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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)

**(NOT CONSOLIDATED)**

Application of California-American Water Company (U210W) for Authorization to Modify Conservation and Rationing Rules, Rate Design, and Other Related Issues for the Monterey District.

Application 15-07-019  
(Filed July 14, 2015)

**ADMINISTRATIVE LAW JUDGE'S RULING REVISING SCHEDULES**

**Summary**

This ruling revises the schedules in Application 12-04-019 (Monterey Peninsula Water Supply Project) and Application 15-07-019 (rule and rate design changes), after receipt of solicited comments from the parties.

**1. Background**

Evidentiary hearings currently are set in Application (A.) 12-04-019 for April 14-15, 2016 and in A.15-07-019 for April 11-15, 2016, proceedings that share parties and judges. That April 14-15 overlap in scheduling needs to be remedied.

The November 17, 2015 Administrative Law Judge's Ruling in A.12-04-019 adopted dates for evidentiary hearing using the recommendation in the October 20, 2015 Joint Proposal to Complete Record for Phase 1 and Phase 2

signed by sixteen parties. (See November 17, 2015 Ruling at 2, 11-12.) The November 4, 2015 assigned Commissioner's Scoping Memo and Ruling in A.15-07-019 adopted dates for evidentiary hearing using the recommendation in the September 3, 2015 Joint Prehearing Conference Statement signed by eight parties. (See November 4, 2015 Ruling at 2-3, 8, Attachment 1.)

In my February 11, 2016 ruling the parties in these two unconsolidated proceedings were directed to propose revised schedules within ten days that would eliminate the existing overlap and they did so in four separate responses.

**1.1. Public Water Now, Regulatory Liaisons, Public Trust Alliance and Water Plus jointly state:<sup>1</sup>**

Rate design is an important issue, and we do not believe that it is necessary to truncate the original schedule for those proceedings in order to achieve a full and fair hearing in A.12-04-019. We also have a concern that the scheduling process not be used to squelch questions and presentation of relevant evidence. During the Phase 1 hearings, a number of Mr. Burke's questions and exhibits were determined to be outside of the scope of Phase I and were understood to be reserved for Phase II. Mr. Burke and other parties should have an opportunity to present all evidence and ask all questions that are relevant to Phase II. We prefer to operate with a high degree of transparency without manipulation of Parties or Process to promote our position or achieve our objectives.

Our proposal is that five days presently scheduled for the A.15.07.019 Evidentiary Hearings be preserved by one of these means:

- Hold A.15-07-019 Hearings on the Calendar for April 11-15, 2016;

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<sup>1</sup> Joint Proposal of Public Water Now, Regulatory Liaisons, Public Trust Alliance and Water Plus to Revise the Procedural Schedule to Eliminate Current Scheduling Conflicts in A.12-04-019 and A.15-07-019 (February 22, 2016), at 2.

- Hold A.12-04-019 as scheduled and move A.15-07-019 to another week;
- Start A.15.07.019 Hearings on April 7, 2016 ending on April 13, 2016 and hold A.12-04-019 Hearings on April 14-15; and
- Any other scheduling that preserves five consecutive days for A.15-07-019 at the direction of the Administrative Law Judges.

**1.2. California-American Water Company and 13 other parties propose in A.15-07-019:<sup>2</sup>**

The Joint Parties respectfully request that the April 14-15 evidentiary hearings scheduled in this proceeding remain on calendar. Time is of the essence with an outstanding cease and desist order (CDO) and the Commission has previously recognized the need for a timely resolution of this matter. [footnote deleted.] Moreover, this proceeding involves more than twenty parties and commenced in 2012. The parties have already set aside and cleared the current dates. Furthermore, over the years, numerous delays have occurred in this proceeding, so all efforts should be made to avoid additional delays. Thus, after meeting and conferring, the Joint Parties request the current April 14-15 hearing dates in this proceeding remain on calendar and the dates in A.15-07-019 be revised.

**1.3. California-American Water Company and 3 other parties propose in A.15-07-019:<sup>3</sup>**

Following a meet and confer, [footnote deleted] the Parties propose to vacate the currently scheduled hearing dates of April 14 and 15, 2016 so that hearings may proceed in A.12-04-019 on these dates, and retain the existing hearing dates of April 11, 12 and 13 for use in A.15-07-019.

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<sup>2</sup> Joint Response Regarding Proposed Revised Schedule, A.12-04-019 (February 22, 2016), at 1-2.

<sup>3</sup> Joint Proposal to Revise the Procedural Schedule to Eliminate Current Scheduling Conflicts in A.12-04-019 and A.15-07-019 (February 19, 2016), at 1.

**1.4. Marina Coast Water District Took This Position:<sup>4</sup>**

MCWD believes that the prompt resolution of Phase 2 of this proceeding, i.e., the Commission's potential approval of a Groundwater Replenishment Project ("GWR") water purchase agreement, will better enable the Commission and parties to address supply and demand issues that are before the Commission in Phase 1. Prompt resolution of Phase 2 may also contribute significantly to the Applicant's ability to comply with State Water Resources Control Board Orders WR2009-0060 and WR95-10.

Therefore, MCWD does not oppose retaining April 14 and/or April 15 for evidentiary hearings in A.12-04-019, for the purpose of receiving the parties' testimony and other evidence for Phase 2, which would comport with a target date of July 2016 for a Phase 2 Proposed Decision. (See Nov. 17, 2015 ALJ's Ruling, pp. 8, 12.)

**2. Discussion**

For the following reasons, none of the revised schedule proposals quoted above is accepted.

**2.1. A.12-04-019**

Due to the newly announced order requiring applicant to file an amended application in A.12-04-019 (for which a 30 day protest period has been set), and to avoid any further delay in the mailing date for the combined Draft Environmental Impact Report/Draft Environmental Impact Statement (DEIR/DEIS), I find it reasonable to assign the first two days of the five hearing dates in April (i.e., Monday, April 11 and Tuesday, April 12) to matters in A.12-04-019. At that hearing, first will be an opportunity for parties to cross-examine applicant's witnesses on their served prepared testimony in support of

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<sup>4</sup> Separate Response of Marina Coast Water District on Proposed Revised Schedule (February 22, 2016), at 1.

the amended application in A.12-04-019. Cross-examination will be permitted only in the areas in which the amended application differs from the initial application.

Next will be an opportunity for cross-examination on the served proposed testimonies regarding Phase 1 and Phase 2 issues identified in the November 17, 2015 Ruling. In particular, Phase 1 subjects are limited to updates in four areas: (a) Monterey Peninsula Water Supply Project cost estimates, (b) demand and supply, (c) brine discharge, and (d) return water to the Salinas Valley Groundwater Basin. Phase 2 issues are identified in the same Ruling: Pure Water Monterey Groundwater Replenishment Project (GWR) and a Water Purchase Agreement between sellers of water from the GWR and applicant.

**2.2. A.15-07-019**

The evidentiary hearing on Phase 2 matters in A.15-07-019 will be held on May 11, 12, and 13. If necessary, the hearings will continue on May 16, and 17.

**IT IS RULED** that:

1. Evidentiary hearings will be conducted in Application 12-04-019 starting at 9:30 a.m. on Monday April 11, 2016, in the Commission Courtroom, 505 Van Ness Avenue, San Francisco, California, and continue through April 12, 2016. First priority will be given to the direct testimony and cross-examination of applicant's witnesses in support of the amended application. Next will be the witnesses and cross-examination of those witnesses on the proposed testimonies for Phases 1 and 2 that have been served in compliance with the November 17, 2015 Ruling setting evidentiary issues to complete Phases 1 and 2.
2. Evidentiary hearings will be conducted in Phase 2 of A.15-07-019 starting at 9:30 a.m. on Wednesday May 11, 2016, in the Commission Courtroom,

A.12-04-019, A.15-07-019 GW2/ar9

505 Van Ness Avenue, San Francisco, California. Hearings will continue as necessary through Tuesday May 17, 2016.

Dated March 2, 2016, at San Francisco, California.

          /s/ RICHARD SMITH for  
          Gary Weatherford  
          Administrative Law Judge