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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)

**CALIFORNIA-AMERICAN WATER COMPANY'S REPLY TO MARINA COAST
WATER DISTRICT'S PROTEST OF AMENDED APPLICATION 12-04-019**

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April 22, 2016

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Pursuant to Article 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), California-American Water Company (“California American Water”) hereby submits this reply to *Marina Coast Water District’s Protest of the Amended Application 12-04-019* (“MCWD Protest”), filed April 8, 2016. As MCWD itself admits, it does not raise any new issues in its Protest. Several of the issues have already been decided by the Commission, others are still open for consideration in this proceeding, but have already been the subject of testimony, evidentiary hearings and briefing or are being considered as part of the Commission’s review pursuant to the California Environmental Quality Act (“CEQA”).

For example, MCWD raises the issue of the Monterey County “Desal Ordinance.” The Commission, however, determined that its authority in regard to this application preempts the Desal Ordinance in D.12-10-030 and denied MCWD’s application for rehearing in D.13-07-048. Similarly, MCWD’s request for an evidentiary hearing on environmental impacts has been repeatedly denied. MCWD also raises issues related to groundwater rights, which have been addressed in briefing, and the potential for harm to groundwater aquifers, which the Commission is considering as part of the CEQA review.

California American Water appreciates MCWD's support for an expedited separate decision in Phase 2 on whether California American Water should enter into a water purchase agreement for the Pure Water Monterey Groundwater Replenishment Project. Otherwise, however, the Commission should disregard MCWD's Protest for failure to raise any new issues.

April 22, 2016

Respectfully submitted,

By /s/ Sarah E. Leeper
Sarah E. Leeper

Attorney for Applicant California-American
Water Company