

Decision No. 92301 OCT 8 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CITIZENS UTILITIES COMPANY OF CALIFORNIA,)
a California Corporation, for a Certifi-)
cate of Public Convenience and Necessity)
to furnish public utility water service)
in a certain portion of Sacramento County)
and to exercise a franchise granted by)
the County of Sacramento.)

ORIGINAL

Application No. 59741
(Filed June 17, 1980)

✓
>S

O P I N I O N

Citizens Utilities Company of California (Citizens) applies for an order granting it a certificate of public convenience and necessity to construct and operate water system facilities on a tract of land in Sacramento County owned and proposed to be developed for residential use by McDonnell Douglas Corporation (MDC).^{1/} This tract of land consists of 1786 acres and is described in Exhibit 2 attached to the application.

There is no opposition to the application.

✓
SS

Citizens is a corporation organized and existing under the laws of the State of California, and is a wholly owned subsidiary of Citizens Utilities Company, a Delaware corporation. Citizens is authorized to, and is engaged in, providing public utility telephone and water services in various areas of California, including areas in Sacramento County, California.

^{1/} Applicant also seeks authority to exercise franchise rights granted to it by the city of Sacramento, under Sections 1002 and 1003 of the Public Utilities Code. Sections 1002 and 1003 of the Code have been repealed and no authority from this Commission is required to exercise franchise rights.

The application states that Citizens received a request from Sacramento Properties, Inc. (SPI), a subsidiary corporation of MDC, to provide public utility water service to a tract of land located in Sacramento County in an area which lies outside Citizens' presently certificated public utility service area. The tract includes certain parcels on which are located buildings formerly used by MDC for activities related to the space program and similar projects. SPI has undertaken further development of the tract for residential, commercial and industrial uses depending upon the best economic use of the property, market conditions and re-zoning.

The area in which the tract is located is not furnished with water service by any public, municipal, district or other water agency. Citizens' Suburban Water System of its Sacramento District is located approximately 3 miles from the tract.

Pursuant to SPI's request for water service, Citizens and SPI entered into a Water Facilities Agreement dated July 25, 1979, a copy of which is attached to the application together with a full description of the proposed development and extension, and the manner in which same will be constructed.

Sacramento County issued a franchise to Citizens to facilitate the provision of water service in the area discussed, which franchise is attached to the application. Also attached are a legal description of the area for which certification is requested and maps showing the location of the property, its relation to entities which provide water utility service, and the area for which a certificate is requested, including water system facilities, existing and proposed.

It is stated that the in-place water system previously installed to serve the MDC facilities will be conveyed by SPI

to Citizens in consideration for refunds to be made by Citizens to SPI in accordance with Citizens' Main Extension Rule No. 15. The original and depreciated costs of these facilities and the amount subject to refund are shown in attachments to the application. As additional facilities are required to serve the property, the costs of construction will be advanced to Citizens by SPI subject to refund in accordance with Main Extension Rule No. 15. Application attachments show that the cost of additional facilities is estimated to be \$1,440,100 of which \$1,216,900 will be advanced by SPI.

Citizens estimates that at the end of the first and fifth years the number of customers in the proposed extension will be 63 and 256, respectively, and that when the property has been fully developed, it will be serving 5,000 customers. A description of the proposed normal and emergency standbywater facilities for production and storage to serve these customers is included in attachments to the application.

The rates which Citizens proposes to charge for water service in the area of the proposed extension are those in effect for Citizens' existing Sacramento County tariff area and which are designated Schedules Nos. SAC-1, SAC-2R, SAC-4, and SAC-5. These schedules and other materials required by Rule 18 of the Commission's Rules of Practice and Procedure are attached to the application. SPI cannot complete all the financial arrangements necessarily precedent to the development of its property until water service thereto has been authorized, nor can it proceed with the sales of building lots without provision for water utility service. It is alleged that arrangements for electric and telephone utility services have been completed and the facilities installed, and that the orderly and economic development of the property requires

that public utility water service be available as soon as possible. Citizens states that, thus, there is an existing, immediate and urgent need for regular water service for both general and fire protection purposes, and that it should therefore be authorized to provide water service at the very earliest date.

On April 25, 1980, Citizens applied to the Department of Health Services of the State of California for a water supply permit for the proposed extension. Upon inquiry by the staff as to the progress of that application, the Department of Health Services advises that water samples collected at the McDonnell Douglas wells in August and September 1979 revealed no detectable amounts of TCE in the water and that a draft permit report will be ready for final approval by mid-november 1980. The order herein will be of no force and effect in the absence of the aforesaid water quality permit.

Findings of Fact

1. The proposed service area extension is not adverse to the public interest.
2. As Citizens requires early approval in order to expeditiously proceed with extension of its system, the effective date of this order should be the date of signing.
3. A public hearing is not required.
4. It can be seen with certainty that this extension of service territory will not have a significant effect on the environment.

Conclusion of Law

The application should be granted as set forth in the following order.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Citizens Utilities Company of California to extend its service area in accordance with its application, together with attachments, in file herein.

2. After the effective date of this order, applicant is authorized to file revised tariff sheets, including tariff service area maps, to provide for the application of its present tariff schedules to the areas certificated by this order. Such filing shall comply with General Order No. 96-A. The effective date of the revised tariff sheets shall be five days after the date of filing.

The effective date of this order is the date hereof.

Dated OCT 8 1980, at San Francisco, California.

John E. Bryan
President

Samuel L. Steigman

Michael D. Quock

[Signature]
Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.