

Decision No. 25552

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

F.A. Maley,

Complainant,

vs.

Sonoma Water and Irrigation
Company,

Defendant.

Case No. 3225.

ORIGINAL

Clarendon W. Anderson, for complainants.

L.F. Cowan, for defendant.

BY THE COMMISSION:

O P I N I O N

In this proceeding F.A. Maley and a large number of other water consumers residing in the summer resort area served by Sonoma Water and Irrigation Company, including Sonoma Vista, Boyes Springs, Feters Springs and Agua Caliente, in the County of Sonoma, have complained that the present charges for water service are inequitable and prohibitive and allege that the company has not made the improvements at Sonoma Vista and Agua Caliente as ordered by the Commission in its Decision No. 19616, issued April 17, 1928. Complainants ask for an equitable readjustment of rates whereby the consumers will pay according to their actual use of water.

A public hearing was held in this matter at Feters Springs before Examiner Satterwhite.

A large number of the complainants who testified were summer and intermittent users of water as distinguished from the consumers who reside permanently in this particular area. It appears that the primary objection of this first group of complainants is against the classification of rates designated as "Summer Resort Rates" which require such intermittent users to pay an annual charge of twelve dollars (\$12.00) and permit the use of three thousand (3,000) gallons of water each month for a period of six consecutive months. Their contention is that this class of rates should be abolished and that all consumers should be permitted to take service upon a monthly basis paying only when water is actually used. There is a rate classification for permanent residents which provides for a monthly payment of two dollars (\$2.00) per month for service, allowing five thousand (5,000) gallons monthly for this minimum charge. It is furthermore provided that, should any summer user desire to receive the 5,000-gallon quantity of water each month, he may do so by paying in advance the sum of twenty-four dollars (\$24.00).

In the group of communities served by defendant in this area lying outside of the City of Sonoma, a very large proportion of the residents occupy their homes only for a few months during the summer and occasionally at other and various times throughout the year. It is obvious that where the use predominantly is summer resort in character there must be some method devised whereby a sufficient revenue can be collected from all consumers so that a proper service can be assured at any and all times throughout the entire year. This cannot be accomplished by permitting intermittent service to be placed upon a monthly basis. It is for

these reasons that the above distinction necessarily is made in the charges, which differentiation cannot be considered a discrimination against the summer users, especially in view of the fact that the permanent residents must pay a total minimum charge of twenty-four dollars (\$24.00) a year whereas the summer user may receive service for at least one-half of this time for one-half the amount paid by the permanent resident.

Allegations were made to the effect that certain improvements were not installed as directed by the Commission in its Decision No. 19616, issued April 17, 1928, wherein the rates governing a large portion of this area were fixed but made contingent upon the satisfactory installation thereof. The evidence shows conclusively that these improvements were installed by the utility at a total cost of approximately four thousand dollars (\$4,000) and in a manner satisfactory to and approved by the Commission, as a result of which the rates were permitted to go into effect on the first day of January, 1932.

With the exception of two minor instances the testimony of all witnesses was unanimous to the effect that there is now no objection to the water service from the standpoint of adequacy, volume or pressure.

Another objection made is that the rates are excessive and prohibitive; however, the record shows that the Sonoma Water and Irrigation Company for the year 1930 earned a net return, over and above the reasonable cost of operation including depreciation, equivalent to five and one-tenth per cent (5.1%) upon the estimated original cost of the investment in plant and equipment and that for the year 1931 this return amounted to three and nine-tenths per

cent (3.9%). The evidence presented indicates that for the year 1932 the results of operation under the present schedule of rates and conditions will reflect a net return somewhat less than received for the preceding year. Under such circumstances it is obvious that the evidence does not warrant the Commission in reducing the rates of defendant utility at the present time.

O R D E R

Complaint having been made as above entitled, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises, and good cause appearing therefor,

IT IS HEREBY ORDERED that the above entitled proceeding be and it is hereby dismissed.

Dated at San Francisco, California, this 16th day of January, 1933.

C. L. Lewis

W. A. Carr

M. B. Hanson

W. H. Stone