

WATER/JB5/SRW:jrb

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch

RESOLUTION NO. W-4752
March 26, 2009

R E S O L U T I O N

**(RES. W-4752), GOLDEN STATE WATER COMPANY (GSWC).
ORDER AUTHORIZING A RATE BASE OFFSET INCREASE
IN RATES PRODUCING ADDITIONAL GROSS ANNUAL
REVENUES OF \$112,651 OR 0.115%.**

SUMMARY

By Advice Letter (AL) 1315-W-A filed on January 14, 2009, GSWC requests a revenue increase of \$112,651 or 0.115%, to provide a return on the addition to its rate base of \$631,357 for the capital project to upgrade the Indian Hill Reservoir (Reservoir).

This resolution grants a revenue increase of \$112,651 and the addition to rate base of \$631,357. The Division of Water and Audits (DWA) and GSWC followed Standard Practice U-27-W to calculate the revenue increase of \$112,651. This increase will not result in a rate of return greater than that last authorized for GSWC in Decision (D.) 08-01-043.

BACKGROUND

GSWC provides water service to approximately 254,700 residential and industrial customers within 75 communities in 10 counties in the State of California.

D.06-01-025 authorized GSWC to file an AL to recover in rates the costs of certain capital projects that were stipulated to in Appendix C.

GSWC filed AL 1315-W-A to request approval of a rate base increase for the completed plant addition included in the Overall Stipulation between the Office of Ratepayers Advocates (ORA) (now the Division of Ratepayers Advocates) and GSWC approved in D.06-01-025.

DISCUSSION

The Project

DWA reviewed the project proposed for inclusion into rate base. DWA confirmed that: (1) this project is included in the list of authorized projects in D.06-01-025; (2) the project's requested cost recovery did not exceed the amount authorized; and (3) this project had been completed and is currently used and useful. In addition, DWA reviewed invoices supporting expenditures for this project.

The project is the upgrade of the Indian Hill Reservoir located in Claremont California. GSWC completed a study to determine if the Reservoir should be replaced or upgraded. GSWC made the evaluation that it was more cost effective to upgrade the reservoir. GSWC upgraded the Reservoir at a cost of \$883,003 plus overheads. GSWC and ORA stipulated costs of \$551,500 plus overheads of \$79,857 for a total cost of \$631,357. These overheads were based on an overhead rate of 14.48% (approved in D.08-07-027). GSWC has completed the upgrade and placed in service the Reservoir. GSWC requests that the stipulated costs of \$631,357 be allowed in rate base and DWA concurs.

Revenue Requirement

To determine the necessary revenue requirement to earn a return on the addition of \$631,357 to rate base, DWA and GSWC used Commission-approved rates in D.08-01-043 for cost of capital and rate of return and in D.06-11-015 for depreciation rate, franchise fee rate, uncollectible rate and ad valorem tax rate. The net-to-gross multiplier was calculated to account for the effect of state income taxes on the taxable income for federal income taxes.

DWA and GSWC used the authorized rate of return of 8.87%, a depreciation rate of 3.12%, an ad valorem tax rate of 0.949%, a franchise fee rate of 0.949%, an uncollectible rate of 0.195%, and a composite net-to-gross multiplier of 1.423865 to calculate an additional gross revenue requirement of \$112,651, or 0.115%. The composite net-to-gross multiplier calculation is shown in Appendix A. The following table shows the required revenue calculation:

Table A							
Rate Base	Rate of	Net/Gross	Depreciation	Ad Valorem	Franchise	Uncollectible	Required
Increase	Return		Rate	Rate	Fee Rate	Rate	Revenue
\$631,357	8.87%	1.4238649					\$79,738
\$631,357			3.12%				\$19,698
\$631,357				0.949%			\$5,992
\$631,357					0.949%		\$5,992
\$631,357						0.195%	\$1,231
Total:							\$112,651

For an average residential customer who uses 1,800 cubic feet of water per month with a 5/8 x 3/4-inch meter on Schedule No. R3-1-R, the additional revenue requirement will result in a monthly bill increase of \$0.09 from \$51.70 to \$51.79 or 0.17%. A residential flat rate customer on Schedule No. R3-2 would have a monthly bill increase of \$0.05 from \$54.80 to \$54.85 or 0.09%.

NOTICE AND PROTESTS

Public notice is not required because notice was completed by GSWC at the time of its general rate case proceeding Application 06-02-014. In compliance with General Rule 4.3 of General Order 96-B, a copy of this advice letter was mailed to all interested and affected parties as detailed in Advice Letter No. 1315-W-A for GSWC. DWA received no protests against the rate base adjustment or the projected rate increase related to the rate base adjustment.

COMPLIANCE

GSWC has no outstanding compliance orders. There are no Commission orders requiring system improvements. The utility has been filing annual reports as required.

COMMENTS

This is an uncontested matter in which the decision grants the relief requested. This proceeding is subject to the public review and notice comment exclusion pursuant to Public Utilities Code 311(g) (3).

FINDINGS

1. The requested increase in rate base of \$631,357 and the resulting annual revenue requirement increase of \$112,651 or 0.115% are reasonable and should be adopted.

2. The Commission finds, after investigation by the Division of Water and Audits, the rate base increase and the resulting rate increase hereby authorized are just and reasonable.
3. This is an uncontested matter subject to the public notice comment exclusion provided in Public Utilities Code 311(g) (3).

THEREFORE IT IS ORDERED THAT:

1. Golden State Water Company is authorized, five days after the effective date of this resolution, to make effective the increased rates in rate schedules Nos.: R3-1-R, Region 3 Customer Service Areas (CSA) Residential Metered Service; R3-1-NR, Region 3 CSA Non-Residential Metered Service; R3-2, Region 3 CSA General Flat Rate Service; R3-CM-7ML, Region 3 Claremont CSA Limited Metered Service; R3-CMH-3M, Region 3 Claremont CSA Measured Irrigation Service; R3-CMP-3M, Region 3 Claremont CSA Metered Irrigation Service; R3-OC-3M, Region 3 Orange County CSA Metered Irrigation Service; and R3-SD-3, Region 3 San Dimas CSA Measured Irrigation Service which are shown in Appendix B of this Resolution.
2. Expenditures for the completed project totaling \$631,357 are allowed into the rate base of Golden State Water Company.
3. The revenue requirement of Golden State Water Company is allowed to increase annually by \$112,651 or 0.115% to provide a return for the increase in rate base.
4. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California on March 26, 2009, with the following Commissioners voting favorably thereon:

/s/ PAUL CLANON

Paul Clanon
Executive Director

MICHAEL R. PEEVEY
President

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

TIMOTHY ALAN SIMON

Resolution W-4752
GOLDEN STATE WATER/AL 1315-W-A/JB5/SRW/jrb

March 26, 2009

Commissioners

Appendix A					
Net To Gross Multipliers					
	Capital Structure	Cost	Weighted Cost	Per Cent	
Debt	0.485	0.0746	0.0362	0.40812	
Equity	0.515	0.102	0.0525	0.59188	
			0.0887	1	
Debt Net To Gross Multiplier					
Line					
1	Uncollectible Rate		0.00195		
2	1-Line 1		0.99805		
3	Franchise Rate		0.00949		
4	Line 2xLine 3		0.00947		
5	Line 1 + Line 4		0.01142		
6	1-Line 5		0.98858		
7	NTG 1/Line 6		1.0115535		
Equity Net To Gross Multiplier					
8	Line 6		0.98858		
9	CCFT x Line 8		0.0873903	CCFT rate = 8.84%	
10	FIT x (Line 8)		0.3460025	FIT rate =35%	
11	Line 9 x Line 10		0.0302373		
12	Lines 5+9+10-11		0.41458		
13	1-Line 12		0.58542		
14	1/Line 13		1.7081667		
	Debt NTG PerCent x Line 7		0.412835		
	Equity NT PerCent x Line 14		1.0110299	0	
	Composite NTG Multiplier		1.4238649		

Appendix B
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Schedule No. R3-1-R
Region 3 Customer Service Areas
RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all residential metered water services provided to single-family residential customers.

TERRITORY

Barstow and vicinity, San Bernardino County, the City of Claremont, portions of Montclair, Pomona, Upland, within the area north of Thompson Creek and the Padua Hills Service Area, and adjacent unincorporated territory in Los Angeles and San Bernardino Counties, the City of Calipatria and community of Niland, and the adjacent territory in Imperial County, the vicinity of Victorville and Lucerne, San Bernardino County, all or portions of the Cities of Cypress, La Palma, Los Alamitos, Placentia, Seal Beach, Stanton, Yorba-Linda and vicinity, Cowan Heights, Peacock Hills, Orange County; San Dimas, Charter Oak and vicinity, Los Angeles County; and portions of the Cities of Arcadia, El Monte, Irwindale, Monrovia, Monterey Park, Rosemead, San Gabriel, Temple City and vicinity, Los Angeles County.

RATES

Quantity Rate:		
First 1,600 cu. Ft., per 100 cu. ft.....	\$ 2.147	(I)
Over 1,600 cu. Ft., per 100 cu. ft.....	\$ 2.469	(I)
Service Charges:		
	<u>Per Meter Per Month</u>	
For 5/8 x 3/4-inch meter.....	\$ 12.50	(I)
For 3/4-inch meter.....	18.65	
For 1-inch meter.....	31.10	
For 1 1/2 inch meter.....	62.20	
For 2-inch meter.....	99.50	
For 3-inch meter.....	187.00	
For 4-inch meter.....	311.00	
For 6-inch meter.....	622.00	
For 8-inch meter.....	995.00	
For 10-inch meter.....	1,431.00	

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

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. Residential customers are defined as all single family customers with one dwelling unit that are individually metered.
3. As authorized by the California Public Utilities Commission, an amount of \$0.040 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1270-W. This surcharge recovers the difference between the interim rates and final rates for the period of January 1, 2007 through November 21, 2007.
4. As authorized by the California Public Utilities Commission, an amount of \$0.110 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1272-W, which is May 28, 2008. This surcharge will recover the undercollection in the Balancing-type Memorandum Account as of December 31, 2007.
5. As authorized by the California Public Utilities Commission, an amount of \$0.0167 per Ccf is to be added to the Quantity Rate for a period of 12 months, beginning on the effective date of Advice Letter 1292-W. This surcharge will recover the revenue shortfall in revenue requirement in 2006, 2007 and a portion of 2008 for the 2005 Capital Additions adjustment.
6. Due to the increase in supply expenses, an amount of \$0.10996 per Ccf is to be added to the Quantity Rates beginning on the effective date of Advice Letter 1312-W, which is January 1, 2009. This rate will remain (T) effect until the approval of the next General Rte Filing or Supply Expenses Offset Advice Letter, whichever comes first.

Appendix B
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Schedule No. R3-1-NR
Region 3 Customer Service Areas
NON-RESIDENTIAL METERED SERVICE

APPLICABILITY

Applicable to all metered water service except those covered under R3-1-R.

TERRITORY

Barstow and vicinity, San Bernardino County, the City of Claremont, portions of Montclair, Pomona, Upland, within the area north of Thompson Creek and the Padua Hills Service Area, and adjacent unincorporated territory in Los Angeles and San Bernardino Counties, the City of Calipatria and community of Niland, and the adjacent territory in Imperial County, the vicinity of Victorville and Lucerne, San Bernardino County, all or portions of the Cities of Cypress, La Palma, Los Alamitos, Placentia, Seal Beach, Stanton, Yorba-Linda and vicinity, Cowan Heights, Peacock Hills, Orange County; San Dimas, Charter Oak and vicinity, Los Angeles County; and portions of the Cities of Arcadia, El Monte, Irwindale, Monrovia, Monterey Park, Rosemead, San Gabriel, Temple City and vicinity, Los Angeles County.

RATES

Quantity Rate:			
	For all water delivered, per 100 cu. ft.....	\$ 1.927	(I)
Service Charges:		<u>Per Meter</u>	
		<u>Per Month</u>	
	For 5/8 x 3/4-inch meter.....	\$ 17.85	(I)
	For 3/4-inch meter.....	26.75	(I)
	For 1-inch meter.....	44.60	(I)
	For 1 1/2 inch meter.....	89.25	(I)
	For 2-inch meter.....	142.20	(I)
	For 3-inch meter.....	267.50	(I)
	For 4-inch meter.....	445.80	(I)
	For 6-inch meter.....	891.70	(I)
	For 8-inch meter.....	1,426.70	(I)
	For 10-inch meter.....	2,052.00	(I)

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

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. As authorized by the California Public Utilities Commission, an amount of \$0.040 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1270-W. This surcharge recovers the difference between the interim rates and final rates for the period of January 1, 2007 through November 21, 2007.
3. As authorized by the California Public Utilities Commission, an amount of \$0.110 per Ccf is be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1272-W, which is May 28, 2008. This surcharge will recover the undercollection in the Balancing-type Memorandum Account as of December 31, 2007.
4. As authorized by the California Public Utilities Commission, an amount of \$0.0167 per Ccf is be added to the Quantity Rate for a period of 12 months, beginning on the effective date of Advice Letter 1292-W. This surcharge will recover the revenue shortfall in revenue requirement in 2006, 2007 and a portion of 2008 for the 2005 Capital Additions adjustment.
5. Due to the increase in supply expenses, an amount of \$0.10996 per Ccf is to be added to the Quantity Rates beginning on the effective date of Advice Letter 1312-W, which is January 1, 2009. This rate will remain (T) in effect until the approval of the next General Rate Filing or Supply Expenses Offset Advice Letter, whichever comes first.

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Schedule No. R3-2
Region 3 Customer Service Areas
GENERAL FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

City of Calipatria and community of Niland, and adjacent territory in Imperial County.

RATES

	<u>Per Service Connection Per Month</u>	
1. For a single unit of occupancy, with inside plumbing, served through a 3/4-inch service connection.....	\$54.85	(I)
2. For each single unit of occupancy, with inside plumbing, served through a 1-inch service connection.....	\$ 69.80	(I)
3. For each additional unit of occupancy, with inside plumbing, on the same premises and served from the same service connection of 1 or 2 above.....	\$ 31.75	
4. For a single unit of occupancy, without inside plumbing, served through a 3/4-inch service connection.....	\$ 29.45	(I)

SPECIAL CONDITIONS

1. The above flat rates apply to service connections not larger than one inch in diameter.
2. All service not covered by the above classifications shall be furnished only on a metered basis.
3. For service not covered by the above classification, if either the utility or the customer so elects, a meter shall be installed and service provided under Schedule No. R3-1, General Metered Service.
4. As authorized by the California Public Utilities Commission, an amount of \$0.73 per customer, per month is to be added to the service connection charge for a period of 24 months, beginning on the Effective date of Advice Letter 1270-W. This surcharge recovers the difference between the interim rates and final rates for the period of January 1, 2007 through November 21, 2007.
5. As authorized by the California Public Utilities Commission, an amount of \$1.99 per meter, per month is to be added to the monthly service connection for a period of 24 months, beginning on the effective date of Advice Letter 1272-W, which is May 28, 2008. This surcharge will recover the undercollection in the Balancing-Type Memorandum Account, as of December 31, 2007.
6. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
7. As authorized by the California Public Utilities Commission, an amount of \$1.05 per meter, per month is to be added to the month service connection for a period of 12 months, beginning on the effective date of Advice Letter 1292-W, which is August 12, 2008. This surcharge will recover the revenue shortfall in revenue requirement in 2006, 2007 and a portion of 2008 for the 2005 Capital Additions adjustment.
8. Due to the increase in supply expenses, an amount of \$1.98 per meter, per month is to be added to the monthly service connection beginning on the effective date of Advice Letter 1312-W, which is January 1, 2009. This (T) rate will remain in effect until the approval of the next General Rate Filing or Supply Expenses Offset Advice Letter, whichever comes first.

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Schedule No. R3-CM-7ML
Claremont Customer Service Area
LIMITED METERED SERVICE

APPLICABILITY

Applicable to all metered water service to the City of Claremont.

TERRITORY

The City of Claremont, Los Angeles County.

RATES

Quantity Rates:

For all water delivered, per 100 cu. ft..... \$0.965 (I)

Service Charge:

	<u>Per Meter</u>	
	<u>Per Month</u>	
For 5/8 x 3/4-inch meter.....	\$ 17.85	(I)
For 3/4-inch meter.....	26.75	(I)
For 1-inch meter.....	44.60	(I)
For 1 1/2 inch meter.....	89.25	(I)
For 2-inch meter.....	142.20	(I)
For 3-inch meter.....	267.50	(I)
For 4-inch meter.....	445.80	(I)
For 6-inch meter.....	891.70	(I)
For 8-inch meter.....	1,426.70	(I)
For 10-inch meter.....	2,052.00	(I)

The service charge is a readiness-to-serve charge applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. Parkway irrigation service provided to the City of Claremont under this tariff is limited to between the hours of 7:00 p.m. and 6:00 a.m.
2. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
3. As authorized by the California Public Utilities Commission, an amount of \$0.040 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1270-W. This surcharge recovers the difference between the interim rates and final rates for the period of January 1, 2007 through November 21, 2007.
4. As authorized by the California Public Utilities Commission, an amount of \$0.110 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1272-W, which is May 28, 2008. This surcharge will recover the undercollection in the Balancing-type Memorandum Account as of December 31, 2007.
5. As authorized by the California Public Utilities Commission, an amount of \$0.0167 per Ccf is to be added to the Quantity Rate for a period of 12 months, beginning on the effective date of Advice Letter 1292-W, which is August 12, 2008. This surcharge will recover the revenue shortfall in revenue requirement in 2006, 2007 and a portion of 2008 for the 2005 Capital Additions adjustment.
6. Due to the increase in supply expenses, an amount of \$0.10996 per Ccf is to be added to the Quantity Rates beginning on the effective date of Advice Letter 1312-W, which is January , 2008. This rate will remain (I) effect until the approval of the next General Rate Filing or Supply Expenses Offset Advice Letter, whichever comes first.

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Schedule No. R3-CMH-3M
Claremont Customer Service Area
MEASURED IRRIGATION SERVICE

APPLICABILITY

Applicable to all metered irrigation service.

TERRITORY

Within the City of Claremont, in Los Angeles County, bounded on the east by the County Line, on the south by Bluefield Drive and its easterly extension, on the west by Bonnie Brea Avenue and its northerly extension, on the north by the westerly extension of 21st Street.

RATES

	<u>Per Meter</u> <u>Per Month</u>
Quantity Rates:	
For all water delivered:	
Per 100 cu. ft.....	\$ 0.371 (I)
Turn-on Charge:	
For each turn-on.....	\$ 3.00

SPECIAL CONDITIONS

1. Consumption shall be computed for billing in units of hundred cubic feet for all water delivered.
2. Service shall be rendered according to a schedule of delivery to be set up annually by the utility.
3. The utility does not represent or guarantee that any water delivered hereunder is potable or of a quality suitable for human consumption. Any customer who uses said water or makes it available to others for human consumption shall take all necessary precautions to make the same potable and shall assume all risks and liabilities in connection therewith.
4. The utility does not guarantee a continuous and uninterrupted supply under this schedule and reserves the right to temporarily suspend the delivery of water when it is necessary to take the whole or part of the system out of service for the purpose of cleaning, maintaining and repairing or other essential improvements thereon; or for domestic purpose.
5. Water delivered to customers will be made and measured at the utility's conduits, or as near thereto as practicable.
6. This service is limited to existing irrigation customers of record who irrigate all or a reasonable part of their acreage each and every year.
7. The utility is not required to provide service under this schedule for the watering of lawns, golf courses, parks, memorial parks or cemeteries.
8. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
9. As authorized by the California Public Utilities Commission, an amount of \$0.040 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1270-W. This surcharge recovers the difference between the interim rates and final rates for the period of January 1, 2007 through November 21, 2007.
10. As authorized by the California Public Utilities Commission, an amount of \$0.110 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1272-W, which is May 28, 2008. This surcharge will recover the undercollection in the Balancing-type Memorandum Account as of December 31, 2007.
11. As authorized by the California Public Utilities Commission, an amount of \$0.0167 per Ccf is to be added to the Quantity Rate for a period of 12 months, beginning on the effective date of Advice Letter 1292-W, which is August 12, 2008. This surcharge will recover the revenue shortfall in revenue requirement in 2006, 2007 and a portion of 2008 for the 2005 Capital Additions adjustment.
12. Due to the increase in supply expenses, an amount of \$0.10996 per Ccf is to be added to the Quantity Rates beginning on the effective date of Advice Letter 1312-W, which is January 1, 2009. This rate will remain in effect until the approval of the next General Rate Filing or Supply Expenses Offset Advice Letter, whichever comes first. (I)

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Schedule No. R3-CMP-3M
Claremont Customer Service Area
METERED IRRIGATION SERVICE

APPLICABILITY

Limited to irrigation service provided to Seyfarth Nursery, Severin Garth (or 4153 Mt. Baldy Road) and Larry Sloan only.

TERRITORY

Padua Hills and vicinity, located approximately 3 miles northeast of Claremont, Los Angeles County.

RATES

	<u>Per Meter</u>	
	<u>Per Month</u>	
Quantity Rates:		
For all water delivered:		
Per 100 cu. ft.....	\$ 0.617	(I)
Service Charge.....	\$189.30	(I)

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

SPECIAL CONDITIONS

1. Service under this schedule is for Commercial usage only and may be provided through more than one meter combined for monthly billing.
2. Residential service will be provided only through a separate meter and billed under Schedule No. R3-1, General Metered Service.
3. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
4. As authorized by the California Public Utilities Commission, an amount of \$0.040 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1270-W. This surcharge recovers the difference between the interim rates and final rates for the period of January 1, 2007 through November 21, 2007.
5. As authorized by the California Public Utilities Commission, an amount of \$0.110 per Ccf is be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1272-W, which is May 28, 2008. This surcharge will recover the undercollection in the Balancing-type Memorandum Account as of December 31, 2007.
6. As authorized by the California Public Utilities Commission, an amount of \$0.0167 per Ccf is be added to the Quantity Rate for a period of 12 months, beginning on the effective date of Advice Letter 1292-W, which is August 12, 2008. This surcharge will recover the revenue shortfall in revenue requirement in 2006, 2007 and a portion of 2008 for the 2005 Capital Additions adjustment.
7. Due to the increase in supply expenses, an amount of \$0.10996 per Ccf is to be added to the Quantity Rates beginning on the effective date of Advice Letter 1312-W, which is January 1, 2009. This rate will remain in effect until the approval of the next General Rate Filing or Supply Expenses Offset Advice Letter, whichever comes first. (T)

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Schedule No. R3-OC-3M
Region 3 Orange County Customer Service Area
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

Quantity Rates:			
For all water delivered, per 100 cu. ft.....		\$ 1.620	(I)
		<u>Per Meter</u>	
		<u>Per Year</u>	
Service Charge:			
For 2-inch meter.....		\$ 269.40	(I)
For 3-inch meter.....		310.00	
For 4-inch meter.....		725.40	(I)
For 6-inch meter.....		989.00	
For 8-inch meter.....		1,647.00	

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

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. The company shall not be required to install new mains to make this service available.
3. 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.
4. 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.
5. 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.
6. Service under this schedule is subordinate to all other service schedule offered in this tariff areas and is subject to interruptions 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.
7. The customer will pay, without refund, the actual cost of the irrigation service. The company will furnish the meter at its expense.
8. As authorized by the California Public Utilities Commission, an amount of \$0.040 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1270-W. This surcharge recovers the difference between the interim rates and final rates for the period of January 1, 2007 through November 21, 2007.
9. As authorized by the California Public Utilities Commission, an amount of \$0.110 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1272-W, which is May 28, 2008. This surcharge will recover the undercollection in the Balancing-type Memorandum Account as of December 31, 2007.
10. As authorized by the California Public Utilities Commission, an amount of \$0.0167 per Ccf is to be added to the Quantity Rate for a period of 12 months, beginning on the effective date of Advice Letter 1292-W, which is August 12, 2008. This surcharge will recover the revenue shortfall in revenue requirement in 2006, 2007 and a portion of 2008 for the 2005 Capital Additions adjustment.
11. Due to the increase in supply expenses, an amount of \$0.10996 per Ccf is to be added to the Quantity Rates beginning on the effective date of Advice Letter 1312-W, which is January 1, 2009. This rate will remain in effect until the approval of the next General Rate Filing or Supply Expenses Offset Advice Letter, whichever comes first. (T)

Appendix B
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Schedule No. R3-SD-3
Region 3 San Dimas Customer Service Area
MEASURED IRRIGATION SERVICE

APPLICABILITY

Applicable to all measured irrigation service.

TERRITORY

San Dimas, Charter Oak and vicinity, Los Angeles County.

RATES

Quantity Rates:

For all water delivered, per 100 cu. ft.....\$ 0.920 (I)

SPECIAL CONDITIONS

1. The Minor's inch is defined as a rate of flow equal to one-fiftieth of a cubic foot per second, or 72 cubic feet.
2. The minimum rate of delivery under this schedule is ten miner's inches.
3. A twenty-four (24) hour advance notice may be required before water is turned on under this schedule.
4. The utility does not represent or guarantee that any water delivered hereunder is potable or of a quality suitable for human consumption. Any consumer who uses said water or makes it available to others for human consumption shall take all necessary precautions to make the same potable and shall assume all risks and liabilities in connection therewith.
5. The utility does not guarantee a continuous and uninterrupted supply under this schedule and reserves the right to temporarily suspend the delivery of water when it is necessary to take the whole or part of the system out of service for the purpose of cleaning, maintaining and repairing or other essential improvements thereon; or for domestic purposes.
6. Water deliveries to customers will be made and measured at the utility's conduits, or as near thereto as practicable.
7. This service is limited to existing irrigation customers who irrigate all or a reasonable part of their acreage each and every year.
8. The utility is not required to provide service under this schedule for the watering of lawns, golf courses, parks, memorial parks or cemeteries.
9. Turn on and turn off service will only be provided during the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday. No irrigation service will be provided on weekends or holidays.
10. As authorized by the California Public Utilities Commission, an amount of \$0.040 per Ccf is to be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1270-W. This surcharge recovers the difference between the interim rates and final rates for the period of January 1, 2007 through November 21, 2007.
11. As authorized by the California Public Utilities Commission, an amount of \$0.110 per Ccf is be added to the Quantity Rate for a period of 24 months, beginning on the effective date of Advice Letter 1272-W, which is May 28, 2008. This surcharge will recover the undercollection in the Balancing-type Memorandum Account as of December 31, 2007.
12. As authorized by the California Public Utilities Commission, an amount of \$0.0167 per Ccf is be added to the Quantity Rate for a period of 12 months, beginning on the effective date of Advice Letter 1292-W, which is August 12, 2008. This surcharge will recover the revenue shortfall in revenue requirement in 2006, 2007 and a portion of 2008 for the 2005 Capital Additions adjustment.
13. Due to the increase in supply expenses, an amount of \$0.10996 per Ccf is to be added to the Quantity Rates beginning on the effective date of Advice Letter 1312-W, which is January 1, 2009. This rate will remain (T) in effect until the approval of the next General Rate Filing or Supply Expenses Offset Advice Letter, whichever comes first.

(End of Appendix B)