

Decision No. 6436

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )  
WESTERN STATES GAS AND ELECTRIC COM- )  
PANY, a corporation, to sell certain )  
property situate in the County of )  
El Dorado, State of California, and )  
for the approval by said Commission )  
of certain contracts between Western )  
States Gas and Electric Company, El )  
Dorado Water Company and El Dorado )  
County Water Users Association. )

Application No. 4661.

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Chickering and Gregory by Allen L. Chickering,  
for Western States Gas and Electric Company.

B. D. Marx Greene, for El Dorado Water Company

BY THE COMMISSION.

O P I N I O N

Western States Gas and Electric Company asks permis-  
sion to sell and El Dorado Water Company to purchase the water and  
ditch system described in Exhibit "1", attached to the petition herein.  
Western States Gas and Electric Company also asks permission to sell  
water to El Dorado Water Company pursuant to the terms of the agree-  
ment filed with the Commission on June 19, 1919.

A public hearing was held on the above entitled mat-  
ter before Examiner Encell on June 16, at San Francisco.

In 1916 Western States Gas and Electric Company pur-  
chased a water and ditch system from Sierra Water Supply Company  
and El Dorado Water and Deep Gravel Mining Company. The primary  
object in purchasing the ditch system was for the generation of

hydro-electric power and not the sale of water for irrigation and domestic purposes. Following the purchase of the system by Western States Gas and Electric Company, the El Dorado County Water Users Association, a non-profit organization, was formed for the purpose, among others, to litigate with Western States the rights to the use of the water. It filed with the Commission Case Number 1107, decided by Decision Number 5409, dated May 28, 1918. A decision on a petition for rehearing has been held in abeyance pending negotiations for the sale of part of the water and ditch system to the association or corporation organized by it. As a result of the negotiations, and subject to the approval of the Railroad Commission, Western States Gas and Electric Company has agreed to sell for \$25,000.00 to El Dorado Water Company, organized and controlled through stock ownership by El Dorado County Water Users Association, that portion of its water system constituting its distributing system below that point in El Dorado County, known as "The Fourteen Mile House", being situate on the Tahoe State road, 14 miles above the town of Placerville.

Western States has also agreed to sell water at wholesale to El Dorado Water Company. A copy of the agreement covering the sale of the water has been filed with the Commission. The agreement has been approved by the Hydraulic Division of the Engineering Department of the Commission. It definitely fixes the amount of water which Western States Gas and Electric Company is obliged to deliver to El Dorado Water Company. R. W. Hawley, Chief Engineer and General Manager of the water company, is of the opinion that the quantity of water which Western States must deliver under the agreement will be sufficient to meet the needs of the consumers for a considerable number of years and that the supply can be increased through the construction of storage reservoirs in the district irrigated.

It appears from the testimony that the transfer of the water and ditch system described in Exhibit "1", and the approval of the agreement for the sale of the water is in the public interest. As a result of the sale of the properties, the pending litigation will be dismissed and the consumers given complete control over the manner and operation of the system, while the approval of the water sale agreement definitely fixes the obligations of Western States to deliver water in such manner as to permit it to proceed with the development of its hydro-electric projects.

O R D E R

WESTERN STATES GAS AND ELECTRIC COMPANY having applied to the Railroad Commission for permission to sell a certain water system and enter into an agreement for the sale of water, a public hearing having been held, and the Railroad Commission being of the opinion that this application, subject to the conditions herein mentioned should be granted;

IT IS HEREBY ORDERED that Western States Gas and Electric Company be, and it is hereby, granted authority to sell and El Dorado Water Company to purchase the properties described in Exhibit "1" attached to the petition herein, said sale and purchase to be made pursuant to the terms and conditions set forth in said Exhibit .

The Railroad Commission approves the agreement filed on June 19, 1919, covering the sale of water by Western States Gas and Electric Company to El Dorado Water Company.

The authority herein granted is upon the following conditions and not otherwise:-

1.-The consideration at which the public utility properties are herein authorized to be transferred shall not be considered as a measure of value of said properties before this Commission or any other public body for rate fixing or any purpose other than the transfer herein authorized.

2.-El Dorado Water Company shall submit to the Commission for approval all book entries relative to the purchase of the properties.

3.-Within thirty days after the execution by the petitioners of an instrument of conveyance transferring the properties herein referred to, a certified copy of said instrument of conveyance should be filed with the Railroad Commission by El Dorado Water Company.

4.-The authority herein granted shall apply only to such properties as shall be transferred on or before November 1, 1919.

Dated at San Francisco, California, this 25<sup>th</sup> day of June, 1919.

Edwin O. Edgerton

Frank R. DeWitt

James M. Martin

Commissioners.