

Decision No. 8951S OCT 17 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
of Cyrus A. Jaffari, dba Caspian
Water Company, for authority to
purchase the Cuyamaca Mutual
Water Company and to connect it
into the Caspian Water Company
system; to increase rates for
service of the Caspian Water
Company; and for removal of the
restriction on water service
connections placed on the
predecessor Cuyamaca Water Company
by Ordering Paragraph 5,
Decision No. 86163, dated July 27,
1976 in Case No. 9889.

Application No. 57868
(Filed January 23, 1978)

Lawrence A. Patton, Attorney at Law,
for applicant.

C. M. Cowett, Attorney at Law, for
Cuyamaca Recreation & Park District,
interested party.

Richard Finnstrom and Robert Mann, for
the Commission staff.

O P I N I O N

Statement of Facts

This is an application filed by Cyrus A. Jaffari, dba Caspian Water Company (Caspian) for authority to acquire the storage and water facilities of Cuyamaca Mutual Water Company (Mutual) and to connect its facilities into the Caspian system; to increase the flat rate charge of Caspian from \$10 to \$20 per month; and for the removal of the restriction on water service connections placed on Cuyamaca Water Company by Ordering Paragraph 5 of D.86163 dated July 27, 1976 in C.9889, which restriction states:

"Cuyamaca Water Company shall make no further water connections beyond those existing March 25, 1976 to the 91 developed lots it is now serving and such other lots within its service area where residential construction was under way or building permit authority received before March 25, 1976, without first securing authority to extend service from this Commission."

A well-attended public hearing was held before Administrative Law Judge Wright at La Mesa on May 5, 1978.

Service Area and Facilities

The Ordering Paragraph 5 restriction was imposed in D.86163 because there was then an insufficient water supply to accommodate more residences than were then established or in progress of construction. We approved a proposed improvement program in the cited decision looking to the addition of a 10,000-gallon steel storage tank, aeration plates, soda ash feed pump, chlorinator, and new pumping equipment to bring a new well into production. We established a flat rate of \$10 per month, increasing, pursuant to Ordering Paragraph 6, to \$12 per month upon Commission staff approval, upon completion, of the described improvements which were then proposed by Caspian. The contemplated improvements were estimated to cost \$10,000 in 1976 and to expand water storage facilities to a capacity of 40,000 gallons, which, we concluded, could serve up to 105 customers.

In lieu of proceeding with the improvements set forth in D.86163, Caspian proposes to purchase existing water facilities of Mutual consisting of a well and pump, the 187,000-gallon tank, and approximately 5,000 feet of 6-inch diameter pipeline. Unlike the present water supply of Caspian, the water sought to be acquired from Mutual does not require treatment. With the approval of the purchase of the properties of Mutual, Caspian proposes to connect the two systems together, to serve all customers from the Mutual well utilizing all storage

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✓

facilities and to retain its existing well and treatment plant for standby in case of emergency.

The proposed purchase price is \$37,000, being \$18,500 cash and an 18-month promissory note for the balance at 10 percent per annum. The purchase price is not substantially different from the estimated net original cost as estimated by the staff.

The following tabulation shows Caspian's projection of service connections and delivery capacity should its application be approved.

	<u>1977</u>	<u>1996</u>
Number of connections	115	160
Estimated population, 2.6 per connection	300	426
Gallon per day (110 per capita)	33,000	46,200
Gallons per ave. peak month day, factor of 2	66,000	92,400
Unaccounted for losses (10% of average day)	3,300	4,600
Peak month, ave. day consumption	69,300	97,000
Accepted practice, 2 days storage	138,600*	194,000*

*This does not take into consideration production of the well on Lot 126 which it is contemplated will be operated on a stand-by basis and used for peaking when required.

As the distribution system does not conform to the Commission's General Order No. 103, Rules Governing Water Service Including Minimum Standards for Design and Construction, a general 5-year replacement program is proposed by Caspian. The program would replace approximately 6,990 feet of 1-inch to 3-inch pipeline, all but 530 feet of which will be 6-inch and the balance 4-inch. A deviation from General Order No. 103 is requested by Caspian to accommodate the 4-inch main. The total cost of this phased improvement is estimated by Caspian at \$41,326, or an average cost of \$8,265 per annum.

The phased improvement of rerouting and increasing the size of the water lines throughout the system will result in an increase of delivery capability at any one fire hydrant to a minimum of 500 gallons per minute as was recommended by the office of Fire Services Coordinator, county of San Diego, as well as the following specifications for water systems, utilizing hydrants on mains of no less than 6 inches in diameter:

"The system residual pressure, with one hydrant flowing, should be a minimum of 20 P.S.I.

"Unless your system is subject to freezing, standard hydrants should be used.

"Each hydrant should be mounted on a 6" barrel with two (2) outlets; one 4" (steamer) outlet and one 2-1/2" outlet. Threads should be national standard fire service."

The quantity of water from the Mutual well is greater than that which could be expected from Well No. 3 rehabilitated, as ordered by D.86163, and the quality of the water does not require treatment. The facilities, including storage, are far in excess of the requirements of D.86163 and would reduce the annual operating expenses of Caspian. Caspian requests a modification of the decision by implementing the above proposal and also requests the lifting of the restriction regarding new customers. ✓

When the water systems are combined and in operation, a sufficient quantity of water will be available to adequately serve the 200 subdivided lots. With approximately 200,000 gallons in storage, a water supply would be assured for five days of normal consumption should the production facilities need repair. The restriction should be lifted to include all customers presently being served and the lots of Lake Cuyamaca Resort Tracts 1 and 2 containing approximately 200 lots.

Caspian's independent engineer undertook and completed an initial study of the project contemplated by this application in accordance with Guidelines implementing the California Environmental Quality Act for the purpose of ascertaining whether the proposed project might have a significant effect on the environment. His conclusion was that the project could not have a significant effect on the environment.

Service Area

Caspian is requesting to purchase a mutual water company that was never certificated and which does not have a service territory previously approved by this Commission. Thus, an issue we must address is the scope of the service territory which Caspian should be, as a result of this proceeding, certificated to serve. ✓

Caspian requests the issuance of a Certificate of Public Convenience and Necessity over property which includes lands owned by the Lake Cuyamaca Recreation and Park District (District) between State Highway 79 and Lake Cuyamaca which are composed of Parcels Nos. 294-07-34, 294-07-36, and 294-11-10. Said parcels total 16.27 acres lying on the north shore of Lake Cuyamaca. District has requested the Commission to exclude said parcels from the service area over which Caspian obtains a Certificate of Public Convenience and Necessity, as it has not requested service.

The testimony of Caspian shows that it has no mains, pipes, services, or any other portion of its system within the three parcels which the District seeks to exclude from its service area. It is similarly clear from said testimony that Caspian does not provide any service whatsoever within said territory.

Public Utilities Code Section 1001 provides that no water corporation may extend its system or serve an area "without having first obtained from the Commission a certificate that the present or future public convenience and necessity require or will require such construction."

Public Utilities Code Section 1005 provides that the Commission may refuse to issue a certificate or issue it for only a portion of the area sought, or condition it as circumstances warrant.

Rule 18 provides that any application for a Certificate of Public Convenience and Necessity shall contain the following data: "(e) Facts showing that the public convenience and necessity require, or will require, the proposed construction or extension, and its operation."

The Commission requires applicants for Certificates of Public Convenience and Necessity to prove that the proposed service is needed by those who may be expected to use it. In the matter of William Callahan (1941) 43 CRC 481, 482, the Commission clearly articulated the principle that the applicant has the burden of proof to demonstrate the need for its service before being issued a Certificate of Public Convenience and Necessity. *of NR*

"The Commission has repeatedly affirmed the principle that certificates of public convenience and necessity cannot be granted without adequate and affirmative proof that the proposed service is needed by those who may be expected to use it or by those in a position to have reasonably accurate and dependable knowledge of its need by those who would use it. Such a showing is absent in this record. In the light of these considerations and the state of this record we are of the opinion that the application should be dismissed without prejudice. The order will so provide."

In application of Lakewood Water and Power Company (1952) 51 Cal CPUC 565, the Commission granted a Certificate of Public Convenience and Necessity for most of the territory covered in the water company's application, but denied the certificate over two portions of the territory where the Commission found that there was no request for water service and where the company had no plans for constructing or operating a system therein, stating at pages 568 and 569:

". . . The record further shows that no requests for water service have been received from any party in any other portion of the area applied for south of Spring Street.

". . . Lakewood's application for a certificate of public convenience and necessity to extend its water system into that portion of the territory shown in blue on Exhibit No. 1, lying south of Spring Street will be denied without prejudice.

". . . Further, the record shows that Lakewood has received no request to provide service in the above 400 acre area, has no firm plans for constructing or operating a water system therein, and there is no showing of public convenience and necessity in the record for Lakewood to serve this area. Therefore, Lakewood's request applicable thereto will be denied without prejudice, and the order herein will so provide. Further, Lakewood will be restricted from extending its water system into this area without further order of the Commission."

Therefore, on the basis of the undisputed evidence that neither Caspian nor its predecessors in interest have ever served the three parcels at issue and are not being requested to serve said parcels, and upon the failure of Caspian to state or prove that it intends to serve said parcels, we will, pursuant to the authority contained in Public Utilities Code Section 1005, deny a Certificate of Public Convenience and Necessity over said parcels, without prejudice. ✓

Water Rates

As noted earlier, the public hearing in this matter was well attended and the correspondence file is extensive. Most of the members of the public protested the proposed water rates as excessive as compared with those elsewhere prevailing, especially in the light of the fact that the great majority of water users at Lake Cuyamaca are weekenders only, and then for only two or three months of the year. It is with these protests in mind that we approach the next matter to be resolved which is the determination of just rates for this water utility and refer again to the legal standards prescribed for us as set forth in D.86163:

" . . . As the Supreme Court of the United States commented in this regard, basically, 'the fixing of "just and reasonable" rates, involves a balancing of the investor and the consumer interests...' (Federal Power Commission v Hope Natural Gas Co. (1944) 320 US 591, 603; quoted and followed in P.G.&E. Co. (1971) 71 CPUC 724, 729). While ability of the customer to pay is one of the factors necessarily entering into determination of the rate (San Jose Water Co. (1915) 7 CRC 762, 765; and San Gabriel Valley Water Co. (1947) 47 CPUC 434, 438), the Commission cannot refrain from assessing proper charges for public utility services merely because certain consumers assert it would be difficult or inconvenient to pay such charges (City of Oakland v East Bay

Water Co. (1922) 21 CRC 536, 542). It is the responsibility and duty of this Commission to protect the consumer's interests; but at the same time, and at law equally entitled to consideration, the small utility also has legitimate expectations and enforceable rights in the scales of justice (Barnes v Skinner, Decision No. 85492 dated March 2, 1976 in Case No. 9881). The desirable and equitable aim in ratemaking should be that the consumer pay, as nearly as may be, the cost of the service received, plus a reasonable return upon investment (L.A. Ice & Cold Storage Co. (1921) 20 CRC 124, 133).

The staff presented a tabulation showing the original cost of the combined facilities by accounts on an estimated original cost basis, together with depreciation reserve and utility plant balances as of January 1, 1978 as follows:

Item	Estimated Original Cost : Utility Plant:	: Depreciation: Reserve 1-1-78	: Utility Plant: Balances 1-1-78
Land	\$ 7,000	\$ -	\$ 7,000
Wells	8,750	2,594	6,156
Pumping Equipment	13,430	6,551	6,879
Buildings	565	266	299
Water Treatment Equip.	1,800	475	1,325
Reservoirs	22,100	9,163	12,937
Trans. & Dist.	63,920	22,807	41,113
Services	2,680	1,156	1,524
Totals	\$120,245	\$43,012	\$77,233

The net utility plant balances, including \$5,000 for main replacement, working cash, and materials and supplies established the staff's rate base as \$79,730. Caspian accepted the staff rate base, so derived, for the purposes of this proceeding.

An estimated summary of earnings for 1978 was submitted by the staff and by Caspian. The staff summary was predicated upon the 10 percent rate of return requested by Caspian and the

Caspian summary was predicated upon expense estimates extrapolated from calendar year 1977 unaudited book figures. The two summaries follow:

<u>Summary of Earnings</u> <u>Estimated Year 1978</u>		
	<u>Staff</u>	<u>Caspian</u>
Revenue	\$24,120	\$27,600
<u>Expenses</u>		
Power	1,750	1,000
Operation & Maintenance Labor	1,500	4,000
Office & Management Salaries	2,000	2,000
Office Supplies	100	300
Insurance	600	600
General Expense	100	800
Outside Services Employed	<u>2,500</u>	<u>2,500</u>
Subtotal	\$ 8,550	\$11,200
Taxes	2,300	2,300
Depreciation	2,350	2,600
Taxes Based on Income	<u>2,980</u>	<u>3,300</u>
Total Operating and Maintenance Expense	\$16,150	\$19,400
Net Revenue	7,970	8,200
Depreciated Rate Base	79,730	79,730
Rate of Return	10.0%	10.3%

The staff determined gross revenue requirements, assuming the 10 percent rate of return applied for by Caspian. The result is an indicated flat rate charge of \$17.50 per month. Other assumed rates of return were also employed, showing a descending monthly flat rate charge from \$17.50 to \$16.31 as shown below. ✓

Item	Rate of Return			
	8.5%	9.0%	9.5%	10.0%
Revenue Requirement	\$22,510	\$23,055	\$23,600	\$24,120
Expenses including Taxes on Income	15,730	15,880	16,025	16,150
Net Revenue	6,780	7,175	7,575	7,970
Rate Base	79,730	79,730	79,730	79,730
Rate of Return	8.5%	9.0%	9.5%	10.0%
Monthly Flat Rate Charge	\$16.31	\$16.71	\$17.10	\$17.50

Caspian has multiplied the \$20.00 flat rate charge per month by the 115 customers estimated to be using the system in 1978 to establish its gross revenue requirements. Estimated expenses have been deducted to demonstrate an after-tax return of 10.3 percent on the stipulated rate base. The major item of difference in expenses is that for operation and maintenance labor, which the staff estimates to be \$2,500 less than Caspian's estimate of \$4,000.

Estimated expenses for operation and maintenance labor, and differences between the staff and Caspian, were not developed on the record by the applicant, nor were the several other relatively minor variances between the two presentations. Accordingly, we will adopt the staff's gross revenue requirements statement as being consistent with staff rate base, the latter having been agreed to by Caspian.

The record shows scant evidence on the issue of rate of return. It does show, however, that Caspian's borrowings have been at 10 percent, so that there will be no greater return on equity than that which we find reasonable for Caspian as an entire entity. Further, the net revenue of \$7,970 flowing to Caspian at 10 percent of the staff's estimated historical rate base is not excessive in light of the planned forthcoming improvements.

It is worthy of note that, while a minority of customers who have paid little or nothing for water in the past will now pay \$17.50 per month for that essential commodity, the public interest in this case is to provide potable water in adequate quantity to all in the service area, including fire needs. Indeed, the record discloses that those at the hearing recognized that the principle of the greatest good for the greatest number was the fair and equitable approach to ratemaking and was applicable in this case.

We, accordingly, find 10 percent as the fair and reasonable rate of return for Caspian and the correlative monthly rate of \$17.50 to be proper.

Metered Service

In D.86163 we addressed the issue of metered service as follows:

" . . . The Commission has long been of the opinion that a measured service is the only proper one (Mountain Water Co. (1921) 20 CRC 558, 559). By this means charges are equitably distributed among the consumers according to usage, extravagance in use is reduced to a minimum and water is conserved. Flat rate service encourages high and extravagant water consumption. But even with metered service there is always a basic monthly service charge (the cost of constant standby readiness to serve) which all customers, regardless of consumption, equally pay before the quantity charge is made. The Commission's long-term policy has been that people who are part-time customers of a utility should still pay those demand charges which it is necessary for the utility to assess in order to have the product available when the tap is turned on. Particularly with rural resort-type water utilities we must also recognize that meters, meter reading, and meter maintenance cost money, and many small public utility water companies just cannot reasonably afford that extra investment, and must continue offering flat rate service. . . ."

We concluded that, since three-quarters or more of the customers were weekenders, we would not require meters at that time.

Here the staff has recommended that permanent residents be metered and that Caspian have the option to meter selected weekenders to insure that such flat rate users will not waste water. We now concur in this recommendation as a component and beneficial part of the upgrading in quantity and quality of water to be served at Lake Cuyamaca by Caspian.

Findings

1. Cyrus A. Jaffari, dba Caspian, formerly Cuyamaca Water Company proposes to purchase the storage and water facilities of Mutual and to connect said facilities into the Caspian system.

2. This Commission on July 27, 1976 issued D.86163 which ordered Cuyamaca to: a. file tariffs as a public utility water company, including authorization of a flat rate schedule; b. set up books of account; and c. maintain the existing number of water connections. Upon the completion and approval of a specified improvement program, the decision authorized a rate schedule to compensate the utility for these added costs.

3. Caspian presently produces water from two wells located near the existing 20,000-gallon redwood tank. Water must be treated for iron and manganese removal prior to delivery to the customers. A portion of the water is pumped to another tank of 10,000-gallon capacity and all customers are served by gravity flow from these two storage tanks. The treatment facility is limited to a flow of 15 gallons per minute and the chemicals and operation are costly.

4. Caspian proposes to purchase existing water facilities of Mutual. The water facilities consist of a well and pump, a 187,000-gallon redwood storage tank, and approximately 5,000 feet of 6-inch diameter pipeline. The present operation of the system indicates the well pump delivers approximately 70 gallons

per minute to the 187,000-gallon tank, and there are 11 customers who receive water by gravity from the storage tank. This water is of a quality which does not require treatment.

5. With the approval of the purchase of Mutual facilities, Caspian proposes to connect the two systems together and retain the existing well and treatment plant for standby in case of emergency. This proposed connection of the two systems will serve the purpose and intent of Ordering Paragraph 6 of D.86163 and will, in addition, provide an adequate water supply for the proposed full development. ✓

6. Caspian requests a deviation from General Order No. 103 regarding both pipeline size and fire-flow requirements. Caspian proposes to replace approximately 11,750 feet of 1-inch through 3-inch diameter pipeline over a five-year period, but requests that 4-inch diameter pipe be utilized except for the 6-inch diameter supply line through the tracts to the existing 20,000-gallon tank, a distance of approximately 1,300 feet. The Fire Service Coordinator, county of San Diego, has recommended a minimum fire flow of 500 gpm from any one fire hydrant.

7. The purchase of Mutual facilities, the connecting of the pipelines of the Mutual and Caspian systems, and the main replacement program require a considerable capital expenditure by Caspian which, therefore, requests an increase in rates. A fair and reasonable monthly flat charge for water service is \$17.50 based upon the staff's estimated historical rate base, the staff's estimate of gross revenue requirements, and a 10 percent rate of return. ✓
✓
✓

8. No service is either requested, being given, or proposed on Parcels Nos. 294-07-34, 294-07-36, and 294-11-10.

9. As the service area is a resort community, the request to deviate from the pipeline sizes should be granted provided that a 6-inch diameter main be used as the "backbone" of the distribution system utilizing the storage facilities for the maximum quantity of water available. Locating fire hydrants on

this line would place all improvements within reasonable proximity of the available water supply. All other pipelines should be minimum 4-inch diameter.

10. The service area of the combined system will contain approximately 35 customers who are permanent residents or who utilize the water service on a daily basis. These customers should be metered, so as to be responsible, and pay for their share of the costs. Other customers should be metered only at Caspian's option or upon subsequent direction from the Commission.

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

12. An environmental assessment (initial study) for the project set forth in the application was prepared by Caspian showing no possibility of significant environmental impact resulting from the project.

Conclusions

1. Caspian should be authorized to purchase the water facilities of Mutual for \$37,000, the purchase price being paid \$18,500 in cash and the balance by way of a promissory note for 18 months at 10 percent per annum.

2. Caspian should be authorized to combine the water systems and physically connect the two, so that the water will be supplied from the Mutual well.

3. Caspian should be authorized to supplement the proposed program as set forth in A.57868 in lieu of the improvement program ordered by paragraph 6 of D.86163 and that paragraph 6 of D.86163 be rescinded.

4. Caspian should be authorized to install 6-inch diameter pipelines as the main distribution through the tract with laterals minimum 4-inch diameter, and all fire hydrants should be located on mains 6 inches in diameter or larger.

5. Caspian should be authorized to serve all lots within the Lake Cuyamaca resort tracts and all parcels which are presently being served. Caspian should not be allowed to extend mains to serve new customers except within Lake Cuyamaca Resort Tracts Nos. 1 and 2 to serve any lot not presently being served.

6. Caspian should be authorized to increase rates for water service to a flat rate of \$17.50 per month and be required to meter all customers who are permanent residents and those others it elects to meter, in accordance with Appendix A.

7. Parcels Nos. 294-07-34, 294-07-36, and 294-11-10 should be excluded from Caspian's service area, without prejudice.

O R D E R

IT IS ORDERED that:

1. On or before December 1, 1978, Caspian Water Company may acquire the water system (and other assets) of Cuyamaca Mutual Water Company referred to in the application for \$37,000, being \$18,500 in cash and the balance in the form of a promissory note for a term of eighteen months at ten percent per annum interest.

2. On or before the date of actual transfer, seller shall deliver to purchaser, and the latter shall receive and preserve all records, memoranda, and papers pertaining to the construction and operation of the water system authorized to be transferred.

3. On or before the end of the third month after the date of actual transfer purchaser shall cause to be filed with the Commission, in such form as it may prescribe, an annual report covering the operations of seller for the period commencing with the first day of the current year to and including the effective date of the transfer.

4. After the effective date of this order, purchaser is authorized to file 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 shall be five days after the date of filing. The revised schedules shall apply only to service rendered on and after the effective date of the revised schedules. ✓

5. Within forty-five days after the effective date of this order, purchaser shall file a revised tariff service area map, appropriate general rules, and sample copies of printed forms that are normally used in connection with customers' services. Such filing shall comply with General Order No. 96-A. The effective date of the revised tariff sheets shall be five days after the date of filing. ✓

6. Purchaser shall prepare and keep current the system map required by paragraph I.10.a. of General Order No. 103. Within ninety days after the effective date of this order, purchaser shall file with the Commission two copies of this map. ✓

7. For the year 1978, purchaser shall apply a depreciation rate of 2.1 percent to the original cost of depreciable plant. Until review indicates otherwise, purchaser shall continue to use this rate. Purchaser shall review its depreciation rates at intervals of five years and whenever a major change in depreciable ✓

plant occurs. Any revised depreciation rate shall be determined by: (1) subtracting the estimated future net salvage and the depreciation reserve from the original cost of plant; (2) dividing the result by the estimated remaining life of plant; and (3) dividing the quotient by the original cost of plant. The results of each review shall be submitted promptly to the Commission.

8. Caspian Water Company is authorized to provide a minimum fire flow of 500 gpm in lieu of 1,000 gpm. ✓

9. Ordering Paragraph 5 of D.86163 is rescinded.

10. Ordering Paragraph 6 of D.86163 is rescinded.

11. Parcels Nos. 294-07-24, 294-07-36, and 294-11-10 are excluded from the Caspian Water Company's service area without prejudice.

12. The main distribution pipeline through the tract shall be minimum 6-inch diameter. Laterals may be 4-inch minimum diameter. Fire hydrants will be attached only to 6-inch diameter mains.

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

Dated at San Francisco, California, this 17th day of OCTOBER, 1978.

William J. Quinn President
Leonard J. Stutzman
Richard D. Gavelle
Clarence J. Desha Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.

Appendix A
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Schedule No. 1

RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all residential water service furnished on a metered basis.

TERRITORY

Lake Cuyamaca Resort Units 1 and 2, and vicinity, San Diego County.

RATES

	<u>Per Meter Per Month</u>		
Service Charge:			
For a 5/8 x 3/4-inch meter.	\$12.00	(I)	✓
Quantity Charge:			
First 300 cu.ft., per 100 cu.ft.	\$.80		
Over 300 cu.ft., per 100 cu.ft.	1.10		

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.

SPECIAL CONDITIONS

1. All permanent residents to be served only in accordance with Schedule No. 1, Residential Metered Service. (N) ✓
2. Meters for nonpermanent residents will be installed only at the option of the utility, and thereafter service will only be provided under Schedule No. 1. (N) ✓

Appendix A
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Schedule No. 2

RESIDENTIAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all residential water service furnished on a flat rate basis.

TERRITORY

Lake Cuyamaca Resort Units 1 and 2, and vicinity San Diego County.

RATES

	<u>Per Service Connection Per Month</u>	
For a single-family residence.....	\$17.50	(I)
For each additional residence on the same premises and served from the same service connection..	17.50	(I)

SPECIAL CONDITIONS

1. The above residential flat rates apply to a service connection not larger than one inch in diameter.
2. All service not covered by the above classification will be furnished only on a metered basis.
3. Meters will be installed only at the option of the utility and thereafter service will be provided under Schedule No. 1, Residential Metered Service.

(N)
|
(I)
|
(N)