

Decision No. 86708**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application )  
 of the SOUTHERN CALIFORNIA WATER )  
 COMPANY for an order authorizing )  
 an increase in water rates in its )  
 Orange County District. )

Application No. 56157  
 (Filed December 23, 1975)

Guido R. Henry, Jr., Attorney at Law, for  
 applicant.

Kenneth Dodd, for Park Water Company,  
 interested party.

William J. Jennings, Attorney at Law, and Ernst Knolle,  
 for the Commission staff.

O P I N I O N

By this application, Southern California Water Company (Company) requests authority to establish rates in its Orange County District which are designed to increase annual revenue by \$643,900, or 20.1 percent over the revenues produced by the rates in effect at the time of filing based on test year 1975 operations. In addition, Company requests step increases in rates averaging \$112,200, or 2.8 percent in each of the test years 1976, 1977, 1978, and 1979.

Public hearing was held before Examiner Gillanders in Los Alamitos on August 31, 1976, and the matter was submitted upon concurrent briefs received on September 30, 1976. Copies of the application had been served and notice of hearing had been published and posted in accordance with this Commission's rules of procedure.

Oral testimony on behalf of Company was presented by two of its vice presidents, its manager of the Rate and Evaluation Department, and its chairman of the Finance Committee. The Commission staff presentation was made by one accountant and two engineers. No customers attended the hearing. Testimony was received from a representative of the California Department of Public Health.

General Information

Company, a California corporation organized under the laws of the State of California on December 31, 1928, is a public utility rendering water service in various areas in the counties of Contra Costa, Imperial, Los Angeles, Orange, Sacramento, San Bernardino, and Ventura. It also renders electric service in the vicinity of Big Bear Lake in San Bernardino County.

Orange County District

The Orange County District service area includes portions of the cities of Cypress, Garden Grove, La Palma, Los Alamitos, Placentia, Santa Ana, Seal Beach, Stanton, and Yorba Linda, and unincorporated territory in the county of Orange. Company served 31,576 customers in the district as of December 31, 1974, through distribution systems, not all of which are interconnected, composed of 1,774,788 feet of main ranging in size up to 16 inches in diameter. In 1974, approximately 33 percent of the water supplied to this district was purchased through connections to the facilities of the Municipal Water District of Orange County, a member agency of The Metropolitan Water District of Southern California. The remaining water supply is derived from applicant-owned wells, which are equipped with deep well turbine pumps driven by electric motors under automatic control, and minor purchases from a neighboring utility. Company has water treatment, storage, booster pumps, and other auxiliary equipment at various locations in the district.

As of December 31, 1974, the book cost of utility plant in service in the Orange County District amounted to \$16,410,400 and the depreciation and amortization reserve was \$2,524,400, for a net depreciated cost of \$13,886,000.

Rates

The basic present rates for this district were set by Decision No. 79382 dated November 23, 1971 in Application No. 52370. The Commission for test year 1971 authorized a rate of return of 7.27 percent on rate base with an assumed upward trend of 0.23 percent per year to yield an average of 7.5 percent on rate base and 11.79 percent on common equity over a three-year period. Since that decision the Commission has authorized the following offset rate increases:

<u>Advice Letter or Application</u>	<u>Decision or Resolution Number</u>	<u>Dated</u>	<u>Date Rates Effective</u>	<u>Expense Offset</u>
A.54137	D.81794	8-21-73	8-21-73	Increased purchased water, pump tax, and power rates by \$138,060.
429-W	W-1534	3-19-74	3-29-74	Increased power rates by \$87,520.
451-W	W-1689	2-19-75	2-24-75	Increased power and labor rates offset by a reduction in ad valorem tax rates by \$98,200.
465-W	W-1755	7-1-75	7-6-75	Purchased water, pump taxes, and power offset by the full effect of a reduction in Federal income taxes caused by a temporary increase in Investment Tax Credit by \$83,400.
481-W	W-1920	6-8-76	7-1-76	Increased purchased water, purchased power, and labor by \$167,800.

#### Rate Proposals

Company proposes to increase the general metered, metered irrigation, and private fire protection rates. Present and proposed rates are shown in Exhibit D attached to the application.

The proposed rates will result in the following dollar and percentage increase to the customers by class of service.

<u>Classification</u>	<u>Estimated Year 1975</u>			
	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Increase</u>	
			<u>Amount</u>	<u>Percent</u>
			(Dollars in Thousands)	
<u>Metered Revenues</u>				
Commercial	\$2,943.2	\$3,507.2	\$564.0	19.16
Industrial	16.1	21.0	4.9	30.43
Public Authority	200.7	261.5	60.8	30.29
Irrigation	11.9	16.3	4.4	36.97
Resale	6.9	7.4	0.5	7.25
Other	<u>3.7</u>	<u>3.0</u>	<u>(0.7)</u>	<u>(18.92)</u>
Total Metered	3,182.5	3,816.4	633.9	19.92
<u>Flat Rate Revenues</u>				
Private Fire Protection	20.0	30.0	10.0	50.00
<u>Other Revenues</u>				
Miscellaneous	0.8	0.8	-	-
Other	<u>0.1</u>	<u>0.1</u>	<u>-</u>	<u>-</u>
Total Other	0.9	0.9	-	-
Total Operating Revenues	3,203.4	3,847.3	643.9	20.10

(Red Figure)

Increases at Proposed Step Rates  
Based on Test Years

<u>Year</u>	<u>Amount</u>	<u>Percent</u>
(Dollars in Thousands)		
1976	\$119.4	3.10
1977	126.7	3.19
1978	135.6	3.31
1979	64.5	1.53

Results of Operation

Witnesses for Company and the Commission staff have analyzed and estimated Company's operational results. Summarized in the table below, from the Company's Exhibit 4 and staff's Exhibit 13, are the estimated results of operation for the test years 1976 and 1977 under present rates and under those proposed by Company.

Southern California Water Company  
Orange County District

SUMMARY OF EARNINGS

Years 1976 and 1977 Estimated

Item	Applicant Estimated		Staff Estimated		Applicant:
	Present	Proposed	Present	Proposed	Exceeds
	Rates	Rates	Rates	Rates	Staff#
	(A)	(B)	(C)	(D)	(E)
(Dollars in Thousands)					
<u>Year 1976</u>					
Operating Revenues	\$ 3,255.5	\$ 3,966.7	\$ 3,438.0	\$ 3,998.9*	\$(182.5)
<u>Operating Expenses</u>					
Oper. & Maintenance	1,623.4	1,626.6	1,701.5	1,703.5	(78.1)
Admin. & General	73.9	73.9	71.5	71.5	2.4
Taxes Other Than Income	438.8	448.7	447.8	455.7	(9.0)
Depreciation	347.4	347.4	304.7	304.7	42.7
Prorated General Office	110.8	110.8	110.4	110.4	.4
Subtotal	2,594.3	2,607.4	2,635.9	2,645.8	(41.6)
Taxes on Income	73.3	44.0	76.2	366.5	(2.9)
Total Operating Exps.	2,667.6	3,048.4	2,712.1	3,012.3	(44.5)
Net Operating Revenue	587.9	918.3	725.9	986.6	(138.0)
Depreciated Rate Base	10,055.5	10,055.5	10,030.1	10,030.1	25.4
Rate of Return	5.85%	9.13%	7.24%	9.84%	(1.39)%
Average No. of Customers (Excl. Fire Protection)	32,240	32,240	32,296	32,296	(56)
<u>Year 1977</u>					
Operating Revenues	\$ 3,292.2	\$ N/G**	\$ 3,509.3	\$ 4,077.3*	\$(217.1)
<u>Operating Expenses</u>					
Oper. & Maintenance	1,635.6	N/G	1,729.0	1,731.0	(93.4)
Admin. & General	76.0	76.0	73.5	73.5	2.5
Taxes Other Than Income	446.6	N/G	458.7	466.8	(12.1)
Depreciation	357.6	357.6	314.5	314.5	43.1
Prorated General Office	111.3	111.3	111.3	111.3	-
Subtotal	2,627.1	-	2,687.0	2,697.1	(59.9)
Taxes on Income	50.4	N/G	78.1	372.0	(27.7)
Total Operating Exps.	2,677.5	3,106.5	2,765.1	3,069.1	(87.6)
Net Operating Revenue	614.7	N/G	744.2	1,008.2	(129.5)
Depreciated Rate Base	10,323.9	10,323.9	10,237.3	10,237.3	86.6
Rate of Return	5.95%	-	7.27%	9.85%	(1.32)%
Average No. of Customers (Excl. Fire Protection)	32,635	32,635	32,924	32,924	(289)

(Red Figure)

# At present rates.

\* At proposed rates for 1976 applying to both 1976 and 1977 test years.

\*\* Not given at 1976 proposed rates.

It is interesting to note that the staff's estimates show a slight upward trend in rate of return at both present and proposed rates. At the hearing, Company stipulated to the staff results of operation shown above. However, Company was not willing to stipulate to the staff's recommended rate of return on rate base or return on common stock equity, nor did it feel that the staff's rate design with a lifeline quantity is appropriate for a water utility.

#### Rate of Return

Any rate of return determination necessarily requires the weighing of a number of economic intangibles which are difficult to measure by statistical comparisons. It devolves upon the judgment of the Commission, after weighing the evidence presented by all of the experts, to determine and set a fair and reasonable rate of return. (Pac. Tel. & Tel. Co. (1968) 69 CPUC 53.) It was the testimony of Company's expert in investment banking and utility finance that a 9.73 percent rate of return on rate base or approximately 15 percent rate of return on common stock equity is needed to enable Company to sell its shares at a price which would not be punitively dilutive to the present stockholders and destructive to the market for Company's common stock.

The staff's financial witness recommended a rate of return of 9.15 percent on rate base, or approximately 13.33 percent return on common stock equity. We have considered the arguments advanced by Company and staff and adopt as reasonable a rate of return of 8.85 percent on rate base, or approximately 12.5 percent return on common stock equity.

Company has requested step increases in rates averaging \$112,000 or 2.8 percent in each of the test years 1976, 1977, 1978, and 1979 in order to maintain a constant rate of return on common equity.



The staff financial witness opposed the concept of step rates for financial attrition as supported by the Company for the following reasons: the staff uses a test year to measure estimated future year operations; Table 1, Exhibit 14, shows a continuous increase in earnings per share, thus his recommended rate of return is sufficient for the near future; and it is undesirable to speculate on the magnitude and cost of debt in 1979. The staff operational witness has indicated an upward trend in earnings which was not contested by applicant.

We agree that it is not necessary to set rates in this proceeding that would automatically grant Company a rate increase. If circumstances are such that Company needs a further increase it can avail itself of the numerous options open to it.

A rate of return of 8.85 percent applied to the staff's test year 1977 rate base requires an increase of \$348,000 over present rates.

For purposes of setting rates, we will adopt the staff's 1977 estimated results of operation.

Service

The record shows that there were eight informal complaints to the Commission from the district during the period January 1975 through May 1976. Complaints on file in applicant's office by types are as follows:

1975 Complaints to Company

Billing	400
Pressure	37
Dirty Water	155
Taste and Odor	30
Miscellaneous	<u>5</u>
Total	627

According to the staff, Company's records indicate that customer complaints received at applicant's district office were quickly resolved; that these complaints do not appear too excessive for a district of this size; and that service appears to be satisfactory.

A representative of the California Department of Public Health testified that generally Company's seven systems in the district are meeting the department's health standards; that there are no major operational problems within the systems at the present time; and that there are some potential problems which are being closely watched. Company has been very cooperative, in resolving problems and, in fact, many times corrections are made almost the next day after inspection.

Conservation

Company's senior vice president testified that 1971 was the year of peak water sales per customer in the Orange County District; that since 1971 there has been a general downward trend in the use of water per customer; that if water sales were adjusted to a normal climate condition, that is, normal rainfall conditions and normal temperature conditions, there would still be a downward trend in water sales, some quite pronounced. Thus, the history of water sales per customer in the Orange County District has been a continuous increase historically though 1971,<sup>1/</sup> and a leveling off and somewhat downward trend since that time.

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<sup>1/</sup> Company's present rates were effective as of December 1971.

According to the witness the decline in use from the peak of 1971, both on a recorded basis and on a temperature adjusted basis, cannot be directly attributed to either the increases in water rates or Company's very aggressive water customer information program on water usage. Company started its conservation information program in 1972, which consists of advertisements in the local paper in all districts. These appear about once a month, and they are highly specific. The advertisements provide the customers with definite education, for instance, on how to read a water meter, how to check for pipe leaks, and how to check the notorious water thief, toilet tank leaking.

In addition to the advertisements, the company provides bill inserts with the same information. It is well aware of what happens to most bill inserts that are included with utility bills, so it attempts to design those inserts to have a little grab. When a customer opens the envelope he will see some ideas that might intrigue him to read further. If he does, he will find the kind of information that is conducive to lowering water use and lowering water bills. Much of the advertising and bill inserts have been related to the energy conservation idea of reduced water volumes. The advertisements stress that it takes electric energy and sometimes gas energy to pump water and to boost it, and that any savings in water use automatically reduces the energy needs of the community. This is the program that Company has followed in the past and intends to follow in the future.

The witness believes that the program has resulted in reduced water sales, whether looked at from a recorded basis or a temperature and rainfall adjusted basis. He testified that Company plans to continue its current program as it has produced good results. Company has other pilot programs that it is working

on, now in preparation for the water conservation case. He believes that Company has had an aggressive conservation program and that the recorded results prove it. He pledged that the Company will continue that program, plus others as recommended by the Commission.

#### Rate Spread

We have concluded that Company's increased revenue requirement, based on our adopted 1977 test year results of operation, is \$414,100. Company and staff do not agree on how the increase should be spread to consumers.

Company has proposed a general metered service schedule with monthly service charge increases for 1976 ranging from 52.5 percent for 5/8 x 3/4-inch meters to 190 percent for 8-inch meters. The quantity charge for the first 500 cubic feet per month would be reduced from \$0.257 for 100 cubic feet to \$0.141. The resultant monthly charge for 5/8 x 3/4-inch meters would be increased 43 percent for 100 cubic feet, 18 percent for 500 cubic feet, and 12 percent for 2,000 cubic feet. The staff recommends, in accordance with the lifeline principle, that there be no increase for 5/8 x 3/4-inch meters for the first 500 cubic feet per month.

#### Company Position

Company argues that notwithstanding that it recommends an increased monthly charge for 500 cubic feet, its requested rate structure also embodies a lifeline concept in that the Quantity Rate is reduced for the first 500 cubic feet and increased for quantities above the initial 500 cubic feet. Although any rate structure that does not accurately reflect the full cost of service arguably constitutes discrimination, Company believes that its proposed rates reflect a reasonable balancing of interests.

The staff, on the other hand, has recommended that "in accordance with the lifeline principle, that there is no increase in resultant monthly charge for a 5/8 x 3/4-inch meters for the first 500 cubic feet per month."

The consequence of that recommendation, according to Company, would be to impose upon those purchasing more than 500 cubic feet per month even more of the costs of service than is passed on to them in its proposed rate design. Company argues that the staff's proposed "lifeline" rate is unsupported by any evidence <sup>2/</sup> and on its face is unreasonable and that this Commission has no authority to establish either unsupported or unreasonable rates.<sup>3/</sup>

Company states that it has given much thought to the notion of a lifeline water rate and submits that its proposed rate is a well considered adaptation of the lifeline concept. For sometime now, Company, along with most major water companies in California, has been changing its rate design to a one-block rate;

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2/ The record shows the following:

"Q. Mr. Tan, referring to Exhibit No. 13 in evidence, and specifically to paragraph 18 at page 12, am I correct that your testimony was that the basis for calculating the so-called lifeline rates of the first 500 cubic feet for five-eighths by three-quarter-inch meters was based on a directive from the Hydraulics Branch of the Utilities Division?

"A. Yes, my recommendation is based on the directive from the head of the Hydraulics Division, with the knowledge of the Utilities Division.

"Q. In following that directive, did you make any independent study yourself of the effects, the economic effects of implementing such a directive?

"A. Since this directive is for all engineers of Hydraulics and Utilities, I did not make a special study on the lifeline.

"Q. To your knowledge, has the staff of the Public Utilities Commission made such a study?

"A. Not that I know of."

3/ Public Utilities Code Section 728.

which is to say that no discount is given to larger users. This is the result of a recognition by the industry, including Company, that lifeline users need not necessarily bear their full share of the cost of providing them service. Company's proposed rate form goes one step further in that it proposes an inverted block rate structure. Under this proposed rate structure, larger users not only enjoy no discount, but are even charged a higher rate per unit over a certain minimum water use. In this respect, Company's proposed rate is a lifeline rate.

In developing its proposal, Company states that it made use of a cost-of-service study. In addition it also considered the lifeline concept. Specifically, its cost-of-service study has attempted to make an assignment of costs between two basic categories: customer costs and commodity costs. These two categories of costs are, in turn, comprised of two basic components. Customer costs include commercial costs, such as meter reading, billing, etc., and distribution costs, which is basically the cost of a minimum-sized grid system to serve the customer. Commodity costs include supply cost, which consists principally of the direct cost of purchasing and pumping water, and all other commodity costs which are termed demand costs. Examples of demand costs are costs for wells, storage, and other facilities which establish Company's capacity to meet the demand for water service. The proposed rate would recover from lifeline users all customer costs attributable to them, but only the supply cost component of commodity costs. Demand costs attributable to lifeline users would not be borne by them, but would be passed on to other users. Although all customers would pay customer costs in the form of a service charge, Company's rate for the first 500 cubic feet of water would recover only the supply cost, in this case about 14.2 cents per hundred cubic feet. The rates for all water sold over 500 cubic

feet would be 26.5 cents per hundred cubic feet, or almost twice the rate for the lifeline quantity. The result is a form of lifeline rate which incorporates an inverted rate structure which passes on to the larger user the demand cost component Company's commodity costs.

Company also asks that we take notice of the major differences in structure between the electric and gas utilities, on the one hand, which are covered by the Miller-Warren Act, and water utilities such as Company, on the other hand. The service areas of most of the electric and gas utilities are massive, with a broad cross section of users, while the service areas of Company and other water utilities are comparatively tiny and have markedly differing characteristics with respect to customer populations. According to Company, if a rigid approach - such as the staff proposes - is adopted, in some districts a very small number of customers whose usage itself is not very large would be required to bear a very disproportionate amount of cost increases because of the large population substantially within the staff's proposed lifeline amount. One stark example is the impossibility of providing a lifeline rate in a flat rate district.

Staff Position

The staff states that the "Legislature recently in its study limited to energy included natural gas and electricity as utility services within the lifeline policy of the State. Section 1, Statutes 1975 Chapter 1010 provides:

"Section 1. The Legislature hereby finds and declares as follows:

- "a. Light and heat are basic human rights, and must be made available to all the people at low cost for minimum quantities.

"The Commission concurred in and adopted the legislative mandate in Decision No. 86087, Case No. 9988 (Investigation into lifeline rates), July 13, 1976. Just as the Legislature froze lifeline rates for gas and electricity (Section 739(b) Public Utilities Code) so also did the Commission. And so does the Commission and the staff recommend the instituting of lifeline water rates for minimum quantities."

The staff claims that it and the Commission recognize that the same lifeline principle as applied to telephone, natural gas, and electric service is equally fundamental to water service. The Commission has approved lifeline water rates to be activated in numerous water rate proceedings.<sup>4/</sup> While it is true, according to the staff, that the Commission has not traveled the same highway in establishing lifeline rates for various utility services, yet the same goal has been sought and is being achieved--the providing of utility service to all California residents, no matter how poor, infirm, or incapacitated.

A significant obstacle to uniform lifeline rates for water service is the fact that this Commission regulates over 500 water companies. In the telephone industry in California Pacific Telephone is the leader. The vanguard of the energy utilities is represented by Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company. No such trendsetters have yet emerged in water service in California. The Commission must move on a case-by-case basis.

The staff argues that the need for lifeline in water usage cries out as much as it does in telephone or energy service--if indeed not more. Of the three, water is absolutely indispensable for survival. The Commission in this proceeding, claims the staff, has the opportunity and the responsibility to codify a lifeline water rate applicable to the Southern California Water Company and all its divisions.

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<sup>4/</sup> Two rate decisions. Twenty-four Advice Letter rate increases.



As an addendum to the philosophy of a lifeline water rate, consideration should also be given to the Legislature's recognition of conservation as an important factor in regard to utility service. The introduction to the Miller-Warren Energy Lifeline Act declares:

"Section 1.(c)--In order to encourage conservation of scarce energy resources and to provide a basic necessary amount of gas and electricity for residential heating and lighting at a cost which is fair to small users, the Legislature has enacted this act."

Indeed the Commission has recognized the same problem in water conservation with its long-time emphasis on metering, its curtailment of promotional rates, and its recent so-called water kits program. The proposed water lifeline rate design by the hydraulic branch will encourage conservation of water and provide a basic quantity of water for small users.

During the hearing in this matter the question arose whether the Commission should wait for a legislative edict before adopting water lifeline rates. In the staff's opinion this Commission should not wait, it should lead.<sup>5/</sup> The Commission, according to the staff, now finds the public beset by increasing costs and shortages of utility service. Time flies, and the Commission must be responsive to the need for reasonably priced water.

The staff argues the Company proposes a "considered" lifeline water rate which takes into account the history of water rates, cost of service, and numerous intangibles which at best are

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<sup>5/</sup> It cites Commission action, inter alia, on mandatory undergrounding set forth in Decision No. 73078 dated September 19, 1967 in Case No. 8209.

speculative. Company requests a 52.5 percent increase in 5/8 x 3/4 meter service charges plus increases from 23.2 percent to 16.6 percent for usage of 400 to 700 cubic feet per month. By no effort of imagination can this be considered a lifeline formula.

The staff recommends, in accordance with the lifeline principle that there be no increase for 5/8- to 3/4-inch meters for the first 500 cubic feet per month. The logic and consistency which has heretofore been followed by the Commission and the Legislature in other lifeline rates is continued in the staff recommendation. We will adopt the staff position on lifeline water rates.

#### Findings

1. Company is in need of additional revenues, but the proposed rates set forth in the application are excessive.

2. The estimates, previously discussed herein, of operating expense and rate base for the test year 1977 reasonably indicate the results of Company's operations for the future and are adopted.

3. A rate of return of 8.85 percent on the adopted rate base for the year 1977 will produce a return on common equity of approximately 12.5 percent such rate of return requires an increase in gross revenues of \$348,000 which amount is reasonable.

4. The establishment of a lifeline form of rate is reasonable.

5. The staff's rate spread is reasonable and should be adopted.

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

The Commission concludes that the application should be granted to the extent set forth in the order which follows.

ORDER

IT IS ORDERED that after the effective date of this order, Southern California Water Company is authorized to file the revised rate schedules attached to this order as Appendix A, and concurrently to withdraw and cancel its presently effective schedules. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be five days after the date of filing. The revised schedules shall apply only to service rendered on and 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 7<sup>th</sup> day of DECEMBER, 1976.

*I will file a dissent.*  
*William Symons, Jr.*

*I concur in part*  
*and dissent in part*

~~*I will*~~

*Vernon L. Sturgeon*

*[Signature]*  
President

*[Signature]*  
*Leonard Ross*  
*Robert Bateman*  
Commissioners

APPENDIX A  
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Schedule No. OC-1

ORANGE COUNTY DISTRICTGENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

All or portions of the Cities of Cypress, Garden Grove, La Palma, Los Alamitos, Placentia, Santa Ana, Seal Beach, Stanton and Yorba Linda, and vicinity, Orange County.

RATESPer Meter  
Per Month

## Quantity Rates:

First 500 cu.ft., per 100 cu.ft. ....	\$ 0.257	(N)
Over 500 cu.ft., per 100 cu.ft. ....	0.266	(I)

## Service Charge:

For 5/8 x 3/4-inch meter .....	\$ 2.40	
For 3/4-inch meter .....	3.85	
For 1-inch meter .....	6.00	
For 1-1/2-inch meter .....	8.75	
For 2-inch meter .....	14.65	
For 3-inch meter .....	17.50	
For 4-inch meter .....	39.10	
For 6-inch meter .....	58.60	
For 8-inch meter .....	97.70	
For 10-inch meter .....	141.65	(I)

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

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Schedule No. OC-3M  
ORANGE COUNTY DISTRICT  
METERED IRRIGATION SERVICE

APPLICABILITY

Applicable to irrigation service furnished on a metered basis to territory in this schedule.

TERRITORY

The incorporated City of Placentia.

RATES

Per Meter  
Per Year

## Quantity Rate:

For all water delivered, per 100 cubic feet ..... \$ 0.203 (I)

## Annual Service Charge:

For 2-inch meter or smaller .....	\$ 91.20	----- (I)
For 3-inch meter .....	109.20	
For 4-inch meter .....	243.60	
For 6-inch meter .....	365.40	
For 8-inch meter .....	609.00	

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

SPECIAL CONDITIONS

1. The Company shall not be required to install new mains to make this service available.
2. The annual service charge will be paid in advance and bills will be computed and rendered monthly based on the total quantity of water delivered.

(Continued)

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Schedule No. OC-3M

ORANGE COUNTY DISTRICT

METERED IRRIGATION SERVICE

SPECIAL CONDITIONS—Contd.

3. The customer, when requiring irrigation water, shall notify the Company at least twenty-four (24) hours in advance, indicating the date and hour for commencement of such service.

4. No customer shall be eligible for service under this schedule unless irrigating five (5) or more acres of land for citrus or other commercial crops.

5. Service under this schedule is subordinate to all other service schedules offered in this tariff area and is subject to interruption in emergencies or at the Company's discretion. The Company will not be liable for damage occasioned by interruption of service supplied under this schedule.

6. The customer will pay, without refund, the actual cost of the irrigation service. The Company will furnish the meter at its expense.

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Schedule No. AA-4

ALL DISTRICTSPRIVATE FIRE PROTECTION SERVICEAPPLICABILITY

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

TERRITORY

- Rate A - Applicable within the Orange County District. (C)
- Rate B - Applicable within the Barstow, Culver City, Pomona Valley, San Gabriel Valley, Simi Valley, and Southwest Districts.
- Rate C - Applicable within the Arden-Cordova, Bay, Big Bear, Calipatria-Miland, Central Basin, Desert, Ojai, and San Bernardino Valley Districts. (C)

RATE

	Per Month			
	A	B	C	
For each inch of diameter of service connection	\$3.00	\$2.25	\$2.00	(I)

SPECIAL CONDITIONS

1. The fire protection service connection shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.
2. The minimum diameter for fire protection service shall be four inches, and the maximum diameter shall be not more than the diameter of the main to which the service is connected.
3. 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 shall be installed by the utility and the cost paid by the applicant. Such payment shall not be subject to refund.

(Continued)

APPENDIX A  
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Schedule No. AA-4

ALL DISTRICTS

PRIVATE FIRE PROTECTION SERVICE

SPECIAL CONDITIONS—Contd.

4. 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 and the cost paid by the applicant. Such payment shall not be subject to refund.

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.