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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)

**SECOND AMENDED SCOPING MEMO AND RULING
OF THE ASSIGNED COMMISSIONER**

Summary

This Second Amended Scoping Memo and Ruling of the assigned Commissioner extends the statutory deadline in this proceeding to December 31, 2016.

1. Background

This proceeding relates to Applicant's effort, in response to an order from the State Water Resources Control Board (SWRCB), to construct and operate a desalination plant in lieu of pumping Carmel River water. The project applied for is the Monterey Peninsula Water Supply Project (MPWSP).

The initial statutory expiration date for this proceeding was December 26, 2013.¹ The deadline was extended to September 28, 2015, by an Amended Scoping Memo and Assigned Commissioner Ruling filed on September 25, 2013. Within the framework of those extensions, the Commission has either extended or reset the due dates with regard to several other actions or events.² The Commission has done so to accommodate entry of local public agencies and to meet Draft Environmental Impact Report (DEIR) data needs variously related to boreholes, events with respect to a test well, hydrogeology investigations, California Environmental Quality Act (CEQA) review of the Ground Water Replenishment (GWR) component, bifurcation of the proceeding into a Phase I (Certificate of Public Convenience and Necessity-CPCN) and Phase II (GWR), and the Governor's drought actions.³

In response to an apparent conflict of interest within the CEQA process, and a suggestion that the Commission coordinate its state CEQA process with the analogous federal process under the National Environmental Policy Act (NEPA), the Energy Division released a notice on July 9, 2015, extending the DEIR

¹ This ratesetting matter under Public Utilities Code Section 1701.5(a) had an initial statutory period that ended 18 months from the date of the Scoping Memo, which mailed on June 28, 2012.

² See Rulings of August 29, 2012; May 30, 2013; September 25, 2013; January 27, 2014; August 21, 2014; October 16, 2014; January 23, 2015; and July 9, 2015.

³ Emergency Drought Declarations of January 27, 2014, and April 25, 2014. (See Governor Brown's Executive Order B-28-14, dated December 22, 2014.) Subsequent actions by the Governor or SWRCB in response to the drought occurred (e.g. April 1, 2015 mandatory water reduction Executive Order; April, May and June 2015 SWRCB curtailment notices). Commission Resolution W-5041 dated May 7, 2015 (25% reduction in potable water).

comment period until September 30, 2015.⁴ Rulings postponing the July 30, 2015, all-party meeting and the legal briefing deadlines quickly followed.⁵

2. Extension of Statutory Deadline

Given the delay-causing events summarized above, completion of the proceeding for the MPWSP cannot occur in time to meet the current September 28, 2015 deadline. At a minimum, time is necessary to assess comments on the DEIR (now due September 30, 2015), prepare the Final EIR, and prepare the Commission decision considering both CPCN and EIR matters. Further work may turn out to be necessary on the DEIR, including possible interaction with federal agencies, and possible preparation of a joint CEQA/NEPA document. The current schedule for Phase II (concerning GWR) shows completion of Commission work by mid-2016, necessitating an extension of the current deadline. Therefore, pursuant to Public Utilities Code Section 1701.5(b), an extension to December 31, 2016 for completion of this proceeding will permit reasonable time to complete environmental work, GWR Phase II, the Commission decision assessing CPCN issues (Phase I and Phase II) and environmental issues, and other possible contingencies.

⁴ See Administrative Law Judge's Ruling dated July 9, 2015.

⁵ See Administrative Law Judge's Rulings dated July 9 and July 14, 2015.

IT IS RULED that the statutory deadline for this proceeding is
December 31, 2016.

Dated August 19, 2015, at San Francisco, California.

/s/ CATHERINE J.K. SANDOVAL
Catherine J.K. Sandoval
Assigned Commissioner