

Decision No. 32345

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA WATER SERVICE COMPANY, a corporation, and PACIFIC GAS AND ELECTRIC COMPANY, a corporation, for an order approving and authorizing the execution of a proposed agreement to be entered into between said two Applicants for the supplying of water by said California Water Service Company to said Pacific Gas and Electric Company.

Application No. 23268

ORIGINAL

Carl F. Mau, for California Water Service Company.

R. W. DuVal, for Pacific Gas and Electric Company.

Ralph H. Wight, for City of Martinez.

BAKER, COMMISSIONER:

O P I N I O N

In this proceeding the California Water Service Company⁽¹⁾ and the Pacific Gas and Electric Company⁽²⁾, both public utility corporations, ask for authority to enter into an agreement for the sale and delivery of untreated water to be used at the steam power plants that are now under construction by Pacific at Avon and Martinez in Contra Costa County.

A public hearing in this matter was held in Martinez.

(1) Hereinafter referred to as "Water Company."

(2) Hereinafter referred to as "Pacific."

Pacific has entered into agreements with the Tide Water Associated Oil Company and the Shell Oil Company, Incorporated, (3) respectively, providing for the construction and operation of power plants at Avon and Martinez and for the delivery to said Oil Companies of steam and electric power, said agreements having been authorized by this Commission in its Decisions No. 30071 dated August 28, 1937, and No. 30530 dated January 17, 1938. These plants are now nearing completion and when in production will require large quantities of untreated water for cooling purposes and for the generation of steam.

The Water Company furnishes service for domestic and industrial purposes throughout a considerable section of western Contra Costa County. The source of supply is the Sacramento River at Mallard Slough from which raw water is pumped several miles to Chenery Reservoir, located near the Town of Clyde. It is necessary to pass this water through a filtration plant, located at the reservoir, before distribution to its present regular consumers. The Water Company now proposes to extend the transmission line from said reservoir to Avon and Martinez, and, without filtration, deliver raw and untreated water to Pacific and to any other industrial customers along the pipe lines desiring and able to use this type of untreated water. The total installation will require approximately six miles of pipe lines varying from 21 inches to 24 inches in diameter, together with pumping plants at Chenery Reservoir and at Avon, the total estimated cost thereof to be not less than \$137,000. This project also includes the construction of some 3,000 feet of pipe line to provide a connection with the Contra Costa Canal, a unit of the Central Valley Project, soon to be placed in operation. The agreement provides among other things that

Pacific shall have the option under certain conditions to demand water from either Mallard Slough or Contra Costa Canal.

In view of the comparatively large investment which the Water Company must make for these several services, it appears reasonable and proper that the essential operating arrangements be co-ordinated and embodied in an agreement conforming substantially with the same general plan and covering the same twenty-year period heretofore established in the prior contracts approved by this Commission authorizing the construction and operation by said Pacific of the power and steam generating plants. The rates agreed upon, being for raw and unfiltered water, are less than the charges in effect for domestic and commercial filtered water supplied by the main system, but do not appear to be unreasonable at this time. The fact that this raw water service is to be equally available to all others under similar terms and conditions eliminates the possibility of unfair discrimination. The record clearly indicates that construction and operation of this special raw water system, under the terms and provisions of the proposed agreement, will place no burden upon the consumers served through the regular utility plant and distribution facilities.

The following form of Order is recommended.

O R D E R

California Water Service Company, a corporation, and Pacific Gas and Electric Company, a corporation, having filed an application with this Commission as entitled above, 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 California Water Service Company,

a corporation, and Pacific Gas and Electric Company, a corporation, be and they are hereby authorized to enter into an agreement for the sale and delivery by the former and purchase by the latter of untreated water under substantially the same terms and conditions as set forth in the agreement marked Exhibit "C" attached to the application herein and which is hereby made a part of this Order by reference.

IT IS HEREBY FURTHER ORDERED that California Water Service Company, a corporation, file with this Commission, within sixty (60) days from the date of this Order, two certified copies of said agreement as finally consummated.

IT IS HEREBY FURTHER ORDERED that California Water Service Company, a corporation, until otherwise directed by the Railroad Commission, shall file with this Commission, on or before the first day of March, a special report for the preceding year ending December thirty-first, covering the results of operation of the system used to provide the water service herein authorized.

The authority herein granted shall become effective on 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 19th day of March, 1940.

Ray A. Rice
Robert J. ...
James J. ...