



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Application of California-American Water Company (U210W) to Obtain Approval of the Amended and Restated Water Purchase Agreement for the Pure Water Monterey Groundwater Replenishment Project, Update Supply and Demand Estimates for the Monterey Peninsula Water Supply Project, and Cost Recovery.

Application _____
(Filed _____, 2021)

**APPLICATION OF CALIFORNIA-AMERICAN WATER COMPANY (U210W) TO
OBTAIN APPROVAL OF THE AMENDED AND RESTATED WATER PURCHASE
AGREEMENT FOR THE PURE WATER MONTEREY GROUNDWATER
REPLENISHMENT PROJECT, UPDATE SUPPLY AND DEMAND ESTIMATES FOR
THE MONTEREY PENINSULA WATER SUPPLY PROJECT, AND COST RECOVERY**

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November 29, 2021

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Application of California-American Water Company (U210W) to Obtain Approval of the Amended and Restated Water Purchase Agreement for the Pure Water Monterey Groundwater Replenishment Project and Recover Associated Costs, Update Supply and Demand Estimates for the Monterey Peninsula Water Supply Project, and Cost Recovery.

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I. INTRODUCTION

Pursuant to Articles 2 and 3 of the Rules of Practice Procedure of the California Public Utilities Commission (“Commission”) and as directed by the October 26, 2021 *E-Mail Ruling Directing California-American Water Company to File an Application, Holding Proceeding in Abeyance and Setting Status Conference* (“Ruling”) in proceeding C.21-05-005, California-American Water Company (“California American Water”) hereby files this Application to obtain approval to enter into the Amended and Restated Water Purchase Agreement (“Amended WPA”) for the Pure Water Monterey (“PWM”) groundwater replenishment project, update the demand and supply estimates for its Monterey Peninsula Water Supply Project (“MPWSP”), and cost recovery. As discussed in more detail below, California American Water proposes that this proceeding be divided into phases to address the relevant issues in a timely manner.

II. BACKGROUND

California American Water has been working to address Monterey’s long-term water supply constraints for more than two decades. The Monterey Peninsula currently receives the majority of its water from the Carmel River. The State Water Resources Control Board (“SWRCB”) has issued a series of orders requiring California American Water to find

alternatives to the Carmel River to provide service to its customers, and to drastically reduce its Carmel River diversions. In 1995, the SWRCB issued Order No. WR 95-10, in which it concluded that although California American Water had been diverting an average of 14,106 acre-feet per year (“afy”) from the Carmel River, it had a legal right to only 3,376 afy from the Carmel River system. In 2009, the SWRCB adopted Order WR 2009-0060, a Cease and Desist Order requiring California American Water to undertake additional measures to reduce diversions from the Carmel River, including prohibiting new service connections, and to terminate all such diversions no later than December 31, 2016. In 2016, the SWRCB adopted Order WR 2016-0016, which partially supersedes Orders 95-10 and 2009-0060. Order 2016-0016 extended the date by which California American Water must terminate all unlawful diversions from the Carmel River from December 31, 2016 to December 31, 2021.

SWRCB Order 95-10 directed California American Water to maximize use of the Seaside Groundwater Basin for the purpose of serving existing connections, honoring existing allocations, and to reduce diversions from the Carmel River to the greatest practicable extent. In 2006, however, the Monterey County Superior Court issued a final decision regarding adjudication of water rights of various parties who use groundwater from the Seaside Basin.¹ The court’s decision established physical limitations to various users’ water allocations, including those of California American Water, to reduce the drawdown of the aquifer and prevent additional seawater intrusion.

In 2012, California American Water filed Application 12-04-019 with the Commission seeking approval of the Monterey Peninsula Water Supply Project (“MPWSP”). In its application, California American Water proposed a three-pronged approach to replace the water

¹ *Cal-Am v. City of Seaside et al.*, Super. Ct. Monterey County, 2006, No. M66343.

supply reductions ordered by the SWRCB: (1) desalination, (2) groundwater replenishment, and (3) aquifer storage and recovery (“ASR”).² California American Water sought approval of either a 9.6 million gallon per day (“mgd”) production capacity desalination plant and associated facilities or a reduced capacity of 6.4 mgd production capacity desalination plant combined with a water purchase agreement for 3,500 afy of product water from the PWM project.

As part of that proceeding, in 2016, the Commission authorized California American Water to enter into a water purchase agreement for 3,500 afy product water from the PWM project and to construct facilities necessary to maximize the use of that water.³ The PWM project treats, then injects treated wastewater into the Seaside Groundwater Basin aquifer, for subsequent extraction of the treated water for potable use. Monterey One Water (“M1W”), previously named the Monterey Regional Water Pollution Control Agency, operates the wastewater treatment plant and sells the treated groundwater to the Monterey Peninsula Water Management District (“MPWMD”), which subsequently sells the water to California American Water to serve its customers.⁴ In its decision, the Commission established the framework for cost recovery of both California American Water’s infrastructure and the water purchase agreement

² Under the joint ASR program between California American Water and MPWMD, California American Water may divert excess Carmel River water as available during the wet winter months, and treat and deliver the water for storage in the Seaside Groundwater Basin ASR for use during the summer, depending on the on the availability of excess Carmel River water based on in-stream flow requirements, permit requirements, and water rights.

³ D.16-09-021, *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*, Decision on California-American Water Company’s Application for Approval of the Monterey Peninsula Water Supply Project Specifically in Regards to Phase 2.

⁴ D.16-09-021, Appendix C.

costs. The framework included, among other things, a cost cap, financing and ratemaking provisions.⁵

The Commission approved the MPWSP with a 6.4 mgd desalination plant in 2018, and provided a lengthy and detailed discussion of the history of water supply issues in Monterey in its decision.⁶ When it approved the MPWSP, the Commission found that even with the 3,500 afy from the PWM project, desalination is necessary to ensure that California American Water operates within its legal water rights in compliance with SWRCB orders, as well as required reductions to other water supply sources such as the Seaside Basin.⁷ The Commission considered other alternative water supplies, including a potential further expansion of the PWM project, but stated that that the record was not sufficient to convince it that the expansion was viable at that time.⁸ The Commission further concluded that even if the PWM expansion were viable, it would not be sufficient to meet the estimated demand.⁹ The Commission stated that it would consider an expansion of the PWM project in the future only if California American Water was unable to meet the SWRCB's December 31, 2021 deadline.¹⁰

Since 2018, MPWMD has worked diligently to proceed with the desalination component of the MPWSP and has expended considerable resources to obtain the necessary approvals. The

⁵ *Id.*, pp. 16, 19-20, 38-42.

⁶ D.18-09-019, *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*, Decision Approving a Modified Monterey Peninsula Water Supply Project, Adopting Settlement Agreements, Issuing Certificate of Public Convenience and Necessity and Certifying Combined Environmental Report, pp. 3-11.

⁷ *Id.*, Finding of Fact 24, p. 169.

⁸ *Id.*, p. 42.

⁹ *Id.*, p. 40.

¹⁰ *Id.*, p. 44.

last major permit required before construction of the MPWSP desalination facility can begin is the Coastal Development Permit for the construction of the slant intake wells from the California Coastal Commission (“Coastal Commission”). After a Coastal Commission staff report recommended the denial of the slant well permit, California American Water withdrew its permit application. California American Water refiled its application in November 2020, and has subsequently provided hundreds of pages of additional information in response to Coastal Commission staff concerns. Despite its considerable efforts, due to the delay in the Coastal Commission decision and construction schedule, California American Water will be unable to construct the desalination facilities in time to meet the December 31, 2021 SWRCB deadline to decrease pumping from the Carmel River.

In 2019, due to concerns related the potential delay of the Coastal Development Permit, California American Water entered into an agreement with M1W to allocate and share the costs associated with the preparation of environmental review documents for a potential expansion of the PWM project, including contributions of \$314,300 by California American Water to fund those activities. The original PWM project began operations in February 2020 and delivered 990 acre-feet in 2020.¹¹ On April 26, 2021, the M1W Board of Directors certified the Supplemental Environmental Impact Report for the Expanded Pure Water Monterey Groundwater Replenishment Project (“SEIR”). During the public comment portion of the meeting at which the SEIR was certified, a representative for California American Water stated that the Company intended to immediately begin negotiations for a water purchase agreement for water from the expanded PWM Project. Nonetheless, Monterey Peninsula Water Management District filed a complaint (C.21-05-005) the very next day seeking an order from the Commission requiring

¹¹ The PWM project is expected to deliver 3,500 acre-feet in 2021.

California American Water to enter into a water purchase agreement for supplemental water from the expanded PWM Project.

Despite MPWMD's complaint, California American Water entered into negotiations with M1W and MPWMD for supplemental water from the newly certified PWM expansion. Additionally, in May 2021 California American Water entered into a separate reimbursement agreement with M1W for allocating and sharing costs associated with permitting and regulatory approval tasks for the agency to potentially inject higher volumes of purified recycled water into the Seaside Groundwater Basin using the PWM facilities, including contributions of \$175,000 by California American Water.

The August 21, 2021 Presiding Officer's Decision in C.21-05-005 dismissed MPWMD's complaint as premature.¹² It also noted that the Commission had previously set forth requirements for consideration of an explanation of the PWM project, including the filing of an application and provision of specific information.¹³ Before the Presiding Officer's Decision was adopted by the Commission, however, California American Water, M1W and MPWPD reached agreement on the Amended WPA for supplemental water from the PWM expansion. The Presiding Officer's Decision was held, and the assigned Administrative Law Judge ordered California American Water to file this application for approval of the agreement.¹⁴

III. NEED FOR WATER FROM THE PWM EXPANSION

California American Water estimates that will take approximately 24 months for the construction of desalination plant and associated facilities to be in-service from the time that it

¹² *Presiding Officer's Decision of ALJ Kline*, C.21-05-005, August 12, 2021 ("Presiding Officer's Decision"), pp. 12-17, 23 (Conclusion of Law 1).

¹³ Presiding Officer's Decision, p. 18.

¹⁴ Ruling, pp. 3-4.

receives the Coastal Development Permit and other authorizations to being construction. Currently, California American Water has adequate reserves to meet customer demand without exceeding the SWRCB limit. Depending on weather conditions and other factors, California American Water could face challenges in beginning in 2024 which would require it to take other actions to serve its customers, including increasing its withdrawals from the Seaside Basin.¹⁵ As the Commission previously concluded, and as discussed in the Direct Testimony of Ian Crooks, the PWM expansion does not eliminate the need for desalination. In particular, the supplemental water from the PWM expansion is of insufficient quantity and long-term drought-proof reliability to eliminate the need for the desalination supply component of the MPWSP to provide long-term sufficient and drought-proof water supplies to address the needs of the Monterey Peninsula desalination. Nonetheless, the supplemental water from the PWM expansion, which could be available as soon as 2024, will help California American Water to continue to provide safe and reliable water service to its Monterey District customers.

IV. AMENDED AND RESTATED WATER PURCHASE AGREEMENT

California American Water seeks to purchase additional supplemental product water from the PWM expansion to meet its customer service obligations in the Monterey District. The Amended WPA is included with this Application as Attachment A.

The expansion of the PWM project would increase the peak capacity of its facilities from 5 million gallons per day (mgd) to 7.6 mgd and would increase the average annual yield of the PWM project from 3,500 afy to 5,750 afy. Under the amended WPA, California American Water's allotment would be increased from 3,500 afy to 5,750 per year once the PWM project

¹⁵ The adjudication would allow California American Water to make such withdrawals, subject to certain financial obligations.

expansion is completed. The projected cost is \$3,429 per acre foot upon completion in 2024-2025, with the expectation that cost per acre foot will escalate annually thereafter. The Amended WPA has a 30-year term, beginning when the PWM expansion goes into service, with California American Water having the option to extend the agreement up to ten additional years.

The Amended WPA retains the ratemaking principles previously approved by the Commission. The rate charged to California American Water will continue to be based on the actual cost of providing water from the PWM project, California American Water will only pay for the water that it receives,¹⁶ and the rate will continue to be adjusted each year via an annual true-up,¹⁷ which the Commission has previously found to be reasonable.¹⁸ The Amended WPA also retains the agency budgeting and rate setting process,¹⁹ and California American Water will continue its active participation in this process as previously directed by the Commission.²⁰

California American Water also negotiated additional performance guarantees for the Amended WPA. If MPWMD fails to provide designated quantities of product water in any given year, it will owe a water shortfall payment to California American Water. The water shortfall payment will be used to offset California American Water's costs of drawing replacement water from the Seaside Groundwater Basin.²¹ Additionally, if the PWM expansion is not delivering water to California American Water by February 1, 2026, or if M1W or MPWMD fail to meet

¹⁶ Attachment A, Section 16.

¹⁷ *Id.*, Section 18.

¹⁸ D.16-09-021, p. 16.

¹⁹ Attachment A, Section 15.

²⁰ D.16-09-021, pp. 20, 52-53 (Conclusion of Law 3).

²¹ Attachment A, Section 16.

the performance guarantees, California American Water has the right to terminate the Amended WPA for default.²²

In D.18-09-0107, the Commission laid out specific requirements for information to be included in application for consideration of an expansion of the PWM project.²³

To the extent Cal-Am files (or the Commission directs Cal-Am to file) an application seeking approval of a PWM expansion WPA, the application shall include sources of supply water, development costs, prices for sales of the developed water, contractual details, environmental effects, potential to obtain necessary permits, water quality, sources of funding, possible related facilities (e.g., additional pipelines or pump stations), and any other information relevant and necessary for the Commission to make an informed, just and reasonable decision including details as to supply and production including not only during average rainfall years but also during a multi-year drought and the timing of expanded production.

The contractual details required by D.18-09-017 are set forth in the Amended WPA, included as Attachment A. With respect to the remaining information required by D.18-09-017, California American Water sent a letter to M1W and MPWMD on November 3, 2021, seeking the information required by the Commission. M1W and MPWMD provided a response on November 17, 2021. The information required by the Commission in D.18-09-017 and the information provided by the agencies is discussed in the Direct Testimony of Ian Crooks.

V. CALIFORNIA AMERICAN WATER FACILITIES ASSOCIATED WITH PWM

In this Application, California American Water will be seeking the same regulatory treatment for the facilities necessary to maximize the use of the supplemental water from the PWM expansion as the Commission previously approved for the California American Water facilities associated with the original PWM project. In D.16-09-021, the Commission authorized

²² *Id.*, Section 20.

²³ D.18-09-017, pp. 43-44.

California American Water to build the Monterey pipeline and Monterey pump station,²⁴ finding that they were necessary for the efficient and optimal use of ASR as well as the PWM project.²⁵ Furthermore, the decision authorized certain financing and ratemaking features, including cost-recovery of used and useful facilities via two advice letters.²⁶

The Direct Testimony of Ian Crooks provides a detailed description of the additional facilities that will be necessary for California American Water to maximize the use of supplemental water from the PWM expansion: (1) Carmel Valley Pump Station, (2) General Jim Moore parallel pipeline, (3) Extraction Wells 1 and 2 and chemical treatment facilities, and (4) Extraction Wells 3 and 4. As addressed in the Direct Testimony of Ian Crooks, these facilities are tied to providing additional or supplemental source water supply for California American Water's customers in the Monterey District and are needed to maximize the water supply provided under the Amended WPA and ASR, including optimizing transfers of other existing water supplies within California American Water's system.

VI. REVENUE REQUIREMENT AND RATEMAKING

In order to move forward with water from expanded PWM, and as agreed to by the parties to the Amended WPA, California American Water needs approval of the revenue

²⁴ The Monterey pipeline and pump station are part of what has previously been designated as the "Cal-Am-Only Facilities," along with the Transfer Pipeline, the Seaside Pipeline, the Terminal Reservoir, the ASR Pipeline, the ASR Recirculation and Backflush Pipelines, the ASR Pump Station and the Valley Greens Pump Station. D.10-12-016, *Application of California-American Water Company (U210W) 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*, Decision Approving Regional Project, Adopting Settlement Agreement and Issuing Certificate of Public Convenience and Necessity for California-American Water Facilities, p. 205, Ordering Paragraph 7.

²⁵ D.16-09-021, p. 21.

²⁶ *Id.*, pp. 38-42.

requirement and ratemaking requests in this Application. In this Application, California American Water is seeking recovery of costs associated with the purchase of supplemental water pursuant to the Amended WPA, the additional facilities necessary to optimize the system and take advantage of water from the PWM expansion, and the pro-rated portion of the pre-construction costs for the California American Water facilities associated with the PWM project. The bill impact for this request is included with this application as Attachment B and is discussed in the Direct Testimony of Jeffrey T. Linam.

As noted above, the Amended WPA retains the ratemaking principles that the Commission has previously found to be reasonable. In particular, California American Water will only pay for the water that it receives, and the rate will continue to be adjusted each year through a Tier 1 advice letter filing.²⁷ The ratemaking and revenue requirement associated with the Amended WPA is discussed in the Direct Testimony of Jeffrey T. Linam.

With respect to the California American Water facilities associated with the PWM project, California American Water has proposed a cost recovery and ratemaking process similar to that approved by the Commission in D.16-09-021. That decision adopted a cost cap for the combined pipeline and pump station project and authorized California American Water to apply by Tier 3 advice letter for additional recovery of actual costs if they exceed the cap.²⁸ As approved by the Commission, California American Water tracked in a memorandum account: (1) the costs of the Monterey pipeline and pump station, including allowance for funds used during construction (“AFUDC”), (2) a pro-rated portion of the pre-construction costs for the Cal-Am Only facilities, and (3) any portion of the Monterey pipeline or pump station placed in service

²⁷ Attachment A, Section 18.

²⁸ D.16-09-021, p. 39.

prior to the Commission approving the costs to be included in plant in service and recovered in base rates.²⁹ Pursuant to that decision, California American Water put the Monterey pipeline and pump station into rates via two Tier 2 advice letter filings as they became used and useful.

As discussed in the Direct Testimony of Ian Crooks and the Direct Testimony of Jeffrey T. Linam, California American Water recommends that the Commission establish a cost cap mechanism for the California American Water facilities addressed in this application, similar to that approved in D.16-09-021.³⁰ California American Water also seeks to track in a memorandum account the costs for the facilities necessary to optimize California American Water's system and take advantage of the PWM expansion, including AFUDC, and the pro-rated portion of the pre-construction costs for these facilities, just as it did for the facilities approved in D.16-09-021. Additionally, California American Water seeks to put these facilities into rates via Tier 2 advice letters (including pro-rated pre-construction costs for facilities in service) as they become used and useful. The timing of these facilities becoming used and useful is discussed in the Direct Testimony of Ian Crooks.

In D.16-09-021, the Commission recognized that allowing the facilities to be put into rates via Tier 2 advice letters as they become used and useful benefits customers because it limits the accumulation of AFUDC.³¹ The Commission further stated, "It is also consistent with the principle of ratepayers paying the costs of the facilities they use, and not unreasonably deferring those costs to future ratepayers."³² The ratemaking and revenue requirement associated with this

²⁹ *Id.*, p. 38.

³⁰ This overall cap would be comprised of individual cost caps per project, above which California American Water would have to file a Tier 3 advice letter to seek recovery.

³¹ D.16-09-021, p. 40.

³² *Id.*

request, as well as the benefits to customers, are discussed in the Direct Testimony of Jeffrey T. Linam.

VII. UPDATED DEMAND AND SUPPLY ESTIMATES

The Commission previously determined that California American Water had a total water supply of 9,044 afy³³ and estimated the projected future demand at 14,000 afy.³⁴ The Presiding Officer's Decision in C.21-05-005 directed California American Water to file an application updating its supply and demand estimates.³⁵ Although that decision was never adopted, California American Water believes that updated supply and demand estimates will provide helpful context for the Commission, stakeholder and interested parties in considering issues related to the long-term water needs of California American Water's Monterey District.

California American Water will provide updated supply and demand estimates, which will include the additional supplemental water from the PWM expansion,³⁶ no later than April 30, 2022. California American Water recommends that the Commission consider these estimates as part of this proceeding, but in a separate phase from its consideration of the Amended WPA.

VIII. CALIFORNIA ENVIRONMENTAL QUALITY ACT

M1W is the California Environmental Quality Act ("CEQA") lead agency for the PWM expansion.³⁷ The SEIR for the PWM expansion is publicly available on the PWM website.³⁸

³³ D.18-09-017, p. 167, Finding of Fact 13.

³⁴ *Id.*, p. 195, Conclusion of Law 17.

³⁵ Presiding Officer's Decision, p. 24, Ordering Paragraph 2.

³⁶ D.18-09-017, p. 44.

³⁷ CEQA Guidelines (Title 14 of the California Code of Regulations) Section 15051(a).

³⁸ <https://purewatermonterey.org/wp/wp-content/uploads/Final-SEIR-Proposed-Modifications-PWM-GWR-Project-April-2020.pdf> (accessed November 29, 2021).

The Notice of Determination of and CEQA Findings by the M1W Board of Directors are included with this Application as Attachment C.

In this Application, California American Water is seeking approval of the Amended WPA and cost recovery for capital projects necessary to maintain water service. As such, this Application is exempt from CEQA.³⁹

IX. REQUIRED INFORMATION

A. Applicant Information

California American Water's exact legal name is California-American Water Company. California American Water, a California corporation organized under the laws of the State of California on December 7, 1965, is a Class A public utility water and wastewater company regulated by the Commission. California American Water provides regulated water and/or wastewater utility services in parts of San Diego, Los Angeles, Ventura, Monterey, Sonoma, Yolo, Sacramento, Merced, and Placer counties. California American Water's principal place of business is 655 W. Broadway, Suite 1410, San Diego, CA 92101-8494.

California American Water filed a certified copy of its articles of incorporation with the Commission on January 6, 1966 in Application 48170. California American Water filed a certified copy of an amendment to its articles of incorporation with the Commission on November 30, 1989, in Application 89-11-036. California American Water filed a certified copy of a further amendment to its articles of incorporation with the Commission on February 28, 2002, in Application 02-02-030. California American Water filed a certified copy of an additional amendment to its articles of incorporation with the Commission on April 3, 2017, in

³⁹ Pub. Resources Code Section § 21080(b)(8); 14 CCR § 15273.

Application 17-04-003. Since the filing of A.17-04-003, California American Water has not subsequently amended its articles of incorporation.

B. Notice

California American Water requests that copies of all communications and correspondence regarding this Application be sent to:

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With copies sent to:

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C. Categorization

The Commission should categorize this proceeding as rate setting.

D. Need for Hearings

Potentially, there may be factual disputes on material issues, which will necessitate hearings. California American Water intends to introduce the following evidentiary items in support of the Application: (1) this application and attachments; (2) prepared witness qualifications and direct testimony to support the reasonableness of California American Water's requests; and (3) prepared and oral rebuttal testimony and related exhibits to support California American Water's specific requests.

E. Issues

As discussed above, California American Water proposes that the Commission address this proceeding into two phases.

Phase 1: Whether the Commission should approve the Amended WPA and approve California American Water's requests for cost recovery.

Phase 2: What is the appropriate estimate of supply available to California American Water and what is a reasonable estimate of future demand.

F. Safety Considerations

This Application furthers the Commission's safety interests by ensuring that California American Water has adequate supply to continue to provide safe and reliable water service to its Monterey District customers.

G. Environmental and Social Justice Action Plan

This Application furthers the Commission's Environmental and Social Justice ("ESJ") Action Plan by improving access to high quality water for California American Water's Monterey District customers, including those who are part of ESJ communities. Approval of this Application may also help California American Water avoid rationing in its Monterey District, which would have a severe economic impact on the Monterey Peninsula, including ESJ communities.

H. Proposed Schedule

As discussed above, California American Water proposes that the Commission address this proceeding into two phases. California American Water proposes the following schedules for the two phases:

Phase 1	Proposed Date
Application Filed	November 29, 2021
Protest and Responses to the Application	30 Days after Notice in Daily Calendar
Reply to Protests or Responses	40 Days after Notice in Daily Calendar
Prehearing Conference	45 Days after Application Filed
Scoping Memo	60 Days after Application Filed
Intervenor Testimony	30 Days after Scoping Memo Issued
Applicant's Rebuttal Testimony	30 Days after Intervenor Testimony Served
Evidentiary Hearings	30 Days after Rebuttal Testimony Served
Concurrent Opening Briefs Due	30 Days after Close of Evidentiary Hearings
Concurrent Reply Briefs Due	15 Days after Opening Briefs Filed
Proposed Decision on Phase 1	90 Days after Reply Briefs Filed
Comments on Proposed Decision Due	20 Days after Proposed Decision Issued
Reply Comments on Proposed Decision Due	25 Days after Proposed Decision Issued
Final Decision on Phase 1	30 Days after Proposed Decision Issued

Phase 2	Proposed Date
Applicant's Direct Testimony on Updated Demand and Supply Estimates Served	No later than April 30, 2022
Intervenor Testimony on Updated Demand and Supply Estimates to be Served	30 Days after Scoping Memo Issued
Applicant's Rebuttal Testimony on Updated Demand and Supply Estimates to be Served	30 Days after Intervenor Testimony Served
Evidentiary Hearings	30 Days after Rebuttal Testimony Served
Concurrent Opening Briefs Due	30 Days after Close of Evidentiary Hearings

Concurrent Reply Briefs Due	30 Days after Opening Briefs Filed
Proposed Decision on Phase 2 Issued	90 Days after Reply Briefs Filed
Comments on Proposed Decision Due	20 Days after Proposed Decision Issued
Reply Comments on Proposed Decision Due	25 Days after Proposed Decision Issued
Final Decision on Phase 2 Issued	30 Days after Proposed Decision Issued

X. SERVICE

California American Water will serve a copy of the Application on the parties identified on the certificate of service included as Attachment D, which includes parties listed on the official service list for original authorization of the MPWSP in proceeding A.12-04-019 and the parties to C.21-05-005. California American Water will also provide a notice of this Application to customers in its Central Division by electronically linking to such notice for customers that receive their bills electronically or, for customers that receive their bills by mail, by including such notice with the regular bill. A copy of the proposed customer notice is included as Attachment E.

XI. SUPPORTING DOCUMENTS

In support of this Application, California American Water will rely on the material herein and attachments to the Application. California American Water will also provide written and oral direct and rebuttal testimony in support of its requests.

A. Attachments

The following attachments are included with this Application:

- Attachment A: Amended and Restated Water Purchase Agreement
- Attachment B: Bill Impact Summary
- Attachment C: M1W CEQA Findings and Notice of Determination

- Attachment D: Certificate of Service
- Attachment E: Proposed Customer Notice
- Attachment F: Financial Information and Summary of Earnings

B. Testimony

- Direct Testimony of Ian Crooks
- Direct Testimony of Jeffrey T. Linam

XII. CONCLUSION

In conclusion, California American Water requests that the authorize California American Water to enter into the amended WPA and approve its requests for ratemaking and cost recovery.

Dated: November 29, 2021

Respectfully submitted,

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Attorneys for California-American Water Company

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated information or belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 29, 2021 at San Diego, CA

/s/ Jeffrey T. Linam
Jeffrey T. Linam, Vice President, Rates and Regulatory
California-American Water Company