

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 of Public Convenience and Necessity to Construct and Operate its Coastal Water Project to Resolve the Long-Term Water Supply Deficit in its Monterey District and to Recover All Present and Future Costs in Connection Therewith in Rates.

Application 04-09-019
(Filed September 20, 2004)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE ON INTERIM RATE RELIEF PHASE

1. Summary

This ruling sets forth the schedule and issues for the interim rate relief phase of this proceeding pursuant to Pub. Util. Code § 1701.3(a) and Rule 6.3 of the Rules of Practice and Procedure.

2. Categorization and Need for Hearings

This ruling confirms the Commission's preliminary categorization in Resolution ALJ 176-3139 dated September 23, 2004, of ratesetting. This ruling is appealable under Rule 6.4 of the Commission's Rules of Practice and Procedure.

We also confirm the preliminary determination that hearings are necessary.

3. Scope of Proceeding

Administrative Law Judge (ALJ) Michelle Cooke, in her September 6, 2005 ruling, determined that there should be two distinct phases to this proceeding: (1) selection of a water supply solution and (2) interim rate relief. Also, she directed California-American Water Company (Cal-Am) to provide additional testimony with regard to its request for interim rate relief. Following a prehearing conference held on October 5, 2005, Cal-Am provided additional testimony in April, 2006, with regard to its request for interim rate relief. Accordingly, this phase of the proceeding will be limited to Cal-Am’s Motion for Interim Rate Relief. There will be a separate phase to address the selection of a water supply solution, which will commence after the Environmental Impact Report on the proposed Coastal Water Project is further underway. A scoping memo for the second phase will be issued once a schedule is clear.

4. Schedule

The following schedule for reviewing Cal-Am’s Motion for Interim Rate Relief is adopted.

Event	Date
Testimony by Other Parties	June 19, 2006
Rebuttal Testimony	July 10, 2006
Public Participation Hearing at 7:00 p.m., Monterey Marriott Hotel, San Carlos 1 Ballroom 350 Calle Principal, Monterey, CA	July 18, 2006
Evidentiary Hearings, at 10:00 a.m., Commission Courtroom, State Office Building, 505 Van Ness Avenue,	July 25 – August 3, 2006

San Francisco, CA 94102	
Opening Briefs	August 25, 2006
Reply Briefs/Projected Submission Date	September 15, 2006
Proposed Decision	November 14, 2006
Commission Decision	December 14, 2006

Our goal is to resolve this proceeding as soon as possible. We anticipate that the resolution of the issues raised in this scoping memo will not exceed 18 months from the date of this scoping memo, pursuant to Pub. Util. Code § 1701.5(a).

5. Principal Hearing Officer and Final Oral Argument

This ruling designates ALJ Bertram D. Patrick as the principal hearing officer for the interim rate relief phase of this proceeding.

As stated in the schedule, and pursuant to Rule 8(d), parties requesting final oral argument before the Commission should do so no later than the close of evidentiary hearings, currently scheduled for August 3, 2006, unless directed otherwise by the Assigned Commissioner or ALJ.

6. Service List

The service list for this proceeding is attached to this Scoping Memo as Appendix A. Parties are requested to serve everyone electronically, whether appearance, state service, or information only, with all pleadings, prepared testimony, etc.

7. Exhibits

Parties shall follow the requirements set forth in Appendix B regarding service, correction, and identification of, cross-examination with, exhibits in the hearing room.

8. Ex Parte Communications

This ratesetting proceeding is subject to Pub. Util. Code § 1701.3(c), as well as Rules 7(c), (f), and (g) and 7.1.

9. Discovery Disputes

If the parties have discovery disputes they are unable to resolve by meeting and conferring, they should raise these disputes with the Commission pursuant to Resolution ALJ-164.

Therefore, **IT IS RULED** that:

1. This ruling confirms the Commission's preliminary categorization in Resolution ALJ 176-3139 dated September 23, 2004, of ratesetting. This ruling is appealable under Rule 6.4.
2. This ruling confirms the Commission's preliminary determination that hearings are necessary.
3. The scope of this proceeding is limited to Cal-Am's Motion for Interim Rate Relief.
4. The schedule of this phase of the proceeding, including its projected submission date, is set forth in this ruling. The Administrative Law Judge (ALJ) may make any revisions to this schedule, as necessary to facilitate the efficient management of the proceeding.
5. ALJ Patrick is designated as the principal hearing officer for the interim rate relief phase.
6. The official service list is attached as Appendix A. Parties shall serve everyone on the service list electronically.
7. Parties shall follow the instructions in Appendix B regarding exhibits.

8. Rules 7(c), (f), and (g) and 7.1 apply to this proceeding regarding ex parte communication.

9. Parties shall comply with the procedures set forth in Resolution ALJ-164 regarding discovery disputes.

Dated May 23, 2006, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner

/s/ BERTRAM D. PATRICK

Bertram D. Patrick
Administrative Law Judge

APPENDIX A

***** APPEARANCES *****

Marc D. Joseph
Attorney At Law
ADAMS, BROADWELL, JOSEPH & CARDOZO
601 GATEWAY BLVD., STE. 1000
SOUTH SAN FRANCISCO CA 94080
(650) 589-1660
mdjoseph@adamsbroadwell.com
For: CALIFORNIA UNIONS FOR RELIABLE ENERGY

Edward W. O'Neill
Attorney At Law
DAVIS WRIGHT TREMAINE LLP
ONE EMBARCADERO CENTER, SUITE 600
SAN FRANCISCO CA 94111-3834
(415) 276-6582
edwardoneill@dwt.com
For: Independent Reclaimed Water Users Group

David C. Laredo
Attorney At Law
DE LAY & LAREDO
606 FOREST AVENUE
PACIFIC GROVE CA 93950
(831) 646-1502
dave@laredolaw.net
For: MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Ann L. Trowbridge
Attorney At Law
DOWNEY, BRAND, SEYMOUR & ROHWER
555 CAPITOL MALL, 10TH FLOOR
SACRAMENTO CA 95814-4686
(916) 444-1000
atrowbridge@downeybrand.com
For: MONTEREY COUNTY WATER RESOURCES AGENCY

Donald G. Hubbard
HUBBARD & HUBBARD LLP
AGUAJITO BUILDING
400 CAMINO AGUAJITO
MONTEREY CA 93940-3596
(831) 372-7571
afhubb@aol.com

Marc J. Del Piero
Attorney At Law
MARC DEL PIERO
4062 EL BOSQUE DRIVE
PEBBLE BEACH CA 93953-3011
(831) 626-4666
mjdelpiero@aol.com

Monica L. McCrary
Legal Division
RM. 5134
505 VAN NESS AVE
San Francisco CA 94102
(415) 703-1288
mlm@cpuc.ca.gov

Jessica P. Nagtalon
PUBLIC CITIZEN
6821 SAN LORENZO WAY
FELTON CA 95018
(831) 335-5911
jnagtalon@citizen.org
For: PUBLIC CITIZEN

Lori Anne Dolqueist
Attorney At Law
STEEFEL, LEVITT & WEISS
ONE EMBARCADERO CENTER, 30TH FLOOR
SAN FRANCISCO CA 94111
(415) 788-0900
LDolqueist@steefel.com
For: California-American Water Company

Terry Spragg
TERRY G. SPRAGG & ASSOCIATES
420 HIGHLAND AVE.
MANHATTAN BEACH CA 90266
(310) 374-2005
TwoKillerBs@aol.com

***** STATE EMPLOYEE *****

Diana Brooks
Division of Ratepayer Advocates
RM. 4102
505 VAN NESS AVE
San Francisco CA 94102
(415) 703-1445
dsb@cpuc.ca.gov

Michelle Cooke
Administrative Law Judge Division
RM. 5108
505 VAN NESS AVE
San Francisco CA 94102
(415) 703-2637
mlc@cpuc.ca.gov

For: PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

Fred L. Curry 5
Water Division
RM. 3106
505 VAN NESS AVE
San Francisco CA 94102
(415) 703-1739
flc@cpuc.ca.gov

Bertram D. Patrick
Administrative Law Judge Division
RM. 5110
505 VAN NESS AVE
San Francisco CA 94102
(415) 703-2740
bdp@cpuc.ca.gov

Jonathan J. Reiger
Legal Division
RM. 5035
505 VAN NESS AVE
San Francisco CA 94102
(415) 355-5596
jzr@cpuc.ca.gov

***** INFORMATION ONLY *****

Tanya A. Gulesserian
ADAMS BROADWELL JOSEPH & GARDOZO
601 GATEWAY BLVD. STE 1000
SOUTH SAN FRANCISCO CA 94080
(650) 589-1660
tgulesserian@adamsbroadwell.com

David P. Stephenson
CALIFORNIA AMERICAN WATER
4701 BELOIT DRIVE
SACRAMENTO CA 95838
(916) 568-4222
dstephen@amwater.com
For: California American Water

Steve Leonard
CALIFORNIA AMERICAN WATER
50 RAGSDALE DRIVE
MONTEREY CA 93940
(831) 646-3214
sleonard@amwater.com

Paul G. Townsley
CALIFORNIA-AMERICAN WATER COMPANY
303 H STREET , SUITE 250
CHULA VISTA CA 91910
(619) 656-2400

Heather Cooley
654 13TH ST.
OAKLAND CA 94612
(510) 251-1600
hcooley@pacinst.org

Frances M. Farina
Attorney At Law
DE LAY & LAREDO
389 PRINCETON AVENUE
SANTA BARBARA CA 93111
(805) 681-8822
ffarina@cox.net
For: Monterey Peninsula Water Management District

Eric Zigas
ENVIRONMENTAL SCIENCE ASSOCIATES/WATER
225 BUSH STREET
SAN FRANCISCO CA 94104
(415) 896-5900
EZigas@esassoc.com

Conner Everts
2515 WILSHIRE BLVD.
SANTA MONICA CA 90403
connere@west.net

John W. Fischer
230 GROVE ACRE, ROOM 313
PACIFIC GROVE CA 93950-2342
(831) 655-3609
wyrddjon@yahoo.com

Sean Flavin
500 CAMINO EL ESTERO, STE 200
MONTEREY CA 93940
(831) 372-7535
sflavin@redshift.com

Heather Allen
FRIENDS OF THE SEA OTTER
125 OCEAN VIEW BLVD., SUITE 204
PACIFIC GROVE CA 93950
(831) 224-0134
hjallen101@yahoo.com

Jody S. London
JODY LONDON CONSULTING
PO BOX 3629
OAKLAND CA 94609
(510) 459-0667
jody_london_consulting@earthlink.net
For: Statewide Desal Response Group

townsley@amwater.com

Virginia Hennessey
MONTEREY COUNTY HERALD
PO BOX 271
MONTEREY CA 93942
vhennessey@montereyherald.com

Lloyd W. Lowrey, Jr.
Attorney At Law
NOLAND,HAMERLY,ETIENNE & HOSS
PO BOX 2510 (333 SALINAS STREET)
SALINAS CA 93902
(831) 424-1414
lloyd@nheh.com
For: Independent Reclaimed Water Users Group

Lenard G. Weiss
Attorney At Law
STEEFEL, LEVITT & WEISS
ONE EMBARCADERO CENTER, 30TH FLOOR
SAN FRANCISCO CA 94111
(415) 788-0900
lweiss@steefel.com

Sarah Leeper
Attorney At Law
STEEFEL, LEVITT & WEISS
ONE EMBARCADERO CENTER, 30TH FLOOR
SAN FRANCISCO CA 94111
(415) 788-0900
sleeper@steefel.com

Kaya Freeman
Central California Regional Manager
SURFRIDER FOUNDATION
195 26TH AVENUE, 6
SAN FRANCISCO CA 94121
(831) 224-0994
kfreeman@surfrider.org

(END OF APPENDIX A)

APPENDIX B

EXHIBITS

Service of Exhibits

Paper copies of all prepared written testimony shall be served on the Assigned Commissioner's office and on the Assigned ALJ. Electronic copies shall be served on the entire service list, including information only. Do NOT file prepared written testimony with the Commission's Docket Office. (Such testimony becomes part of the record only after it is admitted into evidence.)

Identification of Exhibits in the Hearing Room

Each party sponsoring an exhibit shall, in the hearing room, provide **two copies to the ALJ and one to the court reporter**, and have at least five copies available for distribution to parties present in the hearing room. **The upper right hand corner of the exhibit cover sheet shall be blank for the ALJ's exhibit stamp.** Please note that this directive applies to cross-examination exhibits as well. If there is not sufficient room in the upper right hand corner for an exhibit stamp, please prepare a cover sheet for the cross-examination exhibit.

Cross-Examination with Exhibits

As a general rule, if a party intends to introduce an exhibit in the course of cross-examination, the party should provide a copy of the exhibit to the witness and the witness' counsel before the witness takes the stand on the day the exhibit is to be introduced. Generally, a party is not required to give the witness an advance copy of the document if it is to be used for purposes of impeachment or to obtain the witness' spontaneous reaction. An exception might exist if parties have otherwise agreed to prior disclosure, such as in the case of confidential documents.

Corrections to Exhibits

Generally, corrections to an exhibit should be made in advance and not orally from the witness stand. Corrections should be made in a timely manner by providing new exhibit pages on which corrections appear. The original text to be deleted should be lined out with the substitute or added text shown above or inserted. Each correction page should be marked with the word "revised" and the revision date.

Exhibit corrections will receive the same number as the original exhibit plus a letter to identify the correction. Corrections of exhibits with multiple sponsors will also be identified by chapter number. For example, Exhibit 5-3-B is the second correction made to Chapter 3 of Exhibit 5.

(END OF APPENDIX B)

A.04-09-019 MP1/BDP/sid

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge on Interim Rate Relief Phase on all parties of record in this proceeding or their attorneys of record.

Dated May 23, 2006, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.