

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA-AMERICAN WATER COMPANY (U 210 W) for a Certificate that the Present and Future Public Convenience and Necessity Requires Applicant to Construct and Operate the 24,000 acre foot Carmel River Dam and Reservoir in its Monterey Division and to Recover All Present and Future Costs in Connection Therewith in Rates.

Application 97-03-052
(Filed March 28, 1997)

**ADMINISTRATIVE LAW JUDGE'S RULING DIRECTING
WATER DIVISION TO FILE AND SERVE DOCUMENTS
RELATED TO PLAN B DEVELOPMENT AND
DISCUSSION OF PROCEDURAL NEXT STEPS**

1. Summary

This proceeding is the forum for consideration of the proposed Carmel River Dam and possible alternatives to the dam, including a long-term contingency plan ("Plan B") that can be pursued if the dam does not go forward. Earlier rulings described how we intended to develop Plan B. The Commission's advisory staff and its consultant (EDAW) are nearing completion of their independent analysis for Plan B. This ruling directs Water Division to file and serve certain documents developed throughout the Plan B process, transmit the completed Plan B to the Monterey Peninsula Water Management District (District), and describes the procedural next steps once Plan B is completed.

2. Filing and Service of Documents

Throughout the course of the Plan B development process, numerous documents have been prepared and shared with the public both through service of the documents and by posting on the project website (<http://www.edaw.com/planb>). These documents have not been filed in this proceeding. At this time I direct Water Division to file the documents identified in Appendix A with the Commission's Docket Office, consistent with our Rules of Practice and Procedure. Water Division should also serve a notice of availability of these documents on the service list. The notice should identify the available documents and describe how interested parties to this proceeding can obtain copies of the documents upon request.

3. Procedural Next Steps

Once Plan B has been finalized, Water Division is directed to file the Final Plan B Report with the Commission's Docket Office, consistent with our Rules of Practice and Procedure. In addition, 10 copies of the Final Plan B Report should be transmitted to the District for their information. Water Division should also serve a notice of availability of the Final Plan B Report on the service list. The notice should describe how interested parties to this proceeding can obtain copies of the Final Plan B Report upon request.

In earlier rulings, we described our expected schedule for processing this application. As parties are aware, our review process is inherently linked to the environmental review process conducted by the District. The District is preparing an Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act. The District has informed the Plan B development team that it intends to consider Plan B as one of the alternatives it studies during its environmental review of the proposed Carmel River Dam. Our staff will

participate with the District as a Responsible Agency, in order to assist the District in completing a comprehensive review of the environmental impacts of the various water supply options available. As a Responsible Agency, we will utilize the District's EIR as a source of information in our decision making process.

The District is the lead agency because it has the responsibility to grant or deny a permit to construct the proposed Carmel River Dam. Once the District has completed and certified its EIR, and reached a decision on whether to permit the proposed Carmel River Dam to proceed, the next steps of this proceeding will be clearer. We can envision several potential scenarios.

The EIR may conclude that the environmentally superior project is Cal-Am's proposed project. If the District also authorizes a permit to construct the Carmel River Dam, then we will need to consider whether to grant a certificate of public convenience and necessity (CPCN) to California-American Water Company (Cal-Am) as requested in their application.

The EIR may conclude that other alternatives are environmentally preferred. As a result, the District may decline to grant Cal-Am authority to construct its proposed project but may authorize construction of an alternative. It is not clear at this point whether Cal-Am would be the project developer of any or all of the project components in Plan B. It is possible that another entity, for example, the District or a private concern, will develop one or more of the project components. Therefore, it is unclear whether Cal-Am would file a new application before this Commission.

Unfortunately, until the environmental review and permitting process is further along, we cannot conclude exactly how this proceeding will move forward or change in scope. Each of the scenarios described above could result

in very different proceedings, or none at all, before this Commission. Until we have better information, we cannot set a further schedule for this proceeding.

IT IS RULED that:

1. Water Division shall file the documents identified in Appendix A with the Commission's Docket Office, consistent with our Rules of Practice and Procedure by October 18, 2001.

2. Water Division shall serve a notice of availability of the documents identified in Appendix A on the service list. The notice should identify the available documents and describe how interested parties to this proceeding can obtain copies of the documents.

3. Once completed, Water Division shall file the Final Plan B Report with the Commission's Docket Office, consistent with our Rules of Practice and Procedure.

4. Water Division shall serve a notice of availability of the Final Plan B Report on the service list. The notice should describe how interested parties to this proceeding can obtain copies of the Final Plan B Report upon request.

5. Water Division shall transmit 10 copies of the Final Plan B Report to the Monterey Peninsula Water Management District

Dated September 21, 2001, at San Francisco, California.

/s/ MICHELLE COOKE
Michelle Cooke
Administrative Law Judge

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The following documents should be filed with the Commission's Docket Office by October 18, 2001:

1. California Public Utilities Commission Carmel River Dam Alternative Plan B: Plan B Project Report. 8/01
2. Monterey Peninsula Water Supply Contingency Plan Re: Plan B - Status Report on Plan B Components. 5/18/01
3. Oral Comments: Key outcomes from the December 13, 2000 Public Workshops on the Component Screening Report for the Long-Term Contingency Planning Process. 2/20/01
4. Written Comments: Key outcomes from the December 13, 2000 Public Workshops on the Component Screening Report for the Long-Term Contingency Planning Process. 1/24/01
5. Component Screening Report Executive Summary. 11/22/00
6. Monterey Peninsula Long-Term Water Supply Contingency Plan (Plan B) - Component Screening Report. 11/22/00
7. Key outcomes from the August 2, 2000 Public Workshops on the Component Characterization Report for the Long-Term Contingency Planning Process (written comments received). 8/29/00
8. Key outcomes from the August 2, 2000 Public Workshops on the Component Characterization Report for the Long-Term Contingency Planning Process (oral comments made at the workshops). 8/18/00
9. Monterey Peninsula Long-Term Water Supply Contingency Plan (Plan B) - Component Characterization. 4/3/00

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10. Draft Objectives and Criteria: Draft Plan B Objectives, Criteria, Considerations and Rating Measurement. 12/21/99
11. December Workshop Memo: Key outcomes from the December 6, 1999 Public Workshop. 12/17/99

(END OF APPENDIX A)