

Decision No. 9254

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PORT COSTA WATER COMPANY, a corpora-)
tion, for permission to increase the) Application No. 4965.
rates for water furnished by said)
corporation.)

A. E. Shaw for applicant

A. F. Bray for the Town of Martinez

MARTIN, Commissioner:

OPINION ON PETITION FOR REHEARING

This Commission on October 15th, 1920, rendered its Opinion and Order in the above entitled proceeding (Decision No. 8238) establishing therein a schedule of rates to be charged by applicant for water furnished its consumers. On November 4th, 1920, the Town of Martinez, one of the consumers, filed a petition for rehearing.

Said petition for rehearing alleges in effect that the Town of Martinez, a municipal corporation, owns and operates its own water distribution system, purchases its water wholesale from applicant and retails it to the inhabitants of said town; that the rates established in above mentioned decision result in an increased charge to the Town of Martinez of approximately 40 per cent.; that said town is required to pay applicant the same rates

as other large consumers on the system and no consideration was given the fact that it operates a municipally owned distribution system. It is further alleged that said increase in rates which was filed with the Commission and became effective on October 18th, 1920, works an injustice on the Town of Martinez, since its water rates to its own consumers are fixed by ordinance and could not be changed to meet this increase prior to November 1st, 1920. Wherefore petitioner alleges said increase in the rates to the Town of Martinez is excessive, unfair and unjust and the request is made that the rates established in aforementioned decision be set aside in so far as they affect the Town of Martinez and that new and equitable rates be fixed for this service.

Hearing for argument and evidence on the question of rehearing in the above entitled proceeding was held at San Francisco on March 1st, 1921. Protestant went on record at this hearing to the effect that it was not in a position to attack the findings of the Commission with reference to the rate base and hence its testimony was confined in general to the issues aforementioned.

The evidence shows that the rates heretofore in effect include a number of special and discriminatory rates to industries and certain other large users, including the above mentioned protestant, and the rate schedule established by this Commission in its Decision No. 8238 was designed to eliminate all discrimination existing by reason of these special rates, to uniformly distribute the charges among the various consumers, according to use, and to yield to applicant the necessary annual revenue.

It appears after four months' trial that said rate schedule is operating practically as was designed, no evidence being introduced to the contrary.

The record of water use for the year 1919 shows that 14 large consumers, including among them the Town of Martinez, and enjoy-

ing the special low rates mentioned, purchased 89 per cent. of the total amount of water consumed on the system and paid only 64 per cent. of the gross revenue of the system. The Town of Martinez was the second largest consumer, purchasing an average of 1-1/4 million cubic feet of water monthly or about 24.6 per cent. of the total consumption.

Bills rendered the Town of Martinez for the past five months' use of water were introduced in evidence. These show that for September, 1920, under the old rates, the average charge for 100 cubic feet was 11.1 cents and for the four succeeding months, under the rates at present in effect, the average per 100 cubic feet, amounted to 16.68 cents, an increase of 5.58 cents.

Attention is directed to the fact that this average charge is only 0.18 cents increase over the lowest quantity rate of 16.5 cents per 100 cubic feet as fixed by Decision No. 8238.

By comparison with the present charges in effect for domestic use on the system of the Port Costa Water Company, applicant herein, it appears that the above increased rate for Martinez is not excessive or unreasonable. For use of water less than 535 cubic feet monthly the charge to domestic consumers on applicant's system is smaller, but it becomes considerably greater as the use increases above 535 cubic feet, even though a higher minimum is charged in Martinez.

After a review of the evidence upon which this Commission based its Decision No. 8238 establishing the rate schedule in effect, and from a careful consideration of all the evidence submitted in the argument for rehearing and in particular the facts set out herein, the conclusion is reached that there is no convincing reason why the rate schedule as established should be revised in any particular or that the Town of Martinez should be granted a

rate different from other wholesale consumers of water.

It is therefore recommended that the petition for rehearing be denied.

ORDER ON PETITION FOR REHEARING

The Railroad Commission, having heard the application of the Port Costa Water Company for an increase in rates, and having rendered its Decision No. 8238 establishing a schedule of rates in due form, and the Town of Martinez having subsequently filed a petition for a rehearing of this matter, and public hearing having been held and argument heard, and the Commission being fully advised in the premises,

It is hereby found as a fact that no sufficient reason has been presented whereby this Commission is justified in granting a rehearing herein.

and basing its order upon the above finding of fact and the further statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that the petition of the Town of Martinez for a rehearing in the above entitled application be, and the same is hereby denied.

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 23rd day of July, 1921.

H. T. Bunnell
H. D. Howland
Dwight Martin

Commissioners.