

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

O. E. SEINACK, :  
Complainant, :  
vs. : Case No. 437.  
INGLEWOOD WATER COMPANY, :  
a corporation, :  
Defendant. :

Hart & Cunningham, for complainant;  
W. J. Carr, for defendant.

LOVELAND, Commissioner.

O P I N I O N.

This case came on for hearing in Los Angeles, California, September 25, 1913.

The complainant alleges, and it was shown by testimony at the hearing, that he resides in the county of Los Angeles about one and one-half miles from the nearest boundary line of the city of Inglewood and within unincorporated territory; that the defendant, the Inglewood Water Company, is a corporation duly organized and existing under the laws of the State of California and authorized, among other things, to distribute water for domestic use in the city of Inglewood, county of Los Angeles, State of California, and in territory contiguous thereto; that the defendant serves the territory in which complainant resides with water for domestic and other use and that complainant is a consumer of such water.

The complaint against the defendant, the Inglewood Water Company, is not directed against the rates of defendant but is directed against the rules and regulations of that company, said rules and regulations particularly complained of being as follows:-

"Water rates are due and payable at the office of the company on the 1st day of each month for water furnished during the preceding month and shall be delinquent on the 15th."

Also:-

"A collection charge of fifteen cents will be added to the bills not paid at the office of the company by the 15th of the month in which they are due."

Complainant further alleges, and shows by testimony, that the monthly charge for water furnished by defendant to complainant (over and above a certain minimum charge) has been at all times and is now determined by the amount of water used, which amount is measured by a certain water meter on complainant's premises, which said meter is read by defendant's agent each month; that complainant has at all times herein mentioned used over and above the minimum amount and expects to do so at all times hereafter; that he has no means of ascertaining the exact amount due defendant for water used by him except by being informed by defendant, or its agent, of the result of said readings of the meters; that the agent of the defendant who makes the readings does not leave with complainant, or anyone on his premises, or with anyone for or on behalf of complainant, at any place, a statement, or give any information whatsoever as to the amount of water used by the complainant or the amount due therefor, and that complainant has no knowledge of either of said facts unless defendant's collector calls at complainant's premises to collect the water rate, or unless defendant mails to or leaves with complainant a written statement or bill of the amount of water used and the amount due therefor; that the defendant has not performed and will not perform any of these acts, to-wit: the sending of a collector to the complainant or the mailing or leaving with said complainant of said information, until after the 15th day of the month in which the water rate is payable, at which time the penalty of fifteen cents is added to the bill.

Complainant further alleges, and shows by testimony, that defendant has, for about one year, added to the bill due from complainant for water used for the preceding month the sum or penalty of fifteen cents because of the complainant not having paid the bill before the 15th day of the month, and that defendant threatens to continue to do so at all times hereafter.

Complainant further alleges, and shows by testimony, that for the first several months during said period he has neither paid the amount of his bill for water used during the preceding month to defendant's agent or has sent defendant a check, but in neither case has he paid the said penalty of fifteen cents, and that since he has ceased to pay his bill, as above set forth, he has, between the 1st and 10th days of each month, mailed to the defendant at its office a check for the minimum amount of his water rate for the previous month and, upon receipt of information as to the correct amount, has included the deficit representing the amount due for water which he has used over and above the minimum in the previous month in his check for the minimum rate in his next month's check, but had consistently refused to pay the collector of the defendant, or the defendant, any of the sums or amounts added to his water bill as penalty, as aforesaid, and that defendant has, for the last three or four months, refused acceptance of complainant's checks, as aforesaid, and remailed the same to complainant.

Complainant further alleges that the defendant's interpretation of its rules above quoted is incorrect and contrary to and in violation of certain sections of the Public Utilities Act, which sections set forth the jurisdiction of this Commission and its power to pass upon the rules, regulations and practices of public utility companies within the Commission's jurisdiction and to correct and amend same when the Commission deems such correction and amendment necessary.

Defendant, for answer, alleges, and shows by testimony, that its meter readings for the preceding month showing the amount of water used by its various consumers are completed and accessible to all of its patrons on the 1st day of each month; that defendant has a telephone in its office in the city of Inglewood and is ready and willing to inform its patrons by telephone as to the amount of their bills; that the complainant also has a telephone at his residence and that in fact many of defendant's patrons are similarly supplied with telephones and are thus able to ascertain without cost, expense or inconvenience, the amount of their bills. Defendant admits that, for the last three or four months, it has refused to accept checks sent to it by complainant, for the reason that said checks were marked: "Payment in full for water rates due", or words to that effect. Defendant denies that its interpretation of its rules are incorrect or that said rules, or any of them, are in any way in violation of any of the provisions of the Public Utilities Act.

At the hearing, it was shown by the testimony of complainant that he had requested the agent of defendant, who reads the meters, to inform him of the amount of his bill, but that said request was denied; that he lives from two to two and one-half miles from the office of defendant and one-half mile from the nearest street-car line; that defendant had cut his water off in August because, as defendant stated, of the postponement of the hearing of this case by the Railroad Commission:

That complainant had taken the matter up with his attorney who applied for an injunction, but that <sup>the</sup> judge to whom the application for an injunction was made had asked complainant to wait a few hours and had later phoned complainant that he had arranged for complainant to pay all of his August bill and to pay his September bill in advance, in which case that the water would be again turned on.

H. Lee Martin, Secretary of the defendant company, testifying for defendant, stated that defendant has about 1050 consumers; that the average monthly receipt from each consumer is about \$1.78; that the rates charged are as follows:-

For domestic use, minimum rate of \$1.00 for 500 cubic feet and ten cents per hundred cubic feet for all excess over 500 cubic feet;

Special rate for consumers having lawns of either grass or clover of not less than 900 feet in area, 1,000 cubic feet for \$1.00;

Special rate for consumers who agree to pay a minimum monthly bill of \$2.00 per month continuously for 1,000 cubic feet for \$1.00 and seven and one-half cents per hundred feet for excess over the 1,000 cubic feet;

Also a third special rate which provides for the minimum bill of \$3.00 continuously, said rate being seven and one-half cents per hundred cubic feet for all water used.

Witness testified that, at four different times, the company had voluntarily reduced its rates; also that 85% of the company's consumers pay at the office; that all service is metered and that the company has a rule that it will mail to consumers, who will pay fifty cents a year extra, notices showing the amount of their bills.

Witness admitted that a large number of the company's consumers live from two to two and one-half miles from the office of the company, and also that a large number of its consumers have no telephones.

The witness also admitted that, as Secretary of the company, he had had considerable trouble with the complainant in this case, and that he had refused to accept the check of complainant although he knew or believed that the check was perfectly good and would be paid upon presentation to the bank; that he had done this because of the strained relations between complainant and the company.

He also admitted that when complainant was deprived of water by the company turning it off, after the Judge who had been appealed to for an injunction had tried to straighten the

matter out, as above set forth, he had compelled complainant to "come across the line with the coin", as he said, before he would turn the water on after it had been turned off.

At the conclusion of the hearing, complainant asked and received five days' time in which to file the opening brief, five days being also given to defendant to answer and three days for complainant to reply. Said briefs have been received and have been carefully considered.

As was stated at the hearing, this case should really never have been brought before the Commission, as the time of the Commission may well be devoted to something more important than the adjusting of what really amounts to a personal difference between a consumer of a water company who had some cause for complaint, and the Secretary and Manager of the company who admitted, under oath, that the company's conduct towards the public would be very different if the company were subject to competition.

I believe that complainant, Mr. Slinack, and Mr. E. Lee Martin, Secretary of the Inglewood Water Company, could and should have adjusted this matter amicably. However, Mr. Slinack acted strictly within his legal rights in asking the Commission to pass upon the reasonableness of the rules and regulations of defendant company, and I trust that the advice given to Mr. Martin- that the treatment of the public by his company, and, particularly by himself as Manager of the company, should be no less courteous and considerate than it would be if the business of his company were strongly competitive- will be accepted by him in the spirit in which it was offered and be fruitful of good results.

I find as a fact that the Inglewood Water Company should adopt some method of informing its consumers of the amount of water used and of the rate and amount to be paid. Such information may be given in writing by the agent of the company when he reads

the meter, or by postal card or letter, at defendant's election, but, in either case, must show, as above stated, the quantity of water, the rate and the amount to be paid.

I also find as a fact that, without establishing a principle or laying down a general rule, the relation between the company's income and expenses justify the company in demanding that bills be paid at the office of the company and that receipts on a postal card or by letter be mailed to such of its consumers as pay by check. This latter can be no great hardship as the Secretary of the company testified that 85% of the consumers paid at the office.

I further find as a fact that the rule and regulation of the defendant, the Inglewood Water Company, adding fifteen cents to all bills not paid by the 15th of the month following the month for which the bill is rendered, after consumers have been notified of the amount of their bills, is a just and reasonable rule.

Although not a part of the complaint in this case, I find, as developed by the testimony, that the rates of the defendant, the Inglewood Water Company, are discriminatory in that a less rate is made to consumers who use water for lawns than is made to consumers who use the water for other domestic purposes. While it is commendable on the part of the defendant, the Inglewood Water Company, to encourage the developing and keeping up of lawns, it has no right to discriminate in its charge for water between consumers who use the water for lawns or for rose bushes or other purposes. This discrimination should be removed.

I recommend the following Order:-

O R D E R.

O. E. Slinack, of Los Angeles County, California, having filed a complaint with the Commission complaining of the rules, regulations and practices of the Inglewood Water Company, a corporation, organized and existing under the laws of the State

of California, and engaged in the business of serving water for domestic and other purposes to the residents of Inglewood, Los Angeles County, California, and territory contiguous thereto; and a hearing having been duly held, as provided by law, and the Commission having found:-

(1) That the Inglewood Water Company should adopt some method of informing its consumers or patrons of the amount of water used and of the rate and amount to be paid each month, and that such information should be given in writing, either by the agent of the company when he reads the meter, or by postal card or letter sent from defendant's office, at defendant's election, but in either case that such notice should show the consumer or patron the quantity of water, the rate and the amount paid; and,

(2) That, under the circumstances of this case, the Inglewood Water Company is justified in demanding that bills be paid at the office of the company unless it elects to send out a collector and that receipts on a postal card or by letter be mailed to such of its consumers as pay by check; and,

(3) That the rule or regulation of the Inglewood Water Company, by which fifteen cents is added to all bills not paid by the 15th of the month following the month for which the bill is rendered, is a reasonable and just rule, providing consumers have been notified in writing of the amount of their bills; and,

(4) That the rates of the Inglewood Water Company are discriminatory in that a less rate is made to consumers who use the water for lawns than is made to consumers who use the water for other domestic purposes;

IT IS HEREBY ORDERED: That the Inglewood Water Company, be and it is hereby ordered to adopt some method of informing its patrons or consumers of water in writing of the amount of water used each month and of the rate and amount to be paid; and that said Inglewood Water Company give this



information to its patrons or consumers either by having the agent of the company, when he reads the meter, leave a written notice giving such information or by mailing from the office of said Inglewood Water Company a postal card or letter to the consumer, said postal card or letter to contain the information above set forth.

IT IS FURTHER ORDERED: That the Inglewood Water Company be and it is hereby permitted to continue in effect its rule that the bills for water used shall be paid at the office of the company, unless it elects to send out a collector, providing patrons or consumers shall have first been notified, as above provided, and provided, further, that receipts on a postal card or by letter be mailed to such of its consumers as pay by check.

IT IS FURTHER ORDERED: That the rule of the Inglewood Water Company, adding fifteen cents to all bills not paid by the 15th of the month following the month for which the bill is rendered be and it is hereby approved, provided, however, that consumers shall be notified of the amount of their bills in the manner above set forth.

IT IS FURTHER ORDERED: That the Inglewood Water Company eliminate the discrimination which now exists in its rates by reason of making a different rate to consumers who have lawns than is made to other patrons and consumers.

FINALLY, IT IS HEREBY ORDERED: That this Order shall take effect from the date hereof and that the Inglewood Water Company, shall, within thirty days from date hereof, prepare and file printed rules with this Commission, such rules to conform to this Order.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 16<sup>th</sup>  
day of October, 1913.

John McShlemman  
W. H. Ireland  
Max Thelen  
Edwin O. Edgerton

Commissioners.