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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)

ADMINISTRATIVE LAW JUDGE'S RULING

NOTICE IS HEREBY GIVEN that the California Public Utilities Commission (Commission) has set a Prehearing Conference (PHC) in the above-entitled matter before Administrative Law Judge Gary Weatherford. The PHC will be held on:

October 12, 2015 at 10:30 a.m.
Commission Courtroom, State Office Building
505 Van Ness Avenue, San Francisco, California.

The PHC is called for the purposes of (a) a Status Conference with respect to the Phase 2 schedule regarding the Groundwater Replacement Project (GWR) component of the Monterey Peninsula Water Supply Project (MPWSP), (b) the need to update cost estimates, and (c) related scheduling and procedural issues. Parties may file and serve motions or PHC Statements as described herein by October 8, 2015.

BACKGROUND AND DISCUSSION

1. Status Conference

On September 11, 2015, applicant made a request, represented as growing out of discussions with other parties, for a Status Conference. The request was by e-mail with service on all parties.

Applicant states that the purpose of the Status Conference would be to discuss the schedule as it relates to the Phase 2 GWR decision, and provide the Commission with information relevant to updating the current Phase 2 schedule. Applicant reports that several parties are discussing the schedule and will work toward an agreed-upon schedule before the Status Conference. Applicant says if parties reach an agreed-upon schedule it can be presented at the Status Conference, or by motion in advance of the Status Conference.

It is reasonable to grant applicant's request and schedule a Status Conference as part of the PHC. If feasible, parties may file and serve either a motion or PHC Statements with information about the schedule, and should do so by October 8, 2015. Parties with similar positions are encouraged to file one motion or one Joint PHC Statement, if possible. With or without a motion or PHC Statements, parties should come to the Status Conference prepared to discuss the schedule.

2. Updating Cost Estimates

Further, it is necessary to consider the schedule and format for updating applicant's cost estimates for the MPWSP.

In its Application filed on April 23, 2012, the California-American Water Company stated (at 13) that the estimated total project cost including a 9.0 million gallon per day (mgd) desalination plant was approximately \$367 million,

and that the estimated annual operation and maintenance cost for a plant that size was \$12.74 million. Subsequently, as summarized in its Compliance filing of November 19, 2013, Cal-Am provided updated figures concerning three plant size options (9.6, 6.9 or 6.4 mgd) and related cost estimates. In their July 31, 2013 Plant Sizing Agreement (at 3.1.c, at 4) the Settling Parties agreed to either a 9.6, 6.9, or 6.4 mgd plant size. In their July 13, 2013 "Large" Settlement Agreement (at 4.1(a), at 5), the Settling Parties agreed that the Commission "shall" decide whether to authorize "a smaller desalination plant to accommodate the WPA [Water Purchase Agreement] for the product water of the separate GWR Project or, alternatively...a larger desalination plant without a WPA for the GWR product water (the GWR Decision), based on findings related to schedule, cost, benefits, and feasibility."

More than three years have passed since the filing of the application. It is now time to consider how and when applicant can provide current, updated cost estimates for the parts of the MPWSP, and for the project as a whole. It is time to also consider how and when parties should reply to applicant's cost estimates. If feasible, parties may file and serve PHC Statements on how and when to update cost estimates. Parties with similar positions should seek to file a Joint PHC Statement. The PHC Statements should be filed and served by October 8, 2015. With or without PHC Statements, parties should come to the PHC prepared to discuss how and when relevant MPWSP costs should be updated.

IT IS RULED that:

1. A Prehearing Conference shall be held on October 12, 2015 at 10:30 a.m. in the Commission Courtroom, 505 Van Ness Avenue, San Francisco, California.

2. Parties may file and serve motions or Prehearing Conference Statements as described herein. Such motions or Prehearing Conference Statements shall be filed and served by October 8, 2015.

Dated September 24, 2015, at San Francisco, California.

/s/ GARY WEATHERFORD

Gary Weatherford
Administrative Law Judge