

Decision No. 25838

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
on the Commission's own motion into)
the rules, regulations, contracts,)
practices, accounting methods, re-)
turn of consumers' meter deposits)
and payment of interest on such)
deposits of Western Water Company)
operating a public utility water)
system in the County of Kern.)

Case No. 3455

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

The Commission by its order dated December 27, 1932, instituted a proceeding on its own motion for the purpose of investigating Western Water Company's practice of paying interest on consumers' meter deposits.

The Commission upon examining the company's records discovered that the company was paying only one year's interest on consumers' meter deposits. While this practice was in conformity with the company's rules and regulations on file with the Commission, such rules and regulations were not in accord with Decision No. 2879, dated November 5, 1915. Under date of December 30, 1932, and prior to the serving of a copy of the Commission's order of December 27th upon the company, it filed with the Commission a new rule and regulation governing the return of meter deposits. The new rule and regulation was accepted for filing on January 9, 1933. It reads as follows:

No. 12 Return of Deposit - Interest on Deposit.

(a) Return of Deposit:

The company will notify the consumer that his deposit is subject to return and will refund the deposit (with interest as set forth under "B"), upon surrender to the company of the deposit receipt properly endorsed or upon signing a cancellation receipt for same:

(1) When the service is ordered discontinued by the consumer, except when there are charges due the company for water service to the consumer, in which case the deposit will be applied to the charges, and the excess portion of the deposit, if there be any, will be returned.

(2) When the consumer has received continuous service and has paid his water bills on the average within the period as set forth in Rule and Regulation No. 8 for a period of 12 consecutive months.

(b) Interest at the rate of 6 per cent. per annum will be paid on any deposit held by the company for the first 12 consecutive months during which time the consumer has received continuous water service and has paid all bills for such water service on the average within the period as set forth in Rule and Regulation No. 8, and for such additional time thereafter as the company may hold the deposit, up to the date on which the consumer is notified that the deposit is subject to return.

No interest will be paid if service is discontinued for any cause within less than 12 months from date of making deposit.

We find the new rule and regulation in satisfactory form.

The company informs us that hereafter it will notify the consumers immediately after they become entitled to have their deposits returned and that it has undertaken to make refunds of additional interest from and after November 5, 1931, when it was intimated by the Commission that the company's rules were subject to question. We believe that the company should return the additional interest to any and all, present or past, consumers who may demand the same and who are entitled thereto under the Commission's Decision No. 2879, dated November 5, 1915. We will not require the company to review its records and compute all the additional interest,

because we are convinced that in many cases the company will be unable to locate the parties to whom such interest would be payable. We believe, however, that in those instances where a consumer has received his deposit and only one year's interest and subsequent to the date of this decision makes a demand upon the company for such additional interest to which he is entitled, the company should compute and return the same.

In view of the representations made by Western Water Company, the Commission is of the opinion that there is no need for a hearing in this matter and that the following order should be entered, therefore,

IT IS HEREBY ORDERED, that Western Water Company be, and it is hereby, directed to return meter deposits with interest, in accordance with the rule and regulation hereinbefore set forth, and that upon the demand for additional interest by any party to whom Western Water Company has returned his meter deposit with one year's interest, said Western Water Company return to said party such additional interest to which said party is entitled under said Decision No. 2879, dated November 5, 1915.

DATED at San Francisco, California, this 14th day of February, 1933.

C. J. Lenny
Leon Overholser
W. J. Cunn
W. B. Harris
W. H. McArthur
Commissioners.