

**ORIGINAL**Decision No. 50954

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA WATER SERVICE COMPANY, a corporation, for an order authorizing it (1) to enter into an agreement with the P. G. & E. fixing the price to be paid for water sold to it by P. G. & E., (2) to increase rates charged for water service in the City of Oroville and vicinity and (3) to revise rates charged Thermalito Irrigation District under special contract.

Application No. 34458

ORDER DENYING REHEARING

Thermalito Irrigation District, protestant in the above-entitled proceeding, has filed its petition for rehearing respecting Decision No. 50844 rendered in the above-subject proceeding on the 7th day of December, 1954.

Petitioner assails said decision upon two fundamental grounds:

- (a) That the water service furnished it by California Water Service Company is not a public utility service.
- (b) That the contract pursuant to which said water service is furnished is not subject to the jurisdiction of the Commission.

Subsidiary arguments and contentions are made based upon these two fundamental contentions. The Commission has carefully considered the arguments and the points made by petitioner in support of its petition for rehearing. These same points were considered by the Commission at the time it rendered Decision No. 50844. Notwithstanding the earnestness with which petitioner presses its objections, in light of the established law and the facts of this case, we are of the opinion that it would be unjust and inequitable for the Commission to permit the continuance of the water rate which po-

itioner has enjoyed for the past many years. The continuance of such rate would result in that type of discrimination which the law disfavors.

The legal principle involved herein has long been settled by both the Supreme Court of the United States and the Supreme Court of this State. No contract may be entered into regarding public utility service which may not be modified or even terminated by the proper regulatory authority. (Home Building and Loan Association v. Blaisdell, 290 U.S. 398, 434-444, 78 L. ed. 413, 426-432; Law v. Railroad Commission, 184 Cal. 737, 739-740; East New York Savings Bank v. Hahn, 326 U.S. 230, 231-234, 90 L. ed. 34, 35-37.) That the contract in question covers public utility service and that said contract and service are subject to the jurisdiction of this Commission are too plain to admit of extended discussion.

For the foregoing reasons, IT IS ORDERED that the petition for rehearing filed herein respecting Decision No. 50844 be and the same is hereby denied.

Dated, San Francisco, California, this 10<sup>th</sup> day of January, 1955.

John E. Pittell  
President  
Justin J. Casemer  
Ray G. Waterman  
William J. Woolley  
Commissioners