

ORIGINAL

Decision No. 24424

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
M.E. Lacassie for order requiring the  
California Water Service Company, a  
corporation, to connect its pipes with  
the pipes of Lacassie Water System and  
furnish the latter with water.

Case No. 3081.

Mrs. M.E. Lacassie, in propria persona.  
McCutchen, Olney, Mannon & Greene,  
by A.F. Bray, for California Water  
Service Company, defendant.  
George T. Barkley, for Town of Walnut  
Creek.

BY THE COMMISSION:

O P I N I O N

In this proceeding Mrs. M.E. Lacassie, who owns and operates a public utility domestic water system supplying over one hundred consumers in and near the Town of Walnut Creek in Contra Costa County, asks for an order of the Railroad Commission compelling the California Water Service Company, a public utility corporation, to install a standby service pipe connection between its pipe main at Walnut Creek and the distribution pipes of the Lacassie Water System for the purpose of providing a supplemental water supply to meet the emergency of present existing and possible future water shortage and for a further order fixing the rate to be paid to the California Water Service Company for such emergency service.

In its answer to this petition defendant California Water Service Company admits that it has constructed a large transmission main from its reservoir near Clyde, Contra Costa County, to, through and beyond the Town of Walnut Creek and is now selling at its regular schedule of rates to the Town of Walnut Creek from this pipe main the water supply required for its municipal water distribution system. Furthermore, California Water Service Company alleges that it entered into an agreement, dated August 19, 1930, with the Town of Walnut Creek, a municipal corporation, whereby the company agreed to sell and the town agreed to buy water for distribution through the municipal system and that one of the provisions of this agreement prevents defendant from voluntarily serving water to any other person, firm or corporation within the town limits of Walnut Creek for either retail or wholesale uses. Defendant requests that this said agreement be not modified in any respect and that the matter be dismissed.

A public hearing was held in this matter at Walnut Creek before Examiner Satterwhite.

The water supply of the Lacassie Water System is obtained from the natural flow of springs and from two wells. About April of last year it was found that the supply of water available from these sources had greatly diminished and had become inadequate for the needs of the consumers. In this emergency Mrs. Lacassie applied to the California Water Service Company for a temporary water service connection which was refused by reason of the above mentioned agreement with the Town of Walnut Creek. Thereupon Mrs. Lacassie appealed to the Commission for relief and several conferences were held with the company and officials of the town but it was found

that the matter could not be satisfactorily settled informally. In the meantime the water shortage on the Lacassie system had become acute and in order to avoid further delay the officials of the town were prevailed upon to provide Mrs. Lacassie with an emergency service connection. This was granted, however, only upon the signing by Mrs. Lacassie of an agreement, dated May 21, 1931, to pay for this water at a rate of fifty cents (50¢) per 1,000 gallons, a charge in excess of that which she receives from her own consumers. Mrs. Lacassie has protested the amount of this water rate and the resulting monthly bills rendered her by the Town of Walnut Creek as unreasonably high and now desires to discontinue this service and, in the place thereof, obtain a similar standby connection from the California Water Service Company pipe line at a special reduced wholesale rate which she requests this Commission to establish.

The evidence discloses that California Water Service Company maintains only about thirty pounds pressure in its pipe line at Walnut Creek and for this reason the municipal system has to maintain a booster pumping plant to lift the water into its own storage reservoir for distribution to consumers. Should complainant receive service from the above company, it would likewise be necessary for her to install and maintain a booster plant at her own expense.

Subsequent to the hearing in this matter the Town Trustees of Walnut Creek have formally agreed to reduce the rate charged complainant to forty cents (40¢) per 1,000 gallons for the first 12,500 gallons and thirty-six cents (36¢) per 1,000 gallons for all in excess thereof with a monthly minimum charge of five dollars (\$5.00)

which permits the complainant to receive five dollars worth of water at the above rates. Purchases by complainant for the period from May 23 to May 31, 1931, totalled 45,800 gallons and for July, 1931, 213,500 gallons. No evidence was presented in this proceeding which would indicate either that Mrs. Lacassie is entitled to a specially reduced rate from the California Water Service Company for this service or that there is any proper reason why she should be entitled to a preferential rate, especially in view of the fact that defendant's San Ramon Valley extension system already supplies a large number of consumers monthly at its regular rates with quantities of water far in excess of those quantities which ever will be required by the Lacassie Water System. A comparison of the cost of various quantities of water computed at the present rate and also at the regular rates in effect for the California Water Service Company is given in the following tabulation:

Quantity of Water: Purchased Monthly: Gallons	Cost of Water Delivered at the Meter			Cal. Water Service: Company's Present: Schedule of Rates:
	Present Town Rate: 50¢ per M. Gals.	Reduced Rate: 40¢ per M. Gals.		
45,800	\$22.90	\$16.49		\$19.31
90,000	45.00	32.40		34.06
180,000	90.00	64.80		55.12
213,500	106.75	76.86		62.95

As indicated above, the reduced rate will result in a material saving in the cost of water to be purchased hereafter by complainant from the Town of Walnut Creek. However, if this stand-by service should be obtained directly from California Water Service Company, the advantage of the reduced first cost of water, as shown, will be entirely offset by the extra cost of installation and operation of the booster pumping plant by Mrs. Lacassie, as well as the

further and additional costs of installing some 350 feet of pipe line to connect the two systems.

The said agreement entered into by and between the company and the Town of Walnut Creek was introduced by defendant as evidence in a former proceeding, Application No. 17407, in which California Water Service Company asked for a certificate of public convenience and necessity to construct and operate the extension of its water system to and beyond the Town of Walnut Creek and was referred to by the Commission in its Decision No. 23838, issued on June 29, 1931, as follows:

"The Commission Hereby Finds and Declares that public convenience and necessity require and will require California Water Service Company to construct, maintain and operate its San Ramon Valley extension described in this application, and to furnish water for domestic and other purposes in and throughout the territory shown on Map filed June 24, 1931, in this proceeding, except that no water shall be sold by said California Water Service Company to any person or persons, firm or corporation within the present town limits of Walnut Creek, either retail, or wholesale, or at all, unless said California Water Service Company is hereafter by this Commission directed to sell water in said Town of Walnut Creek."

While there is no dispute that this Commission has the authority to disregard any and all clauses in the above contract which would be inimical to the public interest in the exercise of its regulatory powers and functions, the evidence submitted herein shows that the full and ultimate cost of obtaining water from the California Water Service Company will actually be greater than the costs of a similar service from the Town of Walnut Creek at the proffered reduced rate. Should a schedule of rates be established by the Commission in the future for the Lacassie system, it is clear that the charges to the consumers would be greater through the purchase of water

from the California Water Service Company under effective rates than by a continuation of the standby service from the municipal water plant.

At the time of the filing of this petition and during the hearing, it was clear that Mrs. Lacassie was not fully informed and advised as to the actual results of obtaining water for standby and emergency purposes from the defendant. In view of the facts and conditions set forth above, we do not believe it would be to the best interests of either the public or complainant at this time to direct the connection to be made by the defendant company.

O R D E R

Mrs. M.E. Lacassie having filed with this Commission a petition asking for an order requiring the California Water Service Company, a corporation, to install a pipe connection and furnish emergency water service to the Lacassie Water System, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises,

IT IS HEREBY ORDERED that the above entitled proceeding be and it is hereby dismissed.

Dated at San Francisco, California, this 25<sup>th</sup> day of January, 1932.

W. A. [Signature]  
Leon [Signature]  
[Signature]  
M. B. [Signature]  
Fred G. [Signature]  
Commissioners.