

Decision No. 87398 June 1, 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA WATER SERVICE COMPANY, a corporation, for an order authorizing it to increase rates charged for water service in its Bear Gulch, Broadmoor, San Carlos, San Mateo and South San Francisco districts in order to offset the loss of revenue incurred due to the mandatory 25 percent rationing plan of the City and County of San Francisco

Application No. 57190
(Filed March 31, 1977)

I N T E R I M O P I N I O N

Applicant California Water Service Company seeks authority to increase rates for water service in its Bear Gulch, Broadmoor, San Carlos, San Mateo and South San Francisco Districts to offset the loss in revenue incurred due to the mandatory 25 percent rationing plan of applicant's wholesale supplier, the San Francisco Water Department (SFWD). The reduction in revenues resulting from the rationing would be \$1,887,200 at present rates. The proposed rates would offset \$1,013,200, or 54 percent, of the loss in revenue. The requested rate increases would produce 11 percent more revenue than that produced by present rates. The remaining \$874,000 reduction in revenues caused by the rationing will be offset by concomitant reductions in operating expenses, primarily for purchased water and power.

Because SFWD's mandatory rationing plan is currently in effect, Applicant is now subject to the mandatory reductions, and is experiencing the associated revenue losses. The revenue losses resulting from a 25 percent reduction in sales cause significant reductions in the rates of return for each affected district, a

financial condition of serious consequence to Applicant. Therefore, Applicant requests that the Commission issue an ex parte interim order granting Applicant's requested rate increases, subject to a final determination, either ex parte if appropriate, or after hearings are held at a later date.

Copies of the application have been served and notice of filing of the application published in accordance with this Commission's rules of procedure.

Service Areas

Applicant owns and operates water systems in twenty-two districts in California. Five of those systems obtain all or most of their water from SFWD for resale to applicant's customers.

Applicant's Bear Gulch District serves the communities of Atherton, Menlo Park, Portola Valley and Woodside. Its Broadmoor District serves the area known as Broadmoor, located adjacent to Daly City. Its San Carlos, San Mateo and South San Francisco Districts serve the cities indicated by the district titles. The various districts also serve some unincorporated portions of San Mateo County adjacent to the communities listed.

Mandatory Water Rationing

Because of the existing drought conditions, SFWD has concluded that it will not have sufficient water to supply unlimited quantities to its retail and wholesale customers within and outside of the City of San Francisco. On February 22, 1977, the San Francisco Public Utilities Commission (SFPUC) therefore directed its General Manager of Public Utilities to prepare a mandatory water rationing plan which would effect a 25 percent reduction below deliveries in the year 1976. On March 7, 1977, SFWD submitted such a plan to SFPUC. The plan was given wide-spread public distribution and, after a public hearing by SFPUC, was amended somewhat and adopted on March 22, 1977, to become effective immediately.

The adopted plan maintains the requirement that deliveries from SFWD be reduced 25 percent below 1976 levels. It therefore is mandatory that applicant's retail customers in its affected districts reduce their consumption to match the reduction in wholesale deliveries by SFWD.

Rates

Applicant's present tariffs for these districts consist primarily of schedules for general metered service and public fire hydrant service. The general metered service schedules include a graduated scale of "service charges" depending upon size of meter, to which is added monthly charges computed at specified "quantity rates".

Because all of the reduction in revenues to be offset relates to the mandatory reduction in sales of water, applicant proposes that only the quantity charge in excess of the lifeline allowance of 500 cubic feet per month be changed; no change is proposed in the service charges. Applicant is proposing no increase in any of its presently effective rate schedules other than the General Metered Service Schedules.

The following Table I sets forth the present monthly quantity rates for each district affected by the SFWD rationing, together with applicant's proposed "rationing plan surcharge".

Table I

Present Quantity Rates and Proposed Surcharge

	Present Quantity Rates*				Proposed Surcharge#
	1st 500 cf	Next 29,500 cf	Next 20,000 cf	Over 50,000 cf	
Bear Gulch	\$0.501	\$0.513	\$0.513	\$0.513	\$0.113
Broadmoor	.467	.497	.497	.497	.175
San Carlos	.480	.656	.656	.656	.146
San Mateo	.478	.478	.435	.435	.099
South San Francisco	.331	.354	.354	.329	.071

* Per hundred cubic feet (Ccf) per month.

Per Ccf over 500 lifeline allowance.

Because of inherent differences in the characteristics, operation and rates for the various districts, the net reduction in monthly charges due to the 25 percent reduction in use and to the proposed offset rate increases varies somewhat. In general, however, a somewhat representative \$12 average monthly water bill for commercial (residential and business) customers would be reduced about \$2 by a 25 percent reduction in use if the present rates were to remain in effect. The proposed rationing plan surcharge will absorb about \$1 of this reduction. Because no surcharge will be applicable to the first 500 cubic feet (lifeline) used per month, the combined effect of a 25 percent reduction in use and the proposed surcharge will be a proportionately greater reduction in small water bills than in large ones.

Results of Operation

The following Table II shows the results of operations for the various districts. Column (1) of each summary shows the summary of earnings for the test year, based upon estimates of the revenues, expenses and rate base, and the resultant return on rate base at the present rates for that district. Column (2) shows the changes that would result from reducing consumption to 25 percent

of 1976 consumption, at present rates. Column (3) consolidates Columns (1) and (2) into a revised summary of earnings. Column (4) shows the changes that will result from the proposed surcharges. Column (5) consolidates Columns (3) and (4) into a further revised summary of earnings, showing that the surcharge requested by applicant just offsets the effect on rate of return of the mandatory reduction in consumption.

Operating Revenues

The first item under "Operating Revenues" in Column (5) of Table II shows the anticipated revenues for metered water service in each of applicant's Peninsula Districts, under the requested rates and reflecting the mandatory rationing. Applicant proposed to establish and maintain a memorandum reserve account for each district reflecting the balance, whether positive or negative, between the anticipated revenues under the rates authorized herein and the actual realized such revenues.

Income Taxes

As can be seen by comparing the amounts in Columns (1) and (5) of Table II, under "Income taxes", the various changes in revenues and expenses resulting from the mandatory rationing and applicant's requested water rates result in no change in anticipated income taxes, other than some extremely minor changes due to rounding.

TABLE II
Sheet 1 of 5

Bear Gulch District
SUMMARY OF EARNINGS - TEST YEAR 1975

Item	At Rates Authorized By		Resolution No. W-2069		
	Before	After	At Proposed Rates		
	Changes	Changes	Changes	Changes	Total
	(1)	(2)	(3)	(4)	(5)
(Dollars in Thousands)					
<u>Operating Revenues</u>					
Metered	\$3,424.5	\$(609.9)	\$2,814.6	\$355.8	\$3,170.4
Fire Protection & Misc.	30.8	-	30.8	-	30.8
Total	3,455.3	(609.9)	2,845.4	355.8	3,201.2
<u>Operating Expenses</u>					
<u>Operation & Maintenance</u>					
Purchased Water	999.8	(212.5)	787.3	-	787.3
Purchased Power	164.1	(36.6)	125.5	-	125.5
Payroll	264.7	-	264.7	-	264.7
Other Operation & Maint.	205.3	-	205.3	-	205.3
Total Oper. & Maint.	1,633.9	(251.1)	1,382.8	-	1,382.8
<u>Administrative & General</u>					
Payroll & Benefits	27.2	-	27.2	-	27.2
Other Admin. & General	10.6	-	10.6	-	10.6
Total Admin. & General	37.8	-	37.8	-	37.8
Miscellaneous	11.3	-	11.3	-	11.3
<u>Taxes Other Than Income</u>					
Ad Valorem Taxes	172.9	-	172.9	-	172.9
Local Franchise	26.7	(4.7)	22.0	2.8	24.8
Business License	2.3	(.4)	1.9	.2	2.1
Payroll Taxes	19.3	-	19.3	-	19.3
Total Taxes Other Than Inc.	221.2	(5.1)	216.1	3.0	219.1
Depreciation	238.5	-	238.5	-	238.5
Allocated Expenses	191.7	-	191.7	-	191.7
Subtotal	2,334.4	(256.2)	2,078.2	3.0	2,081.2
<u>Income Taxes</u>					
Income Taxes Incl. 4% Inv. Cr.	257.3	(186.1)	71.2	185.9	257.1
Adj. to 10% Inv. Cr.	(30.8)	-	(30.8)	-	(30.8)
Total Income Taxes	226.5	(186.1)	40.4	185.9	226.3
Total Operating Expenses	2,560.9	(442.3)	2,118.6	188.9	2,307.5
Net Operating Revenues	894.4	(167.6)	726.8	166.9	893.7
Rate Base	9,223.2	-	9,223.2	-	9,223.2
<u>Rate of Return</u>					
Before Attrition Adj.	9.70%	(1.52)%	7.88%	1.81%	9.69%
Attrition Adjustment	-	-	-	-	-
After Attrition Adjustment	9.70	(1.82)	7.88	1.81	9.69

(Red Figure)

TABLE II
Sheet 2 of 5

Broadmoor District
SUMMARY OF EARNINGS - TEST YEAR 1975

Item	At Rates Authorized by Resolution No. W-2079			At Proposed Rates	
	Before Changes (1)	After Changes (2)	After Changes (3)	Changes (4)	Total (5)
(Dollars in Thousands)					
<u>Operating Revenues</u>					
Metered	\$198.3	\$(42.9)	\$155.4	\$22.8	\$178.2
Fire Protection & Miscellaneous	4.6	-	4.6	-	4.6
Total	202.9	(42.9)	160.0	22.8	182.8
<u>Operating Expenses</u>					
<u>Operation & Maintenance</u>					
Purchased Water	68.6	(19.3)	49.3	-	49.3
Purchased Power	2.3	(.7)	1.6	-	1.6
Payroll	22.5	-	22.5	-	22.5
Other Operation & Maintenance	8.6	-	8.6	-	8.6
Total Operation & Maintenance	102.0	(20.0)	82.0	-	82.0
<u>Administrative & General</u>					
Payroll & Benefits	-	-	-	-	-
Other Admin. & General	.3	-	.3	-	.3
Total Admin. & General	.3	-	.3	-	.3
Miscellaneous	1.0	-	1.0	-	1.0
<u>Taxes Other than Income</u>					
Ad Valorem Taxes	11.9	-	11.9	-	11.9
Payroll Taxes	1.5	-	1.5	-	1.5
Total Taxes Other than Income	13.4	-	13.4	-	13.4
Depreciation	12.2	-	12.2	-	12.2
Allocated Expenses	14.4	-	14.4	-	14.4
Subtotal	143.3	(20.0)	123.3	-	123.3
<u>Income Taxes</u>					
Income Taxes Incl. 4% Inv. Cr.	18.9	(12.1)	6.8	12.0	18.8
Adjustment to 10% Inv. Cr.	(.7)	-	(.7)	-	(.7)
Total Income Taxes	18.2	(12.1)	6.1	12.0	18.1
Total Operating Expenses	161.5	(32.1)	129.4	12.0	141.4
Net Operating Revenues	41.4	(10.8)	30.6	10.8	41.4
Rate Base	427.2	-	427.2	-	427.2
<u>Rate of Return</u>					
Before Attrition Adjustment	9.69%	(2.53)%	7.16%	2.53%	9.69%
Attrition Adjustment	-	-	-	-	-
After Attrition Adjustment	9.69	(2.53)	7.16	2.53	9.69

(Red Figure)

TABLE II
Sheet 3 of 5

San Carlos District

SUMMARY OF EARNINGS - TEST YEAR 1977

Item	At Rates Authorized by Decision No. 87337			At Proposed Rates	
	Before Changes (1)	After Changes (2)	After Changes (3)	Changes (4)	Total Changes (5)
(Dollars in Thousands)					
<u>Operating Revenues</u>					
Metered	\$1,527.2	\$(270.1)	\$1,257.1	\$168.2	\$1,425.3
Fire Protection & Miscellaneous	22.6	-	22.6	-	22.6
Total Revenues	1,549.8	(270.1)	1,279.7	168.2	1,447.9
<u>Operating Expenses</u>					
<u>Operation & Maintenance</u>					
Purchased Water	436.9	(89.7)	347.2	-	347.2
Purchased Power	49.5	(10.5)	39.0	-	39.0
Total Payroll	128.0	-	128.0	-	128.0
Other Operation & Maintenance	67.3	-	67.3	-	67.3
Other Admin. & General & Misc.	6.9	-	6.9	-	6.9
Total Operation & Maintenance, Admin. & General & Misc.	688.6	(100.2)	588.4	-	588.4
<u>Taxes Other than on Income</u>					
Ad Valorem	85.1	-	85.1	-	85.1
Local Taxes	24.8	(4.3)	20.5	2.7	23.2
Payroll Taxes	8.2	-	8.2	-	8.2
Total Taxes Other than Income	118.1	(4.3)	113.8	2.7	116.5
Depreciation	112.9	-	112.9	-	112.9
<u>G.O. Prorated Expenses</u>					
Payroll - Union Contract	17.5	-	17.5	-	17.5
- Other	18.2	-	18.2	-	18.2
- Total Payroll	35.7	-	35.7	-	35.7
Payroll Taxes	2.7	-	2.7	-	2.7
Other G.O. Prorated Expenses	58.8	-	58.8	-	58.8
Total G.O. Prorated Expenses	97.2	-	97.2	-	97.2
Subtotal	1,016.8	(104.5)	912.3	2.7	915.0
<u>Income Taxes</u>					
Income Taxes before Inv. Cr.	164.4	(87.2)	77.2	87.2	164.4
Invest. Tax Credit at 10%	(28.9)	-	(28.9)	-	(28.9)
Total Income Taxes	135.5	(87.2)	48.3	87.2	135.5
Total Operating Expense	1,152.3	(191.7)	960.6	89.9	1,050.5
Net Operating Revenues	397.5	(78.4)	319.1	78.3	397.4
Depreciated Rate Base	3,826.1	-	3,826.1	-	3,826.1
<u>Rate of Return</u>					
Before Attrition Adjustment	10.39%	(2.05)%	8.34%	2.05%	10.39%
Attrition Adjustment	(.54)	-	(.54)	-	(.54)
After Attrition Adjustment	9.85	(2.05)	7.80	2.05	9.85

(Red Figure)

TABLE III
Sheet 4 of 5

San Mateo District
SUMMARY OF EARNINGS - TEST YEAR 1977

Item	At Rates Authorized By Resolution No. W-1887				
	Before Changes (1)	After Changes (2)	After Changes (3)	At Proposed Rates Changes (4)	Total Changes (5)
(Dollars in Thousands)					
<u>Operating Revenues</u>					
Metered	\$3,322.8	\$(611.2)	\$2,711.6	\$316.6	\$3,028.2
Fire Protection & Misc.	49.6	-	49.6	-	49.6
Total Revenues	3,372.4	(611.2)	2,761.2	316.6	3,077.8
<u>Operating Expenses</u>					
<u>Operation & Maintenance</u>					
Purchased Water	1,182.9	(277.6)	905.3	-	905.3
Purchased Power	70.9	(16.5)	54.4	-	54.4
Payroll	262.6	-	262.6	-	262.6
Other Operation & Maint.	185.9	-	185.9	-	185.9
Total Operation & Maint.	1,702.3	(294.1)	1,408.2	-	1,408.2
<u>Administrative & General</u>					
Payroll & Benefits	48.0	-	48.0	-	48.0
Other Adm. & General	8.1	-	8.1	-	8.1
Total Adm. & General	56.1	-	56.1	-	56.1
Miscellaneous	10.4	-	10.4	-	10.4
<u>Taxes Other Than On Income</u>					
Ad Valorem	206.2	-	206.2	-	206.2
Local Taxes	20.0	-	20.0	-	20.0
Payroll Taxes	20.5	-	20.5	-	20.5
Total General Taxes	246.7	-	246.7	-	246.7
Depreciation	236.6	-	236.6	-	236.6
Allocated Expenses	252.3	-	252.3	-	252.3
Subtotal	2,504.4	(294.1)	2,210.3	-	2,210.3
<u>Income Taxes</u>					
Income Taxes Before Inv.Cr.	156.0	(167.0)	(11.0)	166.8	155.8
Investment Credit @ 10%	(63.3)	-	(63.3)	-	(63.3)
Total Income Taxes	92.7	(167.0)	(74.3)	166.8	92.5
Total Operating Expenses	2,597.1	(461.1)	2,136.0	166.8	2,302.8
Net Operating Revenues	775.3	(150.1)	625.2	149.8	775.0
Depreciated Rate Base	9,103.6	-	9,103.6	-	9,103.6
Rate of Return	8.52%	(1.65)%	6.87%	1.64%	8.51%

(Red Figure)

TABLE II
Sheet 5 of 5

South San Francisco District
SUMMARY OF EARNINGS - TEST YEAR 1975

Item	At Rates Authorized By Resolution No. W-2079			At Proposed Rates	
	Before Changes	After Changes	After Changes	Changes	Total
	(1)	(2)	(3)	(4)	(5)
(Dollars in Thousands)					
<u>Operating Revenues</u>					
Metered	\$1,693.4	\$(353.1)	\$1,340.3	\$149.8	\$1,490.1
Fire Protection & Misc.	49.0	-	49.0	-	49.0
Total	1,742.4	(353.1)	1,389.3	149.8	1,539.1
<u>Operating Expenses</u>					
<u>Operation & Maintenance</u>					
Purchased Water	673.5	(177.2)	496.3	-	496.3
Purchased Power	92.2	(25.9)	66.3	-	66.3
Payroll	142.2	-	142.2	-	142.2
Other Operation & Maint.	68.1	-	68.1	-	68.1
Total Operation & Maint.	976.0	(203.1)	772.9	-	772.9
<u>Administrative & General</u>					
Payroll & Benefits	16.2	-	16.2	-	16.2
Other Admin. & General	6.8	-	6.8	-	6.8
Total Admin. & General	23.0	-	23.0	-	23.0
Miscellaneous	4.4	-	4.4	-	4.4
<u>Taxes Other than Income</u>					
Ad Valorem Taxes	77.1	-	77.1	-	77.1
Business License	1.0	-	1.0	-	1.0
Payroll Taxes	10.5	-	10.5	-	10.5
Total Taxes Other Than Income	88.6	-	88.6	-	88.6
Depreciation	103.7	-	103.7	-	103.7
Allocated Expenses	120.6	-	120.6	-	120.6
Subtotal	1,316.3	(203.1)	1,113.2	-	1,113.2
<u>Income Taxes</u>					
Income Taxes Incl. 4% Inv. Cr.	112.4	(79.0)	33.4	78.9	112.3
Adjustment to 10% Inv. Cr.	(13.0)	-	(13.0)	-	(13.0)
Total Income Taxes	99.4	(79.0)	20.4	78.9	99.3
Total Oper. Exps.	1,415.7	(202.1)	1,133.6	78.9	1,212.5
Net Operating Revenues	326.7	(71.0)	255.7	70.9	326.6
Rate Base	3,295.5	-	3,295.5	-	3,295.5
<u>Rate of Return</u>					
Before Attrition Adjustment	9.91%	(2.15)%	7.76%	2.15%	9.91%
Attrition Adjustment	(.22)	-	(.22)	-	(.22)
After Attrition Adjustment	9.69	(2.15)	7.54	2.15	9.69

(Red Figure)

Interim Rate Increase

Applicant has requested rate increases for these districts which would fully offset the effect on net operating revenues of the projected 25 percent reduction in water sales, based on adjusted results of operations adopted in previous general rate increase proceedings. The present rates therefore are based on average temperature and precipitation conditions. A water utility can expect actual water sales in any year to vary from the adopted average water sales by as much as five percent due to normally expected variations in rainfall and temperature. For the purposes of this interim rate increase order, we will authorize increases of only 80 percent of the amounts requested.

This will be consistent recognition of normal variations in revenue caused by climatic conditions as well as the expectation that shareholders as well as customers should share some of the burden caused by drought. Since it is anticipated that revenue levels will be less than normal there is no necessity for establishing the reserve account proposed by applicant.

Findings

1. Applicant's Bear Gulch, Broadmoor, San Carlos, San Mateo and South San Francisco Districts obtain all or most of their water from SFWD for resale to applicant's customers.

2. SFWD has imposed and already made effective a mandatory reduction of 25 percent from 1976 deliveries made to its customers, including applicant.

3. Applicant, in order to comply with the mandatory reduction, must in turn require its customers in the affected districts to reduce their consumption by 25 percent below 1976 levels.

4. The revenue losses resulting from a 25 percent reduction in sales, at applicant's present water rates, would cause significant reductions in the rates of return from each affected district.

5. Applicant is in need of additional revenues to offset a portion of the effects of the revenue loss.

6. The adopted estimates, previously discussed herein, of operating revenues, operating expenses and rate base for the various test years reasonably indicate the probable results for the near future under the mandatory rationing.

7. The interim rates authorized herein, together with the mandatory rationing, are designed to offset a portion of the revenue loss due to the mandatory rationing.

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

Conclusion

The Commission concludes that an interim increase of 80 percent of the requested increase should be authorized herein.

Under these circumstances, the Commission further concludes that it is reasonable to grant a portion of applicant's request for offset rate relief, subject to later confirmation or modification after hearing. Inasmuch as the rationing is already in effect, the order herein should become effective immediately.

I N T E R I M O R D E R

IT IS ORDERED that after the effective date of this Order, applicant California Water Service Company is authorized to file for its Bear Gulch, Broadmoor, San Carlos, San Mateo and South San Francisco Districts the revised rate schedules attached to this order as Appendix A. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules for Bear Gulch, Broadmoor, San Mateo, and South San Francisco Districts shall be four days after the date of filing and the effective date of the revised schedule for the San Carlos District shall be the date of filing or June 10, 1977, whichever is later. The revised schedules shall apply only to service rendered on and after the effective date thereof.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 1st day of JUNE 1977.

*I will file
a dissent.
William S. Squon J.
Commissioner*

Robert Butkus
President

James L. Sturgeon
Richard W. Howell
Commissioners

APPENDIX A
Page 1 of 5

Schedule No. EG-1
Bear Gulch Tariff Area
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

The communities of Atherton, Menlo Park, Portola Valley, Woodside, and vicinity, San Mateo County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 3.80
For 3/4-inch meter	4.15
For 1-inch meter	5.65
For 1 1/2-inch meter	7.95
For 2-inch meter	10.20
For 3-inch meter	18.85
For 4-inch meter	25.70
For 6-inch meter	42.70
For 8-inch meter	63.50
For 10-inch meter	78.60

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

(L)
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(L)

Quantity Rates:

For the first 500 cu.ft., per 100 cu.ft.	\$.501
For all over 500 cu.ft., per 100 cu.ft.513

Rationing Plan Surcharge:

A rationing plan surcharge shall be added to all water sales in excess of the first 500 cubic feet per month:

For all over 500 cu.ft., per 100 cu.ft.	\$.090	(I)(N)
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(N)
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APPENDIX A
Page 2 of 5

Schedule No. ED-1
Broadmoor Tariff Area
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

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

RATES

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

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

(L)
|
(L)

Quantity Rates:

For the first 500 cu.ft., per 100 cu.ft.	\$.467
For all over 500 cu.ft., per 100 cu.ft.497

Rationing Plan Surcharge:

A rationing plan surcharge shall be added to all water sales in excess of the first 500 cubic feet per month:

For all over 500 cu.ft., per 100 cu.ft.	\$.140	(I)(N)
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(N)
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APPENDIX A
Page 3 of 5

Schedule No. SC-1
San Carlos Tariff Area
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

San Carlos and vicinity, San Mateo County.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Service Charge:	
For 5/8 x 3/4-inch meter	\$ 2.65
For 3/4-inch meter	3.76
For 1-inch meter	5.13
For 1 1/2-inch meter	7.18
For 2-inch meter	9.23
For 3-inch meter	17.10
For 4-inch meter	23.26
For 6-inch meter	38.65
For 8-inch meter	57.46
For 10-inch meter	71.14

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

Quantity Rates:

For the first 500 cu.ft., per 100 cu.ft.	\$ 0.480
For all over 500 cu.ft., per 100 cu.ft.656

Rationing Plan Surcharge:

A rationing plan surcharge shall be added to all water sales in excess of the first 500 cubic feet per month:

For all over 500 cu.ft., per 100 cu.ft.	\$ 0.117
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(N)

(I)(N)

APPENDIX A
Page 4 of 5

Schedule No. SM-1
San Mateo Tariff Area
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

San Mateo and vicinity, San Mateo County.

RATES

Service Charge:	<u>Per Meter</u> <u>Per Month</u>
For 5/8 x 3/4-inch meter	\$ 2.27
For 3/4-inch meter	2.53
For 1-inch meter	3.44
For 1 1/2-inch meter	4.75
For 2-inch meter	6.07
For 3-inch meter	11.32
For 4-inch meter	15.67
For 6-inch meter	25.78
For 8-inch meter	38.42
For 10-inch meter	47.52

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

Quantity Rates:

For the first 30,000 cu.ft., per 100 cu.ft.	\$.478
For all over 30,000 cu.ft., per 100 cu.ft.435

Rationing Plan Surcharge:

A rationing plan surcharge shall be added to all water sales in excess of the first 500 cubic feet per month:

For all over 500 cu.ft., per 100 cu.ft.	\$.079	(N) (I)(N)
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APPENDIX A
Page 5 of 5

Schedule No. SS-1
South San Francisco Tariff Area
GENERAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

South San Francisco and vicinity, San Mateo County.

RATES

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

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

(L)
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(L)

Quantity Rates:

For the first 500 cu.ft., per 100 cu.ft.	\$.331
Next 49,500 cu.ft., per 100 cu.ft.354
Over 50,000 cu.ft., per 100 cu.ft.329

Rationing Plan Surcharge:

A rationing plan surcharge shall be added
to all water sales in excess of the first 500
cubic feet per month:

For all over 500 cu.ft., per 100 cu.ft.	\$.057 (I)(N)
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(N)
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A. 57190 - D. 87398: California Water Service Company

A. 55895 - D. 87399: Arrowhead Utility Company

WATER RATE INCREASE

COMMISSIONER WILLIAM SYMONS, JR., DISSENTING

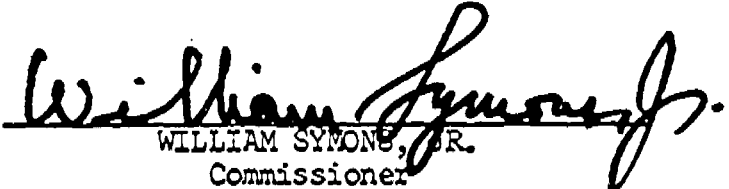
Water as a Loss-Leader? It is silly to introduce "give-away" water rates at a time when Californians are experiencing the worst drought in recorded history.

I dissent from the Commission majority which today pursues a theory ignoring costs of water service. Customers of these water companies will have the prices they pay "restructured" so that "lifeline" can be installed -- a sort of welfare system financed by increasing some customers' water bills at the expense of other customers. Welfare belongs in the Welfare and Institutions Code -- not in our water bills.

Need Not Established. No case for financial assistance has been put forward or examined, either in water utilities before us, or any other Commission investigation. It is a plain fact that water prices have not escalated like energy prices have. Water prices are modest. There is no argument for the necessity of welfare via raising prices to non-benefited utility ratepayers. Further, unlike natural gas or electricity, there is no legislative mandate for water subsidies.

Contrary to Conservation. A maximum conservation effort is essential in the face of our severe water shortage. To relieve any class of water users of their fair share of the increased costs to serve them water, has the counter-productive effect of preventing natural price signals to encourage reduced consumption. "Lifeline" freezes the first 500 cubic feet of water used for all residential customers. So this confused price signal is sent to all residential users. This is the substitution of nonsense for public policy.

San Francisco, California
June 1, 1977


WILLIAM SYMONS, JR.
Commissioner