

Decision No. 41799**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PACIFIC GAS AND ELECTRIC COMPANY, a
 corporation, for an order of the Public
 Utilities Commission of the State of
 California granting and conferring upon
 applicant all necessary permission and
 authority to carry out the terms and
 conditions of a written contract with
 HAZEL M. CHICHIZOLA, operating under the
 name and style of JACKSON GATE WATER WORKS,
 dated January 31, 1948, (Exhibit "A"
 hereof).

Application No. 29097

Ralph W. DuVal, for Pacific Gas and
 Electric Company; John Spencer, for
 C. L. Grandbois and J. E. McLaughlin,
 owners of Jackson Water Works; Marian F.
 Chichizola, for Hazel M. Chichizola,
 operating Jackson Gate Water Works;
 G. G. Chisholm, City Attorney for City
 of Jackson and District Attorney for
 County of Amador.

O P I N I O N

In this proceeding the Pacific Gas and Electric Company,^{1/} a
 corporation, requests the necessary permission and authority to carry
 out the terms and conditions of an agreement dated January 31, 1948,
 with Hazel M. Chichizola, operating under the name and style of
 Jackson Gate Water Works, which agreement relates to the sale and pur-
 chase of water for resale purposes to consumers of the Jackson Gate
 Water Works in and near the community of Jackson Gate in Amador County.

Application No. 28853, filed with this Commission, concerns
 a somewhat similar agreement, dated October 25, 1947, between the
 Pacific Gas and Electric Company and C. L. Grandbois and J. E.
 McLaughlin, copartners operating under the fictitious firm name of
 Jackson Water Works.

^{1/} Hereinafter sometimes called the company.

A public hearing in these two matters was held in Jackson before Examiner Foster. By stipulation, both proceedings were consolidated for the taking of evidence. Separate decisions, however, are being rendered in the two proceedings.

For many years prior to 1948, the company has sold and delivered water to the present and former owner of the Jackson Gate Water Works at a rate of twenty-five cents per miner's inch day.^{2/} Heretofore there has been no written contract or agreement covering such sale of water. The proposed agreement provides for the sale and purchase of all of the water which Mrs. Hazel M. Chichizola shall require for resale to her consumers up to, but not exceeding, a rate of flow of ten (10) miner's inches and the water is to be sold and delivered at the rate of fifty (50) cents per miner's inch day. The agreement is to remain in effect for a period of three (3) years from and after the date the contract becomes effective by proper authorization of this Commission, and thereafter until terminated by thirty (30) days' written notice given by either party to the other.

The Commission on the twenty-second day of June, 1948, issued its Decision No. 41766, in the above-mentioned Application No. 28853, wherein it authorized the carrying out of the terms and conditions of the contract by and between this company and Jackson Water Works substantially similar in the major provisions thereof, including the rate. Reference is hereby made to said decision for a more detailed discussion of the circumstances and conditions surrounding these two agreements. In view of the fact that the water is supplied from the same ditch at closely adjacent points of delivery and under practically identical conditions, it is clear that the action on the two agreements necessarily should be in accord.

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A miner's inch, as used herein, means a continuous flow of water equivalent to 1/40th of a cubic foot per second, or 1.5 cubic feet per minute. A miner's inch day means one miner's inch flowing continuously for a period of 24 consecutive hours.

Miss Marian Chichizola, representing the Jackson Gate Water Works, objected to Section 5 of the contract in which, among other things, the company requires the installation, at the expense of this small domestic water utility, of a storage tank of sufficient size to store a quantity of water adequate to supply for a continuous period of thirty (30) days such consumers of Jackson Gate Water Works as may become dependent upon water obtained under said agreement. This section further provides that the delivery of water under the contract is conditioned upon the installation and use of such storage tank.

Miss Chichizola stated that her present storage facilities consist of a circular concrete reservoir having a capacity over 50,000 gallons, somewhat in excess of one day's maximum supply. The record of water sales to this water works for the years 1946 and 1947 shows an average monthly delivery of forty (40) miner's inch days or approximately 646,000 gallons. According to Miss Chichizola, there has never been any need of more storage than presently exists. The demands made by the company that additional storage capacity to the extent of a total of thirty (30) days' supply be provided would create an unnecessary and unreasonable financial burden on the system, according to the witness. She, therefore, asked that Section 5 of the agreement either be modified or entirely deleted.

In view of the fact that determination of the amount of storage to be provided by this distributing utility is not a proper and necessary function of the seller, and furthermore, in view of the additional fact that under existing circumstances such requirement is unreasonable and unfair, the said paragraph 5 shall be eliminated in its entirety from said agreement. Whatever additional storage may become necessary may be provided by Mrs. Chichizola through alternative and less expensive means and methods at her discretion.

Paragraph 2 of the contract specified that the water is to be measured by a meter or other device installed at the point where the Chichizola pipe line enters the Chichizola reservoir approximately one-quarter (1/4) mile below the point of delivery mentioned thereafter. In paragraph 7 it is provided that the water is to be delivered at the connection of the Chichizola pipe line with company's header box at the outlet end of company's Oneida pipe line. At the present time the water is measured through a meter at the first-named point at the Chichizola reservoir. At the hearing, mention was made of the company's intention of changing the measuring point and installing a larger meter at the company's header box, which would make the delivery point and the measuring point the same. This situation should be clarified in a suitable revision of the contract.

In order to make this agreement comparable to the agreement entered into with Jackson Water Works in Application No. 28853, it is further suggested that paragraph 4 be rewritten to specify that payments thereunder may be made at the company's Jackson office, rather than at its San Francisco office, and that there be allowed the usual period of 15 days after presentation of monthly bills for payment thereof with a further period of ten (10) days before the purchaser may be considered in default. The company indicated its willingness to make these changes. We believe such changes should be made in fairness to all parties concerned.

O R D E R

Application as entitled above having been filed with this Commission, a public hearing having been held thereon, the matter having been duly submitted and the Commission now being advised fully in the premises,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company, a corporation, be and it is hereby authorized to carry out the terms and conditions of a written agreement with Hazel M. Chichizola, operating under the name and style of Jackson Gate Water Works, dated January 31, 1948, after incorporating therein the modifications set forth in the Opinion which precedes this Order, but otherwise substantially in accordance with the terms and conditions as set forth in the copy of said agreement which is attached to the application as Exhibit A thereto.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company, a corporation, shall file with this Commission, within thirty (30) days from and after the effective date of this Order, two (2) certified copies of the agreement as finally consummated.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company, a corporation, shall notify this Commission of the termination of said agreement within thirty (30) days thereof.

The effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 7th day of July, 1948.

R. F. Smith
Justice F. C. ...
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Commissioners.

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