

smc \*

Decision No. 86736

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & )  
Electric Company in Connection )  
with its Sundesert Nuclear )  
Project. )

Application No. 55534

ORDER APPROVING SETTLEMENT OF PETITION  
FOR REHEARING FILED BY CITY OF LOS ANGELES,  
DENYING PETITION FOR REHEARING BY CALIFORNIA  
FARM BUREAU, AND MODIFYING  
DECISION NO. 86629

On November 15, 1976, San Diego Gas & Electric Company (SDG&E) filed its Petition for Certification of Final Environmental Impact Report on Water Supply Phase. The petition asked that the Commission issue its opinion granting such certification substantially in the form of a proposed decision attached to SDG&E's petition. SDG&E also requested that the Commission consider the petition and adopt the proposed decision at its next scheduled meeting.

On November 16, 1976, the Commission considered SDG&E's petition during its regularly scheduled meeting and issued Decision No. 86629, substantially similar to but with some modifications of the proposed opinion and order submitted by SDG&E. Decision No. 86629 was effective the date thereof.

On November 17, 1976, the City of Los Angeles (City) filed its Petition for Rehearing and Immediate Stay of Decision No. 86629, alleging that it was denied due process by not being given an opportunity to respond to SDG&E's petition, and that the proposed decision contained inadequate findings with respect to the proper price structure for the water which SDG&E will purchase and with respect to the reliability of the water supply. By Decision No. 56683, dated November 23, 1976 a stay of Decision No. 86629 was granted pending consideration of said petition for rehearing. On November 26, 1976 the California Farm Bureau filed a petition for rehearing.

By telecopy communication received on December 3, 1976, counsel for City, SDG&E, and Metropolitan Water District have provided written notice that they have agreed to a settlement of the issues raised by the City's petition by agreeing to a modification of Finding of Fact No. 23.

Upon review of this proposed modification the Commission finds this agreement consistent with the record and that it is acceptable. The Commission has also considered each and every allegation of the California Farm Bureau's petition for rehearing, and has concluded that rehearing should be denied, but that Decision No. 86629 should be modified.

THEREFORE IT IS ORDERED that:

1. Finding of Fact No. 3, appearing on page 13 of Decision No. 86629 in the above entitled proceeding is modified to read as follows:

3. The Final EIR Water Supply provides detailed information pertinent to impacts specifically connected with the water supply aspects of the three proposed sites for the Sundesert Nuclear Project.

2. Finding of Fact No. 13, appearing on page 15 of Decision No. 86629, is modified to read as follows:

13. The short-term uses of man's environment relating to the Sundesert Water Supply Phase consist mainly of adverse visual effects and the reduction in use of lands for agricultural purposes. In this case the extent of natural vegetation and animal life displaced by the water pumping and conveyances facilities will be negligible.

3. Finding of Fact No. 23, appearing on page 19-20 of Decision No. 86629 is modified to read as follows:

23. The Exceptions of the City of Los Angeles to the Final EIR raise issues which are more appropriate for consideration in other forums. The issue as to the proper price structure for MWD to utilize for the provision of water is a complicated question and is the subject of litigation pending in the Superior Court in and for the County of Los Angeles, Case No. 136402, The City of Los Angeles et al. v. The Metropolitan Water District of California, et al. MWD

smc \* A. 55534

has never charged water rates to any customers, or class of customers calculated on a basis to recover MWD's full cost of service. Section 134 of the Metropolitan Water District Act provides a basic authority for the establishment of rates by MWD and describes the type of costs which must be considered. Because MWD does not set rates solely upon a cost of service basis, it has not calculated rates for Sundesert on cost of service and has not determined if the rates actually to be set for SDG&E are above, below or equal to the costs MWD will in fact incur to serve SDG&E. While the Commission agrees that rates fixed on a true cost of service basis may vary from that set forth in the contract, we believe this issue, if addressed at all in relation to Sundesert, would more appropriately be addressed in an in-depth cost-benefit analysis of the entire project.

Second, City claims that there is no analysis of water curtailment in the final EIR. The Commission recognizes that curtailment is a vital issue in determining the most desirable site for Sundesert. No firm curtailment plan was presented in this proceeding. However, City has an opportunity to present this issue as well as the issue of the proper price structure for cooling water at adjudicatory hearings currently being held before the ERCDC on the Sundesert Project. ERCDC has made the reliability of water an issue to be considered in the Notice of Intention hearings on the Project.

4. Rehearing of Decision No. 86629 is hereby denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California this 7<sup>th</sup> day of DECEMBER, 1976.

*Abstain*  
*Hon*

Commissioners

*[Signature]*  
President  
*William Seymour J.*  
*Vernon L. Sturgeon*

*Robert Batimuel*  
Commissioners