

ORIGINAL

Decision No. 86128

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

GENO A. BETTI,

Complainant,

vs.

SOUTHERN CALIFORNIA WATER COMPANY,
a corporation,

Defendant.

Case No. 10046
(Filed February 13, 1976)

Geno A. Betti, for himself, complainant.
William V. Caveney, for defendant.
Eugene M. Lill, for the Commission staff.

O P I N I O N

On February 13, 1976 Geno A. Betti filed this complaint alleging that the practice of Southern California Water Company (SoCal) of metering duplexes in an area where single residences are assessed a flat rate for service is unjustified, inequitable, and discriminatory.

SoCal filed its answer denying each of the allegations and concluded that its policy of metering all new nonsingle family water uses is fair and equitable, is in accordance with its tariffs authorized by the Commission, and is in accordance with Commission metering policy.

Hearing was held at Sacramento on May 7, 1976 before Examiner Gillanders. Testimony was received from complainant and defendant which elaborated upon the allegations of the complaint and upon the answer. A staff engineer testified and presented a "Statement Of Position". The matter was then submitted for decision.

Discussion

According to SoCal, the flat rate charge for water service to single-family residences in the Sacramento area is historical and economic. It knows of no water utility that meters single-family dwellings in areas contiguous to Cordova. Water is in good supply and, relative to other areas in the State, is cheap. However, even in flat rate systems the Commission, according to SoCal, has encouraged water utilities to meter the nonsingle-family dwelling or customers whose use would tend to be above that of a single-family dwelling. The wisdom of this policy, according to SoCal, is borne out by the usage of its 96 metered customers in the Cordova area as follows:

<u>Account Number</u>	<u>Classification</u>	1975 Average Monthly Use Per Customer <u>In CCF</u>
601.10	Commercial (includes duplexes)	70
601.20	Industrial	225
601.30	Public Authority	626

It is clear, claims SoCal, that meters are necessary when one compares the above tabulation to the average flat rate single-family usage of 28 ccf per month. The question, according to SoCal, is to which customers should the flat rate and the metered rate be applied.

During examination of SoCal's witness, it developed that SoCal in its Cordova area has 5,000 flat rate single-family customers, 400 commercial customers of which only 80 are duplexes, one industrial customer, and 19 public authority customers. SoCal includes duplexes in the commercial classification on the basis that duplexes are rental property - not being 100 percent owner occupied. SoCal does not meter single-family renter occupied dwellings because it claims it would be "administratively impractical".

Evidence presented by SoCal shows Mr. Betti's use as follows:

<u>Period</u>	<u>Water Consumption In CCF</u>
2-14-75 to 4-21-75	89
4-21-75 to 6-19-75	59
6-19-75 to 8-19-75	165
8-19-75 to 10-18-75	144
10-18-75 to 12-19-75	105
12-19-75 to 2-20-76	<u>133</u>
Annual	695
Average Monthly Use	58

Examination of SoCal's witness disclosed that Mr. Betti's duplex is supplied through one meter and that the usage shown includes the amount used by two families. He agreed that if the usage of two families (58) was divided by two then the average per family would be 29 or almost the same amount (28) as the average use of its 5,000 unmetered customers. Flat rate service is \$4.50 a month for a single-family dwelling and \$6.25 for two dwellings on one property (not a duplex). Mr. Betti's average monthly water bill for his duplex is approximately \$15.

A senior utilities engineer from the Hydraulic Branch of the Utilities Division testified that not having access to SoCal's records he accepted its figures as given in its answer to the complaint and made no further study. He testified that it was his opinion as well as the Hydraulic Branch's opinion that

the figures shown in the answer - 58 ccf for Mr. Betti and 28 ccf for the flat rate customers was a fair comparison between metered and flat rates and in addition was an indication that SoCal's conservation efforts were effective. Under examination he did agree that to determine the average family use in a duplex it would be proper to divide the recorded usage by two and that in Mr. Betti's case the answer would be almost equal to the average flat rate usage. He testified that his branch agreed with SoCal that duplexes were commercial ventures and as such should be metered. He further testified that it was his opinion as well as the branch's opinion that instead of not metering duplexes they would rather see flat rate services metered in coordination with other water agencies and implemented in a gradual manner. SoCal's senior vice-president stated that it did not plan to meter its flat rate customers in its Cordova or Arden areas.

Neither SoCal nor the staff gave thought to Section 453 of the Public Utilities Code in making their recommendation of how this complaint should be decided.

The Commission's General Order No. 103, Section VI, states, in part:

"VI. Measurement of Service

1. Method of Measuring Service

- a. Metering. All water sold by a utility shall be upon the basis of metered volume sales except that the utility may at its option provide flat rate or estimated service for the following:
(1) Residential, business, commercial, industrial (in special situations) and irrigation service after authorization has first been obtained from the Commission."

This Commission has previously supported partial metering. Although partial metering of a system is an objectionable situation to a few of the customers whose water use is metered, such partial metering will, if fairly and impartially administered, meet or balance the economics of a metering program by permitting lower costs of capital, operation, and maintenance, and thus insure somewhat lower rates for all consumers. (See James J. Downey (1956) 54 CPUC 605.) Metering under the circumstances of this case supports conservation and follows Commission policy.

Findings

1. The average monthly use of a single-family residence on a flat rate schedule is 28 ccf.
2. Mr. Betti's average monthly use for his duplex supplied through one meter is 58 ccf.
3. The average monthly use for each side of Mr. Betti's duplex is 29 ccf.
4. SoCal classifies duplexes as commercial customers on the basis that they are rental property. The staff concurs with such classification.
5. There are 400 commercial customers in SoCal's Cordova area of which 80 are duplexes.
6. The average monthly use of all commercial customers per customer is 70 ccf.
7. Neither SoCal nor the staff made a study of the average use of the 80 duplexes.
8. Under SoCal's tariff a flat rate customer in Cordova with a second dwelling on the premise would pay \$75 per year for service while Mr. Betti has been billed \$116.68 for 7½ months water usage or approximately \$186 per year.
9. SoCal's metering of duplexes is a reasonable classification of water users and does not result in discrimination.

10. This Commission is vitally interested in the conservation of water. Metering is an important tool in accomplishing water conservation as it provides a record of use and pinpoints waste.

Conclusions

1. Metered water service results in customer consciousness of water use and therefore aids in water conservation.

2. SoCal has no plans to meter its flat rate customers. It is not in the public interest to meter all water customers at this time.


3. Metering duplexes and not metering single-family residences nor two dwellings on one property is not discriminatory.


O R D E R


IT IS ORDERED that the relief requested is denied.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 19th
day of JULY, 1976.



President




Commissioners

Commissioner Leonard Ross, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Robert Batimovich, being necessarily absent, did not participate in the disposition of this proceeding.