

Decision No. 86654

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Application No. 55610
(Filed April 9, 1975)

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

Application No. 55611
(Filed April 9, 1975)

(Appearances are shown in Decision No. 85453.)

Additional Appearances

Norman J. Baumann, owner of Cedar Lodge Motel and Trailer Park, for himself, and for Ward Bible, Leisure World Trailer Park; Dick Cayo Antlers Motel; Helen Rare Bridges, Chester Mobile Home Trailer Park; and Harlow Wisman, Brookside Trailer Park; protestants.
Jim Chapman, Mayor of Susanville, for the City of Susanville and for himself, interested party.

FINAL OPINION

In these applications California-Pacific Utilities Company (Cal-Pacific)^{1/} seeks authority to increase electric rates in its

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

Lassen Division by \$650,500 annually and to increase water rates in its Susanville Water District by \$210,000 annually. The rate increases proposed herein are designed to achieve a rate of return on depreciated rate base of 10.4 percent, and a return on common equity of 15 percent.

By petition filed April 15, 1975 Cal-Pacific sought interim rate relief in the form of an increase designed to provide additional annual revenues of \$325,250 for electric service and \$105,200 for water service pending final disposition of the proceedings. The proposed interim increases represented 50 percent of the amount requested as final relief.

Decision No. 85453 issued February 18, 1976 in this proceeding granted interim relief for water service in the annual amount of \$102,900 or 66 percent. That increase was spread uniformly to existing rates. Interim relief with respect to electric rates was denied for the reason, among others, that the Commission may consider lifeline rates for electric service required to be established pursuant to the recently enacted Miller-Warren Energy Lifeline Act, Statutes 1975, Chapter 1010 (Lifeline Act). ✓

The matters were initially heard in Susanville on August 21 and 22, 1975, and submitted upon receipt of late-filed exhibits. The proceedings were reopened and further hearing held before Examiner Mallory in Susanville on June 24, 1976. The further hearing was limited to the receipt of evidence concerning the type of rate structure (including lifeline rates for electric service) and levels of rates which should be adopted if the rate increases are granted.

Evidence in the second phase was presented by the Commission staff, by public witnesses, and by Cal-Pacific.

The matters were again submitted, subject to receipt of written comments from interested parties, which have been filed.

Test Year Operating Results
and Rate of Return

In the initial phase of the proceeding Cal-Pacific and the Commission staff presented estimates of operating results for a 1976 test year, rate of return studies, and other economic data. The test year estimates of operating results are set forth in Tables 2 and 3 of Decision No. 85453 and need not be restated herein.

The presentations of the staff and Cal-Pacific differed in many respects. The staff made several adjustments to the projected operating results presented by Cal-Pacific, some of which were concurred in by Cal-Pacific and others which were opposed. The differences which have the greatest revenue impact are the computation of federal income taxes on a flow-through method versus a normalization method for Asset Depreciation Range (ADR), Class Life System (CLS), and Investment Tax Credit (ITC), the level of wages to be included in the test year operating expenses, and the staff adjustments to weighted average electric plant in service.

We find that:

1. The test year operating revenues estimated by the staff are reasonable and should be adopted for the purposes of this proceeding.

2. The test year operating expenses estimated by the staff are reasonable, except that operating expenses should be increased to reflect an eight percent wage increase for certain classes of employees incurred by Cal-Pacific but not reflected in the staff's estimates of expenses.

3. The flow-through method of computing the income tax effect of ADR-CLS and ITC is reasonable and consistent with Commission action in prior proceedings involving this company (Decision No. 84006, *infra*), and should be adopted.

4. Rate base estimates of the staff are reasonable, except the staff's estimates of weighted plant in service should be increased by \$63,155, representing:

- (a) Reestablishment of the amount of \$30,000 eliminated by the staff because of purported duplication of plant addition for a Susanville substation.
- (b) Reestablishment of the amount of \$33,155 eliminated by the staff for a portion of the Lake Almanor building, which had already been eliminated in applicant's showing.

The Commission staff has recommended that the Commission adopt a rate of return for 1976 in the range of 9.15 percent to 9.45 percent, which would provide a corresponding allowance for return on common stock equity in the range of 11.72 percent to 12.51 percent. Cal-Pacific seeks a rate of return of 10.4 percent and a corresponding return on equity of 15 percent. We have carefully considered all of the evidence in this proceeding and the rates of return found reasonable for Cal-Pacific in past proceedings, and find that a rate of return of 9.26 percent with a corresponding return on equity of 12.00 percent will be reasonable.^{2/}

The following tables show the test year operating revenues, expenses (including income taxes), rate base, and rate of return found reasonable herein:

^{2/} The last authorized rate of return was 9.04 percent adopted in Decision No. 84006 dated January 1, 1975 in Application No. 58403, and pertained to Cal-Pacific's Needles District gas and electric operations.

TABLE 1

Lassen Electric Operation

ADOPTED SUMMARY OF EARNINGS
Test Year 1976

	<u>Present Rates</u>	<u>Increased Rates</u>
Operating Revenues	\$2,549,385	\$2,854,125
<u>Operating Expenses</u>		
Purchased Power	1,528,590	1,528,590
Transmission	7,750	7,750
Distribution	169,540	169,540
Customer Accounts	129,471	129,471
Sales	3,400	3,400
Administration and General	178,390	178,390
Wage Adj.	(7,675)	(7,675)
Uncollectibles	10,822	12,123
Franchise Fees	31,933	35,773
Subtotal Expenses	<u>2,052,221</u>	<u>2,057,362</u>
Depreciation	149,364	149,364
<u>Taxes</u>		
Other than Income	128,617	128,617
California State Franchise	(6,656)	20,308
Federal Income Tax	(94,431)	35,834
Total Operating Expenses	<u>2,229,115</u>	<u>2,391,485</u>
Net Income	320,270	462,640
Rate Base	4,996,127	4,996,127
Rate of Return	6.41%	9.26%

(Red Figure)

Revenue Increase = \$304,740, or approximately 12% over present rates.

TABLE 2

Susanville Water Operations

ADOPTED SUMMARY OF EARNINGS
Test Year 1976

	<u>Present Rates*</u>	<u>Increased Rates</u>
Operating Revenues	\$ 160,070	\$ 309,324
<u>Operating Expenses</u>		
Source of Supply	2,030	2,030
Pumping	14,680	15,200
Water Treatment	1,840	1,840
Transmission and Distribution	39,000	39,000
Customer Accounts	20,623	20,623
Sales	-	-
Administration and General	32,370	32,370
Wage Adj.	(1,628)	(1,628)
Uncollectibles	1,024	1,980
Franchise Fees	-	-
Subtotal Expenses	<u>109,939</u>	<u>111,415</u>
Depreciation	31,374	31,374
<u>Taxes</u>		
Other than Income	37,891	37,891
California State Franchise	(7,092)	6,208
Federal Income Tax	(38,497)	25,908
Total Operating Expenses	<u>133,615</u>	<u>212,796</u>
Net Income	26,455	96,528
Rate Base	1,042,417	1,042,417
Rate of Return	2.54%	9.26%

(Red Figure)

*Without interim relief already granted of 66% or \$102,900.

Revenue Increase = \$149,254 or approximately 93% over present rates.

Staff Evidence in Second Phase

Subsequent to the submission of the first phase of this proceeding, the Commission entered into an investigation (Case No. 9988) concerning quantities of energy that should be supplied under lifeline rates. The decision in that investigation was not issued at the time of hearing in the second phase of this proceeding.^{3/} The Commission staff proposals concerning rate design for electric service are predicated on the staff recommendations in the investigation proceeding. The staff report received in the second phase of this proceeding contains a recommended rate design for electric and water service which spreads the increases in gross revenues in Tables 1 and 2 to rate schedules for the several classes of electric and water service. The utility now publishes rate schedules applicable to industrial, commercial, and domestic usage.

Electric Service

In designing proposed electric rate schedules, including lifeline rates, the staff gave consideration to the following described conditions, some of which are unique to Cal-Pacific's Lassen Division.

The present industrial rate schedule (P-140) traces its origin to the days when energy was inexpensive and in abundant supply and when utilities solicited growth through special rate schedules. Since then, PG&E's resale rates have placed greater emphasis on the demand component to reflect the increased capital cost of plant construction. Cal-Pacific has not followed through in recent proceedings by redesigning its industrial schedule and this has

^{3/} Decision No. 86087 issued July 13, 1976 in Case No. 9988.

resulted in a self-defeating situation wherein the revenues from inefficient, low-load factor customers do not cover Cal-Pacific's purchased power costs for those customers. On the other hand, the high-load, efficient customers are penalized through high rates which make internal generation attractive.^{4/} Also, the present block design solicits growth without promoting efficiency. This paradox is shown in the following table:

^{4/} The staff report states that a substantial number of the large industrial customers (lumber mills) are able, because of their plant operation characteristics, to convert to internal electric generation. One customer, Eagle Lumber Company, had already built its own electric generation plant and has disconnected from the utility's system in September 1975, purportedly because of recent increases in electric rates and the possibility of substantial future increases. The staff report states that further loss of industrial customers will be damaging to the utility because its load factor will decrease and the lost industrial-class revenues will have to be made up by other classes of customers. ✓

TABLE 3

Schedule No. P-140

COMPARISON BASED ON 500 KW DEMAND

Sales Kwhr	Present Revenue	Purchased Power Cost*	Gross Profit or Loss
15,000	\$ 417.60	\$1,161.50	\$(743.90)
30,000	835.20	1,260.50	(425.30)
45,000	1,137.80	1,359.50	(221.70)
60,000	1,405.40	1,458.50	(53.10)
75,000	1,632.20	1,557.50	74.70
100,000	1,950.70	1,722.50	228.20
150,000	2,587.70	2,052.50	535.20
200,000	2,932.22	2,382.50	549.72

(Red Figure)

*Priced at PG&E's R-1 resale schedule.

Concerning the commercial rate schedule, the staff report states that commercial customers generally do not, in reality, shoulder any burden of rate increases because they normally pass on these increases to their customers; usually the ultimate customers of these commercial establishments are the local utility's domestic customers. The report asserted that commercial customers who, for any reason, cannot pass on the increase experience an erosion in profits and in the economic viability of their enterprises.

Widely separate types of customers are served under Cal-Pacific's domestic electric rate schedules. On the one hand, in spite of an aggressive campaign carried on by the utility to convince domestic customers of the need to conserve energy, electric usage is still increasing. Some domestic customers (approximately 230 bills) consumed more than 5,000 kilowatt-hours per month in 1974. On the other hand, a considerable number of the domestic customers who reside in the urban centers of Susanville, Chester, and Westwood live on fixed incomes and transfer payments. These people suffer the most from the inflationary spiral of prices and any substantial rate increase will affect them adversely.^{5/}

^{5/} The Miller-Warren Energy Lifeline Act enacted in response to adverse consumer reaction to rate increases requires the adoption of "lifeline" rates for domestic electric customers. Lifeline rates allow customers a low rate for a set level of consumption in their regular residence. Many of Cal-Pacific's domestic customers will be eligible for lifeline rates. The staff report states that it is necessary to set interim lifeline rates that are fair and equitable to both the ratepayer and to the utility.

The utility has experienced a significant increase in the number of recreational homes and subdivisions in its service area. The staff report states that these customers are usually located in rural areas, are the most difficult to serve, and in many instances do not pay their way, especially during winter. Moreover, increases in the utility's electric rate base has resulted primarily from the added plant needed to serve these customers. The utility's present domestic rate schedule does not differentiate between urban, rural, and recreational domestic customers.

Before the advent of lifeline, it was the intent of the Commission to relate electric rates more closely to cost of service. Cal-Pacific was instructed in Decision No. 82711, the most recent Lassen Division electric rate proceeding, to conduct a cost-of-service study. That study was not completed in time for introduction in this proceeding. The cost-of-service study is not expected to be completed before June 1977.

The staff recommended the following rate design, based on the above considerations:

1. Rural domestic and rural commercial schedules. Those rate schedules would be differentiated from their urban counterparts by higher service charges. The utility recommended to the staff that the cities and immediate vicinities of Susanville, Chester, and Westwood be considered urban; the staff concurs with the utility's recommendations; however, the staff also recommended the addition of the town of Herlong to the urban list by reason of density and ease of service. All communities and localities other than the above-mentioned cities should be served under the new rural schedules. In view of the complexity of the domestic lifeline schedules, the staff recommended that implementation of the domestic rural schedule be deferred to the next electric rate proceeding.

2. Lifeline electric rates. The staff recommended the adoption of lifeline rates, for domestic customers, at interim consumption levels proposed by the staff in Case No. 9988, namely, 300 kwhr per month for basic use, 250 kwhr per month for electric water heating use, and 1,120 kwhr per month for electric space heating. The design for the domestic lifeline rates will be predicated on maintaining the same revenue at present rates for the energy charge. Multi-family dwelling customers, whether submetered or not, are also entitled to lifeline service. Proposed lifeline rates for multi-family dwelling customers, submetered and mastermetered, are set forth in separate schedules.

3. Vacation and recreational house owners served under the domestic schedule would not qualify for lifeline rates. A separate rate schedule is proposed for nonprincipal or vacation residence domestic service.

4. Commercial Rate Schedules. The commercial class should undergo a system average increase of 12 percent; however, within the class, the General Cooking and Heating Schedule (C-128) should increase by 25 percent because it is an underpriced promotional schedule.

5. Industrial and Lighting Rates. Within the industrial class, Schedule P-140 should undergo a system average increase of 12 percent; however, the schedule has been redesigned to reflect the true cost of capacity and to encourage efficient usage. Also, the minimum charge has been increased to reflect the minimum cost of purchased power. The staff's proposed rates for lighting customers are 12 percent higher than existing rates.

The following table depicts the staff estimates of increased revenues under its proposed rate design for electrical service:

TABLE 4

REVENUE INCREASE (ELECTRIC)

Class of Service	Present Rates	Staff's Proposed Rates	Increase	Percent
Residential	\$1,360,513	\$1,524,104	\$163,591	12.0%
Commercial	769,787	862,348	92,561	12.0
Industrial	371,948	416,672	44,724	12.0
Street Lights	<u>32,137</u>	<u>36,001</u>	<u>3,864</u>	<u>12.0</u>
Subtotal	2,534,385	2,839,125	304,740	12.0
Others	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
Total	2,549,385	2,854,125	304,740	12.0

Revenue Increase from Commercial Class

C-128	21,535	26,919	5,384	25.0
A-120 Urban	520,450	576,971	56,521	11.0
A-120 Rural	91,844	106,152	14,308	16.0
P-130	<u>135,958</u>	<u>152,306</u>	<u>16,348</u>	<u>12.0</u>
Total	769,787	862,348	92,561	12.0

Water Service

The staff report pointed out that lifeline rates have not been made applicable to water service, either by legislation or by Commission action.^{6/} Therefore, the staff recommended a system average increase for the water rates of the Susanville Water District. The staff was of the opinion that conservation of water in Susanville is not a significant issue at present; however, the staff did recommend that the last two rate blocks for the General Metered Service Schedule (SU-1) be merged so as to simplify the schedule and to discourage waste.

Other Matters Relating to Electric Rates

The staff report claimed that all California utilities have recently curtailed their electric appliances advertising and solicitation of additional load, but that present electric line extension policy (Rule 15) indirectly solicits load and promotes appliance purchase and usage by granting liberal free line extensions to customers (permanent and seasonal) who do buy electric appliances. The staff recommended that the utility's line extension free footage for domestic service be set at 500 feet of free extension regardless of the domestic customer's projected load, contending that this will eliminate: (a) the promotional implication behind the present extension policy, and (b) the unreasonably liberal extensions which distort the rate base and bring about repeated requests for rate increases. The staff also recommended similar reductions in the free footage allowances for other classes of service.

The staff pointed out in the report that Cal-Pacific Rule 15 sets normal distribution voltage in the utility's service area at 12 kv or less; however, it appears that the utility extends service to customers at 14.4 kv. If the utility charges customers for 14.4 kv extension, it is violating its own filed tariff. The utility was previously advised to change the voltage figure in its tariff

^{6/} After the staff report was issued, the Commission, in some instances, has established lifeline water rates.

to 14.4 kv, but neglected to do so. The staff recommended that the utility be directed to change the voltage limit in its tariffs from 12 kv to 14.4 kv. Appendix A to this order revised applicant's tariff in accordance with the staff recommendation.

Cal-Pacific requested that its Purchased Power Adjustment Clause be revised to include any changes in the base rate shown in PG&E's Resale Service Schedule R-1. The staff stated that it is of the opinion that the request is reasonable, for the energy charges, but that a different method is required to flow-through any increase in the demand charge. The staff recommended that the utility submit a showing detailing how the demand charge adjustment is to be made.

Interim Lifeline Decision

In Decision No. 86087 issued July 13, 1976 in Case No. 9988, the Commission adopted on an interim basis minimum quantities of electricity to supply energy needs of the State's average residential users.

Lifeline quantities are restricted to five specific end uses: space heating, cooking, lighting, water heating, and food refrigeration. The State is divided into four climatic zones. Susanville falls within the third zone (4,500 - 7,500 degree-days). In setting minimum lifeline quantities, uniform amounts applicable to all climatic zones were established for basic residential use and for

7/ Not included in minimum lifeline quantities are such residential end uses of energy such as air conditioning, domestic well pumping, operation of clothes washers and driers, television sets, and small electric appliances.

water heating. The quantities established for space heating vary with the climatic zone. Space heating quantities are for the six-month winter season, November through April. Different quantities were established for single-family residences and metered units of multi-unit complexes, and for unmetered units of multi-unit complexes.

To ensure that the designated lifeline quantities are consumed by bona fide end users, space heating eligibility is limited to end users with permanently installed electric heating systems.

In order to determine eligibility for lifeline rates, the Commission ordered that utilities secure the necessary information from their customers to make the determinations. Among the information required is:

- (a) Whether the premises served is:
 - (1) A single family dwelling,
 - (2) Includes units of a multi-family structure served through a separate meter, or
 - (3) Units of a multi-family structure served through a master meter.
- (b) Whether hot water and space heating is provided by electricity.
- (c) If space heating is provided by electricity, whether the heating system is permanently installed.

The basic electric lifeline allowance established by Decision No. 86087 is 240 kilowatt hours per month. The following table depicts designated lifeline quantities of electricity for Cal-Pacific's Lassen Electric Division (Climatic Zone 3):

TABLE 5

LIFELINE QUANTITIES - ELECTRIC SERVICE

	<u>Quantities Designated For Single-Family Dwellings And Metered Units of Multi-Unit Complexes</u>	
Basic Residential Use	240	Kwh/Mo.
Water Heating	250	Kwh/Mo.
Space Heating	1,120	Kwh/Mo.

	<u>Quantities Designated For Unmetered Units of Multi-Unit Complexes</u>	
Basic Residential Use	190	Kwh/Mo.
Water Heating	200	Kwh/Mo.
Space Heating	675	Kwh/Mo.

(Space heating volumes are for the winter season,
November through April.)

Decision No. 86087 also provided that rates for domestic lighting, heating, cooking, and water heating service supplied by multi-unit residential complexes through a master meter on a single premise with individual units submetered should receive a rate, for lifeline blocks, 10 percent lower than the corresponding rates for similar complexes not submetered.

Residential use, as defined in Decision No. 86087, includes vacation and second homes. Therefore, lifeline quantities and rates are applicable to such residences. That decision points out that, over the years, electric utilities have developed rate zones based on customer density, which give recognition to progressively higher costs of service as customer density decreased. The decision states that in individual rate cases the Commission will sympathetically entertain proposals to reduce the number of, or eliminate entirely, such rate zones.

Decision No. 86087 ordered that respondent electric utilities should ascertain, by means of a questionnaire to be filled by each claimant of eligibility for lifeline rates, the following information:

- a. Whether premises served is a single family home, includes units of a multi-family structure served through a separate meter, or includes units of a multi-family structure served through a master meter. The number of qualifying units must also be stated.
- b. Whether hot water and space heating is provided by electricity.
- c. If space heating is provided by electricity, whether the heating system is permanently installed.

Such response should be initially filed before November 1976. Utilities should combine this requirement with requests for more

definitive data on end use, insulation, and other conservation-related subjects, after discussion with the staff.

Cal-Pacific's Evidence

Cal-Pacific presented no additional direct evidence in the second phase of this proceeding with respect to proposed rate levels or rate structure, relying upon data submitted with its applications and presented in the initial phase of the proceeding.

Cal-Pacific's Director of Rates and Valuation testified in response to the rate proposals of the staff and the anticipated requirements of interim Decision No. 86087 in Case No. 9988. The witness stated that Cal-Pacific desires that the rate increases authorized herein be made effective at the earliest possible time, because of the long delay since the filing of its applications. The witness estimated that Cal-Pacific would require up to 90 days to collect information concerning space heating and hot water heating. In the interim period Cal-Pacific proposed that all residential customers be on the rates set forth in paragraph A of the staff's proposed Schedule D-110. That paragraph provides lifeline quantities and rates only for basic residential use, and excludes lifeline quantities for electric water heating (paragraph B) and for permanently installed electric space heating (paragraph C) or for a combination of the foregoing (paragraph D). At the end of the 90-day period refunds would be made to residential customers found to be entitled to higher lifeline quantities and lower rates after tabulation of the questionnaires. The witness indicated on cross-examination that a majority of its residential customers have electric water and/or space heating. The Commission staff urged that, in the interim period, rates in paragraph B of its proposed Schedule D-110 be used for billing all residential customers for the reason that fewer refunds would be necessary.

The manager of Cal-Pacific's Lassen Electric Division sponsored a map (Exhibit 17) prepared by him, which showed the recommended division between urban and rural service areas to be used in connection with urban and rural rates proposed by the staff. The criterion used by the witness was his estimate of the relative costs of providing meter-reading, and repair and maintenance service. The higher cost area would be designated as rural, and the lowest cost area would be urban. In general, where meter-reading can be done on foot and where maintenance crews are stationed, the areas were designated as urban.

The witness pointed out that most vacation homes are located in rural areas, that most vacation homes are not used in winter and that, under the staff proposal, vacation homes are not entitled to lifeline quantities and rates. The witness expected that most vacation home owners will request discontinuance of service in winter months because Cal-Pacific's present reconnection charge is only \$1. Cal-Pacific estimates the cost of providing reconnection service in rural areas to be well in excess of \$20 because crews must drive 40 miles or more to perform the service. Cal-Pacific proposes an increase in its reconnection charge to \$20 to cover its estimated out-of-pocket cost to provide the service.

The staff suggested that the \$20 reconnection charge be approved for rural areas only and that a charge of \$5 be approved for urban areas.

Public Witness Testimony

Public witness testimony received in the initial phase is summarized in interim Decision No. 85453.

Additional public witness testimony was received at the subsequent hearing. The owner of a mobile home and trailer park, appearing also for owners of other mobile home and trailer parks, protested the increases in rates for commercial electric service

(Schedules A-120 and P-130) as exorbitant. The witness stated that increases in commercial electric rates should be based on changes in cost of service and should not be raised above the charge required to reflect such increased costs in order to subsidize residential or other classes of service. The witness indicated that he would have difficulty in passing on any increase to the mobile home and trailer owners using his park.

It was pointed out that if the mobile homes and trailers occupying the park are not transient renters, but are permanently located, the mobile homes and trailers would fall within the definition of residences in Decision No. 86087, and would qualify for residential and lifeline rates, whether directly metered or submetered.

Another public witness presented Exhibit 18 which shows the monthly electrical billing for the years 1972 through 1975, and for the months of January through April 1976 for a four-room stucco house in Susanville equipped for permanently installed electric space and water heating and electric cooking. That exhibit shows that winter (November through April) usage ranged from 1,340 to 4,080 kwhr per month, depending upon the severity of the weather. In only 2 out of 30 winter months was the usage less than the lifeline quantity of 1,610 kwhr. In no summer month (May through October) was the usage less than the lifeline quantity of 490 kwhr. The exhibit also shows that the total usage and average monthly bill for the residence in question was as follows:

<u>Year</u>	<u>Total Usage In Kwhr</u>	<u>Average Monthly Bill</u>
1972	22,269	\$28.78
1973	22,910	29.34
1974	21,800	32.91
1975	22,280	47.22
1976 (4 mos.)	8,970	49.45

The executive officer of Lassen County Local Agency Formation Commission testified concerning the proposed division between rural and urban areas in the vicinity of Susanville (Exhibit 17). It was the view of the witness that areas designated as "urban" should be restricted to those locations adjacent to the city limits of Susanville which are included in present plans for expansion by that Commission. Testimony of Cal-Pacific's witness sponsoring Exhibit 17 was to the effect that certain urban areas adjacent to, but outside, the city limits of Susanville were designated as urban because the conditions of service (meter reading, emergency repair service, etc.) for such areas were similar to adjacent areas within the city. The witness for Local Agency Formation Commission agreed that non-urban areas should be charged higher rates than urban areas, but opposed inclusion of large areas that are presently undeveloped in the "urban" area delineated in Exhibit 17. The witness took the position that inclusion of those areas under the "urban" designation for rate purposes would encourage urban sprawl, and she requested that urban service rates in the Susanville area be limited to those customers within the Susanville sphere of influence, as defined by that Commission.

The Mayor of Susanville testified in opposition to further increases in electric rates for citizens of Susanville. It was his position that Susanville residents, as a whole, cannot afford to pay the higher electric rates sought by Cal-Pacific.

Discussion

The electric rates proposed by the Commission staff were designed to give effect to the lifeline concept adopted in the Miller-Warren Lifeline Act, but the staff proposals do not reflect

the lifeline quantities or other conditions adopted by the Commission in an order issued in Case No. 9988 after the close of the hearings herein. The electric rates proposed by the staff would not apply to second or vacation homes not occupied on a year-round basis. Interim Decision No. 86087, supra, found that vacation and second homes are entitled to lifeline rates. Therefore, the staff proposal relating to lifeline rates for vacation and second homes must be denied.

The staff also proposed a \$2.50 per month difference in the initial charge for commercial electric service in urban and non-urban areas. The staff proposed that the establishment of domestic urban, and non-urban electric rates be deferred to a later proceeding. The requirements of Decision No. 86087 are that lifeline rates be the same for all domestic customers, whether urban or rural. Therefore, separate urban and non-urban rates for domestic service cannot be established.

The staff proposal for different urban and non-urban electric rates for commercial customers gives reasonable recognition to the differences in costs of providing service to non-urban customers as compared to urban customers. The services involved are those performed on a regular or periodic basis by employees, such as meter reading and trouble calls, and do not involve initial installation of facilities. The portions of Cal-Pacific's service area to be designated as urban or rural was disputed. The proposed dividing line in the vicinity of Susanville appears reasonable and justified on the basis of differences in service costs. We cannot determine on this record that the delineation of urban areas set forth in Exhibit 17 will encourage commercial enterprises to locate in such areas, or that the rate schedules will encourage urban sprawl. The staff recommendation that Herlong be designated as an urban area should not be adopted; Herlong is served by three suppliers of

electricity and Cal-Pacific's share of the Herlong market is small; Cal-Pacific services Herlong customers with crews located outside of that area; and Cal-Pacific's costs of providing services to Herlong customers are greater than for other areas designated as urban. The staff proposals that a difference in commercial electric rates be established between urban and non-urban areas, and that a difference in the basic charge of \$2.50 between said areas be established, is reasonable, except that the Herlong area should be designated as non-urban rather than urban.

The specific lifeline electric rates proposed by the staff must be revised to give effect to the lifeline quantities adopted in interim Decision No. 86087 in Case No. 9988. With this modification, we find that the rates for electric service proposed by the staff herein will be reasonable and conclude that such rates should be established by Cal-Pacific. To the extent that such rates result in departures from the cost of service method of ratemaking heretofore followed, such departures are necessary to give effect to the Miller-Warren Lifeline Act, and to encourage conservation of energy. Those objectives are reasonable in view of the ever-increasing cost of energy and the need for conservation to deter depletion of scarce natural resources.

The rates for water service proposed by the staff do not give effect to the lifeline concept, for the reasons that no legislative mandate exists for the establishment of such rates and because adequate water supplies exist so that there is no overriding need to conserve water. The staff proposed rates were

developed by increasing existing rates by a uniform amount per hundred cubic feet. We find that the staff method and the resulting rates for water service will be reasonable and that such increased water rates are justified.

The staff's proposed reduction of the free footage allowance will eliminate the promotional aspect of the line extension rule, and will play an important role in stabilizing the utility's rate base, thereby reducing the magnitude of any future rate increases. Cal-Pacific and members of the public testified on this matter and agreed that the recommendation is fair and beneficial to the ratepayers. We find that the staff's recommendations on this issue and on other matters relating to electric rates are fair, reasonable, and justified.

Additional Findings

5. Cal-Pacific is in need of additional revenues for electric service in its Lassen Division and for water service in its Susanville Water District, but the proposed rates set forth in Applications Nos. 55610 and 55611 produce excessive revenues.

6. The adopted estimates of revenues, operating expenses, and rate base for a 1976 test year, as set forth in Tables 1 and 2, reasonably indicate the results of operations in Cal-Pacific's Lassen Electric District and Susanville Water District in the near future.

7. A rate of return of 9.26 percent on the rate base set forth in Tables 1 and 2 is reasonable. Such rate of return will provide a return on equity of approximately 12.0 percent.

8. The total amount of increase in annual revenue authorized by this decision is \$304,740 for Lassen Electric District (12 percent) and \$46,354 for Susanville Water District (27 percent) [exclusive of the interim increase in water rates of \$102,900 (66 percent) heretofore granted in Decision No. 85453].

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

10. Cal-Pacific's service in its Lassen Electric District and in its Susanville Water District are adequate.

11. The staff's request for a showing by Cal-Pacific on the proposed revision of the purchased power adjustment clause is reasonable.

Conclusions

1. The application should be granted to the extent set forth in the order which follows.

2. The request of Cal-Pacific to charge all domestic electric customers on the basis of lifeline quantity of 490 kwh per month for a three-month period after the effective date of this order, pending completion of declarations required to be obtained from customers receiving electric service pursuant to Decision No. 86087, supra, has become moot as the studies in question have been completed.

3. Cal-Pacific should submit a showing to the staff concerning revision of its purchased power adjustment clause prior to its next general rate application.

FINAL ORDER

IT IS ORDERED that after the effective date of this order California-Pacific Utilities Company (Cal-Pacific) is authorized to file the revised tariff schedules attached to this order as Appendix A and concurrently to cancel and withdraw presently effective schedules for electric service in its Lassen Electric District and for water service in its Susanville Water District. Such filings shall

comply with General Order No. 96-A. The effective date of the revised schedules shall be four days after the date of filing. The revised schedules shall apply only to service rendered on or after the effective date thereof.

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

Dated at San Francisco, California, this 23rd day of NOVEMBER, 1976.

[Signature]
President
William S. Moore, Jr.
Joseph L. Stinson
[Signature]
Robert B. Daniel
Commissioners

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

Applicant's electric rates, charges and conditions are changed to the level or extent set forth in this appendix.

SCHEDULE D-110

LIFELINE DOMESTIC ELECTRIC SERVICE

APPLICABILITY

This schedule is applicable to domestic lighting, heating, cooking and single-phase domestic power service in single family dwellings and in flats and apartments and single rooms separately metered by the utility; also to all single-phase farm services on the premises operated by the person whose residence is supplied through the same meter.

TERRITORY

The entire territory of the Lassen Division served by the utility.

RATES

	Per Meter Per Month	
	<u>Lifeline Rates</u>	<u>Non-Lifeline Rates</u>
Service Charge:	\$0.88	\$0.88
Energy Charge (to be added to the Service Charge):		
First 240 kwhr, per kwhr	2.811¢	2.811¢
Next 660 kwhr, per kwhr	1.643¢	2.155¢
All excess kwhr, per kwhr	1.543¢	2.155¢

Minimum Charge:

The service charge shall be the minimum charge.

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
KASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE D-110 (Continued)

LIFELINE DOMESTIC ELECTRIC SERVICE (Continued)

PURCHASED POWER ADJUSTMENT

All service under this schedule will be subject to the Purchased Power Adjustment described in the Preliminary Statement. The adjustment amount shall be the product of the kilowatt-hours of service rendered times the applicable adjustment amount per kilowatt-hour.

SPECIAL CONDITIONS

1. Single-phase motors of not more than $7\frac{1}{2}$ HP each may receive service under this schedule.
2. In order to qualify for service under this schedule, customer shall sign a declaration under penalty of perjury stating whether he (or she) has electric water heating or space heating or both. The penalty for presenting false information in this declaration shall be any legal action which the utility might elect to pursue.
3. It is the responsibility of the customer to advise the utility within 30 days of any changes in his (or her) electric space and/or water heating appliance mix.
4. Electric water heating is hereby defined as permanently installed and wired electrical devices which provide the principal source of heat for hot water.
5. Electric space heating is hereby defined as any of the following: permanently installed and wired resistance elements which provide the principal source of heat, heat pumps or any permanently installed water or steam heating using electric heating devices as the principal source of heat. Space heating lifeline allowance is applicable only for the period of November 1 through April 30. ✓

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE D-110 (Continued)

LIFELINE DOMESTIC ELECTRIC SERVICE (Continued)

SPECIAL CONDITIONS (Continued)

6. Lifeline quantities are hereby set as follows:

<u>Type of Service</u>	<u>Lifeline Quantity</u> <u>Per Month</u>	
	<u>Winter</u>	<u>Summer</u>
(A) Basic residential use only	240 kwhr	240 kwhr
(B) Basic residential use and electric water heating as defined in Special Condition No. 4	490 kwhr	490 kwhr
(C) Basic residential use and permanently installed electric space heating as defined in Special Condition No. 5	1360 kwhr	240 kwhr
(D) Basic residential use, electric water heating was defined in Special Condition No. 4, and permanently installed electric space heating as defined in Special Condition No. 5	1610 kwhr	490 kwhr

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE DM-111

MULTI-FAMILY ELECTRIC SERVICE

APPLICABILITY:

This schedule is applicable to service for domestic lighting, heating, cooking and power service supplied to multi-family accommodations through one meter on a single premises.

TERRITORY

The entire territory of the Lassen Division served by the utility.

RATES

	Per Meter Per Month	
	<u>Lifeline Rates</u>	<u>Non-Lifeline Rates</u>
Service Charge:	\$3.55	\$3.55
Energy Charge (to be added to the Service Charge):		
First 190 kwhr, per kwhr	3.076¢	3.076¢
Next 710 kwhr, per kwhr	1.654¢	2.155¢
All excess kwhr, per kwhr	1.543¢	2.155¢

Energy Charge Multiplier:

The kilowatt-hours for all blocks shall be multiplied by the number of residential dwelling units and/or trailer spaces wired for service.

Minimum Charge: The service charge shall be the minimum charge.

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE DM-111 (Continued)

MULTI-FAMILY ELECTRIC SERVICE (Continued)

PURCHASED POWER ADJUSTMENT

All service under this schedule will be subject to the Purchased Power Adjustment described in the Preliminary Statement. The adjustment amount shall be the product of the kilowatt-hours of service rendered times the applicable adjustment amount per kilowatt-hour.

SPECIAL CONDITIONS

1. In order to qualify for service under this schedule, customer shall sign a declaration under penalty of perjury stating (a) that he (or she) is the owner and/or manager of the multi-family dwelling receiving service under this schedule on a master meter basis with no submetering to individual units, (b) the number of individual units that qualify for lifeline service, and (c) the number of individual units that have electric water heating or electric space heating or both. The penalty for presenting false information in this declaration shall be a denial of lifeline electric service for a period of one year and any legal action which the utility might elect to pursue.
2. In determination of the multiplier, it is the responsibility of the customer to advise the utility, within 30 days, of any changes in the number of residential dwelling units and trailer spaces wired for service, and of any changes in the mix of electric water heating and/or space heating.
3. Electric water heating is hereby defined as permanently installed and wired electrical devices which provide the principal source of heat for hot water.
4. Electric space heating is hereby defined as any of the following: permanently installed and wired resistance elements which provide the principal source of heat, heat pumps or any permanently installed water or steam space heating utilizing electric heating devices as the principal source of heat. Space heating lifeline allowance is applicable only for the period of November 1 through April 30.

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE EM-111 (Continued)

MULTI-FAMILY ELECTRIC SERVICE (Continued)

SPECIAL CONDITIONS (Continued)

5. Miscellaneous electrical loads such as general lighting, laundry rooms, general maintenance, and other similar usage incidental to the operation of the premises as a multi-family accommodation will be considered as domestic usage. Electric energy used for nondomestic enterprises such as stores, restaurants, service stations and other similar establishments will be separately metered and billed under applicable schedules.

6. Lifeline quantities are hereby set as follows:

<u>Type of Service</u>	<u>Lifeline Quantity</u> <u>Per Month</u>	
	<u>Winter</u>	<u>Summer</u>
(A) Basic residential use only	190 kwhr	190 kwhr
(B) Basic residential use and electric water heating defined in Special Condition No. 3	390 kwhr	390 kwhr
(C) Basic residential use and permanently installed electric space heating as defined in Special Condition No. 4	865 kwhr	190 kwhr
(D) Basic residential use, electric water heating as defined in Special Condition No. 3 and permanently installed electric space heating as defined in Special Condition No. 4	1065 kwhr	390 kwhr

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE DS-112

MULTI-FAMILY ELECTRIC SERVICE

APPLICABILITY

This schedule is applicable to service for domestic lighting, heating, cooking and power service supplied to multi-family accommodations through a master meter on a single premises with individual family units submetered.

TERRITORY

The entire territory of the Lassen Division served by the utility.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	\$3.55

Energy Charge (to be added to the Service Charge):

The energy rate of the lifeline domestic service Schedule D-110 applicable to the Lassen Division less 10% discount on the lifeline blocks only.

Energy Charge Multiplier:

The kilowatt-hours for all blocks shall be multiplied by the number of residential dwelling units and/or trailer spaces wired for service.

Minimum Charge:

The service charge shall be the minimum charge.

PURCHASED POWER ADJUSTMENT

All service under this schedule will be subject to the Purchased Power Adjustment described in the Preliminary Statement. The adjustment amount shall be the product of the kilowatt-hours of service rendered times the applicable adjustment amount per kilowatt-hour.

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE DS-112 (Continued)

MULTI-FAMILY ELECTRIC SERVICE (Continued)

SPECIAL CONDITIONS

1. In order to qualify for service under this schedule, customer shall sign a declaration under penalty of perjury stating (a) that he (or she) is the owner and/or manager of the multi-family dwelling receiving service under this schedule on a master meter basis with submetering to individual units, (b) the number of individual units that qualify for lifeline service, and (c) the number of individual units that have electric water heating or electric space heating or both. The penalty for presenting false information in this declaration shall be a denial of lifeline electric service for a period of one year and any legal action which the utility might elect to pursue.
2. In determination of the multiplier, it is the responsibility of the customer to advise the utility, within 30 days, of any changes in the number of residential dwelling units and trailer spaces wired for service, and of any changes in the mix of electric water heating and/or space heating.
3. Electric water heating is hereby defined as permanently installed and wired electrical devices which provide the principal source of heat for hot water.
4. Electric space heating is hereby defined as any of the following: permanently installed and wired resistance elements which provide the principal source of heat, heat pumps or any permanently installed water or steam space heating utilizing electric heating devices as the principal source of heat. Space heating lifeline allowance is applicable only for the period of November 1 through April 30.
5. Miscellaneous electrical loads such as general lighting, laundry rooms, general maintenance, and other similar usage incidental to the operation of the premises as a multi-family accommodation will be considered as domestic usage. Electric energy used for nondomestic enterprises such as stores, restaurants, service stations and other similar establishments will be separately metered and billed under applicable schedules.

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE DS-112 (Continued)

MULTI-FAMILY ELECTRIC SERVICE (Continued)

SPECIAL CONDITIONS (Continued)

6. Lifeline quantities are hereby set as follows:

<u>Type of Service</u>	<u>Lifeline Quantity</u>	
	<u>Winter</u>	<u>Summer</u>
(A) Basic residential use only	240 kwhr	240 kwhr
(B) Basic residential use and electric water heating defined in Special Condition No. 3	490 kwhr	490 kwhr
(C) Basic residential use and permanently installed electric space heating as defined in Special Condition No. 4	1360 kwhr	240 kwhr
(D) Basic residential use, electric water heating as defined in Special Condition No. 3 and permanently installed electric space heating as defined in Special Condition No. 4	1610 kwhr	490 kwhr

SCHEDULE C-128

GENERAL HEATING AND COOKING ELECTRIC SERVICE

RATES

	<u>Per Meter</u>
	<u>Per Month</u>
First 150 kwhr, per kwhr	5.293¢
All over 150 kwhr, per kwhr	2.792¢

Minimum Charge:

- First 7 kw or less of heating and/or cooking capacity, \$10.50 per month.
- All over 7 kw of heating and/or cooking capacity, \$1.50 per kw per month.

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE A-120

GENERAL ELECTRIC SERVICE

RATES

Single-Phase Service:		<u>Per Meter</u> <u>Per Month</u>
Service Charge:		
Urban Customer		\$ 1.05
Rural Customer (see Special Condition No. 5)		3.55
Energy Charge (to be added to Service Charge):		
First 200 kwhr, per kwhr		4.905
Next 800 kwhr, per kwhr		4.683
Next 2,000 kwhr, per kwhr		3.575
Next 3,000 kwhr, per kwhr		2.577
Next 4,000 kwhr, per kwhr		2.355
Next 150 kwhr per kw of billing demand, per kwhr		1.912
All excess, per kwhr		1.357

Minimum Charge shall be the service charge.

Polyphase Service:

Minimum Charge: Single-Phase Service charge plus \$1.12
or \$2.00 per kw of billing demand,
whichever is higher.

SPECIAL CONDITIONS

5. The rural customer is defined as one who is served outside the areas of Chester, Westwood, and outside the urban limits of Susanville as shown on area map No. _____.

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE P-130

GENERAL POWER SERVICE - CONNECTED LOAD BASIS

RATES

<u>HP Connected Load</u>	<u>Rate Per Kwhr, for Monthly Consumption of</u>			
	<u>First 50</u>	<u>Next 50</u>	<u>Next 150</u>	<u>All Over</u>
	<u>Kwhr</u>	<u>Kwhr</u>	<u>Kwhr</u>	<u>Kwhr</u>
	<u>Per HP</u>	<u>Per HP</u>	<u>Per HP</u>	<u>Per HP</u>
2 - 9.9 HP	5.527¢	2.951¢	1.830¢	1.494¢
10 - 24.9 HP	4.967	2.839	1.718	1.494
25 HP and Over	4.407	2.727	1.606	1.382

Minimum Charge:

Agricultural Pumping Service:

Service will be provided for agricultural pumping service on a year-to-year basis and the minimum monthly charge for this service will be made accumulative over a twelve-month period. The minimum charge shall be \$2.00 per HP per month for the first 25 HP of connected load, plus \$1.00 per HP per month for each additional HP. If a customer disconnects prior to the completion of one year of service or thereafter prior to the anniversary month during which he was connected for service, a service charge computed as follows will apply:

The service charge will be \$2.00 per HP for the first 25 HP, plus \$1.00 per HP for each additional HP of connected load multiplied by 12 months less the accumulated revenue received during the year starting with the first or anniversary month, as the case may be.

Other Than Agricultural Pumping Service:

\$2.00 per HP per month for the first 25 HP of connected load, plus \$1.00 per HP per month for any excess, provided, however, that in no case will the minimum be less than \$4.00 per month.

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE P-140

GENERAL POWER SERVICE: MAXIMUM DEMAND BASIS

RATES

Energy Charge:

Billing Demand kw	Rate per Kwhr for Monthly Consumption Per Kw of the Billing Demand			
	First 67 Kwhr	Next 67 Kwhr	Next 200 Kwhr	All Over 334 Kwhr
	per kw	per kw	per kw	per kw
0 - 186	3.609¢	2.302¢	1.531¢	1.084¢
187 - 1000	3.341	2.052	1.409	1.044
1001 - 2000	3.221	1.925	1.299	.974
2001 and over	3.101	1.822	1.199	.874

Minimum Charge:

Monthly Basis: \$120.00 per month for the first 40 kw or less of the billing demand plus \$3.00 per kw for any excess.

SPECIAL CONDITIONS

7. Standby Charge:

- a. The monthly charge for standby service shall be 25¢ per kva of capacity of the standby equipment.
- b. If a contract for standby facilities is not executed within ninety days after a request for standby service has been made, the utility shall dismantle and remove the standby equipment.

8. Contract Provisions: This schedule is open to customers only on contract basis. The contract shall be for a term of not less than two consecutive years.

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE LS-154

STREET AND HIGHWAY LIGHTING

RATES

Mounted on Wood Poles

Per Lamp Per Month

Incandescent Lamps

2,500 Lumens

For all units served on effective
date of this schedule \$2.72

For units connected to distribution
system after the effective date of
this schedule 5.70

Mercury-Vapor Lamps

7,000 Lumens 5.21

11,000 Lumens 6.42

20,000 Lumens 7.66

Fluorescent Lamps

20,000 Lumens 9.32

Mounted on Metal Poles

The rate for lamps mounted on wood poles
plus 2.24

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

SCHEDULE LS-156

STREET AND HIGHWAY LIGHTING (CUSTOMER OWNED)

RATES

Mercury-Vapor Lamps	<u>Per Lamp Per Month All Night Service</u>
7,000 Lumens	\$2.97

SCHEDULE OL-150

OUTDOOR AREA LIGHTING SERVICE

RATES

Mercury-Vapor Lamps	<u>Per Lamp Per Month</u>
7,000 Lumens	\$4.76
20,000 Lumens	7.67

Additional Charge: An added charge of \$1.18 per month shall be made for each pole required in excess of the number of luminaires installed.

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RULES AND REGULATIONS - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

RULE NO. 11

DISCONTINUANCE AND RESTORATION OF SERVICE

DELETE PARAGRAPH I
ADD NEW PARAGRAPH

I. Restoration - Reconnection charge. The reconnection charge for restoration of service within the service areas of Needles and Weaverville Divisions and within the service areas of Chester, Westwood and the Susanville area as defined by Map No. _____, shall be \$5.00. The reconnection charge for restoration of service outside the abovementioned areas shall be \$20.00.

RULE NO. 15

LINE EXTENSIONS

DELETE FIRST LINE
ADD NEW FIRST LINE TO READ:

Extension of distribution lines of standard voltages (14.4 kv or less).

DELETE PARAGRAPH B.1.
ADD NEW PARAGRAPH B.1.

1. Free footage allowances

Overhead line extensions will be made by the utility at its own expense provided the length of line required does not exceed the free length as determined from the following allowances.

a. Domestic Service:

For each customer	500 feet
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b. Other Service:

For lighting load, per kw connected	100 feet
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For motors of 1 HP or more, per HP connected	50 feet per HP/1500 feet maximum
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The motors HP free-footage allowances shall apply to electric motors in any type of service.

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RULES AND REGULATIONS - CALIFORNIA-PACIFIC UTILITIES COMPANY
LASSEN DIVISION, ELECTRIC DEPARTMENT

RULE NO. 15 (Continued)

PARAGRAPH B.1. (Continued)

Except for those instances where the customer requests special facilities, the utility will install, own and maintain the necessary transformers, motors and service wires in accordance with Rule No. 16 at its own expense.

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RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY
SUSANVILLE WATER DISTRICT

Applicant's water rates are changed to the level or extent set forth in this Appendix.

SCHEDULE SU-1

GENERAL METERED WATER SERVICE

RATES

Quantity Rates:	Per Meter Per Month	
First 600 cu.ft., or less	\$ 3.30	(I)
Next 1,400 cu.ft., per 100 cu.ft.42	
Over 2,000 cu.ft., per 100 cu.ft.23	
 Minimum Charge:		
For 5/8 x 3/4-inch meter	\$ 3.30	(I)
For 3/4-inch meter	4.85	
For 1-inch meter	6.80	
For 1 1/2-inch meter	13.55	
For 2-inch meter	17.45	
For 3-inch meter	31.00	
For 4-inch meter	48.50	
For 6-inch meter	87.00	
For 8-inch meter	145.00	
For 10-inch meter	204.00	

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

SCHEDULE NO. SU-4

PRIVATE FIRE PROTECTION

RATES

	Per Month	
For each 1 1/2-inch connection	\$ 4.35	(I)
For each 2-inch connection	5.80	
For each 3-inch connection	8.70	
For each 4-inch connection	11.65	
For each 6-inch connection	17.45	
For each 8-inch connection	23.25	
For each 10-inch connection	29.00	