

Decision No. 610

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

CITY OF GLENDALE, a Municipal
Corporation,)

Complainant,)

vs.)

TITLE GUARANTEE AND TRUST COMPANY,
a corporation, Trustee for the
Glendale Consolidated Water Company.

Defendant.)

Case No. 365

W. E. Evans representing complainant
W. G. Cook and Willard Andrews representing
defendant.

EDGERTON, Commissioner.

O P I N I O N

This is a complaint by the City of Glendale against the Title Guarantee and Trust Company, trustee for the Glendale Consolidated Water Company, in which it is alleged that said trustee is now operating a water system in the City of Glendale and is furnishing the citizens thereof with water for domestic purposes.

The complaint is that said Title Guarantee and Trust Company charges consumers with the expense of service connections between its mains in the street and the curb line of the street on which the consumers' property abuts, and this Commission is asked to find that such charge is unjust and unreasonable, and that said company should make service connections at its own expense.

The defendant, Title Guarantee and Trust Company, objected to the consideration of this complaint on the ground that the Railroad Commission had no jurisdiction of the subject.

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matter thereof, but that such jurisdiction resides in the City of Glendale.

A hearing was had on the question of law thus presented, at which representatives of the complainant and defendant appeared and presented arguments, whereupon the matter was submitted for the decision of the Commission.

The City of Glendale is a municipal corporation of the sixth class, and it has heretofore been held by this Commission that such cities have jurisdiction to fix the rates for water furnished consumers within such cities by water corporations, but that the Railroad Commission had jurisdiction, among other things, over the service and extensions of service of such corporations.

The sole question, therefore, before the Commission at this time is whether or not a charge made for a service connection is a rate, or part of a rate, or is a matter of service or extension of service.

This matter is not free from doubt. It may be argued that the charge made for a service connection is part of a rate, because it is a sum of money paid to the company as a compensation for obtaining service, or that such a charge is included in the jurisdiction of the city over rates because it will tend to increase rates, if this expense be borne by the company and added to capital on which the consumer must pay a rate sufficient to provide a reasonable return on the investment of the company.

This line of reasoning could be extended so that every act of a corporation resulting in the expenditure of money and affecting the rates to be charged consumers for utility service, would be under the jurisdiction of the city, thus ousting this Commission of all jurisdiction over utility corporations in incorporated cities and towns of this State.

By giving the term "rates" its usual definition and meaning, we will confine it to the compensation paid at regular intervals to the utility corporations for the production of service. The definition of service then will include connections and the charge therefor.

Of course, it should be clearly understood that this Commission claims no jurisdiction over either the rates or service of utility corporations in cities which had on March 23, 1912, provided for such regulation in their charters.

Therefore, I recommend that the Commission hold that the matter complained of herein is within the jurisdiction of the Railroad Commission, and that said complaint take its usual course to a hearing.

I submit herewith the following form of order:

ORDER

A complaint having been filed with this Commission by the City of Glendale, a municipal corporation, against Title Guarantee and Trust Company, a corporation, trustee for the Glendale Consolidated Water Company, complaining against the charge alleged to be made by said defendant for service connections in the City of Glendale, California, and said defendant having objected to the consideration of said complaint on the ground that the Railroad Commission had no jurisdiction of the matters contained therein, and a hearing having been held upon said objection and the matter being submitted for the consideration of the Commission,

IT IS HEREBY ORDERED that the objection of defendant to the consideration of said complaint by this Commission be overruled, and that said complaint take its usual course to a hearing on the allegations contained therein.

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 28th day
of April, 1913.

John W. Eastman

Arthur J. ...

Max ...

Edwin W. Edgerton

Commissioners.