

Decision No. 84903**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CITIZENS UTILITIES)	
COMPANY OF CALIFORNIA to increase)	Application No. 54960
its rates and charges for its water)	(Filed June 12, 1974)
system serving the Niles-Decoto)	
area in Alameda County.)	

ORDER REOPENING PROCEEDING

This Commission is gravely concerned about the quality of water service provided in the Niles-Decoto district, and we propose to test our own jurisdiction, if necessary, in pursuit of a remedy. We are aware that the parties are presently engaged in condemnation proceedings that may ultimately provide a satisfactory solution. But we are concerned about the probable duration of that proceeding and the standard of service to be maintained in the interim. Accordingly we reopen this proceeding for the purpose of determining whether there is a short-term solution whereby persons in that district can be furnished satisfactory water and if so, the procedure for accomplishing that result.

Based on the existing record, we consider the option of treating existing water sources to be unacceptable. In the reopened proceeding we intend to consider:

1. alternative sources of supply; 2. terms and conditions under which alternative sources may be made voluntarily available; 3. legal remedies whereby suppliers of alternative sources may be compelled to furnish water. We are prepared to

order the applicant or to commit this Commission to engage in litigation, if necessary, to obtain an alternative source of supply.

IT IS ORDERED that:

1. The matter of Application No. 54960 is reopened for further hearings for the purpose of considering:

- a. Whether there are alternative sources of water supply;
- b. Terms and conditions under which alternative sources may be made voluntarily available;
- c. Legal remedies whereby suppliers of alternative sources may be compelled to furnish water to the applicant.

2. Public hearing in this proceeding shall be held before such Commissioner and/or Examiner and at such time and place as may hereafter be designated and all parties hereto shall be notified at least ten days before said hearing.

The effective date of this Order is the date hereof.

Dated at San Francisco, California, this 16th day of September, 1975.

*I will file dissent
William S. Quon Jr.
I will file a
dissent
Vernon L. Sturgeon*

[Signature]

President
[Signature]

[Signature]

Commissioners

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COMMISSIONER WILLIAM SYMONS, JR., DISSENTING

COMMISSIONER VERNON L. STURGEON, DISSENTING

The enumerated purposes in the "Order Reopening Proceedings" are not in themselves objectionable, yet the purposes could be better accomplished, without harmful delay, in either of two ways:

- (1) an independent Order Instituting Investigation, or
- (2) a briefing by our staff on available legal recourses open to the Commission and negotiations with the protagonists who hold it within their power to effect a solution to the problems of the citizens of Niles-Decoto.

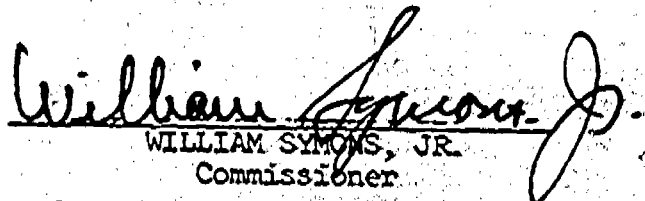
Either solution is preferable to the reopening of this case, begun 15 months ago, which was submitted and has been pending decision by this Commission for 7 months.


The only sure result of the reopening is continued delay. Such delay translates into effective denial of rate relief otherwise justified and due. The operating results found by the Examiner and recommended for adoption are reasonable. They show that operating expenses reasonably incurred in the test year 1975 are \$77,000 higher than the 1972 test year which underlies present rates. With rate relief effectively denied, the return on equity in 1975 for this company with a rate base of \$1,425,000 dedicated to public services, falls to an uneconomic 3.02 percent. Already 8 months have elapsed in the test year with this condition prevailing. To continue the situation without relief and for no necessary reason is not responsible regulation.

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If continued delay is the sure result of the reopening, the unsure result is that any new information will be offered or that any alternate source of supply of quality water will be forthcoming voluntarily for the use of the people living in Niles-Decoto. Our experience and the record in this case is replete with the foot-dragging and intransigence on the part of public agencies -- such as Alameda County Water District -- whose charge it is to work in the public interest, who have the ability to help, yet who find advantage in sitting idly by while the cries of the people who suffer are raised.

San Francisco, California
September 16, 1975


WILLIAM SYMONS, JR.
Commissioner


VERNON L. STURGEON
Commissioner