

Decision 84 03 053

MAR 21 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Application of ALISAL WATER)
CORPORATION for authority to)
(1) include the area formerly) Application 83-12-26
served by WILDWOOD MUTUAL WATER) (Filed December 9, 1983)
COMPANY in its service area and)
(2) to establish rates for service.)

O P I N I O N

This is an application by Alisal Water Corporation (Alisal) which seeks authority to serve the area formerly served by Wildwood Mutual Water Company (Wildwood) and to establish rates for water service in that area.

Notice of filing of the application was mailed to each customer of Wildwood. It also appeared in the Commission's Daily Calendar on December 20, 1983. Wildwood's Board of Directors, after notice to Wildwood's shareholders, voted to support the application. Two Wildwood customers wrote letters supporting the application. There are no protests.

The Commission makes the following findings and conclusion.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. Alisal owns and operates a water system in the easterly portion of the City of Salinas and in adjacent unincorporated areas of Monterey County.
3. Wildwood's water system is located in an unincorporated portion of Monterey County, about seven miles southwest of Alisal's service area. Wildwood has 65 active service connections.

4. Wildwood's water supply is obtained from two wells, each equipped with a 15 horsepower submersible turbine pump. The distribution system consists of approximately 6,000 feet of 3½ inch and smaller steel pipe. Storage is obtained from two 15,000 gallon steel tanks and one 75,000 gallon concrete reservoir. No fire protection is provided.

5. Alisal and Wildwood have entered into an agreement for Alisal to acquire Wildwood, subject to the Commission granting Alisal operating authority for the area.

6. The Wildwood system does not presently meet all Commission construction standards. Alisal plans to make such replacements and improvements to the system as are needed to meet the standards of General Order No. 103 and Salinas Rural Fire District in an orderly fashion over a period of time. Alisal proposes to immediately correct certain critical deficiencies (other than the lack of adequate fire protection) to enable it to provide an acceptable level of water service. When the upgrading of the Wildwood system has been completed the average investment per service will still be substantially lower than the remainder of the Alisal system, so it will not place any burden on existing customers. The Wildwood area is close enough to Alisal's existing service area that it can be operated without increases in existing personnel. Unit costs of water production, and system operation, maintenance, supervision, billing, accounting, engineering and administrative costs will be essentially the same for the new area as for Alisal's existing system.

7. Wildwood provided flat rate water service to all its customers at a rate of \$20.00 per month. Alisal proposes to meter the entire system and to apply its existing metered rates. Until such time as services have been metered, Alisal proposes to continue the existing flat rate of \$20.00 per month.

8. There are no public utility water companies in the immediate vicinity of Wildwood with which this water system is likely to compete. The nearest water system is a mutual water company, located about one-half mile from Wildwood. This mutual, Pedrazzi Mutual Water Company, has not indicated any desire to serve the Wildwood area.

9. Applicant has a countywide franchise granted by the County of Monterey. No additional franchise will be required to extend service to the new area.

10. Alisal presently has a water supply permit issued by the State Department of Health Services. Upon extension of service to the new area, Alisal will apply to amend its existing permit or will apply for a new permit for the new sources of water supply.

11. As of December 31, 1982, Alisal had assets of \$1,731,839. In 1982, it had operating revenues of \$555,962 and net earnings of \$34,887.

12. Alisal has the ability, including financial ability, to provide water service in the area requested.

13. Public convenience and necessity require that Alisal be granted a certificate of public convenience and necessity to operate as a water corporation in the Wildwood area, more particularly set forth in Exhibit B attached to the application.

14. It would be reasonable to authorize Alisal to charge Wildwood's flat rate until it establishes metered service, at which time it should be authorized to charge its metered service rates in the area here involved.

15. Since it will facilitate better water service for customers in the Wildwood area, this decision should be effective on the date of issuance.

16. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusion of Law

The application should be granted.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity to operate as a water corporation as defined in PU Code § 241 is granted to Alisal Water Corporation authorizing it to serve the area formerly served by Wildwood Mutual Water Company, Monterey County, which area is more particularly described in Exhibit B to A.83-12-26 and by this reference made a part hereof.
2. Alisal Water Corporation is authorized to file the tariff sheet attached to A.83-12-12 as Exhibit D to apply to the area which it is herein authorized to serve. The effective date of the tariff sheet shall be 5 days after filing.

3. After the effective date of this order, Alisal Water Corporation shall file revised service area maps in compliance with General Order Series 96 and apply its present tariffs, as revised in accordance with Ordering Paragraph 2, to the area certificated by this order.

This order is effective today.

Dated MAR 27 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO

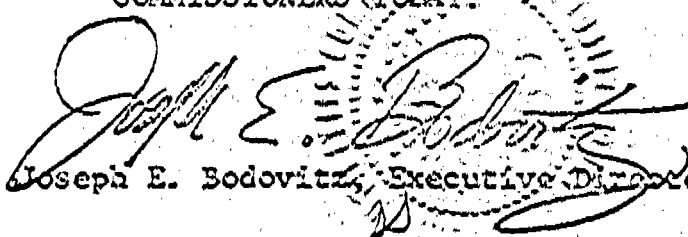
PRISCILLA C. GREW

DONALD VIAL

Commissioners

Commissioner William T. Bagley
being necessarily absent, did
not participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director