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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of California-American  
Water Company (U210W) for Approval  
of the Monterey Peninsula Water Supply  
Project and Authorization to Recover All  
Present and Future Costs in Rates.

Application 12-04-019  
(Filed April 23, 2012)

**MOTION TO REQUIRE QUARTERLY PUBLICATION  
OF COMPLIANCE AND PROGRESS REPORT**

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Dated: December 12, 2012

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Pursuant to Rule 11.1 of the Commission’s Rules of Practice and Procedure, the Planning and Conservation League Foundation (“PCLF”) submits the following motion in the matter of California-American Water Company’s (“Cal-Am”) application for approval of the Monterey Peninsula Water Supply Project (“desalination project”). This motion requests that the Commission require Cal-Am to publish quarterly reports on the status of its compliance with the State Water Resources Control Board’s (“State Board”) cease and desist order (Order WR 2009-0060) and on its progress toward implementing the desalination project as well as alternatives in the event that Cal-Am fails to complete the desalination project by the cease and desist order’s December 31, 2016 deadline.

**I. INTRODUCTION**

The State Board’s cease and desist order mandates that Cal-Am halt its illegal diversions from the Carmel River by December 31, 2016. These diversions currently constitute approximately 70% of Cal-Am’s water supply for the company’s Monterey County District. (Cal-Am Application, April 23, 2012, at p. 2.) Cal-Am proposes to fill this significant void through a combination of desalination, groundwater replenishment, and aquifer storage and recovery. (*Id.* at p. 5.) Desalination will account for the majority of these new supplies and forms the subject of the application in this proceeding.

Cal-Am has stated that the desalination plant should commence operations in late 2016, barely in time to meet the cease and desist order’s deadline. The CPUC process, though, has already experienced significant delay, and Cal-Am now does not plan to drill its

test wells until the winter of 2013-2014, one year later than planned. Further delays will only increase the risk that Cal-Am will fail to comply with the cease and desist order, entailing potentially severe restrictions on water usage in Cal-Am's Monterey County District. Given the serious consequences of non-compliance for ratepayers in Monterey County, and the gravity of the violations that led to the cease and desist order, PCLF believes that the public should be informed of Cal-Am's progress toward satisfying the State Board's conditions. For this reason, PCLF submits the instant motion to require quarterly publication of the information outlined below.

## **II. QUARTERLY PUBLICATION OF REPORT ON COMPLIANCE STATUS AND ON PROGRESS IN IMPLEMENTING PROJECT AND ALTERNATIVES**

Pursuant to the Commission's authority to order reports under Public Utilities Code, section 584, and the Commission's general authority to supervise and regulate public utilities under Public Utilities Code, section 701, PCLF moves that the Commission require Cal-Am to publish, on a quarterly basis, the status of its compliance with the cease and desist order, as well as its progress toward implementation of the desalination project and any alternatives that might become necessary if Cal-Am fails to meet the State Board's deadline. PCLF requests that the Commission order these reports to be published in a readily accessible location on Cal-Am's website and a notice of availability and summary of these reports in a newspaper of general circulation within Cal-Am's Monterey County District.

The information in these reports should include updates on the timeline for the desalination project (anticipated permit approvals, test well drilling and plant design status, current negotiations for public participation, etc.), as well as details on Cal-Am's preparation of alternative supply options in the event of a delay in, or termination of, Cal-Am's desalination project. The reports should also disclose the water use restrictions and any additional measures that Cal-Am will have to impose if sufficient desalination or other supplies are not available by the end of 2016.

These reports may repeat or refer to information already prepared by Cal-Am to meet State Board quarterly reporting requirements under the cease and desist order. (See State Water Resources Control Board Order WR 2009-0060, at pp. 61-62; California-American

Water Monterey County District Tariff Area Website, at <http://www.amwater.com/caaw/customer-service/rates-information/monterey-district.html>.) They would also likely contain updated summaries of the information previously submitted by Cal-Am in compliance with the Administrative Law Judge's Ruling Concerning Contingency Plans, issued on August 30, 2012.

These reports are essential for Cal-Am's ratepayers and the other parties in this proceeding to understand both the status of Cal-Am's project as it moves forward and the possible ramifications of failing to meet the cease and desist order's deadline. This is crucial to enable informed public participation in decisions relating to future water supplies in Cal-Am's Monterey County District. Given the importance of this issue to the economy of Monterey County and the wellbeing of its residents and environment, the Commission should ensure that Cal-Am continues to provide reports that summarize relevant developments in the preparation of alternative water supplies. PCLF thus requests the Commission to require Cal-Am to file and publish quarterly reports that contain the abovementioned information and are easily available to any interested parties.

### **III. CONCLUSION**

For the reasons discussed in this motion, PCLF respectfully moves that the Commission require Cal-Am to provide quarterly reports on its status and progress toward satisfying the State Board's cease and desist order and implementing its desalination project and potential alternatives.

Dated: December 12, 2012

By: /s/ Barton Lounsbury  
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