

WATER/JB5/AJT/jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch**

**RESOLUTION NO. W-4725
December 4, 2008**

R E S O L U T I O N

(RES. W-4725), ALISAL WATER CORPORATION, dba ALCO WATER SERVICE (ALCO). ORDER AUTHORIZING ALCO PERMISSION TO PROVIDE WATER SERVICE TO FIVE PROPERTIES WITHIN ITS SERVICE AREA.

SUMMARY

By Advice Letter (AL) 124 filed on September 22, 2008, Alco requests permission, in compliance with Resolution No. W-4630, from the Commission to provide public utility potable water service to five properties in the service area that was added to Alco's existing certified service area through its AL 107.

Letters of request from the three property owners and/or responsible parties of the five properties were included in the advice letter filing. The three property owners and/or responsible parties are Mr. Lance Batistich, the property owner of one property; Mr. William Harder, the property owner of two of the properties; and Judge John Phillips, who is the responsible party for two of the properties and President of Rancho Cielo, the facility located on the properties. Both Mr. Batistich's and Mr. Harder's requests are to provide public utility potable water service to residences, and Judge Phillips' request is to provide public utility potable water service to his facility, Rancho Cielo, which is a youth rehabilitation facility in need of water to continue operating.

Upon Commission approval for Alco to provide public utility potable water service to these five properties, these new customers will be served, as per Alco's current authorized tariff schedule, directly from Alco's 30-inch water main that was installed per the requirements of the April 9, 2002 Federal Court Order.

BACKGROUND

On March 23, 2006, through AL 107, Alco requested an extension of its existing service area contiguous to its Salinas District, replacing an existing service area map with a new service area map showing a contiguous extension.

The full Commission reviewed the Division of Water and Audits (Division) ministerial approval of AL 107 and, through Res. No. W-4630, affirmed Division's decision to approve Alco's request of an extension of its service area contiguous to its Salinas District. Alco was also authorized to extended non-potable water service to the Rancho Cielo, Chemical Lime, and the Bubar properties as soon as possible.

With regard to providing service to new customers, Finding No. 11 of Res. No. W-4630 states:

"Alco should not extend service in the recently filed service area to new customers without first filing an advice letter requesting Commission approval to provide that service."

Ordering Paragraph No. 3 of Res. No. W-4630 reiterates this point when it orders:

"Alco shall not provide service to additional customers in its recently filed service area without Commission approval."

Alco received requests from three property owners and/or responsible parties to provide service to a total of five properties. Each of these properties is within the boundaries of Alco's current service area map as approved by AL No. 107 and affirmed by Res. No. W-4630. The water demand necessary to provide water service to these properties was taken into account in the Water Supply Questionnaire (WSQ) that Alco filed as part of its AL No. 107. The Division reviewed the WSQ and authorized Alco to add service area, which included these five properties.

In compliance with Res. No. W-4630, through AL No. 124, Alco requests the authority to provide potable water service to five properties belonging to the three property owners and/or responsible parties whose letters of request are included with this filing.

DISCUSSION

Alco's request to provide public utility potable water service to the five properties in the service area is in the public interest and is authorized. No matter who eventually provides service as determined by the Order Instituting Investigation (OII), the 30-inch pipeline will be the source of water. Approval of this advice letter does not prejudice OII 07-06-020.

NOTICE AND PROTESTS

In compliance with General Order 96-B and Water Industry Rule 4.1, a copy of this advice letter was mailed to all parties on the service list.

Protests were received from California Water Service Company (CWS) and the City of Salinas (Salinas).

Protest of California Water Service

CWS neglected to serve Alco a copy of CWS' protest. Alco, having been forwarded a late copy by another member of the service list filed a late response in protest and noted that not being served is a violation of the Commission's Rules, Standard Practices.

CWS' oversight of serving Alco a copy of its protest was inadvertent. Hence, we are accepting both CWS' protest as well as Alco's late response.

In its protest, CWS argues that Alco's request was not correctly designated as a Tier 1 advice letter and that such a request requires full Commission approval.

CWS has no objections to Alco providing service to the two Rancho Cielo properties. For the Harder and Batistich properties, CWS states that the relief requested is pending before the Commission in its Order Instituting Investigation (OII) 07-06-020. With the issue of which water purveyor - Alco or CWS - will serve the disputed service area still pending in the OII, CWS argues that approval is premature.

Protest of the City of Salinas

In its protest, Salinas also argues that the OII is not yet concluded and addresses whether Alco should be permitted to expand its service territory.

We agree with both CWS and Salinas that Alco's request requires full Commission approval. However, we disagree with both CWS and Salinas that provision of potable water service to the five properties has to wait a resolution of the disputed service area in the OII. The public interest in authorizing the provision potable water service to the five properties outweighs a resolution of the service area dispute in the OII.

COMMENTS

Public Utilities Code §311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Code §311(g)(2) provides that this 30-day period may be waived or reduced upon stipulation of all parties in the proceeding.

The 30-day comment period for the draft resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments. Timely comments were received from the City of Salinas in which it reiterates the arguments

raised in its protest to AL 124. Alco filed a reply to the Comments of the City of Salinas dated November 26, 2008.

FINDINGS

1. By Advice Letter No. 124 filed on September 22, 2008, Alisal Water Corporation, dba Alco Water Service (Alco) requests permission, in compliance with Resolution No. W-4630, from the Commission to provide public utility potable water service to five properties in the service area that was added to Alco's existing certified service area through its Advice Letter No. 107.
2. Alco is requesting permission to provide potable water service to three additional properties and two existing customers in the service area that was added to Alco's existing certified service area through its Advice Letter No. 107 authorized in Resolution No. W-4630.
3. In accordance with Resolution No. W-4630, Alco shall not provide service to additional customers in its recently filed service area without Commission approval.

THEREFORE IT IS ORDERED THAT:

1. Alco's request to provide public utility potable water service to the five properties in the service area is in the public interest.
2. Alco is authorized to supply potable water service to the five properties requested in Advice Letter No. 124.
3. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on December 4, 2008; the following Commissioners voting favorably thereon:

/s/ PAUL CLANON
Paul Clanon
Executive Director

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN

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December 4, 2008

RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners