

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



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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.

A.12-04-019
(Filed April 23, 2012)

**RESPONSE OF CALIFORNIA-AMERICAN WATER COMPANY TO THE PLANNING
AND CONSERVATION LEAGUE FOUNDATION'S MOTION TO REQUIRE
QUARTERLY PUBLICATION OF COMPLIANCE AND PROGRESS REPORT**

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Dated: December 27, 2012

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Pursuant to Rule 11.1 (e) of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, California-American Water Company (“California American Water”) responds to the Planning and Conservation League Foundation’s (“PCLF”) *Motion to Require Quarterly Publication of Compliance and Progress Report* (“Motion”). PCLF asks the Commission to require California American Water 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 [California American Water] fails to meet the [State Water Resources Control Board’s (“SWRCB”)] deadline.”¹

Specifically, PCLF wants California American Water to include the following items in these reports: 1) updates on the timeline for the desalination facilities (e.g. anticipated permit approvals, test well drilling and plant design status, status of public participation negotiations, etc.); 2) details on alternative supply preparations in the event of a delay or termination of

¹ *Motion to Require Quarterly Publication of Compliance and Progress Report*, dated Dec. 12, 2012 (“Motion”), p. 2.

California American Water's proposed Monterey Peninsula Water Supply Project ("MPWSP"); 3) disclosure of water use restrictions and any additional measures California American Water must impose if a sufficient replacement water supply is not available by the SWRCB's deadline; and 4) any updated summaries of information provided by California American Water in its November 1, 2012 *Contingency Plan Compliance Filing*.² PCLF adds that California American Water may repeat or refer to information it has already provided to the SWRCB in order to meet the quarterly reporting requirements outlined in the cease and desist order.³

I. DISCUSSION

California American Water agrees with PCLF that it is of paramount importance to provide ratepayers and other parties with an understanding of both the status of the MPWSP and the possible ramifications of failing to meet the SWRCB's deadline. California American Water is not opposed to a quarterly report but is concerned about any potential distractions from the project at hand if the Commission adopts PCLF's proposal. California American Water is focused on bringing to fruition a water replacement supply for its Monterey County District. The MPWSP has already been delayed by nearly a year. The Commission must not take any action that would cause further delays or jeopardize a timely resolution to this proceeding.

Furthermore, some of the information requested by PCLF may end up confusing ratepayers due to its technical and complex nature. As several participants voiced during the December 13, 2012 prehearing conference, a substantial amount of time, effort, and expertise is required due to the upcoming deadlines that California American Water and the other parties face, including California American Water's updated financial model by the end of the year, public participation hearings in early January, the preparation of supplemental testimony by

² See Motion, pp. 2-3.

³ See *id.* at 2.

January 11, 2013, followed by rebuttal testimony, ongoing discovery, continued dialogue with key Monterey stakeholders regarding governance and other issues, and preparation for evidentiary hearings in April 2013.⁴ Moreover, it would be a disservice to provide ratepayers with excessive communications or information that is not clear, concise, and to the point.

Instead, California American Water proposes that it provide the parties and ratepayers with a two to three-page quarterly report providing updates on significant milestones reached in the MPWSP. Beginning 30 days after the second quarter of 2013 and continuing in the same manner in subsequent quarters, California American Water can notice ratepayers, via bill messages, of the location and availability of new quarterly progress reports on California American Water's Water Supply Project's website (<http://www.watersupplyproject.org>).⁵ California American Water also commits to make these same quarterly progress reports available to the above-captioned proceeding's service list.⁶ Lastly, in order to provide greater transparency, California American Water will also interlink its company website (<http://www.amwater.com/caaw>) with its Water Supply Project's website.

II. CONCLUSION

As previously stated, California American Water conceptually supports PCLF's proposal. However, providing ratepayers with technical and financial minutia of the MPWSP will work at cross purposes to moving the project forward to completion, particularly while the parties are providing information and updates through testimony and discovery. California American Water is willing to notify and provide ratepayers, via the Water Supply Project's website, with quarterly progress reports that provide information that is clear, concise, and to the point. California

⁴ See RT 162-165.

⁵ California American Water will provide, upon request from a ratepayer, a copy of the quarterly progress report via U.S. Mail.

⁶ All of the quarterly progress reports will remain available on California American Water's Water Supply Project's website.

American Water will also interlink its company website with its Water Supply Project's website in order to provide greater transparency to ratepayers, stakeholders, and the general public.

Dated: December 27, 2012

Respectfully submitted,

By: /s/ Sarah E. Leeper

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