

**ORIGINAL**Decision No. 68608

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 authoriz- )  
 ing and approving the execution of )  
 an agreement between applicant and )  
 the State of California, Department )  
 of Water Resources, relating to )  
 certain properties of applicant in )  
 the County of Butte presently )  
 devoted to public utility service. )

Application No. 47037  
 (Filed October 9, 1964)

O P I N I O N

Applicant requests authority, under the provisions of Section 851 of the Public Utilities Code, to execute and perform a contract with the State Department of Water Resources, dated July 20, 1964 (Application, Exhibit A), for construction, modification or abandonment of certain water treatment, transportation and storage facilities, occasioned by the proposed construction of the Thermalito Power Canal about one-half mile north of the Feather River in connection with the State's Oroville Dam Project.

Applicant alleges that about 90 percent of the water it presently serves to customers in Oroville and adjacent Butte County areas is purchased from Pacific Gas and Electric Company at the tailrace of Pacific's Coal Canyon Powerhouse. Applicant then transports the water approximately nine miles to its Cherokee Reservoir, located about one mile north of the Feather River, where it is purified with alum and other chemicals and then transported by flume and canal to applicant's Oroville Reservoir, where it is chlorinated. Construction by the State of the Thermalito Power Canal will require construction of a new alum treatment plant, abandonment of applicant's flume and a major portion of the canal extending from the Cherokee

Reservoir to the Oroville Reservoir, modification of the Cherokee Reservoir and construction of a pipeline and new canal to replace applicant's facilities to be abandoned.

Applicant alleges that, except for minor incidental expenses, the entire cost of the contracted project will be borne by the State and that, in applicant's judgment, the new facilities, when exchanges have been completed between the parties pursuant to the terms of the contract, will be equal to the existing facilities.<sup>1</sup>

We find that execution and performance of the contract herein referred to will not be adverse to the public interest.

A public hearing is not necessary.

O R D E R

IT IS HEREBY ORDERED that:

1. Applicant, after the effective date of this order, may execute and carry out the terms and provisions of a contract, dated July 20, 1964, with the State of California, acting by and through the Department of Water Resources, a copy of which is attached to the application herein as Exhibit A thereof.

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<sup>1</sup> The exchanges referred to contemplate that upon completion and acceptance of the work by the applicant the State will convey to applicant title to the new facilities necessary to the operation thereof and that applicant, concurrently, will quitclaim to the State all of applicant's right, title and interest in and to the facilities to be abandoned.

2. Applicant, within thirty days after execution of said contract, shall file with the Commission two fully conformed copies thereof, as executed.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 16<sup>th</sup> day of FEBRUARY, 1965.

Fredrick B. Holcomb  
President  
Paul E. ...  
George H. Grover  
Augusta  
Melvin ...  
Commissioners