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Decision No. 88475 FEB 7 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own  
motion into the operations, practices,  
service, equipment, facilities, rules,  
regulations, contracts and water supply  
of CITIZENS UTILITIES COMPANY OF  
CALIFORNIA, Montara District, serving  
the areas of Montara, Marine View,  
Farallone City, Moss Beach and adjacent  
territory in San Mateo County.

Case No. 10093  
(Filed May 4, 1976)

Application of CITIZENS UTILITIES  
COMPANY OF CALIFORNIA for authority to  
increase its rates and charges for its  
water system serving the areas of  
Montara, Marine View, Farallone City,  
Moss Beach and adjacent territory in  
San Mateo County.

Application No. 55538  
(Filed March 6, 1975)

ORDER REOPENING CASE NO. 10093  
FOR FURTHER HEARINGS

By its order dated May 4, 1976, the Commission instituted an investigation into the operations, practices, services, equipment, facilities, rules, regulations, contracts and water supply of Citizens Utilities Company of California, Montara District, for the purpose of determining:

1. Whether its available water supply and storage capacity is adequate and sufficient to enable it to serve existing customers in its certificated area;
2. Whether its available water supply and storage capacity is adequate and sufficient to enable it to serve new customers or additional connections in its certificated area;
3. Whether there are available additional sources of supply and whether it is feasible for it to obtain such sources of supply;

4. Whether it should be ordered to provide additional sources of supply or additional facilities to alleviate any inadequacy found to exist.

The matter was consolidated for hearing with Application No. 55538 and was heard on June 1, 2, 3 and 4, 1976 in Montara.

On August 3, 1976, Decision No. 86193 was issued and the utility was ordered to:

1. Acquire new sources of water for its Montara service area capable of producing at least 200 gallons of water per minute and within thirty days after the effective date of Decision No. 86193, and every thirty days thereafter until such new sources of water are in operation, file with this Commission a progress report.
2. Within sixty days after the effective date of Decision No. 86193 file a water management plan for the interim period from the date hereof until the time that the water supply has been increased as required. Such plan shall give priority to conservation of water and to assurance of continuity of service in an emergency.
3. Make no new connections until such time as it can demonstrate a sufficient water supply to provide for additional customers without adversely affecting service to existing customers. All applicants for water service having a building permit issued prior to August 3, 1976, shall be exempted.
4. Demonstrate a sufficient water supply based upon data taken from a well testing program, including existing wells and new wells, giving consideration to such factors of production as drawdown occurring with the simultaneous pumping of nearby wells or transmission pipeline limitations, and shall be conducted under the supervision of a registered engineer.

It has now been 16 months since Decision No. 86193 was issued. During that time there have been approximately a dozen applications for variance from the ban on new connections. The applications for variance have increased in volume since the Montara Sanitary District lifted its ban on new sewer connections in late April, 1977. The Commission expects that the volume will

continue to increase since an applicant for a building permit must have both a water and a sewer connection before a building permit can be granted.

Increasingly the applications for variance cite hardship from inability to obtain a water connection and hence a building permit. The longer the ban on new water connections remains in effect the greater the hardship on individuals who desire to connect to the system but cannot. Conversely, if new connections to the water system are permitted before the utility can demonstrate that it has adequate water supply, then a potential hardship of much greater magnitude is created for the existing customers in the event of an overdemand on the system's capacity such as occurred in the spring of 1976 and resulted in massive outages.

In view of the passage of time since August 3, 1976 and possible changed circumstances, the Commission is of the opinion that good cause exists to reopen this proceeding for the purpose of taking additional evidence concerning, but not limited to, the following items:

- 1) the utility's progress in developing new sources of supply and its prognosis for complete compliance with Ordering paragraph 1 of Decision No. 86193,
- 2) changed conditions in the system since August 3, 1976 with respect to the:
  - a. amount of storage
  - b. availability of spring water
  - c. ownership of the two airport wells
  - d. availability and cost of water from the airport and wells and other sources
  - e. condition of the groundwater table;
- 3) the present ability of the utility to serve existing customers,
- 4) other related matters.

IT IS ORDERED that the Case No. 10093 is hereby reopened. Hearings will be held before Administrative Law Judge Coffey commencing March 13, 1978, at the Hatch School, 498 Kelly Street, Half Moon Bay, California at 10:00 a.m. At these hearings the utility is to present evidence on the matters discussed in this order.

Evidence may also be presented by the public and the staff.

Service of this order shall be made on all parties to Case No. 10093.

Dated at San Francisco, California this 2nd day of FEBRUARY, 1978.

Robert Batimich  
President  
William J. Quinn  
James L. Spitzer  
Robert D. Howell  
Clare T. Dechile  
Commissioners