

Decision 89-08-038 August 3, 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's
own motion into the practices of
Citizens Utilities Company of
California, its operating divisions
and its subsidiaries, with regard
to the transfer of real property
rights and the management of its
watershed resources.

OII 83-11-09
(Filed November 30, 1983)

In the Matter of the Application
of Citizens Utilities Company of
California for authority to increase
rates and charges for water service
in its Guerneville Water District.

Application 60220
(Filed January 27, 1981)

SUPPLEMENTAL OPINION

In Decision 88-04-068, pertaining to the Guerneville District of the Citizens Utilities Company of California (CUGC), the Commission ordered CUGC:

"4. ...to hire a competent and independent geohydrologist familiar with local conditions to explore potential off-river sources of water, especially those associated with tributary streams feeding into the Russian River..."

"5. ...to report to the Commission on the outcome of such exploration within one year of the effective date of this interim order so that the Commission can determine whether CUGC should be authorized to drill the three high production wells in the Russian River alluvium recommended by its engineering consultant."
(Id., pp. 53-54.)

CUCC hired the consultants, as directed, and they performed the required study. Based on the consultants' report, CUCC recommended to the Commission by letter dated February 20, 1989, that it not be required to pursue development of wells in the tributary valleys. In its view commercially exploitable quantities of water may not be obtainable in those valleys without adverse consequences to the water table. Also, the costs of treatment are uncertain, and they may make water from these areas unacceptably costly.

Since the consultants for CUCC did not drill any test wells, the administrative law judge, at the request of the assigned Commissioner, directed CUCC to propose a nominal test well drilling program that would provide an empirical basis for determining whether the Commission should direct CUCC to pursue wells in the tributary valleys or to drill near the Russian River, as CUCC's consultants had earlier recommended. CUCC submitted its test well proposal by letter of June 19, 1989.

The proposal has the support of the Water Utilities Branch and of the consultants for the Sweetwater Springs Water District (District).

CUCC's proposed test well drilling program calls for a detailed study of existing data, the selection of a site most likely to produce commercial quantities of water, and the drilling of one test well. The cost of this program is estimated to be \$113,788: \$0.69 per month per customer, if CUCC finances the program; or \$0.33 per month per customer, if it is financed by Safe Drinking Water Bond Act loan. Additional test wells could be drilled at a cost of \$60,000 per well.

Findings of Fact

1. The proposed test well program is reasonably required to determine if commercially exploitable water supplies are available at sites away from the Russian River.

2. Assuming that the program will be funded by SDWBA loan, the cost of \$.33 per month per customer is reasonable to ensure that commercial quantities of safe and potable water are not overlooked.

Conclusions of Law

1. The proposed test well program should be approved and CUCC should be ordered to execute it, subject to the conditions set forth in the following order.

2. The following order should be effective immediately to allow work on the test wells to begin promptly.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Citizens Utilities Company of California (CUCC) shall execute, as soon as reasonably feasible, the test well drilling program proposed by its consultants, subject to the following conditions:

- a. CUCC or its consultants shall drill, or cause to be drilled, a minimum of one and a maximum of three test wells in the tributary valleys.
- b. During the progress of the work, CUCC shall inform Winzler & Kelly, consultants for Sweetwater Springs Water District (District), of any differences between the actual well drilling process and the proposal.
- c. During the execution of the work, CUCC or its consultants shall inform Winzler & Kelly or their subconsultant, Todd Engineers, at critical decision points. CUCC or its consultants and District or its consultants should mutually identify in advance the critical decision points and the procedure for providing notice thereof to District or its consultants.

- d. CUCG shall include the costs of the test well drilling program in its Safe Drinking Water Bond Act project in order to minimize the cost thereof to the consumer.
2. The Executive Director is directed to send a copy of this order by regular mail to the District.

This order is effective today.

Dated AUG 3 1989 , at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Commissioner Stanley W. Hulett,
being necessarily absent, did not
participate.

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



Victor Weisser, Executive Director

AB

ORIGINAL

Decision 89 08 038 AUG 3 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the practices of Citizens Utilities Company of California, its operating divisions and its subsidiaries, with regard to the transfer of real property rights and the management of its watershed resources.

OIT 83-11-09
(Filed November 30, 1983)

In the Matter of the Application of Citizens Utilities Company of California for authority to increase rates and charges for water service in its Guerneville Water District.

Application 60220
(Filed January 27, 1981)

SUPPLEMENTAL ORDER

In Decision 88-04-068, pertaining to the Guerneville District of the Citizens Utilities Company of California (CUC), the Commission ordered CUC:

- "4. ...to hire a competent and independent geohydrologist familiar with local conditions to explore potential off-river sources of water, especially those associated with tributary streams feeding into the Russian River."
- "5. ...to report to the Commission on the outcome of such exploration within one year of the effective date of this interim order so that the Commission can determine whether CUC should be authorized to drill the three high production wells in the Russian River alluvium recommended by its engineering consultant."
(Id., pp. 53-54.)