

Decision No. 24108

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Suspension and Investigation on the Commission's own motion of the Rates, Rules and Regulations filed January 31, 1941, by the Western Canal Company.

Case No. 4583

ORIGINAL

R. W. DuVal and W. R. Dunn, for Western Canal Company and Pacific Gas and Electric Company.

I. E. Pfaffenberger, for California Farm Bureau Federation.

RILEY, COMMISSIONER:

O P I N I O N

Western Canal Company, a corporation, is engaged in the public utility business of diverting water from the Feather River at a point approximately two miles below the City of Oroville and distributing it to consumers principally for rice growing in Butte and Glenn Counties, State of California.

As a result of certain then pending litigation involving the Western Canal Company and proceedings held before the Railroad Commission in Case No. 3712*, the Commission issued its Decision No. 26907 on the 27th day of March, 1934, permitting and directing the filing of a stipulated interim schedule of rates for irrigation purposes effective for the season of 1934 only. This schedule of

rates contained a differential in favor of the stockholders of the

Note: *This case was an investigation instituted by the Commission on its own motion into the general operating affairs of the Western Canal Company, and into the operations of the Great Western Power Company of California, insofar as such operations affect the distribution of water for agricultural purposes by and through the system of said Western Canal Company.

Western Canal Company permitting a charge of 85¢ per acre foot for the holders of what was designated as "equitable service rights" together with priority of service, whereas non-stockholders operating on lands which were classified as being "without equitable service rights" were billed for water at \$1.25 per acre foot. Western Canal Company filed with this Commission each year thereafter the same interim schedule of rates effective only for the irrigation season of the year of filing, until the thirty-first day of January, 1941, when said Company filed with this Commission schedules of rates, rules and regulations for the service of water under its system for the irrigation season of 1941 only, in which the former differential in charges and priority of service rights effective continuously from the season of 1934 was eliminated in favor of a single and uniform charge of \$1.25 per acre foot of water delivered. Subsequently on the 18th day of February, 1941, the Commission issued its Order of Suspension and Investigation (Case No. 4583), suspending the operation of said schedules and the use thereof until the 15th day of April, 1941, unless otherwise ordered by the Commission and, furthermore, directed that a public hearing be held to investigate and inquire into the propriety and lawfulness of such schedules. Such public hearing was held in the Court House of Butte County, Oroville, California.

During the progress of the said hearing a considerable amount of testimony and evidence, both documentary and oral, was received from an exceptionally large number of interested parties which included a majority of the landowners and water users under the canal system. Statistical information on past and existing operations was presented by representatives of the Western Canal Company and the Pacific Gas and Electric Company, which claims control of said

Canal Company by and through stock ownership.

A complete review of the record presented in this proceeding indicates that it is the consensus of opinion of practically all interested parties concerned herein that there no longer exists any justification for the continuance of the differential in charges in favor of those lands which were at one time water-stocked, or which had appurtenant to them so-called "equitable service rights" acquired through ownership of shares of stock in Western Canal Company. It furthermore appeared that the elimination of such discrimination in rates, charges, rules and regulations and practices should be made immediately and without delay. Under the circumstances the best interests of the public demand the removal of the above-mentioned discriminations and preferences both from the rates and charges filed as well as from the rules and regulations governing relations between the utility and the consumers. The Company, therefore, should be authorized to place in effect the rates, rules and regulations as filed on the thirty-first day of January, 1941, effective as of the date of the Order herein.

The following form of Order is recommended.

O R D E R

Western Canal Company, a corporation, on the 31st day of January, 1941, having filed with this Commission Advice No. 9, being a set of rates, rules and regulations attached to a letter of transmittal thereof, said rates, rules and regulations to be effective for the irrigation season of 1941 only for all water served for the irrigation of lands from the company's ditch system, the operation of said schedules of rates, rules and regulations having been suspended, the use thereof having been deferred, and an investigation having been instituted into the propriety and lawfulness of said schedules by order of the Commission, dated the 18th day of February, 1941, a public hearing having been held thereon, the matter having been

duly submitted and the Commission being now fully advised in the premises,

IT IS HEREBY ORDERED that the suspension of the schedules of rates, rules and regulations for the service of water by Western Canal Company, as filed on the 31st day of January, 1941, be and it is hereby vacated and set aside.

IT IS HEREBY FURTHER ORDERED that the schedules of rates, rules and regulations as filed by Western Canal Company on the 31st day of January, 1941, under Advice No. 9, providing for the sale and delivery of water for the irrigation of lands under the Company's ditch system, be and they are hereby ordered to be effective for all such service rendered on and after the date of this Order by said Western Canal Company for the irrigation season for the year 1941 only.

For all other purposes the effective date of this Order shall be twenty (20) days from and after the date hereof.

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 15th day of April, 1941.

[Signature]
[Signature]
Justus J. Galloway
Francis X. Havens
COMMISSIONERS.