

ORIGINAL

Decision No. 20622

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

Mortimer O. Bigelow,
 Complainant,
 vs.
 Coronado Water Company,
 a corporation,
 Defendant.

Case No. 2518.

H.C. Hazzard, for Complainant.

Morrison, Hohfeld, Foerster, Shuman & Clark,
 by E.W. Clark, F.A. Cobb and P.S. Thatcher,
 for Defendant.

In the Matter of the Investigation on
 the Commission's own motion of the
 reasonableness of the rates, charges,
 practices, contracts, rules, regulations,
 schedules, and conditions of service, or
 any of them, of CORONADO WATER COMPANY,
 a corporation, engaged in the business
 of supplying water in and in the vicinity
 of the City of Coronado, County of
 San Diego, State of California.

Case No. 2575.

BY THE COMMISSION:

O P I N I O N

In the above entitled complaint, Mortimer O. Bigelow,
 a consumer of the Coronado Water Company, a corporation, which
 supplies water to the inhabitants of the City of Coronado,
 Imperial Beach and vicinity, San Diego County, alleges in effect
 that the Railroad Commission, in its Decision No. 9948, dated

December 29, 1921, established a rate of 27 cents per 1,000 gallons for water delivered on the main transmission line between Coronado "Y" and Coronado Heights, but that Coronado Water Company is charging him for service so delivered at the rate of 37 cents per 1,000 gallons in violation of said rate established by the Commission. Complainant asks that a full investigation be made of the rates and charges, rules, regulations and practices of the defendant, and that all money collected in excess of the lawful charges be refunded.

Defendant, in its answer, denies all the essential allegations set out in the complaint and alleges that the rate of 27 cents per 1,000 gallons of water, as fixed by the Commission in its Decision No. 9948, applied only to wholesale distribution of water to E.W. Peterson and others operating as public utilities; that, subsequent to the establishment of the rates in said decision, defendant purchased the water system of E.W. Peterson by authority of the Commission granted in its Decision No. 10315, dated April 14, 1922, and thereupon and thereby succeeded to the rates then in effect on the said Peterson system, which was the practical equivalent of 37 cents per 1,000 gallons. It is further alleged that the service connection supplying the premises now occupied by complainant was one of the services originally belonging to the Peterson system. The Commission therefore is asked to dismiss the case.

Case No. 2575 is an investigation on the Commission's own motion into the reasonableness of the rates, charges, practices, etc., of the Coronado Water Company and was issued by the Commission primarily to determine the rights and the status of those several consumers who, in addition to complainant Bigelow, received

water service directly from the transmission main. This matter was heard concurrently with the complaint of Mortimer O. Bigelow herein.

Public hearings in the above matters were held before Examiner Williams at Coronado.

The regular service rates in effect on the Coronado Water Company's system were established by the Commission in its Decision No. 9948, dated December 29, 1921, and are as follows:

MONTHLY MINIMUM CHARGES

For 5/8-inch meter-	- - - - -	-\$ 1.50
For 3/4-inch meter-	- - - - -	1.75
For 1-inch meter-	- - - - -	2.00
For 1 1/2-inch meter-	- - - - -	3.00
For 2-inch meter-	- - - - -	4.00
For 3-inch meter-	- - - - -	7.00
For 4-inch meter-	- - - - -	12.00
For 6-inch meter-	- - - - -	20.00

MONTHLY METER RATES

From 0 to 250,000 gallons, per 1,000 gallons-	- - -	-\$ 0.37
Over 250,000 gallons, per 1,000 gallons-	- - -	0.33
For water delivered on the main transmission line between Coronado "Y" and Coronado Heights, per 1,000 gallons-	- - - - -	0.27

The evidence submitted in this proceeding shows that the former schedule of rates effective on the Coronado Water Company's system, and which was superseded by those established in Decision No. 9948, provided for the sale of water at a reduced rate to three purchasers outside of the city limits of Coronado for re-sale purposes through their own separate distribution systems at what was designated in said former schedule as a "wholesale supply." One of these three wholesale consumers operating an independent water system was E.W. Peterson. When the present rates were established on the Coronado Water Company's system,

the company supplied no domestic consumers directly from its transmission main but sold only at wholesale for redistribution to the said three consumers. In establishing the present rates in Decision No. 9948, it was the intent and desire of the Commission to continue in effect a wholesale rate for redistribution from the transmission main, although the word "wholesale" was not specifically used. There was no other such rate provided and no reason for establishing a retail domestic rate as the company had no such consumers along the said transmission line and did not at that time hold itself out to supply retail service in any part of the area specifically designated as lying "between Coronado Y and Coronado Heights."

As a result of the higher cost of purchased water, Peterson applied to the Commission for an increase in the rates on his own system, which was granted in Decision No. 10202, dated March 17, 1922. In this decision, the Commission, in speaking of the Peterson system, specifically states that "the entire water supply is secured by purchase from Coronado Water Company, at wholesale rates, through master meters." The rates established in Decision No. 10202 are as follows:

MONTHLY MINIMUM CHARGES

5/8-inch meter-	- - - - -	- \$1.50
3/4-inch meter-	- - - - -	1.75
1-inch meter-	- - - - -	2.00
1 1/2-inch meter-	- - - - -	2.50
2-inch meter-	- - - - -	3.00
3-inch meter-	- - - - -	4.00
4-inch meter-	- - - - -	5.00

MONTHLY CHARGES FOR WATER DELIVERED

From 0 to 30,000 cubic feet, per 100 cubic feet	- - \$0.28
Over 30,000 cubic feet, per 100 cubic feet	- - 0.25

NOTE: The above quantity rates equal approximately 37 cents and 33 cents per 1,000 gallons, respectively.

The record in this proceeding shows that the service pipe or connection supplying the premises now occupied by complainant Bigelow was originally installed by Peterson and was a part of the Peterson system and billed by him under his own schedule of rates until his plant was acquired by Coronado Water Company through purchase authorized by the Commission in Decision No. 10315, dated April 14, 1922. It therefore appears that, prior to purchase of the Peterson system by defendant herein, the same premises now occupied by complainant were billed by Peterson at the established quantity rate of 28 cents per 100 cubic feet for the first 30,000 cubic feet, which is equivalent approximately to 37 cents per 1,000 gallons, the rate charged now by the defendant for practically the equivalent quantity of water for regular retail domestic service throughout its entire system. Since the purchase and operation of the Peterson system, the defendant company has continued to charge the premises of complainant at the same rates established by the Commission for the service.

There are several other consumers in addition to complainant receiving water by direct service tap from the main transmission line and who have in the past and are now being charged the full domestic rate by defendant. None of these consumers appeared at the hearing or joined with the complainant herein in protesting against the rate as now charged. The granting of complainant's request would result in authorizing a reduced and preferential rate without proper cause and very obviously would be an unfair discrimination against all of his neighbor consumers, the vast majority of whom receive service from lateral mains indirectly supplied from the main transmission line. In addition to this, no evidence was submitted tending to show that the rates now charged complainant were unfair, unjust or unreasonable.

At the time of the first hearing of these two matters, to-wit, August 8, 1928, there was pending before the Commission the complaint of the City of Coronado vs. Coronado Water Company (Case No. 2487), which was a request by said city for a general reduction in the rates and charges of the defendant company. This complaint, however, was dismissed without prejudice on the ninth (9th) day of August, 1928, Decision No. 20099, upon written request of said City of Coronado previously filed August 4, 1928. At the adjourned hearing held in the above investigation on the Commission's own motion, counsel for the City of Coronado and counsel representing complainant herein attempted to proceed with a general rate investigation. The record, however, shows that such action was neither authorized nor approved by the City Council of the said City of Coronado. The evidence presented herein is not such as would enable this Commission to establish a new schedule of rates for this company. The City of Coronado may again file at any time it so desires a formal complaint for the purpose of inquiring into the reasonableness of existing water rates.

In order to remove any ambiguity in the present schedule of rates for service from its transmission main, defendant will be directed in the following Order to modify its schedule of rates for such service to embrace water for re-sale purposes only.

O R D E R

Complaint as above entitled having been made against Coronado Water Company, a corporation, and the Commission upon its own motion having instituted an investigation into the affairs of said company, public hearings having been held thereon,

the matters having been submitted and the Commission being now fully advised in the premises,

IT IS HEREBY ORDERED that the complaint of Mortimer O. Bigelow vs. Coronado Water Company, a corporation, (Case No. 2518) be and the same is hereby dismissed.

IT IS HEREBY FURTHER ORDERED that so much of the schedule of rates established by this Commission in its Decision No. 9948, dated December 29, 1921, as reads as follows:

"For water delivered on the main transmission line between Coronado "Y" and Coronado Heights, per 1,000 gallons- - - - - \$0.27"

be and it is hereby modified and amended to read as follows:

For water delivered on the main transmission line between Coronado "Y" and Coronado Heights for re-sale purposes only, per 1,000 gallons - - - - - \$0.27,

and said Coronado Water Company is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this order, the said modification and amendment ordered herein.

IT IS HEREBY FURTHER ORDERED that said Decision No. 9948 shall remain in full force and effect except as modified by this order.

The effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 26th day of December, 1922.

Leon Whiteley
C. S. Seamy
Ernest C. ...
Thos. J. ...
Commissioners.