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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)

**ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING**

**1. Summary**

This ruling defines the scope of the proceeding, designates the proceeding as a ratesetting matter, determines that evidentiary hearings are necessary and sets a schedule for the proceeding.

**2. Background**

The California-American Water Company (Cal-Am) filed this application on April 23, 2012, seeking the Commission's approval of the Monterey Peninsula Water Supply Project and authorization to recover costs in rates. Protests to the application were filed by Water Plus, LandWatch Monterey County, Division of Ratepayer Advocates and the Marina Coast Water District.

**3. Categorization, Need for Hearings, *Ex Parte* Rules and Designation of Presiding Officer**

The Commission preliminarily categorized the proceeding as "ratesetting" under Rule 1.3(e) of the Commission's Rules of Practice and Procedure (Rules) and determined that the matter should be set for hearing. I confirm those

determinations here. The ratesetting categorization means that the *ex parte* reporting requirements and other restrictions of Rule 8.3(c) apply.

#### **4. Scoping Memo**

The scope of the proceeding shall be confined to resolving the following questions:

Is the proposed Monterey Peninsula Water Supply Project a reasonable and prudent means of securing replacement water for the Monterey District of Cal-Am, and would the granting of the application be in the public interest?

Feasible alternatives to the Monterey Peninsula Water Supply Project will be considered in the California Environmental Quality Act (CEQA) track of the proceeding and by the Commission.<sup>1</sup> This proceeding is for the purpose of determining whether the applied-for project should be approved; it is not a general forum for entertaining water supply options unrelated to the application of a Commission-regulated utility. Local public agencies and other entities are and have been free to conduct such fora, to pursue water supply alternatives on their own or in concert and to influence Cal-Am's shaping of its project application. Cal-Am's application is now before us and the December 2016 Cease and Desist deadline approaches.

The assigned Administrative Law Judge (ALJ) may make any revisions or provide further direction regarding the manner in which issues are to be addressed, as necessary for a full and complete development of the record.

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<sup>1</sup> PHC R.T. 38-40, 42-43.

## 5. Schedule

The following schedule shall govern the non-CEQA<sup>2</sup> part of the proceeding.

Opening Briefs on Selected Legal Issues	July 11, 2012
Reply Briefs	July 20, 2012
Workshop on Technical Issues	July 26-27, 2012, 10:00 a.m., Auditorium, 505 Van Ness Avenue, San Francisco, CA
Comments: Interim Rate Relief and Test Well Requests	August 9, 2012
Amended/Supplemental Applicant Testimony (Optional)	August 16, 2012
Reply Comments: Interim Rate Relief and Test Well Requests	August 21, 2012
DRA/Intervenor Testimony	September 18, 2012
Settlement (Optional)	September 24-October 5, 2012
Public Participation Hearings	September 19 -20, 2012, Monterey
Proposed Interim Decision: Interim Rate Relief and Test Well Requests	September 25, 2012
Evidentiary Hearings	*November 26-30, December 3-5, 2012, 10:00 a.m., Hearing Room A, 505 Van Ness Avenue, San Francisco, CA (*If the combination of a reporter and suitable hearing room becomes available during the October 15-November 16 period with sufficient notice, the hearing dates may be advanced)
Briefing	December 2012/January 2013
Proposed Decision	February 2013 (Mailing date subject to prior completion of CEQA process)

<sup>2</sup> Notice of the schedule for the California Environmental Policy Act compliance process will be given in due course to the Service List in Application (A.) 12-04-019 by the CEQA Team of the Commission's Energy Division.

A proposed agenda for the July 26-27, 2012 Workshop, containing key technical issues for discussion, will be circulated for comment in a separate ruling by the assigned ALJ.

The assigned ALJ may make any revisions or provide further direction regarding the schedule, as necessary for a full and complete development of the record. The date of the final decision in this rulemaking, however, shall not exceed 18 months from the date of this Scoping Memo and Ruling.

## **6. Filing, Service and Service List**

When you serve a document, use the official service list published at the Commission's website as of the date of service. You must comply with Rules 1.9 and 1.10 when you serve a document to be filed with the Commission's Docket Office. The Commission encourages electronic filing and e-mail service in this Application. You may find information about electronic filing at <http://www.cpuc.ca.gov/PUC/efiling>. E-mail service is governed by Rule 1.10. If you use e-mail service, you must also provide a paper copy to the assigned Commissioner and ALJ. The electronic copy should be in Microsoft Word or Excel formats to the extent possible. The paper copy should be double-sided. E-mail service of documents must occur no later than 5:00 p.m. on the date that service is scheduled to occur. If no email address was provided, service should be made by United States mail. In this proceeding, I require concurrent e-mail service to ALL persons on the service list for whom an e-mail address is available, including those listed under "Information Only." Parties are expected to provide paper copies of served documents upon request.

E-mail communication about this proceeding should include, at a minimum, the following information on the subject line of the e-mail:

A.12-04-019. In addition, the party sending the e-mail should briefly describe the

attached communication; for example, Reply Comments. Paper format copies, in addition to electronic copies, shall be served on the assigned Commissioner and the assigned ALJ.

The official service list for this proceeding is available on the Commission's web page. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process Office, the service list, and the assigned ALJ. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission's website meets that definition.

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures should contact the Commission's Public Advisor ([public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)). If you have questions about the Commission's filing and service procedures, contact the Docket Office.

## **7. Intervenor Compensation**

The Prehearing Conference (PHC) in this matter was held on June 6, 2012. Under Rule 17.1 notice of intent to claim intervenor compensation may be filed up until 30 days after the PHC. As a reminder to parties, the Legislature has instructed the Commission to administer the intervenor compensation program in a manner that "avoids unproductive or unnecessary participation of similar interests otherwise adequately represented ..." <sup>3</sup> We expect all parties to closely coordinate their work to avoid unproductive or unnecessary participation. Furthermore, we expect each party requesting compensation to distinguish its

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<sup>3</sup> Section 1801.3(f). Decision 06-12-041, at 13-14.

contributions from those of other parties in its request for compensation. Parties are also reminded that work on issues determined to be outside the scope of this proceeding will not be compensated. A separate ruling will address eligibility to claim compensation.

**IT IS RULED** that:

1. The final categorization of this proceeding is ratesetting and hearings will be required. This ruling on category may be appealed, as provided in Rule 7.6 of the Commission's Rules of Practice and Procedure.

2. *Ex parte* Communications are subject to the reporting requirements and other restrictions of Rule 8.3(c).

3. The scope of this proceeding is as set forth in Section 4 of this Ruling. While this scoping memo provides guidance regarding the manner in which each identified issue will be considered, the assigned Administrative Law Judge may make any revisions or provide further direction regarding the manner in which the issues are to be addressed, as necessary for a full and complete development of the record.

4. The schedule for this proceeding is as set forth in Section 5 of this Ruling. The assigned Administrative Law Judge may make revisions to the schedule where circumstances warrant.

5. Parties must serve all filings as set forth in Section 6 of this Ruling.

6. The deadline for filing a notice of intent to claim compensation in this proceeding is July 6, 2012, the 30th day following the Prehearing Conference.

7. A proposed agenda for the July 26-27, 2012 Workshop, containing key technical issues for discussion, will be circulated for comment in a separate ruling by the assigned Administrative Law Judge.

8. Assigned Administrative Law Judge Gary Weatherford is designated the Presiding Officer in this proceeding.

Dated June 28, 2012, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey  
Assigned Commissioner