

Decision No. 8692

ORIGINAL

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

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CITY OF REDLANDS, a Municipal
Corporation,

Complainant,

- vs -

SOUTHERN SIERRAS POWER COMPANY,

Defendant.

Case No. 1378

BY THE COMMISSION:

O P I N I O N

In this complaint the City of Redlands alleges that the application of the surcharges authorized by this Commission in Decision No. 6013, dated December 23, 1918, to be charged by The Southern Sierras Power Company, is unjust and unreasonable when applied to the electricity purchased by the City of Redlands from the defendant and seeks appropriate relief from the Commission.

The issues result from a difference between the parties as to the interpretation of the Commission's order in Decision No. 6013 above mentioned. It was not deemed necessary that a hearing be held in the matter and both complainant and defendant agreed to submit this proceeding by the filing of an agreed statement of facts and briefs. Under date of January 21, 1920 the City of Redlands and The Southern Sierras Power

Company stipulated - "That the taking of testimony herein upon complainant's petition is hereby waived and the said Railroad Commission may hear said petition upon the facts herein stipulated and the facts admitted by the pleadings filed herein and the said contract so filed with said Commission without the taking of further testimony."

The Commission has before it a stipulation from both parties as to the facts relating to the character and use of the electricity supplied by defendant to complainant and the other statements referred to in the above stipulation.

The City of Redlands purchases electricity from Southern Sierras Power Company and the energy so purchased by the City is used principally for the operation of the City's water pumping plants, except for a small portion thereof which is resold by the City to private parties for power service.

The surcharges authorized in Decision No. 6013, in so far as they apply to the electric service rendered to the City of Redlands by defendant, are, in the language of the order, as follows:

"For energy sold for power service
including agricultural, industrial and mining power 2.5 mille per k.w.h.

For energy sold to other utilities
including municipal distribution systems other than Nevada-California Power Company and Southern California Edison Company .. 2 mille per k.w.h."

These surcharges were effective for meter readings taken on and after January 2, 1919, and in bills rendered on and after that date by defendant to City of Redlands surcharges of $2\frac{1}{2}$ mille and 2 mille per kilowatt hour have been applied on the energy used for pumping and for resale respectively. The City of Redlands claims that the proper surcharge, if any, should be

2 mills per kilowatt hour on all energy used, basing its contention largely on its classification of the City's service as a municipal distribution system.

In authorizing temporary increases in rates to Southern Sierras Power Company in Decision No. 6013 it was the purpose and intent of our Order that different classes of service, especially where separable, should pay different surcharges. In the present instance the service supplied by defendant to City of Redlands is used for two separate and distinct purposes, City of Redlands being partly a power consumer to the extent that it uses the greater part of the electricity supplied by defendant for operating its pumping plants, and partly an electric utility to the extent that it resells a small portion of the electricity so purchased.

It therefore follows that under the original order in Decision No. 6013 the proper method of billing the surcharges to the City of Redlands would be to add the surcharge of $2\frac{1}{2}$ mills per kilowatt hour on the electricity used by the City in the operation of its pumps, which is strictly a power service, and a surcharge of 2 mills per kilowatt hour on that portion of the energy sold to the City of Redlands and subsequently resold by it.

The fact that the consumer in this instance is a municipality and as such is not primarily engaged in the operation of a municipal electric utility does not entitle it to the surcharge of 2 mills per kilowatt hour on the major portion of the electricity which it purchases from the defendant and uses for operating the electric pumps of the City.

It further appears that Southern Sierras Power Company has, in billing the City of Redlands, applied the sur-

charge of 2½ mills per kilowatt hour to that portion of the electricity which the City uses for power and pumping service and the surcharge of 2 mills per kilowatt hour to that portion of the electricity sold to the City and subsequently resold by it. This method of billing is not only in accord with the wording of the Commission's Order in Decision No. 6013, but is also in conformity with the purpose and intent thereof.

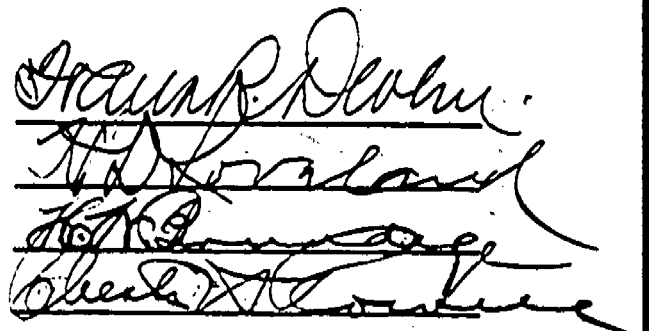
The charges for electricity supplied to the City of Redlands by Southern Sierras Power Company being in accordance with the order of this Commission in Decision No. 6013, and the complaint of the City of Redlands herein being without foundation in fact, there is no relief due complainant as prayed for.

O R D E R

The City of Redlands having filed complaint against The Southern Sierras Power Company, the matter having been submitted by stipulation and briefs and being now ready for decision, and there being no foundation in fact to the subject matter of the complaint of the City,

IT IS HEREBY ORDERED that this proceeding be, and the same is, hereby dismissed.

Dated at San Francisco, California, this 3rd
day of March, 1921.



Commissioners.