

ORIGINAL

Decision No. 33497

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
CALIFORNIA WATER SERVICE COMPANY, a	)	
corporation, for an order approving	)	
and authorizing the execution of a	)	
proposed agreement to be entered into	)	
between Applicant and Union Oil	)	Application No.
Company of California, a corporation,	)	23497.
for the supplying of water by	)	
Applicant to Union Oil Company of	)	
California.	)	

McCutchen, Olney, Mannon & Greene by Allen P. Mathew  
and Henry D. Costigan, for Applicant.

Ralph H. Wight, for City of Martinez.

WAKEFIELD, COMMISSIONER:

O P I N I O N

In this application, California Water Service Company, a corporation, <sup>(1)</sup> engaged in the business of distributing and selling water for domestic and industrial purposes in Contra Costa County, asks for authority to enter into an agreement with the Union Oil Company of California, a corporation, <sup>(2)</sup> for the sale and delivery of water to the latter's refinery at Oleum.

A public hearing in this matter was held in Martinez.

The Oil Company is one of the largest consumers of treated water in the Contra Costa Division of the Water Company served through the regular domestic and industrial distribution system. The water is used in the operation of the Oil Company's

(1) Hereinafter called "Water Company."

(2) Hereinafter called "Oil Company."

refinery located at Oleum near the town of Crockett. The East Bay Municipal Utility District is in a position to extend its water mains to the Oil Company, but as this latter concern already is supplied by the Water Company, it has agreed to meet the present somewhat lower rates of the District for a minimum period of two years, primarily to insure an adequate water supply for the operation of the steam and electric power plant now being constructed at the refinery by the Pacific Gas and Electric Company. The agreement, among other things, establishes a definite standard for the quality of the water to be furnished and also provides for the sale and delivery of raw, or untreated, water to the Oil Company, if required in the future, upon substantially the same terms and conditions as such water is now being supplied to the Contra Costa plants of the Pacific Gas and Electric Company, Tide Water Associated Oil Company and Shell Oil Company, Incorporated, under agreements heretofore approved by this Commission in its Decision No. 32905, dated March 19, 1940, and Decision No. 33176, dated June 4, 1940.

Mr. Earl C. Elliott, chairman of the Board of Directors of the Water Company, testified that while this reduction as proposed will result in a considerable decrease in revenues from this consumer, under past methods of operation, that an estimated increase of 20% in the water used at the refinery as a result of new construction and equipment should to that extent, at least, offset this loss.

No objections were made against the proposals of the Water Company and, under the circumstances, it appears at this time to be in the public interest that the authority sought be granted.

The following form of Order is recommended.

O R D E R

California Water Service 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,

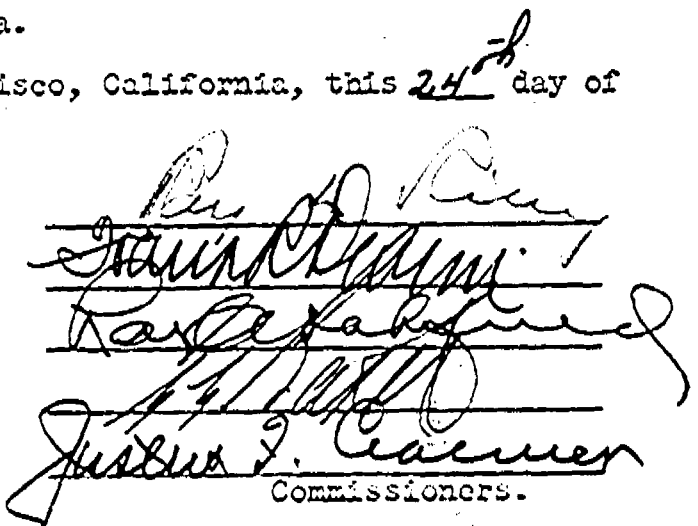
IT IS HEREBY ORDERED that California Water Service Company, a corporation, be and it is hereby authorized to enter into an agreement for the sale and delivery of water to the Union Oil Company of California, a corporation, substantially under the terms and conditions set forth in Exhibit "B" which is attached to the application herein and 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 (2) certified copies of said agreement as finally consummated.

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 24<sup>th</sup> day of August, 1940.

  
Commissioners.