

ORIGINAL

87861 SEP 13 1977

Decision No. _____

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;
 amended June 23, 1977)

O P I N I O N

In its original application filed March 31, 1977, applicant California Water Service Company sought 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 assumption was made in that original application, in the absence of any evidence to the contrary, that applicant's rationing plan for its own customers would reduce consumption by exactly the 25 percent minimum amount below 1976 consumption required for applicant to comply with the SFWD reduction in available water.

First Interim Decision

By ex parte Interim Decision No. 87398, dated June 1, 1977, in this proceeding, applicant was authorized to file interim increases amounting to 80 percent of those requested. The interim decision indicated that the full increase requested was not authorized because (1) as much as one-fifth of the total 25 percent assumed reduction in use might be attributable to abnormally low temperatures

and/or high rainfall which could occur in the various districts during the year 1977, and (2) applicant's shareholders as well as its customers should share some of the burden caused by drought. Inasmuch as the authorized rates were not designed to offset fully the effect on rate of return of a 25 percent reduction in sales, the memorandum reserve or "balancing" accounts proposed by applicant were not established by the decision.

Amendment to Application

On June 23, 1977 applicant filed an amendment to the application, requesting greater rate increases than those set forth in the original application. The revised increases are based upon later information as to the actual extent that customers have been able to reduce their consumption below that of the latest test years in each of the respective districts. That later information indicates that instead of a 25 percent reduction below 1976 (equivalent to 24 percent below normal), the actual percentage reductions below normal will be 45, 45, 40, 40, and 35, respectively for the Bear Gulch, Broadmoor, San Carlos, San Mateo, and South San Francisco Districts.

The Commission staff has reviewed the amendment to the application along with supporting workpapers. A staff memorandum dated August 2, 1977 confirms the reasonableness of applicant's estimates. That memorandum is received as Exhibit 1 in this proceeding.

In regard to the possible effect of abnormally low temperatures and/or high rainfall in the various districts during the year 1977, applicant points out that its estimates are all predicated upon normal temperatures and rainfall.

In regard to applicant's stockholders sharing some of the burden caused by drought, applicant states that the curtailment in use became significant in March, the first interim rate increase did not become effective until June, that increase initially

only offset a 20 percent reduction in use, and actual reduction in use was more nearly 36 percent below 1976 for the 3-month period of March through May, with May totaling over 48 percent. As a result, applicant's stockholders have already shared a significant portion of the burden caused by the drought.

Aside from revenue losses resulting from assuming a 25 percent curtailment in use below 1976 but only offsetting 80 percent of the resulting additional revenue requirement, the further reduction in revenues which will result from the anticipated actual curtailment is \$1,862,900. The related portion of the proposed rates would offset \$1,017,500, or 55 percent, of this additional loss in revenue. The remaining \$845,400 reduction in revenues caused by the additional conservation will be offset by concomitant reductions in operating expenses, primarily for purchased water and power. The requested rate increases would produce 14.4 percent more revenue than that produced by present rates.

Because the curtailment of use by applicant's customers has already taken place, applicant is experiencing the associated revenue losses. The revenue losses resulting from an average 40 percent reduction in sales below 1976, in lieu of the 20 percent reduction offset in the first interim decision, will cause a significant reduction in the rate 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 revised requested rate increases.

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

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 were authorized in a recent SFWD offset rate case, Application No. 57224. They 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 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 charge. 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 revised proposed "conservation surcharge".

Table I

	<u>Present Quantity Rates and Revised Proposed Surcharge</u>					
	<u>Present Quantity Rates*</u>				<u>Surcharge#</u>	
	<u>1st</u> <u>500 cf</u>	<u>Next</u> <u>29,500 cf</u>	<u>Next</u> <u>20,000 cf</u>	<u>Over</u> <u>50,000 cf</u>	<u>Present</u>	<u>Proposed</u>
Bear Gulch	\$0.501	\$0.620	\$0.620	\$0.620	\$0.090	\$0.305
Broadmoor	.467	.656	.656	.656	.140	.375
San Carlos	.480	.783	.783	.783	.117	.391
San Mateo	.478	.598	.555	.555	.079	.235
South San Francisco	.331	.454	.454	.429	.057	.099

* 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 varies somewhat. The following Table I-A shows the typical monthly water bill for residential customers under various assumptions of consumption and offset rate levels.

Table I-A

EFFECT OF CONSERVATION AND CONSERVATION OFFSETS ON TYPICAL WATER BILLS
Residential Customers

District	Cubic Feet Per Customer-Month			Comparisons of Typical Monthly Bills				
	Year 1976	Original Est.	Amended Est.	A	B	C	D	E
Bear Gulch	2,513	1,885	1,355	\$18.79	\$14.89	\$16.14	\$12.38	\$14.22
Broadmoor	1,117	838	659	9.22	7.39	7.87	6.44	6.81
San Carlos	1,352	1,014	773	11.72	9.07	9.68	7.51	8.26
San Mateo	1,372	1,029	805	9.87	7.82	8.24	6.72	7.20
South San Francisco	1,163	872	789	7.51	6.18	6.40	5.97	6.09

- A. At present rates excluding conservation surcharge, before any conservation from 1976 consumption per customer.
- B. At present rates excluding conservation surcharge, with original estimated conservation.
- C. At present rates including present conservation surcharge, with original estimated conservation.
- D. At present rates including present conservation surcharge, with amended estimated conservation.
- E. At present rates plus amended conservation surcharge, with amended estimated conservation.

Results of Operation

The following Table II shows the results of operation 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 level of rates and expenses for that district prior to rationing, and the authorizing decisions and resolutions. Column (2) shows the corresponding summary resulting from subsequent offset decisions. Column (3) shows the changes that would result from reducing consumption to that which is now anticipated, at present rates. Column (4) shows the changes that will result from the proposed surcharges. Column (5) consolidates Columns (2), (3) and (4) into a further revised summary of earnings, showing that the surcharge requested by applicant brings the net operating revenue and rate of return back essentially to that shown in Column (1). Column (6) approximates the actual expected results for the calendar year 1977 by weighting the additional offset authorized herein as though it were in effect for the last five months of the year, instead of showing the annualized effect of that offset as was done in preparing Column (5).

TABLE II

BEAR GULCH DISTRICTSUMMARY OF EARNINGS - TEST YEAR 1975
(Dollars in Thousands)

<u>Item</u>	At Rates Authorized By Dec. 86014 & Res.W-2069 (1)	At Rates Authorized By Dec.87398 Plus The Incre- mental Increase Requested in Application No. 57224		At Proposed Rates		
		Before Changes (2)	Changes (3)	Full Year Basis		With Rates Becoming Effective August 1st (6)
				Changes (4)	Total (5)	
<u>Operating Revenues</u>	\$3,455.3	\$3,465.7	\$(768.2)	\$486.8	\$3,184.3	\$2,900.3
<u>Operating Expenses</u>						
Purchased Water	999.8	1,121.3	(318.3)	0.0	803.0	803.0
Purchased Power	164.1	125.5	(35.2)	0.0	90.3	90.3
Local Franchise Taxes	26.7	26.8	(6.0)	3.8	24.6	22.4
Business License	2.3	2.3	(0.5)	0.3	2.1	1.9
Income Taxes	226.5	188.5	(215.0)	254.3	227.8	79.5
Other Operating Expenses	1,141.5	1,141.5	0.0	0.0	1,141.5	1,141.5
Total Operating Expenses	2,560.9	2,605.9	(575.0)	258.4	2,289.3	2,138.6
<u>Net Operating Revenues</u>	894.4	859.8	(193.2)	228.4	895.0	761.7
<u>Rate Base</u>	9,223.2	9,223.2	0.0	0.0	9,223.2	9,223.2
<u>Rate of Return</u>						
Before Attrition Adjustment	9.70%	9.32%	(2.09)%	2.47%	9.70%	8.26%
Attrition Adjustment	0.0	0.0	0.0	0.0	0.0	0.0
After Attrition Adjustment	9.70	9.32	(2.09)	2.47	9.70	8.26

(Red Figures)

TABLE II

BROADMOOR DISTRICTSUMMARY OF EARNINGS - TEST YEAR 1975

(Dollars in Thousands)

Item	At Rates	At Rates Authorized By	At Proposed Rates			With Rates Becoming Effective August 1st (6)
	Authorized	Dec.87398 Plus The Incre-				
	By Dec. 85847	mental Increase Requested				
	&	in Application No. 57224				
	Res.W-2079	Before Changes	Changes	Changes	Total	
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Operating Revenues</u>	\$202.9	\$198.9	\$(33.3)	\$ 24.1	\$189.7	\$175.6
<u>Operating Expenses</u>						
Purchased water	68.6	70.0	(13.5)	0.0	56.5	56.5
Purchased power	2.3	1.6	(0.3)	0.0	1.3	1.3
Income taxes	18.2	15.7	(10.3)	12.7	18.1	10.7
Other operating expenses	72.4	72.4	0.0	0.0	72.4	72.4
Total operating expenses	161.5	159.7	(24.1)	12.7	148.3	140.9
<u>Net Operating Revenues</u>	41.4	39.2	(9.2)	11.4	41.4	34.7
<u>Rate Base</u>	427.2	427.2	0.0	0.0	427.2	427.2
<u>Rate of Return</u>						
Before attrition adjustment	9.69%	9.18%	(2.16)%	2.67%	9.69%	8.12%
Attrition adjustment	0.0	0.0	0.0	0.0	0.0	0.0
After attrition adjustment	9.69	9.18	(2.16)	2.67	9.69	8.12

(Red Figures)

TABLE II

SAN CARLOS DISTRICT

SUMMARY OF EARNINGS - TEST YEAR 1977
(Dollars in Thousands)

Item	At Rates	At Rates Authorized By		At Proposed Rates		With Rates Becoming Effective August 1st (6)
	Authorized	Dec.87398 Plus The Incre-				
	By	mental Increase Requested				
	Dec.87337	in Application No. 57224				
		Before Changes	Changes	Full Year		
				Basis		
	(1)	(2)	(3)	Changes	Total	
				(4)	(5)	
Operating Revenues	\$1,549.8	\$1,560.8	\$(323.7)	\$240.2	\$1,477.3	\$1,337.2
Operating Expenses						
Purchased Water	436.9	490.8	(105.5)	0.0	385.3	385.3
Purchased Power	49.5	39.0	(9.3)	0.0	29.7	29.7
Local Franchise Taxes	24.8	25.0	(5.2)	3.8	23.6	21.4
Income Taxes	135.5	118.5	(107.3)	124.5	135.7	63.1
Other Operating Expenses	505.6	505.6	0.0	0.0	505.6	505.6
Total Operating Expenses	1,152.3	1,178.9	(227.3)	128.3	1,079.9	1,005.1
Net Operating Revenues	397.5	381.9	(96.4)	111.9	397.4	332.1
Rate Base	3,826.1	3,826.1	0.0	0.0	3,826.1	3,826.1
Rate of Return						
Before Attrition Adjustment	10.39%	9.98%	(2.52)%	2.93%	10.39%	8.68%
Attrition Adjustment	(0.54)	(0.54)	0.0	0.0	(0.54)	(0.54)
After Attrition Adjustment	9.85	9.44	(2.52)	2.93	9.85	8.14

(Red Figures)

TABLE II

SAN MATEO DISTRICTSUMMARY OF EARNINGS - TEST YEAR 1977
(Dollars in Thousands)

Item	At Rates	At Rates Authorized By		At Proposed Rates		With Rates Becoming Effective August 1st (6)
	Authorized	Dec.87398 Plus The Incre-		Full Year	Total	
	By	mental Increase Requested				
	Res.W-1887	In Application No. 57224				
		Before Changes	Changes	Changes		
	(1)	(2)	(3)	(4)	(5)	(6)
Operating Revenues	\$3,372.4	\$3,397.5	\$ (612.0)	\$390.2	\$3,175.7	\$2,948.1
Operating Expenses						
Purchased Water	1,182.9	1,288.2	(275.3)	0.0	1,012.9	1,012.9
Purchased Power	70.9	54.4	(11.9)	0.0	42.5	42.5
Business License	20.0	20.0	0.0	0.0	20.0	20.0
Income Taxes	92.7	59.2	(171.1)	205.6	93.7	(26.2)
Other Operating Expenses	1,230.6	1,230.6	0.0	0.0	1,230.6	1,230.6
Total Operating Expenses	2,597.1	2,652.4	(458.3)	205.6	2,399.7	2,279.8
Net Operating Revenues	775.3	745.1	(153.7)	184.6	776.0	668.3
Rate Base	9,103.6	9,103.6	0.0	0.0	9,103.6	9,103.6
Rate of Return	8.52%	8.18%	(1.68)%	2.02%	8.52%	7.34%

(Red Figures)

TABLE II

SOUTH SAN FRANCISCO DISTRICT
SUMMARY OF EARNINGS - TEST YEAR 1975
(Dollars in Thousands)

Item	At Rates	At Rates Authorized By		At Proposed Rates		With Rates Becoming Effective August 1st (6)
	Authorized	Dec.87398 Plus The Incre-				
	By Dec.85847	mental Increase Requested				
	&	in Application No. 57224				
	Res.W-2075	Before Changes	Changes	Changes	Total	
	(1)	(2)	(3)	(4)	(5)	(6)
<u>Operating Revenues</u>	\$1,742.4	\$1,720.6	\$(125.7)	\$ 80.1	\$1,675.0	\$1,628.3
<u>Operating Expenses</u>						
Purchased Water	673.5	706.8	(68.4)	0.0	638.4	638.4
Purchased Power	92.2	66.3	(6.3)	0.0	60.0	60.0
Business License	1.0	1.0	0.0	0.0	1.0	1.0
Income Taxes	99.4	84.1	(26.9)	42.2	99.4	74.8
Other Operating Expenses	549.6	549.6	0.0	0.0	549.6	549.6
Total Operating Expenses	<u>1,415.7</u>	<u>1,407.8</u>	<u>(101.6)</u>	<u>42.2</u>	<u>1,348.4</u>	<u>1,323.8</u>
<u>Net Operating Revenues</u>	326.7	312.8	(24.1)	37.9	326.6	304.5
<u>Rate Base</u>	3,295.5	3,295.5	0.0	0.0	3,295.5	3,295.5
<u>Rate of Return</u>						
Before Attrition Adjustment	9.91%	9.49%	(0.73)%	1.15%	9.91%	9.24%
Attrition Adjustment	(0.22)	(0.22)	0.0	0.0	(0.22)	(0.22)
After Attrition Adjustment	<u>9.69</u>	<u>9.27</u>	<u>(0.73)</u>	<u>1.15</u>	<u>9.69</u>	<u>9.02</u>

(Red Figures)

Operating Revenues

The first item under "Operating Revenues" in Column (6) 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 estimated curtailment in water use.

Purchased Water and Power

The first two items under "Operating Expense - Operation & Maintenance" in Column (6) of Table II show the anticipated expenses for purchased water and purchased power, reflecting the reductions in these expenses due to the estimated curtailment in water use.

Local Franchise Taxes and Business Licenses

In the Bear Gulch and San Carlos Districts there are local franchise taxes which are based upon gross revenues. In the Bear Gulch District there are business license fees which also are based upon gross revenues. The anticipated expenses for those items are shown in Column (6) of Table II, where applicable, under "Taxes other than (on) income", reflecting the reductions in those expenses due to the lower level of revenues resulting from the estimated curtailment in water use and applicant's revised water rates.

Income Taxes

As can be seen by comparing the amounts in Columns (1) and (6) of Table II, under "Income Taxes", the various changes in revenues and expenses resulting from the estimated curtailment in water use and applicant's revised water rates result in no change in anticipated income taxes, other than some extremely minor changes due to rounding.

Memorandum Reserve Accounts

The memorandum reserve or balancing accounts proposed by applicant would be one way to protect the interests of both the public and applicant if, over a medium-term future period,

customer usage patterns changed significantly. In this instance, however, it appears that the public interest would be equally protected by having the conservation offset surcharge automatically terminate on a relatively short-term basis. Then, if a surcharge is no longer appropriate for a succeeding short-term period, no further action would be required to remove it. Prior to the termination of the surcharge, applicant can review the customer usage pattern to determine whether or not some surcharge, at the same level or a different level, should be proposed, thus protecting applicant's interests. The order herein provides for automatic termination of the authorized surcharge within six months.

Interim vs. Final Decision

At the time this application was filed, details had not been worked out for processing conservation offset relief requests in the form of an advice letter, rather than the more time-consuming formal application. Recently, however, the mechanics for implementing offset relief by means of an advice letter request, staff review, and Commission Resolution^{1/} have been worked out. With the automatic termination of the surcharge, as provided herein, and the opportunity for applicant to seek any appropriate subsequent relief by means of an advice letter filing, there is no longer any need to hold this application open. Our order will therefore be final rather than interim.

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 at least 25 percent from 1976 deliveries made to its customers, including applicant.

^{1/} Resolution No. W-2188, dated July 12, 1977, in response to Advice Letter No. 43 of The Campbell Water Company.

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

^{1/} Resolution No. W-2188, dated July 12, 1977, in response to Advice Letter No. 43 of The Campbell Water Company.

3. Applicant, in order to comply with the mandatory reduction, in turn required its customers in the affected districts to reduce their consumption by at least 25 percent below 1976 levels, which is equivalent to a reduction of about 24 percent from the normal consumption used in the test years upon which present basic rates were set.

4. Applicant's customers in the affected districts have actually reduced their consumption more than the minimum required and applicant estimates the average reduction will be about 40 percent of the normal used in the test years upon which present basic rates were set.

5. The revenue losses resulting from a 40 percent reduction in sales, at applicant's present water rates, would cause significant reductions in the rate of return from each affected district.

6. Applicant is in need of additional revenues to give it an opportunity to realize prospectively the rate of return last found reasonable for each affected district.

7. The net revenues lost by applicant so far due to the reduced consumption constitute a sharing by applicant's stockholders of a significant portion of the burden caused by the drought to date.

8. The adopted estimates, previously discussed, of operating revenues, operating expenses, and rate base for the various test years reasonably indicate the probable results for the near future under the indicated reduction in water consumption.

9. The interim rates authorized herein, together with the indicated reduction in water consumption, are designed to produce prospectively the same rate of return, already found reasonable by the Commission in earlier proceedings for each affected district, as would have been produced by applicant's rates that were in effect before the mandatory rationing.

10. The automatic termination of the authorized surcharge, as discussed, will protect the public from any excessive offsetting of net revenues. The opportunity to seek any necessary subsequent surcharge by means of an advice letter request will protect applicant from continuation of a deficiency in offsetting net revenues.

11. 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 the amended requested interim increases as modified below should be authorized but that they should automatically terminate on March 31, 1978. Any future similar offset rate relief can be sought by advice letter.

Inasmuch as the reduction in water consumption has taken place, the order herein should become effective immediately.

The rates have been restructured from those proposed in order to more reasonably distribute the increase. A guideline which provides a rate level of about 15 percent to 25 percent above the lifeline quantity rate for the second block and a maximum of about 50 percent for the third block has been adopted. To meet these criteria the lifeline quantity rates have also been increased.

O R D E R

IT IS ORDERED that:

1. 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 temporary surcharge rate schedules attached to this order as Appendix A, and concurrently to file revised general metered service schedules for those districts which remove the conservation surcharge which in the future will be covered by the separate temporary surcharge schedules. Such filing shall comply with General Order No. 96-A. The effective date of the new and revised schedules shall be four days after the date of filing. The new and revised schedules shall apply only to service rendered on and after the effective date thereof.

2. In all other respects, Application No. 57190 is denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 13th
day of SEPTEMBER, 1977.

Labstani
William G. Guss

Robert B. Bunnell
President

Vernon L. Livingston
Richard D. Gravelle
Clare L. DeBrie
Commissioners

APPENDIX A
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Schedule No. BG-1S

Bear Gulch Tariff Area

GENERAL METERED SERVICE CONSERVATION SURCHARGE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

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

RATES

Quantity Rate:	Per Meter
	<u>Per Month</u>
For the first 300 cu.ft., per 100 cu. ft.	3 .000
For the next 200 cu.ft., per 100 cu.ft. ....	.200
For all over 500 cu.ft., per 100 cu.ft. ....	.246

SPECIAL CONDITION

The above surcharge will be added to all bills rendered under Schedule No. BG-1 for service through March 31, 1978, at which time this temporary surcharge will be terminated.

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Schedule No. BD-1S

Broadmoor Tariff Area

GENERAL METERED SERVICE CONSERVATION SURCHARGE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

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

RATES

Per Meter
Per Month

Quantity Rate:

For the first 300 cu.ft., per 100 cu.ft.	\$.100
For the next 200 cu.ft., per 100 cu.ft. ....	.200
For all over 500 cu.ft., per 100 cu.ft. ....	.176

SPECIAL CONDITION

The above surcharge will be added to all bills rendered under Schedule BD-1 for service through March 31, 1978, at which time this temporary surcharge will be terminated.

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Schedule No. SC-1S

San Carlos Tariff Area

GENERAL METERED SERVICE CONSERVATION SURCHARGE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

San Carlos and vicinity, San Mateo County.

RATES

	<u>Per Meter</u>
	<u>Per Month</u>
Quantity Rate:	
For the first 300 cu.ft., per 100 cu.ft.	\$.200
For the next 200 cu.ft., per 100 cu.ft. ....	.340
For all over 500 cu.ft., per 100 cu.ft. ....	.229

SPECIAL CONDITION

The above surcharge will be added to all bills rendered under Schedule SC-1 for service through March 31, 1978, at which time this temporary schedule will be terminated.

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Schedule No. SM-1S

San Mateo Tariff Area

GENERAL METERED SERVICE CONSERVATION SURCHARGE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

San Mateo and vicinity, San Mateo County.

RATES

Per Meter
Per Month

Quantity rate:

For the first 300 cu.ft., per 100 cu.ft.	\$.050
For the next 200 cu.ft., per 100 cu.ft. ....	.170
For the next 29,500 cu.ft., per 100 cu.ft. ....	.180
For all over 30,000 cu.ft., per 100 cu.ft. ....	.139

SPECIAL CONDITION

The above surcharge will be added to all bills rendered under Schedule No. SM-1 for service through March 31, 1978, at which time this temporary schedule will be terminated.

APPENDIX A
Page 5 of 5

Schedule No. SS-1S

South San Francisco Tariff Area

GENERAL METERED SERVICE CONSERVATION SURCHARGE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

South San Francisco and vicinity, San Mateo County.

RATES

		Per Meter
		<u>Per Month</u>
Quantity Rate:		
For the first	300 cu.ft., per 100 cu.ft.	\$.040
For the next	200 cu.ft., per 100 cu.ft. ....	.120
For the next	29,500 cu.ft., per 100 cu.ft. ....	.078
For all over	30,000 cu.ft., per 100 cu.ft. ....	.060

SPECIAL CONDITION

The above surcharge will be added to all bills rendered under Schedule No. SS-1 for service through March 31, 1978, at which time this temporary schedule will be terminated.