

Decision No. 80460

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
WASHINGTON WATER AND LIGHT COMPANY,  
a California corporation, for a  
certificate of public convenience  
and necessity authorizing Applicant  
to furnish public utility water  
service in a certain portion of  
Yolo County, California.

Application No. 53333  
(Filed May 16, 1972)

O P I N I O N

Washington Water and Light Company, a California corporation wholly owned by Citizens Utilities Company of Delaware, requests a certificate of public convenience and necessity to construct and operate a public utility water system in an area called the Southport Development of approximately 361 acres in Yolo County adjacent to that portion of applicant's present service area designated as the Port District in the vicinity of West Sacramento.

The staff in its report of its investigation of this application, dated July 27, 1972, hereby received as Exhibit No. 1, states that applicant was providing water service for 5,811 customers as of June 30, 1972, in West Sacramento, Bryte, Broderick, Port of Sacramento, Arlington Oaks, and Linden Acres.

The area for which applicant is requesting a certificate of public convenience and necessity is to be developed by a partnership known as "Fredricks Southport".

The Fredricks Southport partnership is composed of West Sacramento Port Center, Inc., a California corporation and a subsidiary of Del Monte Corporation, with Fredricks Development Corporation, a California corporation and a subsidiary of Pacific Lighting Corporation.

Initial development of the project will include 540 multi-family units, 492 single-family units and a recreation center which will include a tennis club. Complete development of the project will include 2,540 multi-family units, 540 single-family units, a recreation center and a commercial site including a market, drug store, and miscellaneous service shops.

The proposed development will not be interconnected with applicant's existing systems at the time of initial construction. However, applicant is developing long range plans for water service in this part of Yolo County which will provide for such physical interconnections after the fifth year of development of the requested area.

An extension of the Arlington Oaks System will be used for construction of the water treatment and other utility plant in the requested area. Exhibits A and B attached to the application delineate the location of applicant's present systems, the requested area, and location of the proposed supply and treatment facilities.

The Yolo County Board of Supervisors by its Resolution No. 72-26, dated June 21, 1972, has requested this Commission to extend applicant a certificate of public convenience and necessity to supply water service to the proposed area.

There are no other water purveyors in Yolo County adjacent to applicant's service areas. Water service on the east side of the Sacramento River is provided by the City of Sacramento Municipal Water Department.

Applicant states that the County of Yolo does not require public utility water companies to secure county franchises. On February 11, 1972, applicant applied to the State of California Human Relations Agency, Department of Public Health, to renew its public water supply permit. Said application for a permit is still pending.

Applicant sets forth its proposed service criteria in Appendix A to the application as follows:

"The Southport water system will be designed to meet all appropriate service and quality criteria. Water will be obtained from a new well located as shown on Exhibit 'B'. Water quality will meet U.S. Public Health Service Drinking Water Standards and the Proposed Rules and Regulations Relating to Quality of Domestic Water Supplies of the California Department of Public Health. Based on the quality of water from wells in the vicinity, it is expected that treatment will be required for control of iron, manganese, and possibly other constituents. While chemical treatment for control of iron and manganese precipitation may be found adequate, it is assumed for purposes of this description and cost estimate that filtration will be needed.

"Distribution pressures and supply capability will meet all requirements of FUC General Order No. 103, and the proposed Minimum Requirements for Design and Construction of Facilities for the Production and Delivery of Water for Domestic Use (1971). Minimum distribution pressure will be 35 psi or higher; normal system pressure will be 60 psi.

"Fire protection will meet the expected criteria of the Insurance Services Office insofar as they are known. Generally, fire flows will be consistent with the present fire underwriters criteria, but flow durations and storage requirements are less."

Based on the foregoing criteria, applicant computes the water supply and storage requirements to be:

	<u>Initial System</u>	<u>Ultimate System</u>
Maximum daily demand, mgd	1.7	3.5
Peak demand, gpm	2,400	4,800
Fire flow, gpm	2,500	3,000
Fire flow duration, hrs	2	3
Storage volume, mg	0.6	1.0

Initially, applicant proposes that the water supply system will comprise the following major components:

1. A 1,200-gpm well.
2. A 1,200-gpm filtration plant for iron and manganese removal; including chemical systems, backwash storage and recovery tank, sludge storage lagoon, and automatic control systems.
3. A 1.0 million gallon storage tank.
4. A 3,700-gpm booster pumping system; including three pumps and automatic flow-responsive controls.

Estimated cost of the facilities to be provided initially is \$354,000.

In addition to the proposed supply facilities a connection will be provided to the existing Arlington Oaks system for emergency use. The Arlington Oaks supply system includes a 550-gpm well.

Supply system reliability will also be enhanced by piping interconnections which will permit bypassing of the filter plant, the storage tank, and the booster pumps--singly or in any combination.

Future additions to the Southport water supply system will include:

1. Two additional 1,200-gpm wells.
2. A second 1,200-gpm filter.
3. Increase of booster pumping capacity to 5,400 gpm.
4. Engine-generator set for emergency pumping and control system power.

Applicant estimates the cost of these deferred supply facilities (1972-73 price level) to be \$216,000.

Applicant alleges that completion of the proposed water supply system will afford a high degree of supply reliability. A high level of service will be sustained during a short-term power outage, or with an extended outage of one well, a filter, or all booster pumps.

The estimated cost of the proposed distribution system is \$825,530 and the total cost of all facilities is estimated to be \$1,395,530. All of this sum, except approximately \$10,000 thereof for meters, will be advanced to applicant by the developers, subject to refund under applicant's Main Extension Rule No. 15.

The staff concurs that the use of applicant's main extension rule is appropriate for all facilities except the treatment plant. In order to prevent future rates from becoming excessive, the staff recommends that the amounts advanced for financing the treatment facilities should not be subject to refund.

Applicant proposes to charge presently authorized rates in this development.

The staff recommends that:

1. Applicant be granted a certificate of public convenience and necessity to construct and operate a public utility water system as set forth in the application.

2. Applicant be ordered to revise its tariff sheets for service area maps, rates, and table of contents to include the requested area.

3. The Commission require that treatment facilities be financed by contributions in aid of construction.

4. The Commission require that service shall not be furnished to the public until a water supply permit covering the proposed system is first secured from the Department of Public Health.

#### Findings and Conclusions

We find that:

1. Public convenience and necessity require the construction of the proposed water system to serve the Southport Development in Yolo County.

2. Applicant must develop a water supply of adequate quality and quantity.

3. The application of applicant's present rates for water service in the Southport Development is reasonable considering the lack of operating experience in the new area.

4. Applicant has the financial ability to serve the Southport Development.

5. The staff recommendations are reasonable.

6. The construction and operation of the proposed water system will have no known adverse effect on the environment, or on historical and aesthetic values, or on recreational and park areas, or on community values.

7. A public hearing is not necessary.

We conclude that the application should be granted to the extent and under the conditions set forth in the order which follows.

The certificate of public convenience and necessity issued herein is subject to the following provision of law:

The Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity, or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the issuance of such franchise, certificate of public convenience and necessity or right.

The action taken herein is for the issuance of a certificate of public convenience and necessity only and is not to be considered as indicative of amounts to be included in proceedings for the purpose of determining just and reasonable rates.

### O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Washington Water and Light Company, subject to the

conditions of this order, authorizing it to construct a public utility water system to serve the Southport Development in Yolo County as delineated in Exhibits A and B attached to Application No. 53333.

2. Applicant is authorized to apply its presently filed tariff rates and rules to the area herein certified.

3. Within ten days after the date service is first rendered to the public within the area herein authorized, applicant shall submit written notice thereof to this Commission.

4. Applicant is authorized to file after the effective date of this order a tariff service area map clearly indicating the boundaries of the area authorized to be served. Such filing shall comply with General Order No. 96-A and shall be effective on the fourth day after the date of filing.

5. Washington Water and Light Company shall enter into an agreement with Fredricks Southport whereby Fredricks Southport will finance the installation of all necessary treatment facilities for its development. These funds shall not be subject to refund and shall be accounted for by the utility as Contributions in Aid of Construction. Within ten days before service is first furnished to the public under the authority granted herein, a copy of this agreement shall be filed with this Commission.

6. A water supply permit covering the proposed system shall have been secured from the Department of Public Health before service is first furnished to the public. A copy of said permit shall be filed in this proceeding.

7. The authority to serve the area granted herein shall expire unless the designated map is filed within one year after the effective date of this order.

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

Dated at San Francisco, California, this 31<sup>st</sup> day of AUGUST, 1972.

Vernon L. Springer President  
William J. Lyons Jr.  
[Signature]  
[Signature] Commissioners

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