

EK

ORIGINAL

Decision No. 78573

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
K. J. McGRANAHAN and MAHLON McPHERSON
dba BIG BASIN WATER COMPANY, a
partnership, for authorization to
enter into an agreement providing for
the sale of surplus water to
RIVERSIDE GROVE WATER COMPANY.

Application No. 52215
(Filed September 28, 1970)

John Lyons, Attorney at Law, for applicants.
Dennis J. Weller, for Riverside Grove Water
Company, and Arthur Stewart, for Robin
Hood's Retreat Improvement Club, Inc.,
interested parties.
Michael J. Stecher, Attorney at Law, for the
Commission staff.

O P I N I O N

K. J. McGranahan and Mahlon McPherson, doing business as Big Basin Water Company (Basin), in the vicinity of Boulder Creek, request authority to deliver surplus water to Riverside Grove Water Company (Grove), subject to the terms and conditions as set forth in Exhibits Nos. 1 and 4 in this proceeding.

Public hearing was held before Examiner Daly at San Francisco on February 25, 1971, with the matter being submitted on receipt of late-filed Exhibit No. 4, which has been since filed and considered.

Pursuant to a contract approved by the Commission by Decision No. 38878 dated April 23, 1946, in Application No. 27357, Basin has been selling surplus water to Grove at a rate of five cents per 100 cubic feet.

The record indicates that during the dry season Basin does not have sufficient water to meet its own demands and those of Grove and in recent years has been purchasing water at 38 cents per 100 cubic feet from the San Lorenzo Water District to satisfy all requirements of Grove. Because its costs have greatly increased since 1946 and because of the continuing losses that it is sustaining under the present contract with Grove, Basin requests Commission approval of a new contract. Under the terms of the proposed contract Grove would pay 10 cents per hundred cubic feet for water delivered from Basin's own sources of supply and 42 cents per hundred cubic feet for water received from the San Lorenzo Water District. The contract also provides that if the cost of the water purchased from the San Lorenzo Water District should change then the price paid by Grove shall be maintained at four cents in excess of the price paid by Basin.

The president of Grove expressed several objections to the contract. The objections were satisfied by amending paragraphs 3, 5 and 7 of the contract to read as follows:

"3. The determination of whether water is delivered by BASIN to GROVE from BASIN's own sources or from the San Lorenzo Water District shall be made as follows. When BASIN begins to receive water from the San Lorenzo Water District, BASIN shall read the meter measuring the delivery of water by the District to BASIN. Within two hours of the time that meter is read, the meter measuring the delivery of water by BASIN to GROVE shall be read. When BASIN ceases to receive water from the District, BASIN shall read the meter measuring the delivery of water by the District to BASIN. Within two hours thereafter, the meter measuring the delivery of water by BASIN to GROVE shall be read. During the time BASIN is taking water from the District, all water taken by GROVE from BASIN, not exceeding the amount taken by BASIN from the District, shall be deemed to be delivered to GROVE as surplus water resulting from the delivery of water to BASIN by the District. All other water delivered by BASIN to GROVE shall be deemed surplus water from BASIN's own sources of supply."

"5. Bills rendered by BASIN to GROVE hereunder shall be rendered monthly and shall be due and payable within five (5) days after mailing by BASIN. If GROVE shall default in respect to payment of any such bill for a period of more than sixty (60) days, BASIN may at its option cancel and terminate this agreement and cease delivery of water to GROVE upon thirty (30) days' written notice to GROVE and the Public Utilities Commission of the State of California."

"7. All water delivered to GROVE hereunder shall be used only for domestic and commercial purposes in the service area of GROVE recognized by the Public Utilities Commission of the State of California, and shall not be resold by GROVE to any other party. GROVE agrees to continue to furnish water to the customers of BASIN in the Robin Hoods Retreat Area, free of charge to BASIN. BASIN agrees to read the meter on the main leading from GROVE's main to the Robin Hoods Retreat Area within two hours of the time it reads the meter measuring the delivery of water by BASIN to GROVE, and agrees to subtract from the amount of water for which GROVE is billed the amount delivered by GROVE to the Robin Hoods Retreat Area. BASIN also agrees to install a meter on the main of GROVE leading to the swimming pool in the Robin Hoods Retreat Area, and to read that meter within two hours of the time it reads the meter measuring the delivery of water by BASIN to GROVE, and agrees to subtract from the amount of water for which GROVE is billed the amount delivered by GROVE to that swimming pool."

After consideration the Commission finds that:

1. Basin has been selling water to Grove at a rate of five cents per 100 cubic feet pursuant to a contract approved by this Commission in 1946.

2. During certain periods of the year Basin is required to purchase water from the San Lorenzo Water District at the rate of 38 cents per 100 cubic feet in order to meet its own requirements and those of Grove.

3. According to the terms of the proposed agreement Grove will pay for only that amount of water acquired from the San Lorenzo Water District that it actually uses. In all other instances Grove will pay only 10 cents per 100 cubic feet of water, which is 5 cents more than it has been paying since 1946.

4. The increases in rates as set forth in Exhibit No. 1 and as amended by Exhibit No. 4 are just and reasonable.

O R D E R

IT IS ORDERED that:

1. After the effective date hereof K. J. McGranahan and Mahlon McPherson, doing business as Big Basin Water Company, and Riverside Grove Water Company may execute the agreement as set forth in Exhibit No. 1 as amended by Exhibit No. 4.

2. Within ten days after executing said agreements applicant shall so notify the Commission and shall file with the Commission a copy thereof.

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

Dated at San Francisco, California, this 20th
day of APRIL, 1971.

William J. Sproule, Jr. Chairman
Max J. [Signature]
Vernon L. Stinson
[Signature] Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.