

Decision No. 20841

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of the Watson Water Company, a corporation, for certificate of public convenience and necessity to supply water for irrigation purposes and for the establishment of a schedule of rates for such service.

Application No. 14935.

Buron Fitts and R.P. Stewart,
by R.P. Stewart, and
Frank Rouse and James Farraher,
for Applicant.

BY THE COMMISSION:

O P I N I O N

Watson Water Company, applicant herein, supplies water for domestic use in the Town of Romoland in Riverside County, it having been granted a certificate to render such service on April 4, 1927, by Decision No. 18157 on Application No. 13351. By the same decision it was also granted the right to supply water for irrigation purposes to about 2,600 acres of lands surrounding the Town of Romoland. Rates were fixed for both classes of service.

In the present application, as amended, the Commission is requested to increase the rates heretofore fixed for irrigation service on the said 2,600 acres of lands, and to issue to applicant a certificate of public convenience and necessity to serve in addition about 6,000 acres of irrigable lands immediately adjacent.

All of these agricultural lands were developed and sold in small tracts by Romola Incorporated or its predecessors. Sales

have been made on an instalment payment plan, the seller agreeing to plant to trees or vines and to cultivate, irrigate and care for the same for a period of three years. The seller during such period remains in possession and retains title to all crops. Thereafter, if the purchaser so elects, the seller agrees to continue for five more years to farm the lands sold for a consideration of one-fourth the net profit from crop sales. The whole of the 8,000 acres have been sold, some purchasers having already completed payments and received deeds, while other contracts will mature on December 1st of each year for two or three years following. Romola Incorporated continues to farm the entire acreage, however, and expects to do so indefinitely, all of the purchasers who have become entitled to possession having apparently elected to continue under such operating arrangement.

Thus, Romola Incorporated will be, for an indefinite time, the sole consumer of water for irrigation use from applicant's system. The ownership of the land company is practically identical with that of the water company. In fact the two companies have been operated as one, and the public utility function of the water company, except as to domestic service in Romoland, wholly ignored. The Watson Water Company even now does not hold legal title to the greater portion of the properties on which it claims a valuation for rate-making purposes. Romola Incorporated, however, is ready to assign to applicant for a nominal consideration whatever title or interest it may have in the land, equipment and water rights which applicant proposes to value and use in its public utility service.

The rate fixed in our former decision for irrigation service was 2.3 cents per 100 cubic feet, which is equivalent to \$10.00 per acre foot. One of the reasons, apparently, why applicant did not undertake the public utility service in full as

authorized by that decision was that it had provided no means of measuring the water applied to each tract. It now desires to apply to the entire acreage a flat rate of \$25. per acre, offering to supply an amount of water sufficient, in its judgment, to properly irrigate each tract planted, which will be, it claims, not in excess of one and one-quarter acre feet per acre annually.

It will be unnecessary for us to consider the value of applicant's properties or the reasonableness of the rates proposed, for we are of the opinion that there is no public necessity requiring applicant to render such a public utility service. The only consumer under the proposed service would be the land operating company. If there are any other members of the public who are now or may be affected, we are unable to perceive how they, for the present at least, will be benefited by the granting to applicant of a certificate to serve such area and fixing the rates to be charged for such irrigation service. In fact, at the public hearings held in this proceeding, several of such purchasers of tracts in Romola farms appeared as protestants to the granting of the application, and none appeared in favor thereof. As long as such purchasers elect to rely upon their contracts with Romola Incorporated and do not appear before this Commission as favoring a public utility water service, we must regard the mere offer of applicant as insufficient proof that public convenience and necessity require the service proposed.

We are of the opinion that the public interest will not be served by the authorization of the type of irrigation service which applicant proposes to render. The service for which we originally granted applicant a certificate has admittedly not been rendered. It seems apparent that public convenience and necessity

do not now require that applicant render a public utility water service in any of the area outside the Town of Romoland.

O R D E R

Watson Water Company, a corporation, having made application as entitled above, public hearings having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises,

IT IS HEREBY ORDERED that the said application of Watson Water Company be and the same is hereby dismissed.

Dated at San Francisco, California, this 6th day of March, 1929.

Thos D. Lott
C. Shaver
Edmund A. ...
Leon ...
W. H. ...
Commissioners.