate of return of 7.98%.

6. The authorized increases in rates are expected to provide annual increases in revenues of \$467,700 in 1984, \$49,700 in 1985, and \$49,500 in 1986.

7. Operational attrition on the basis of adopted rates is 0.35% and financial attrition is 0.06% for 1986.

8. The increases in rates and charges authorized in Appendix A-6 and Appendix B-6 are just and reasonable; and the present rates and charges insofar as they differ from those prescribed are for the future unjust and unreasonable.

Conclusions of Law

1. The applications should be granted to the extent provided by the following order.

2. As the rates authorized here are to be effective on January 1, 1984, this order should be effective on the date of signature.

O R D E R

IT IS ORDERED that:

1. California Water Service Company (CWS) is authorized to file the revised schedules attached to this order as Appendixes A-1 through A-6 and to concurrently cancel its present schedules for such service. This filing shall comply with General Order (GO) Series 96. The effective date of the revised schedules shall be 4 days after the date of filing, but not earlier than January 1, 1984. The revised schedules shall apply only to service rendered on and after their effective date.

2. On or after November 15, 1984, CWS is authorized to file an advice letter, with appropriate workpapers, requesting the step rate increases attached to this order as Appendixes B-1 through B-6 or to file a lesser increase which includes a uniform cents per hundred cubic feet of water adjustment from Appendixes B-1 through B-6 in the event that the respective rates of return on rate base, adjusted to reflect the rates then in effect and normal ratemaking adjustments for the 12 months ended September 30, 1984, exceeds the lower of (a) the rate of return found reasonable by the Commission for CWS during the corresponding period in the then most recent rate decision, or (b) 12.36%. Such filing shall comply with GO 96-A. The requested step

rates shall be reviewed by staff and shall go into effect upon staff's determination that they conform with this order. But staff shall inform the Commission if it finds that the proposed step rates are not in accord with this decision, and the Commission may then modify the increase. The effective date of the revised schedule shall be no earlier than January 1, 1985, or 30 days after the filing of the step rates, whichever is later.

3. On or after November 15, 1985, CWS is authorized to file an advice letter, with appropriate workpapers, requesting the step rate increases attached to this order as Appendixes B-1 through B-6 or to file a lesser increase which includes a uniform cents per hundred cubic feet of water adjustment from Appendixes B-1 through B-6 in the event that the respective rates of return on rate base, adjusted to reflect the rates then in effect and normal ratemaking adjustments for the 12 months ended September 30, 1985, exceeds the lower of (a) the rate of return found reasonable by the Commission for CWS during the corresponding period in the then most recent rate decision, or (b) 12.40%. Such filing shall comply with GO 96-A. The requested step rates shall be reviewed by staff and shall go into effect upon staff's determination that they conform with this order. But staff shall

A.83-03-65 et al. ALJ/jn

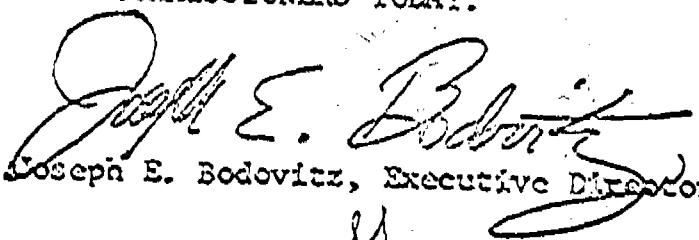
inform the Commission if it finds that the proposed step rates are not in accord with this decision, and the Commission may then modify the increase. The effective date of the revised schedule shall be no earlier than January 1, 1986, or 30 days after the filing of the step rates, whichever is later.

This order is effective today.

Dated DEC 20 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

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


Joseph E. Bodovitz, Executive Director

APPENDIX A-1
Page 1

California Water Service Company
Bakersfield District

Schedule No. BK-1

General Metered Service

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Bakersfield and vicinity, Kern County.

RATES

Service Charge:	Per Meter Per Month
For 5/8 x 3/4-inch meter	\$ 4.50
For 1-inch meter	7.70
For 1-1/2-inch meter	10.40
For 2-inch meter	14.30
For 3-inch meter	26.00
For 4-inch meter	35.00
For 6-inch meter	59.00
For 8-inch meter	87.00
For 10-inch meter	106.00

Quantity Rates:

For the first 300 cu. ft., per 100 cu. ft.	0.264
For all over 300 cu. ft., per 100 cu. ft.	0.341

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

APPENDIX A-1

Page 2

California Water Service Company
Bakersfield District

Schedule No. BK-2R

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
areas:

6,000 sq. ft., or less	\$ 15.05
6,001 to 10,000 sq. ft.	17.40
10,001 to 16,000 sq. ft.	21.80
16,001 to 25,000 sq. ft.	27.70

For each additional single-family residential unit on the same premises and served from the same service connection	10.20
---	-------

SPECIAL CONDITIONS:

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classifications shall be furnished only on a metered basis.
3. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. BK-1, General Metered Service.

APPENDIX A-1

Page 3

California Water Service Company
Bakersfield District

Schedule No. BK-4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

The City of Bakersfield and vicinity, Kern County.

RATES

	<u>Per Month</u>
For each 1½-inch connection	\$ 3.40
For each 2-inch connection	4.50
For each 3-inch connection	6.75
For each 4-inch connection	9.00
For each 6-inch connection	13.50
For each 8-inch connection	18.00
For each 10-inch connection	22.50

SPECIAL CONDITIONS

1. The fire protection service facilities will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund. The facilities paid for by the applicant shall be the sole property of the applicant.

2. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund.

3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the Utility, and are maintained to the satisfaction of the Utility. The Utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water.

4. For water delivered for other than fire protection purposes, charges will be made therefor under Schedule No. BK-1, General Metered Service.

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

(END OF APPENDIX A-1)

APPENDIX B-1
Page 1

California Water Service Company
Bakersfield District

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

Effective Dates
1-1-85 1-1-88

SCHEDULE EL-1

Service Charges:

For 5/8 x 3/4-inch meter	\$0.10	\$0.10
For 1-inch meter	0.15	0.15
For 1 1/2-inch meter	0.20	0.20
For 2-inch meter	0.30	0.30
For 3-inch meter	0.50	0.50
For 4-inch meter	0.70	0.80
For 6-inch meter	1.00	1.00
For 8-inch meter	1.60	1.80
For 10-inch meter	2.00	2.00

Quantity Rates:

For the first 300 cu.ft., per 100 cu.ft.	0.005	0.006
For all over 300 cu.ft., per 100 cu.ft.	0.007	0.007

Flat Rates:

	<u>1985</u>	<u>1986</u>
For 6,000 sq.ft. or less	\$0.30	\$0.25
For 6,001 - 10,000 sq.ft.	0.30	0.40
For 10,001 - 16,000 sq.ft.	0.45	0.45
For 1,601 - 25,000 sq.ft.	0.50	0.60
For additional single family	0.20	0.20

SCHEDULE EL-4

Rates:

For each 1 1/2-inch connection	1.10	0.00
For each 2-inch connection	1.50	0.00
For each 3-inch connection	2.25	0.00
For each 4-inch connection	3.00	0.00
For each 6-inch connection	4.50	0.00
For each 8-inch connection	6.00	0.00
For each 10-inch connection	7.50	0.00

(END OF APPENDIX B)

APPENDIX C-1

Page 1

Bakersfield District

ADOPTED QUANTITIES

Name of Company: California Water Service Company

District: Bakersfield

1. Net-to-Gross Multiplier: 2.08626
2. Federal Tax Rate: 4.6%
3. State Tax Rate: 9.6%
4. Local Franchise Tax Rate: 1.373%
5. Uncollectibles Rate: 0.4426%

	<u>Test Years</u>	
	<u>1984</u>	<u>1985</u>
<u>Offset Items</u>		
6. <u>Purchased Power</u>		
A. Ccf/kwh Electric Power	0.5903	0.5921
B. KWH (total)	31,400,100	31,927,750
C. Average Cost/kwh	\$ 0.06929	\$ 0.06919
D. Date Rates Effective	6/15/83	6/15/83
E. SCADA Adjustment	(\$43,800)	(\$44,600)
F. Total Cost of Power	\$ 2,131,900	\$ 2,164,500
7. <u>Purchased Water</u>		
A. Treated H ₂ O	\$ 287,500	\$ 287,500
B. Conveyance Operations	\$ 17,500	\$ 17,500
C. Pumping Cost (6/15/83 rates)	\$ 351,000	\$ 351,000
D. Total Cost	\$ 656,000	\$ 656,000
8. <u>Groundwater Charge</u>		
A. Well Production (MG)	13864.9	14139.4
B. Cost / MG	\$ 61.378	\$ 61.378
C. Date Rates Effective	1982-83	1982-83
D. Total Charge	\$ 851,000	\$ 867,800

Bakersfield District
APPENDIX C-1
Page 2

ADOPTED QUANTITIES

9. <u>Number of Services - Meter Size</u>	<u>1984</u>	<u>1985</u>
5/8 x 3/4	6693	6909
1	2956	3048
1 1/2	449	462
2	869	893
3	158	162
4	82	83
6	31	31
8	2	2
10	0	0
10. <u>Metered Water Sales</u>		
<u>Range Ccf</u>		
0 - 3	375,600	387,400
Over 3	7,534,800	7,727,900
11. <u>Flat Rate Services</u>		
<u>Lot Size (S.F.)</u>	<u>1984</u>	<u>1985</u>
0-6,000	4488	4531
6-10,000	26368	26623
10-16,000	4560	4604
16-25,000	864	872
Total	<u>36280</u>	<u>36630</u>
Additional Units	969	978

APPENDIX C-1

Page 3

California Water Service Company
BakersfieldADOPTED QUANTITIES12. Number of Services:

	<u>No. of Services</u>		<u>Usage-ECcf</u>		<u>Avg. Usage-Ccf/Yr.</u>	
	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>
Commercial-Metered	10,845	11,195	6,474.5	6,683.4	597.0	597.0
Commercial Flat Rate	36,280	36,630	13750.1	13,882.8	379.0	379.0
Industrial	54	53	220.5	216.5	4,084.0	4,084.0
Public Authority	308	309	1,150.3	1,150.3	3,734.7	3,722.7
Other	33	33	65.1	65.1	1,972.7	1,972.7
Subtotal	47,520	48,220	21,660.5	21,998.1		
Private Fire Pnt.	422	450				
Public Fire Pnt.	53	55				
Total	47,995	48,725				
Water Loss 8.0%			1,883.5	1912.1		
Total Water Produced			23,544.0	23,911.0		
Pumped Water			18,534.6	18,901.6		
Purchased Water			5,009.4	5,009.4		

(END OF APPENDIX C)

APPENDIX D-1

Page 1

California Water Service Company
Bakersfield District

INCOME TAX CALCULATION

1984

:Line: : No.:	Item	: Present Rates :		: Adopted Rates :	
		: CCFT :	: FIT :	: CCFT :	: FIT :
		(A)	(B)	(C)	(D)
(Dollars in Thousands)					
1	Operating Revenues	\$11,208.6	\$11,208.6	\$11,684.1	\$11,684.1
2	O&M Expenses	6,701.2	6,701.2	6,709.8	6,709.8
3	Taxes Other Than Income	372.2	372.2	372.2	372.2
4	CCFT	.0	154.2	.0	199.0
5	Subtotal	7,073.4	7,227.6	7,082.0	7,251.0
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	1,286.4	983.6	1,286.4	983.6
8	Transportation Depr. Adj.	(39.1)	(39.1)	(39.1)	(39.1)
9	Soc. Sec. Taxes Capitalized	19.2	19.2	19.2	19.2
10	Capitalized Overhead	.0	83.9	.0	83.9
11	Interest	1,262.6	1,262.6	1,262.6	1,262.6
12	Preferred Stock Div. Credit	.0	6.1	.0	6.1
13	Subtotal Deductions	2,529.1	2,316.3	2,529.1	2,316.3
14	Net Taxable Income for CCFT	1,606.1		2,073.0	
15	CCFT	154.2		199.0	
16	Total CCFT	154.2		199.0	
17	Net Taxable Income for FIT		1,664.7		2,086.8
18	Federal Income Tax		765.9		960.1
19	Graduated Tax Adjustment		(2.9)		(2.9)
20	Invol. Conversion Adjustment		(1.9)		(1.9)
21	Investment Tax Credit		(13.0)		(13.0)
22	Fed. Income Tax Before Adj.		748.1		942.3
23	Capitalized Overhead Adj.		(14.0)		(14.0)
24	Total FIT		734.1		928.3

(Red Figure)

APPENDIX D-1

Page 2

California Water Service Company
Bakersfield District

INCOME TAX CALCULATION

1985

:Line: : No.:	Item	: Present Rates :		: Adopted Rates :	
		: CCFT :	: FIT :	: CCFT :	: FIT :
		(A)	(B)	(C)	(D)
(Dollars in Thousands)					
1	Operating Revenues	\$11,381.8	\$11,381.8	\$12,112.2	\$12,112.2
2	O&M Expenses	6,908.3	6,908.3	6,921.5	6,921.5
3	Taxes Other Than Income	395.3	395.3	395.3	395.3
4	CCFT	.0	137.4	.0	206.3
5	Subtotal	7,303.6	7,441.0	7,316.8	7,523.1
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	1,395.8	1,018.0	1,395.8	1,018.0
8	Transportation Depr. Adj.	(43.9)	(43.9)	(43.9)	(43.9)
9	Soc. Sec. Taxes Capitalized	20.9	20.9	20.9	20.9
10	Capitalized Overhead	.0	101.4	.0	101.4
11	Interest	1,273.9	1,273.9	1,273.9	1,273.9
12	Preferred Stock Div. Credit	.0	6.1	.0	6.1
13	Subtotal Deductions	2,646.7	2,376.4	2,646.7	2,376.4
14	Net Taxable Income for CCFT	1,431.5		2,148.7	
15	CCFT	137.4		206.3	
16	Total CCFT	137.4		206.3	
17	Net Taxable Income for FIT		1,564.4		2,212.7
18	Federal Income Tax		719.6		1,017.8
19	Graduated Tax Adjustment		(2.9)		(2.9)
20	Invol. Conversion Adjustment		(1.8)		(1.8)
21	Investment Tax Credit		(10.6)		(10.6)
22	Fed. Income Tax Before Adj.		704.3		1,002.5
23	Capitalized Overhead Adj.		(14.0)		(14.0)
24	Total FIT		690.3		988.5

(Red Figure)

(END OF APPENDIX D)

APPENDIX E-1

Page 1

California Water Service Company
Bakersfield District

Comparison of typical bills for residential metered customers of various usage level and average usage level at present and authorized rates for the year 1984.

General Metered Service
(5/8 x 3/4-inch meters)

Monthly Usage (Cubic Feet)	At Present Rates	At Authorized Rates	Percent Increase
300	\$ 5.07	\$ 5.29	4.3%
500	5.73	5.97	4.2
1,000	7.37	7.68	4.2
2,000	10.65	11.09	4.1
3,000	13.93	14.50	4.1
4,975 (Average)	20.41	21.24	4.1
6,000	23.77	24.73	4.0
10,000	36.89	38.37	4.0

(END OF APPENDIX E)

APPENDIX A-2

Page 1

California Water Service Company
Chico-Hamilton District

Schedule No. CH-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Chico and vicinity, Butte County, and Hamilton City and vicinity,
Glenn County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 5.30
For 1-inch meter	10.10
For 1 1/2-inch meter	14.00
For 2-inch meter	19.00
For 3-inch meter	33.00
For 4-inch meter	45.00
For 6-inch meter	75.00
For 8-inch meter	111.00
For 10-inch meter	138.00

Quantity Rates:

For the first 300 cu.ft., per 100 cu.ft.	0.216
For all over 300 cu.ft., per 100 cu.ft.	0.290

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

Appendix A-2
Page 2

California Water Service Company
Chico-Hamilton District

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Chico and vicinity, Butte County, and Hamilton City and vicinity,
Glenn County.

RATES

	<u>Per Service Connection</u> <u>Per Month</u>
For a single-family residential unit including premises having the following areas:	
6,000 sq.ft., or less	\$11.50
6,001 to 10,000 sq.ft.	13.90
10,001 to 16,000 sq.ft.	17.10
16,001 to 25,000 sq.ft.	21.80
For each additional single-family residential unit on the same premises and served from the same service connection	8.10

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classifications shall be furnished only on a metered basis.
3. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. CH-1, General Metered Service.

APPENDIX A-2
Page 3

California Water Service Company
Chico-Hamilton District

Schedule No. CH-4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

Chico and vicinity, Butte County, and Hamilton City and vicinity, Glenn County.

RATES

	<u>Per Month</u>
For each 1½-inch connection	\$ 3.40
For each 2-inch connection	4.50
For each 3-inch connection	6.75
For each 4-inch connection	9.00
For each 6-inch connection	13.50
For each 8-inch connection	18.00
For each 10-inch connection	22.50

SPECIAL CONDITIONS

1. The fire protection service facilities will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund. The facilities paid for by the applicant shall be the sole property of the applicant.
2. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund.
3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the Utility, and are maintained to the satisfaction of the Utility. The Utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water.
4. For water delivered for other than fire protection purposes, charges will be made therefor under Schedule No. CE-1, General Metered Service.
5. The Utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.

(END OF APPENDIX A)

APPENDIX B-2
Page 1

California Water Service Company
Chico-Hamilton District

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	<u>Effective Dates</u>	
	<u>1-1-85</u>	<u>1-1-86</u>
<u>SCHEDULE EL-1</u>		
Service Charges:		
For 5/8 x 3/4-inch meter	\$0.15	\$0.15
For 1-inch meter	0.25	0.25
For 1 1/2-inch meter	0.30	0.40
For 2-inch meter	0.50	0.50
For 3-inch meter	0.80	0.90
For 4-inch meter	1.10	1.20
For 6-inch meter	2.00	2.00
For 8-inch meter	3.00	3.00
For 10-inch meter	3.00	3.00
Quantity Rates:		
For the first 300 cu.ft., per 100 cu.ft.	0.005	0.006
For all over 300 cu.ft., per 100 cu.ft.	0.007	0.008
Flat Rates:		
For 6,000 sq.ft. or less	0.30	0.30
For 6,001 - 10,000 sq.ft.	0.30	0.40
For 10,001 - 16,000 sq.ft.	0.50	0.40
For 1,601 - 25,000 sq.ft.	0.60	0.60
For additional single family	0.20	0.20

SCHEDULE EL-4

Rates:

For each 1 1/2-inch connection	1.10	0.00
For each 2-inch connection	1.50	0.00
For each 3-inch connection	2.25	0.00
For each 4-inch connection	3.00	0.00
For each 6-inch connection	4.50	0.00
For each 8-inch connection	6.00	0.00
For each 10-inch connection	7.50	0.00

(END OF APPENDIX B)

APPENDIX C-2

Page 1

Chico - Hamilton District

ADOPTED QUANTITIES

Name of Company: California Water Service Company

District: Chico - Hamilton District

1. Net-to-Gross Multiplier: 2.05211
2. Federal Tax Rate: 46%
3. State Tax Rate: 9.6%
4. Uncollectibles Rate: 0.1754%

<u>Offset Items</u>	<u>Test Years</u>	
	<u>1984</u>	<u>1985</u>
5. <u>Purchased Power</u>		
A. Ccf/KWh - Electric Power	1.0425	1.039
B. KWh (total)	7,592,900	7,788,300
C. Average Cost/KWh	\$0.07089	\$0.07089
D. Date Rates Effective	6/15/83	6/15/83
E. Total Cost of Power	\$538,300	\$552,100

APPENDIX C-2

Page 2

ADOPTED QUANTITIES

6. <u>Number of Services - Meter Size</u>	<u>1984</u>	<u>1985</u>
5/8 x 3/4	2652	2786
3/4	-	-
1	958	1003
1 1/2	152	159
2	463	483
3	55	57
4	24	25
6	5	5
8	5	5
10	0	0
7. <u>Metered Water Sales</u>		
<u>Range Ccf</u>		
0 - 3	143,300	150,200
Over 3	2,956,200	3,099,100
	<u>3,099,500</u>	<u>4,599,300</u>
8. <u>Flat Rate Services</u>		
<u>Hot Size (sq. ft.)</u>	<u>1984</u>	<u>1985</u>
0-5,000	1771	1776
6-10,000	5126	5141
10-16,000	2598	2606
16-25,000	654	656
Total	<u>10149</u>	<u>10179</u>
Additional Unit	490	492

APPENDIX C-2

Page 3

Chico - Hamilton DistrictADOPTED QUANTITIES9. Number of Services:

	<u>No. of Services</u>		<u>Usage-KCcf</u>		<u>Avg. Usage - Ccf/vr.</u>	
	1984	1985	1984	1985	1984	1985
Commercial-Metered	4,059	4,266	2,668.3	2,804.5	657.4	657.4
Commercial-Flat Rate	10,149	10,179	4,182.4	4,194.8	412.1	412.1
Industrial	34	35	59.4	59.9	1,747.1	1,711.4
Public Authority	209	210	354.9	368.0	1,697.1	1,752.4
Other	12	12	16.9	16.9	1,408.3	1,408.3
Subtotal	14,463	14,702	7,281.9	7,444.1		
Other-Flat Rate	2	2				
Private Fire Prt.	103	107				
Public Fire Prt.	17	17				
Total	14,585	14,828				
Water Loss 8.0%			633.2	647.3		
Total Water Produced			7,915.1	8,091.4		

(END OF APPENDIX C)

APPENDIX D-2

Page 1

California Water Service Company
Chico-Hamilton District

INCOME TAX CALCULATION

1984

:Line: : No.:	Item	: Present Rates :		: Adopted Rates :	
		: CCFT :	: FIT :	: CCFT :	: FIT :
		(A)	(B)	(C)	(D)
(Dollars in Thousands)					
1	Operating Revenues	\$2,933.7	\$2,933.7	\$3,222.4	\$3,222.4
2	O&M Expenses	1,543.0	1,543.0	1,543.5	1,543.5
3	Taxes Other Than Income	140.9	140.9	140.9	140.9
4	CCFT	.0	31.6	.0	59.3
5	Subtotal	1,683.9	1,715.5	1,684.4	1,743.7
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	513.9	374.9	513.9	374.9
8	Transportation Depr. Adj.	(15.7)	(15.7)	(15.7)	(15.7)
9	Soc. Sec. Taxes Capitalized	5.3	5.3	5.3	5.3
10	Capitalized Overhead	.0	21.2	.0	21.2
11	Interest	417.3	417.3	417.3	417.3
12	Preferred Stock Div. Credit.	.0	1.9	.0	1.9
13	Subtotal Deductions	920.8	804.9	920.8	804.9
14	Net Taxable Income for CCFT	329.0		617.2	
15	CCFT	31.6		59.3	
16	Total CCFT	31.6		59.3	
17	Net Taxable Income for FIT		413.3		673.8
18	Federal Income Tax		190.1		309.9
19	Graduated Tax Adjustment		(.9)		(.9)
20	Invol. Conversion Adjustment		(.7)		(.7)
21	Investment Tax Credit		(4.7)		(4.7)
22	Fed. Income Tax Before Adj.		183.8		303.6
23	Capitalized Overhead Adj.		(3.6)		(3.6)
24	Total FIT		180.2		300.0

(Red Figure)

APPENDIX D-2

Page 2

California Water Service Company
Chico-Hamilton District

INCOME TAX CALCULATION

1985

Line: No.:	Item	Present Rates		Adopted Rates	
		CCFT (A)	FIT (B)	CCFT (C)	FIT (D)
(Dollars in Thousands)					
1	Operating Revenues	\$2,997.5	\$2,997.5	\$3,380.0	3,380.0
2	O&M Expenses	1,613.5	1,613.5	1,614.2	1,614.2
3	Taxes Other Than Income	152.7	152.7	152.7	152.7
4	CCFT	.0	22.4	.0	59.1
5	Subtotal	1,766.2	1,788.6	1,766.9	1,826.0
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	582.7	401.3	582.7	401.3
8	Transportation Depr. Adj.	(17.9)	(17.9)	(17.9)	(17.9)
9	Soc. Sec. Taxes Capitalized	5.8	5.8	5.8	5.8
10	Capitalized Overhead	.0	21.7	.0	21.7
11	Interest	426.9	426.9	426.9	426.9
12	Preferred Stock Div. Credit	.0	1.9	.0	1.9
13	Subtotal Deductions	997.5	839.7	997.5	839.7
14	Net Taxable Income for CCFT	233.8		615.6	
15	CCFT	22.4		59.1	
16	Total CCFT	22.4		59.1	
17	Net Taxable Income for FIT		369.2		714.3
18	Federal Income Tax		169.8		328.5
19	Graduated Tax Adjustment		(.9)		(.9)
20	Invol. Conversion Adjustment		(.6)		(.6)
21	Investment Tax Credit		(3.0)		(3.0)
22	Fed. Income Tax Before Adj.		165.3		324.0
23	Capitalized Overhead Adj.		(3.6)		(3.6)
24	Total FIT		161.7		320.4

(Red Figure)

APPENDIX E-2

Page 1

California Water Service Company
Chico-Hamilton District

Comparison of typical bills for residential metered customers of various usage level and average usage level at present and authorized rates for the year 1984.

General Metered Service
(5/8 x 3/4-inch meters)

Monthly Usage (Cubic Feet)	At Present Rates	At Authorized Rates	Percent Increase
300	\$ 5.41	\$ 5.94	9.80%
500	5.94	6.52	9.76
1,000	7.26	7.98	9.91
2,000	9.90	10.88	9.90
3,000	12.54	13.78	9.90
4,000	15.18	16.68	9.90
5,480	19.01	20.89	9.90
6,000	20.46	22.48	9.90
10,000	31.02	34.08	9.90

(END OF APPENDIX E)

APPENDIX A-3
Page 1

California Water Service Company
Salinas District

Schedule No. SA-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Salinas and vicinity, Monterey County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 5.30
For 1-inch meter	11.25
For 1 1/2-inch meter	15.20
For 2-inch meter	21.60
For 3-inch meter	38.30
For 4-inch meter	51.40
For 6-inch meter	84.00
For 8-inch meter	123.00
For 10-inch meter	153.00

Quantity Rates:

For the first 300 cu.ft., per 100 cu.ft.	0.294
For the next 29,700 cu.ft., per 100 cu.ft.	0.408
For all over 30,000 cu.ft., per 100 cu.ft.	0.372

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

APPENDIX A-3
Page 2

California Water Service Company
Salinas District

Schedule No. SA-4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

Salinas and vicinity, Monterey County.

RATES

	<u>Per Month</u>
For each 1½-inch connection	\$ 3.40
For each 2-inch connection	4.50
For each 3-inch connection	6.75
For each 4-inch connection	9.00
For each 6-inch connection	13.50
For each 8-inch connection	18.00
For each 10-inch connection	22.50

SPECIAL CONDITIONS

1. The fire protection service facilities will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund. The facilities paid for by the applicant shall be the sole property of the applicant.
2. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund.
3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the Utility, and are maintained to the satisfaction of the Utility. The Utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water.
4. For water delivered for other than fire protection purposes, charges will be made therefor under Schedule No. SA-1, General Metered Service.
5. The Utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.

(END OF APPENDIX A)

APPENDIX B-3

Page 1

California Water Service Company
Salinas District

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	<u>Effective Dates</u>	
	<u>1-1-85</u>	<u>1-1-86</u>

SCHEDULE EL-1

Service Charges:

For 5/8 x 3/4-inch meter	\$0.15	\$0.15
For 1-inch meter	0.20	0.30
For 1 1/2-inch meter	0.30	0.30
For 2-inch meter	0.50	0.50
For 3-inch meter	0.90	1.00
For 4-inch meter	1.20	1.30
For 6-inch meter	2.00	2.00
For 8-inch meter	3.00	3.00
For 10-inch meter	3.00	3.00

Quantity Rates:

For the first 300 cu.ft., per 100 cu.ft.	0.006	0.007
For the next 29,700 cu.ft., per 100 cu.ft.	0.009	0.011
For all over 30,000 cu.ft., per 100 cu.ft.	0.008	0.010

SCHEDULE EL-4

Rates:

For each 1 1/2-inch connection	1.10	0.00
For each 2-inch connection	1.50	0.00
For each 3-inch connection	2.25	0.00
For each 4-inch connection	3.00	0.00
For each 6-inch connection	4.50	0.00
For each 8-inch connection	6.00	0.00
For each 10-inch connection	7.50	0.00

(END OF APPENDIX B)

APPENDIX C-3

Page 1

Salinas District

ADOPTED QUANTITIES

Name of Company: California Water Service Company

District: Salinas

1. Net-to-Gross Multiplier: 2.07156
2. Federal Tax Rate: 46%
3. State Tax Rate: 9.6%
4. Local Franchise Tax Rate: 0.9624%
5. Uncollectibles Rate: 0.152%

<u>Offset Items</u>	<u>Test Years</u>	
	<u>1984</u>	<u>1985</u>
6. <u>Purchased Power</u>		
A. Ccf/KWh - Electric Power	0.9374	0.9467
B. KWh (total)	5368400	5368500
C. Average Cost/KWh	\$0.07008	\$0.07008
D. Date Rates Effective	6/15/83	6/15/83
E. Total Cost of Power	\$376,200	\$376,200

APPENDIX C-3
Page 2

Salinas District

ADOPTED QUANTITIES

<u>7. Number of Services - Meter Size</u>	<u>1984</u>	<u>1985</u>
5/8 x 3/4	11574	11680
1	3942	3980
1 1/2	388	393
2	379	382
3	78	79
4	24	24
6	16	17
8	7	7
10	0	0
	<u>16,408</u>	<u>16,562</u>

<u>8. Metered Water Sales</u> <u>Range Ccf</u>		
0 - 3	565,500	570,800
4 - 300	3,371,900	3,405,200
Over 300	692,900	699,300

<u>9. Number of Services</u>
Commercial
Industrial
Public Authority
Other
Subtotal
Private Fire Prot.
Total
Water Loss: 8.7%
Total Water Produced

APPENDIX C-3
Page 3

Salinas District

ADOPTED QUANTITIES

10. Number of Services:

	<u>No. of Services</u>		<u>Usage-KCcf</u>		<u>Avg. Usage-Ccf/vr.</u>	
	1984	1985	1984	1985	1984	1985
Commercial-Metered	16,196	16,346	3,972.9	4,009.7	245.4	245.4
Industrial	29	29	256.8	256.8	8,855.2	8,855.2
Public Authority	167	171	390.8	400.0	2,340.0	2,340.0
Other	16	16	8.8	8.8	550.0	550.0
Subtotal	16,408	16,562	4,629.3	4,675.3		
Private Fire Prt.	160	166				
Public Fire Prt.	20	20				
Total	16,588	16,748				
Water Loss 8.0%			402.5	406.5		
Total Water Produced			5,031.8	5,081.8		

(END OF APPENDIX C)

APPENDIX D-3

Page 1

California Water Service Company
Salinas District

INCOME TAX CALCULATION

1984

:Line: : No.:	Item	: Present Rates :		: Adopted Rates :	
		: CCFT :	: FIT :	: CCFT :	: FIT :
		(A)	(B)	(C)	(D)
(Dollars in Thousands)					
1	Operating Revenues	\$3,082.8	\$3,082.8	\$3,344.9	\$3,344.9
2	O&M Expenses	1,551.4	1,551.4	1,554.3	1,554.3
3	Taxes Other Than Income	135.9	135.9	135.9	135.9
4	CCFT	.0	48.6	.0	73.5
5	Subtotal	1,687.3	1,735.9	1,690.2	1,763.7
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	449.4	379.6	449.4	379.6
8	Transportation Depr. Adj.	(13.4)	(13.4)	(13.4)	(13.4)
9	Soc. Sec. Taxes Capitalized	3.6	3.6	3.6	3.6
10	Capitalized Overhead	.0	15.6	.0	15.6
11	Interest	450.0	450.0	450.0	450.0
12	Preferred Stock Div. Credit	.0	2.2	.0	2.2
13	Subtotal Deductions	889.6	837.6	889.6	837.6
14	Net Taxable Income for CCFT	505.9		765.1	
15	CCFT	48.6		73.5	
16	Total CCFT	48.6		73.5	
17	Net Taxable Income for FIT		509.3		743.6
18	Federal Income Tax		234.3		342.1
19	Graduated Tax Adjustment		(.9)		(.9)
20	Invol. Conversion Adjustment		.0		.0
21	Investment Tax Credit		(7.6)		(7.6)
22	Fed. Income Tax Before Adj.		225.8		333.6
23	Capitalized Overhead Adj.		(4.5)		(4.5)
24	Total FIT		221.3		329.1

(Red Figure)

APPENDIX D-3

Page 2

California Water Service Company
Salinas District

INCOME TAX CALCULATION

1985

:Line: : No.:	Item	: Present Rates :		: Adopted Rates :	
		: CCFT :	: FIT :	: CCFT :	: FIT :
		(A)	(B)	(C)	(D)
(Dollars in Thousands)					
1	Operating Revenues	\$3,113.9	\$3,113.9	\$3,463.8	\$3,463.8
2	O&M Expenses	1,620.0	1,620.0	1,623.9	1,623.9
3	Taxes Other Than Income	142.2	142.2	142.2	142.2
4	CCFT	.0	43.2	.0	76.4
5	Subtotal	1,762.2	1,805.3	1,766.1	1,842.5
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	469.3	382.3	469.3	382.3
8	Transportation Depr. Adj.	(15.4)	(15.4)	(15.4)	(15.4)
9	Soc. Sec. Taxes Capitalized	4.0	4.0	4.0	4.0
10	Capitalized Overhead	.0	19.6	.0	19.6
11	Interest	443.9	443.9	443.9	443.9
12	Preferred Stock Div. Credit	.0	2.2	.0	2.2
13	Subtotal Deductions	901.8	836.6	901.8	836.6
14	Net Taxable Income for CCFT	449.9		795.9	
15	CCFT	43.2		76.4	
16	Total CCFT	43.2		76.4	
17	Net Taxable Income for FIT		471.9		784.7
18	Federal Income Tax		217.1		361.0
19	Graduated Tax Adjustment		(.9)		(.9)
20	Invol. Conversion Adjustment		.0		.0
21	Investment Tax Credit		(6.8)		(6.8)
22	Fed. Income Tax Before Adj.		209.4		353.3
23	Capitalized Overhead Adj.		(4.5)		(4.5)
24	Total FIT		204.9		348.8

(Red Figure)

(END OF APPENDIX D)

APPENDIX E-3

Page 1

California Water Service Company
Salinas District

Comparison of typical bills for residential metered customers of various usage level and average usage level at present and authorized rates for the year 1984.

General Metered Service
(5/8 x 3/4-inch meters)

Monthly Usage (Cubic Feet)	At Present Rates	At Authorized Rates	Percent Increase
300	\$ 5.69	\$ 6.18	8.6%
500	6.44	6.99	8.6
1,000	8.32	9.04	8.6
2,000	12.00	13.12	8.6
2,050	12.27	13.32	8.6
3,000	15.84	17.20	8.6
4,000	19.60	21.28	8.6
6,000	27.12	29.44	8.6
10,000	42.16	45.76	8.5

(END OF APPENDIX E)

APPENDIX A-4

Page 1

California Water Service Company
San Mateo District

Schedule No. SM-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

San Mateo and vicinity, San Mateo County.

RATES

	<u>Per Meter</u> <u>Per Month*</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 3.40
For 1-inch meter	5.70
For 1 1/2-inch meter	7.80
For 2-inch meter	11.20
For 3-inch meter	22.00
For 4-inch meter	29.00
For 6-inch meter	44.00
For 8-inch meter	64.00
For 10-inch meter	81.00

Quantity Rates:

For the first 300 cu.ft., per 100 cu.ft.	0.660
For the next 29,700 cu.ft., per 100 cu.ft.	0.946
For all over 30,000 cu.ft., per 100 cu.ft.	0.891

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

* All rates are subject to the reimbursement fee set forth on Schedule No. UF.

APPENDIX A-4
Page 2

California Water Service Company
San Mateo District

Schedule No. SM-4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

San Mateo and vicinity, San Mateo County.

RATES

	<u>Per Month</u>
For each 1½-inch connection	\$ 3.40
For each 2-inch connection	4.50
For each 3-inch connection	6.75
For each 4-inch connection	9.00
For each 6-inch connection	13.50
For each 8-inch connection	18.00
For each 10-inch connection	22.50

SPECIAL CONDITIONS

1. The fire protection service facilities will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund. The facilities paid for by the applicant shall be the sole property of the applicant.

2. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund.

3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the Utility, and are maintained to the satisfaction of the Utility. The Utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water.

4. For water delivered for other than fire protection purposes, charges will be made therefor under Schedule No. SM-1, General Metered Service.

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

(END OF APPENDIX A)

APPENDIX B-4

Page 1

California Water Service Company
San Mateo District

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

	<u>Effective Dates</u>	
	<u>1-1-85</u>	<u>1-1-00</u>

SCHEDULE EL-1

Service Charges:

For 5/8 x 3/4-inch meter	\$0.10	\$0.10
For 1-inch meter	0.20	0.20
For 1 1/2-inch meter	0.20	0.30
For 2-inch meter	0.30	0.30
For 3-inch meter	0.60	0.70
For 4-inch meter	0.80	0.90
For 6-inch meter	1.30	1.70
For 8-inch meter	2.00	2.00
For 10-inch meter	2.00	2.00

Quantity Rates:

For the first 300 cu.ft., per 100 cu.ft.	0.020	0.018
For the next 29,700 cu.ft., per 100 cu.ft.	0.027	0.029
For all over 30,000 cu.ft., per 100 cu.ft.	0.027	0.026

SCHEDULE EL-4

Rates:

For each 1 1/2-inch connection	1.10	0.00
For each 2-inch connection	1.50	0.00
For each 3-inch connection	2.25	0.00
For each 4-inch connection	3.00	0.00
For each 6-inch connection	4.50	0.00
For each 8-inch connection	6.00	0.00
For each 10-inch connection	7.50	0.00

(END OF APPENDIX B)

APPENDIX C-4
Page 1

California Water Service Company
San Mateo District

ADOPTED QUANTITIES

Name of Company: California Water Service Company

District: San Mateo

1. Net-to-Cross Multiplier: 2.05263
2. Federal Tax Rate: 46%
3. State Tax Rate: 9.6%
4. Uncollectibles Rate: 0.2007%

<u>Offset Items</u>	<u>Test Years</u>	
5. <u>Purchased Power</u>	1984	1985
A. Ccf/KWL - Electric Power	3.474	3.465
B. KWh (total)	1,684,400	1,696,400
C. Average Cost / KWh	\$0.07369	\$0.07369
D. Date Rates Effective	6/15/83	6/15/83
E. Total Cost of Power	\$124,100	\$124,700
6. <u>Purchased Water</u>		
A. Ccf	5,851,200	5,877,700
B. Cost / Ccf	\$0.3349	\$0.3349
C. Date Rates Effective	8/1/83	8/1/83
D. Total Cost	\$1,959,600	\$1,968,400

APPENDIX C-4

Page 2

California Water Service Company
San Mateo District

ADOPTED QUANTITIES

<u>7. Number of Services - Meter Size</u>	<u>1984</u>	<u>1985</u>
5/8 x 3/4	19717	19776
1	3601	3611
1 1/2	287	288
2	536	537
3	96	96
4	35	35
6	15	15
8	2	2
10	Ø	Ø
<u>8. Metered Water Sales</u>		
<u>Range Ccf</u>		
0-3	839,000	839,200
4-300	3,965,300	3,980,800
Over 300	555,300	564,000

APPENDIX C-4
Page 3

California Water Service Company
San Mateo District

ADOPTED QUANTITIES

9. Number of Services:

	<u>No. of Services</u>		<u>Usage-KCcf</u>		<u>Avg. Usage - Ccf/vr.</u>	
	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>
Commercial-Metered	24,020	24,090	5,032.2	5,046.9	209.5	209.5
Industrial	15	15	13.0	13.0	866.7	866.7
Public Authority	235	236	306.9	316.5	1,306.0	1,341.1
Other	19	19	7.6	7.6	400.0	400.0
Subtotal	24,289	24,360	5,359.7	5,384.0		
Private Fire Prt.	200	210				
Public Fire Prt.	8	8				
Total	24,497	24,578				
Water Loss 8.40%			492.5	493.7		
Total Water Produced			5,851.2	5,877.7		

(END OF APPENDIX C)

APPENDIX D-4
Page 1

California Water Service Company
San Mateo District

INCOME TAX CALCULATION

1984

Line: : No.:	Item	Present Rates		Adopted Rates	
		CCFT (A)	FIT (B)	CCFT (C)	FIT (D)
(Dollars in Thousands)					
1	Operating Revenues	\$ 5,683.9	\$ 5,683.9	\$ 6,030.2	\$ 6,030.2
2	O&M Expenses	3,458.5	3,458.5	3,459.2	3,459.2
3	Taxes Other Than Income	177.1	177.1	177.1	177.1
4	CCFT	.0	75.0	.0	108.2
5	Subtotal	3,635.6	3,710.6	3,636.3	3,744.5
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	616.8	472.3	616.8	472.3
8	Transportation Depr. Adj.	(23.1)	(23.1)	(23.1)	(23.1)
9	Soc. Sec. Taxes Capitalized	5.8	5.8	5.8	5.8
10	Capitalized Overhead	.0	39.1	.0	39.1
11	Interest	667.4	667.4	667.4	667.4
12	Preferred Stock Div. Credit	.0	3.2	.0	3.2
13	Subtotal Deductions	1,266.9	1,164.7	1,266.9	1,164.7
14	Net Taxable Income for CCFT	781.4		1,127.0	
15	CCFT	75.0		108.2	
16	Total CCFT	75.0		108.2	
17	Net Taxable Income for FIT		808.6		1,121.0
18	Federal Income Tax		372.0		515.7
19	Graduated Tax Adjustment		(1.3)		(1.3)
20	Invol. Conversion Adjustment		(.8)		(.8)
21	Investment Tax Credit		(2.2)		(2.2)
22	Fed. Income Tax Before Adj.		367.7		511.4
23	Capitalized Overhead Adj.		(6.2)		(6.2)
24	Total FIT		361.6		505.3

(Red Figure)

APPENDIX D-4

Page 2

California Water Service Company
San Mateo District
INCOME TAX CALCULATION
1985

:Line: : No.:	Item	: Present Rates :		: Adopted Rates :	
		: CCFT :	: FIT :	: CCFT :	: FIT :
		(A)	(B)	(C)	(D)
(Dollars in Thousands)					
1	Operating Revenues	\$ 5,709.4	\$ 5,709.4	\$ 6,245.8	\$ 6,245.8
2	O&M Expenses	3,527.2	3,527.2	3,528.3	3,528.3
3	Taxes Other Than Income	186.6	186.6	186.6	186.6
4	CCFT	<u>0</u>	<u>65.2</u>	<u>0</u>	<u>116.6</u>
5	Subtotal	3,713.8	3,779.0	3,714.9	3,831.5
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	658.5	483.9	658.5	483.9
8	Transportation Depr. Adj.	(26.2)	(26.2)	(26.2)	(26.2)
9	Soc. Sec. Taxes Capitalized	6.3	6.3	6.3	6.3
10	Capitalized Overhead	.0	40.4	.0	40.4
11	Interest	677.7	677.7	677.7	677.7
12	Preferred Stock Div. Credit	<u>0</u>	<u>3.2</u>	<u>0</u>	<u>3.2</u>
13	Subtotal Deductions	1,316.3	1,185.3	1,316.3	1,185.3
14	Net Taxable Income for CCFT	679.3		1,214.6	
15	CCFT	<u>65.2</u>		<u>116.6</u>	
16	Total CCFT	65.2		116.6	
17	Net Taxable Income for FIT		745.1		1,229.0
18	Federal Income Tax		352.7		565.3
19	Graduated Tax Adjustment		(1.3)		(1.3)
20	Invol. Conversion Adjustment		(.7)		(.7)
21	Investment Tax Credit		(1.3)		(1.3)
22	Fed. Income Tax Before Adj.		339.4		562.0
23	Capitalized Overhead Adj.		(6.1)		(6.1)
24	Total FIT		333.3		555.9

(Red Figure)

(END OF APPENDIX D)

APPENDIX E-4

Page 1

California Water Service Company
San Mateo District

Comparison of typical bills for residential metered customers of various usage level and average usage level at present and authorized rates for the year 1964.

General Metered Service
(5/8 x 3/4-inch meters)

: Monthly Usage : (Cubic Feet)	: At Present : : Rates :	: At Authorized : : Rates :	: Percent : : Increase :
300	\$ 5.07	\$ 5.38	6.1%
500	6.85	7.27	6.1
1,000	11.32	12.00	6.0
1,750 (Average)	18.00	19.10	6.0
2,000	20.24	21.46	6.0
3,000	29.18	30.92	6.0
4,000	38.11	40.38	6.0
6,000	55.97	59.30	5.9
10,000	91.69	97.14	5.9

(END OF APPENDIX E)

APPENDIX A-5
Page 1

California Water Service Company
Selma District

Schedule No. SL-4

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Selma and vicinity, Fresno County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 4.70
For 1-inch meter	9.40
For 1 1/2-inch meter	13.40
For 2-inch meter	17.30
For 3-inch meter	31.40
For 4-inch meter	43.30
For 6-inch meter	71.60
For 8-inch meter	108.00
For 10-inch meter	133.00

Quantity Rates:

For the first 300 cu.ft., per 100 cu.ft.	0.343
For all over 300 cu.ft., per 100 cu.ft.	0.432

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

Appendix A-5
Page 2

California Water Service Company
Selma District

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Selma and vicinity, Fresno County.

RATES

Per Service Connection
Per Month

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

6,000 sq.ft., or less	\$14.00
6,001 to 10,000 sq.ft.	16.70
10,001 to 16,000 sq.ft.	21.00
16,001 to 25,000 sq.ft.	26.50

For each additional single-family residential unit on the same premises and served from the same service connection	9.80
---	------

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classifications shall be furnished only on a metered basis.
3. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. SL-1, General Metered Service.

APPENDIX A-5
Page 3

California Water Service Company
Selma District

Schedule No. SL-4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

Selma and vicinity, Fresno County.

RATES

	<u>Per Month</u>
For each 1½-inch connection	\$ 3.40
For each 2-inch connection	4.50
For each 3-inch connection	6.75
For each 4-inch connection	9.00
For each 6-inch connection	13.50
For each 8-inch connection	18.00
For each 10-inch connection	22.50

SPECIAL CONDITIONS

1. The fire protection service facilities will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund. The facilities paid for by the applicant shall be the sole property of the applicant.
2. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund.
3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the Utility, and are maintained to the satisfaction of the Utility. The Utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water.
4. For water delivered for other than fire protection purposes, charges will be made therefor under Schedule No. SL-1, General Metered Service.
5. The Utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.

(END OF APPENDIX A)

APPENDIX B-5
Page 1

California Water Service Company
Selma District

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

Effective Dates	
<u>1-1-85</u>	<u>1-1-60</u>

SCHEDULE EL-1

Service Charges:

For 5/8 x 3/4-inch meter	\$81.05	\$0.20
For 1-inch meter	2.40	0.40
For 1 1/2-inch meter	3.30	0.50
For 2-inch meter	4.20	0.70
For 3-inch meter	8.60	1.20
For 4-inch meter	10.70	1.70
For 6-inch meter	17.40	2.80
For 8-inch meter	27.00	4.30
For 10-inch meter	33.00	5.20

Quantity Rates:

For the first 300 cu.ft., per 100 cu.ft.	0.070	0.008
For all over 300 cu.ft., per 100 cu.ft.	0.076	0.011

Flat Rates:

For 6,000 sq.ft. or less	0.50	0.45
For 6,001 - 10,000 sq.ft.	0.60	0.55
For 10,001 - 16,000 sq.ft.	0.80	0.70
For 1,601 - 25,000 sq.ft.	1.00	0.90
For additional single family	0.40	0.30

SCHEDULE EL-4

Rates:

For each 1 1/2-inch connection	1.10	0.00
For each 2-inch connection	1.50	0.00
For each 3-inch connection	2.25	0.00
For each 4-inch connection	3.00	0.00
For each 6-inch connection	4.50	0.00
For each 8-inch connection	6.00	0.00
For each 10-inch connection	7.50	0.00

(END OF APPENDIX B)

APPENDIX C -5
Page 1

California Water Service Company
Selma District

ADOPTED QUANTITIES

Name of Company: California Water Service Company

District: Selma

1. Net-to-Gross Multiplier: 2.05172

2. Federal Tax Rate: 46%

3. State Tax Rate: 9.6%

4. Uncollectibles Rate: 0.1566%

<u>Offset Items</u>	<u>Test Years</u>	
	<u>1984</u>	<u>1985</u>
5. <u>Purchased Power</u>		
A. Ccf/KWh - Electric Power	1.364	1.364
B. KWh (total)	1,270,870	1,290,970
C. Average Cost/KWh	\$0.07049	\$0.07004
D. Date Rates Effective	6/15/83	6/15/83
E. Total Cost of Power	\$89,600	\$90,400
6. <u>Groundwater Charge</u>		
A. Net Acres	1969	1969
B. Average Cost/Acre	\$4.176	\$4.176
C. Date Rates Effective	4/25/83	4/25/83
D. Total Charge	\$8200	\$8200

APPENDIX C-5
Page 2

California Water Service Company
Selma District

ADOPTED QUANTITIES

7. <u>Number of Services - Meter Size</u>	<u>1984</u>	<u>1985</u>
5/8 x 3/4	850	873
1	134	137
1 1/2	37	38
2	41	42
3	13	13
4	6	6
6	2	2
8	2	2
10	0	0
8. <u>Metered Water Sales</u>		
<u>Range Ccf</u>		
0-3	35,700	36,600
Over 3	484,100	498,800
9. <u>Flat Rate Services</u>		
<u>Lot Size (S. F.)</u>	<u>1984</u>	<u>1985</u>
0-6,000	258	261
6-10,000	1879	1901
10-16,000	238	240
16-25,000	24	25
Total	<u>2399</u>	<u>2427</u>
Additional Unit	31	32

APPENDIX C-5

Page 3

California Water Service Company
Selma DistrictADOPTED QUANTITIES10. Number of Services:

	<u>No. of Services</u>		<u>Usage-KCcf</u>		<u>Avg. Usage - Ccf/yr.</u>	
	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>
Commercial-Metered	1032	1,060	409.7	420.8	397.0	397.0
Commercial-Flat Rate	2399	2,427	1094.7	1107.4	456.3	456.3
Industrial	14	14	27.0	27.5	1,928.6	1,964.3
Public Authority	38	38	80.5	84.5	2,118.4	2,223.7
Other	1	1	2.6	2.6	2,600.0	2,600.0
Subtotal	3,484	3,540	1,614.5	1,642.8		
Private Fire Pnt.	17	17				
Public Fire Pnt.	<u>4</u>	<u>4</u>				
Total	3,505	3,561				
Water Loss 8.0%			<u>140.4</u>	<u>142.9</u>		
Total Water Produced			1,754.9	1,785.7		

(END OF APPENDIX C)

APPENDIX D-5

Page 1

California Water Service Company
Selma District

INCOME TAX CALCULATION

1984

:Line: : No.:	Item	: Present Rates :		: Adopted Rates :	
		: CCFT :	: FIT :	: CCFT :	: FIT :
		(A)	(B)	(C)	(D)
(Dollars in Thousands)					
1	Operating Revenues	\$ 670.4	\$ 670.4	\$ 777.3	\$ 777.3
2	O&M Expenses	399.0	399.8	399.2	399.2
3	Taxes Other Than Income	31.8	31.8	31.8	31.8
4	CCFT	.0	5.0	.0	15.2
5	Subtotal	430.8	435.8	431.0	446.2
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	94.2	74.0	94.2	74.0
8	Transportation Depr. Adj.	(5.7)	(5.7)	(5.7)	(5.7)
9	Soc. Sec. Taxes Capitalized	1.0	1.0	1.0	1.0
10	Capitalized Overhead	.0	5.4	.0	5.4
11	Interest	98.1	98.1	98.1	98.1
12	Preferred Stock Div. Credit	.0	.4	.0	.4
13	Subtotal Deductions	187.6	173.2	187.6	173.2
14	Net Taxable Income for CCFT	52.0		158.7	
15	CCFT	5.0		15.2	
16	Total CCFT	5.0		15.2	
17	Net Taxable Income for FIT		61.4		157.9
18	Federal Income Tax		28.2		72.6
19	Graduated Tax Adjustment		(.2)		(.2)
20	Invol. Conversion Adjustment		.0		.0
21	Investment Tax Credit		(.9)		(.9)
22	Fed. Income Tax Before Adj.		27.1		71.5
23	Capitalized Overhead Adj.		(1.2)		(1.2)
24	Total FIT		25.9		70.3

(Red Figure)

APPENDIX D-5
Page 2California Water Service Company
Selma DistrictINCOME TAX CALCULATION
1985

:Line: : No.:	Item	: Present Rates :		: Adopted Rates :	
		: CCFT :	: FIT :	: CCFT :	: FIT :
		(A)	(B)	(C)	(D)
(Dollars in Thousands)					
1	Operating Revenues	\$ 682.0	\$ 682.0	\$ 819.7	\$ 819.7
2	O&M Expenses	417.8	417.8	418.0	418.0
3	Taxes Other Than Income	34.4	34.4	34.4	34.4
4	CCFT	.0	3.2	.0	16.4
5	Subtotal	452.2	455.4	452.4	468.8
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	101.4	76.0	101.4	76.0
8	Transportation Depr. Adj.	(6.2)	(6.2)	(6.2)	(6.2)
9	Soc. Sec. Taxes Capitalized	1.1	1.1	1.1	1.1
10	Capitalized Overhead	.0	7.3	.0	7.3
11	Interest	100.6	100.6	100.6	100.6
12	Preferred Stock Div. Credit	.0	.4	.0	.4
13	Subtotal Deductions	196.9	179.2	196.9	179.2
14	Net Taxable Income for CCFT	32.9		170.4	
15	CCFT	3.2		16.4	
16	Total CCFT	3.2		16.4	
17	Net Taxable Income for FIT		47.4		171.7
18	Federal Income Tax		21.8		79.0
19	Graduated Tax Adjustment		(.2)		(.2)
20	Invol. Conversion Adjustment		.0		.0
21	Investment Tax Credit		(.8)		(.8)
22	Fed. Income Tax Before Adj.		20.8		78.0
23	Capitalized Overhead Adj.		(1.2)		(1.2)
24	Total FIT		19.6		76.8

(Red Figure)

(END OF APPENDIX D)

APPENDIX E-5

Page 1

California Water Service Company
Selma District

Comparison of typical bills for residential metered customers of various usage level and average usage level at present and authorized rates for the year 1984.

General Metered Service
(5/8 x 3/4-inch meters)

Monthly Usage (Cubic Feet)	: At Present : Rates	: At Authorized : Rates	: Percent : Increase
300	\$ 5.46	\$ 5.73	5.0%
500	6.05	6.59	8.9
1,000	7.54	8.75	16.0
2,000	10.51	13.07	24.0
3,000	13.48	17.39	29.0
3310 (Average)	14.40	18.73	30.0
4,000	16.45	21.71	32.0
6,000	22.39	30.35	35.6
10,000	34.27	47.63	38.0

(END OF APPENDIX E)

APPENDIX A-6
Page 1

California Water Service Company
Visalia District

Schedule No. VS-1

GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

Visalia and vicinity, Tulare County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 3.90
For 1-inch meter	7.50
For 1 1/2-inch meter	10.40
For 2-inch meter	13.50
For 3-inch meter	26.40
For 4-inch meter	34.50
For 6-inch meter	56.00
For 8-inch meter	85.00
For 10-inch meter	105.00

Quantity Rates:

For the first 300 cu.ft., per 100 cu.ft.	0.208
For all over 300 cu.ft., per 100 cu.ft.	0.266

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

Appendix A-6
Page 2

California Water Service Company
Visalia District
Schedule No. VS-2R

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Visalia and vicinity, Tulare County.

RATES

Per Service Connection
Per Month

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

6,000 sq.ft., or less	\$ 8.50
6,001 to 10,000 sq.ft.	11.30
10,001 to 16,000 sq.ft.	13.75
16,001 to 25,000 sq.ft.	17.30

For each additional single-family residential unit on the same premises and served from the same service connection	7.00
---	------

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classifications shall be furnished only on a metered basis.
3. For service covered by the above classifications, if the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. EK-1, General Metered Service.

APPENDIX A-6
Page 3

California Water Service Company
Visalia District

Schedule No. VS-4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

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

TERRITORY

The City of Visalia and vicinity, Tulare County.

RATES

	<u>Per Month</u>
For each 1½-inch connection	\$ 3.40
For each 2-inch connection	4.50
For each 3-inch connection	6.75
For each 4-inch connection	9.00
For each 6-inch connection	13.50
For each 8-inch connection	18.00
For each 10-inch connection	22.50

SPECIAL CONDITIONS

1. The fire protection service facilities will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund. The facilities paid for by the applicant shall be the sole property of the applicant.
2. If a distribution main of adequate size to serve a private fire protection system in addition to all other normal service does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed by the Utility at the cost of the applicant. Such cost shall not be subject to refund.
3. Service hereunder is for private fire protection systems to which no connections for other than fire protection purposes are allowed and which are regularly inspected by the underwriters having jurisdiction, are installed according to specifications of the Utility, and are maintained to the satisfaction of the Utility. The Utility may install the standard detector type meter approved by the Board of Fire Underwriters for protection against theft, leakage or waste of water.
4. For water delivered for other than fire protection purposes, charges will be made therefor under Schedule No. VS-1, General Metered Service.
5. The Utility will supply only such water at such pressure as may be available from time to time as a result of its normal operation of the system.

(END OF APPENDIX A)

APPENDIX B-6
Page 1

California Water Service Company
Visalia District

Each of the following increases in rates may be put into effect on the indicated date by filing a rate schedule which adds the appropriate increase to the rate which would otherwise be in effect on that date.

Effective Dates	
<u>1-1-85</u>	<u>1-1-88</u>

SCHEDULE EL-1

Service Charges:

For 5/8 x 3/4-inch meter	\$0.05	\$0.05
For 1-inch meter	0.10	0.10
For 1 1/2-inch meter	0.20	0.30
For 2-inch meter	0.20	0.30
For 3-inch meter	0.40	0.50
For 4-inch meter	0.50	0.70
For 6-inch meter	1.00	2.00
For 8-inch meter	1.00	2.00
For 10-inch meter	2.00	3.00

Quantity Rates:

For the first 300 cu.ft., per 100 cu.ft.	0.001	0.004
For all over 300 cu.ft., per 100 cu.ft.	0.002	0.005

Flat Rates:

For 6,000 sq.ft. or less		
For 6,001 - 10,000 sq.ft.		
For 10,001 - 16,000 sq.ft.		
For 1,601 - 25,000 sq.ft.		
For additional single family		

SCHEDULE EL-4

Rates:

For each 1 1/2-inch connection	1.10	0.00
For each 2-inch connection	1.50	0.00
For each 3-inch connection	2.25	0.00
For each 4-inch connection	3.00	0.00
For each 6-inch connection	4.50	0.00
For each 8-inch connection	6.00	0.00
For each 10-inch connection	7.50	0.00

APPENDIX C-6
Page 1

California Water Service Company
Visalia District

ADOPTED QUANTITIES

Name of Company: California Water Service Company

District: Visalia

1. Net-to-Gross Multiplier: 2.05204
2. Federal Tax Rate: 46%
3. State Tax Rate: 9.6%
4. Uncollectibles Rate: 0.1719%

<u>Offset Items</u>	<u>Test Years</u>	
	<u>1984</u>	<u>1985</u>
5. <u>Purchased Power</u>		
A. Ccf/KWh - Electric Power	1.252	1.252
B. KWh (total)	5,626,700	5,828,800
C. Average Cost/KWh	0.07703	0.07703
D. Date Rates Effective	1/1/83	1/1/83
E. Total Cost of Power	\$433,400	\$449,000

APPENDIX C-6
Page 2

California Water Service Company
Visalia District

ADOPTED QUANTITIES

6. <u>Number of Services - Meter Size</u>	<u>1984</u>	<u>1985</u>
5/8 x 3/4	1755	1860
1	1306	1383
1 1/2	151	159
2	294	311
3	44	46
4	12	12
6	9	9
8	—	—
10	—	—
7. <u>Metered Water Sales</u>		
<u>Range Ccf</u>		
0-3	118,900	125,900
Over 3	1,819,300	1,918,100
8. <u>Flat Rate Services</u>		
<u>Lot Size (Sq. Ft.)</u>	<u>1984</u>	<u>1985</u>
0-6000	1229	1264
6-10,000	9704	9975
10-16,000	2642	2715
16-25,000	604	621
Additional Unit	138	138

APPENDIX C-6

Page 3

California Water Service Company
Visalia DistrictADOPTED QUANTITIES9. Number of Services:

	<u>No. of Services</u>		<u>Usage-KCcf</u>		<u>Avg. Usage-Ccf/vr.</u>	
	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>
Commercial-Metered	3,367	3,571	1,746.8	1,852.6	518.8	518.8
Commercial-Flat Rate	14,179	14,575	4540.1	4,666.9	320.2	320.2
Industrial	14	14	45.0	45.0	3,214.3	3,214.3
Public Authority	181	186	141.3	141.3	780.7	759.7
Other	9	9	5.1	5.1	566.7	566.7
Subtotal	17,750	18,355	6,478.3	6,710.9		
Private Fire Prt.	113	117				
Public Fire Prt.	11	11				
Total	17,874	18,483				
Water Loss 8.0%			563.3	583.6		
Total Water Produced			7,041.6	7,294.5		

(END OF APPENDIX C)

APPENDIX D-6

Page 1

California Water Service Company
Visalia District

INCOME TAX CALCULATION

1984

:Line: : No.:	Item	: Present Rates :		: Adopted Rates :	
		: CCFT :	: FIT :	: CCFT :	: FIT :
		(A)	(B)	(C)	(D)
(Dollars in Thousands)					
1	Operating Revenues	\$2,368.9	\$2,368.9	\$2,836.6	\$2,836.6
2	O&M Expenses	1,513.2	1,513.2	1,514.0	1,514.0
3	Taxes Other Than Income	120.0	120.0	120.0	120.0
4	CCFT	.0	1.6	.0	46.4
5	Subtotal	1,633.2	1,634.8	1,634.0	1,680.4
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	400.2	355.9	400.2	355.9
8	Transportation Depr. Adj.	(16.5)	(16.5)	(16.5)	(16.5)
9	Soc. Sec. Taxes Capitalized	5.4	5.4	5.4	5.4
10	Capitalized Overhead	.0	19.4	.0	19.4
11	Interest	330.0	330.0	330.0	330.0
12	Preferred Stock Div. Credit	.0	1.7	.0	1.7
13	Subtotal Deductions	719.1	695.9	719.1	695.9
14	Net Taxable Income for CCFT	16.6		483.5	
15	CCFT	1.6		46.4	
16	Total CCFT	1.6		46.4	
17	Net Taxable Income for FIT		38.2		460.3
18	Federal Income Tax		17.6		211.8
19	Graduated Tax Adjustment		(.9)		(.9)
20	Invol. Conversion Adjustment		(.3)		(.3)
21	Investment Tax Credit		(14.4)		(14.4)
22	Fed. Income Tax Before Adj.		2.0		196.2
23	Capitalized Overhead Adj.		(2.9)		(2.9)
24	Total FIT		(0.9)		193.3

(Red Figure)

APPENDIX D-6

Page 2

California Water Service Company

Visalia District

INCOME TAX CALCULATION

1985

: Line: : No.:	Item	: Present Rates :		: Adopted Rates :	
		: CCFT :	: FIT :	: CCFT :	: FIT :
		(A)	(B)	(C)	(D)
(Dollars in Thousands)					
1	Operating Revenues	\$2,452.7	\$2,452.7	\$2,986.6	\$2,986.6
2	O&M Expenses	1,596.3	1,596.3	1,597.2	1,597.2
3	Taxes Other Than Income	126.9	126.9	126.9	126.9
4	CCFT	.0	4.3	.0	46.9
5	Subtotal	1,723.2	1,718.9	1,724.1	1,771.0
6	<u>Deductions from Taxable Income</u>				
7	Tax Depreciation	449.3	372.8	449.3	372.8
8	Transportation Depr. Adj.	(19.4)	(19.4)	(19.4)	(19.4)
9	Soc. Sec. Taxes Capitalized	6.0	6.0	6.0	6.0
10	Capitalized Overhead	.0	27.4	.0	27.4
11	Interest	338.9	338.9	338.9	338.9
12	Preferred Stock Div. Credit	.0	1.7	.0	1.7
13	Subtotal Deductions	774.8	727.4	774.8	727.4
14	Net Taxable Income for CCFT	(45.3)		487.7	
15	CCFT	(4.3)		46.9	
16	Total CCFT	(4.3)		46.9	
17	Net Taxable Income for FIT		6.4		488.2
18	Federal Income Tax		2.9		224.5
19	Graduated Tax Adjustment		(.9)		(.9)
20	Invol. Conversion Adjustment		(.3)		(.3)
21	Investment Tax Credit		(12.8)		(12.8)
22	Fed. Income Tax Before Adj.		(11.1)		210.5
23	Capitalized Overhead Adj.		(2.9)		(2.9)
24	Total FIT		(14.0)		207.6

(Red Figure)

(END OF APPENDIX D)

APPENDIX E-6

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California Water Service Company
Visalia District

Comparison of typical bills for residential metered customers of various usage level and average usage level at present and authorized rates for the year 1984.

General Metered Service
(5/8 x 3/4-inch meters)

Monthly Usage (Cubic Feet)	At Present Rates	At Authorized Rates	Percent Increase
300	\$ 3.79	\$ 4.52	19.3%
500	4.24	5.06	19.3
1,000	5.35	6.39	19.4
2,000	7.57	9.05	19.5
3,000	9.79	11.71	19.6
4,000	12.01	14.37	19.7
4,325 (Average)	12.73	15.23	19.6
6,000	16.45	19.69	19.7
10,000	25.33	15.23	19.7

(END OF APPENDIX E)