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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Monterey Peninsula Water
Management District, City of Marina
and Marina Coast Water District,

Complainants,

vs.

Case 26-06-021

California-American Water Company
(U210W),

Defendant.

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Factual and Procedural Background

On June 16, 2026, Complainants Monterey Peninsula Water District (MPWMD), City of Marina, and Marina Coast Water District (MCWD) (collectively, Complainants) filed a complaint against California American Company (U210W) (Cal-Am or Defendant). On July 7, 2026, the Instructions to Answer were issued. On July 16, 2026, the assigned Administrative Law Judge (ALJ) issued a ruling setting the prehearing conference (PHC). On August 6, 2026, Defendant filed its Answer in this matter. On August 7, 2026, Defendant

filed a Motion to Dismiss. The Complainants filed a response to the Motion to Dismiss to Dismiss on August 24, 2026.

A PHC was held on August 19, 2026, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary.

To summarize the pertinent allegations, the Complainants claim that Defendant is in violation of Decision (D.) 18-09-017, including Ordering Paragraph 22. The Complainants allege that the Defendant is implementing a different, reduced-size desalination project and not the 6.4 million gallons per day (mgd) that the California Public Utilities Commission (Commission) granted when it issued the Defendant a Certificate of Public Convenience and Necessity in D.18-09-017. Specifically, allege that the Defendant is planning to construct a 4.8 mgd plant rather than the 6.4 mgd plant authorized by the Commission.

The Complainants request that the Commission order Defendant to file a petition to modify (PFM) of D.18-09-017 to authorize the smaller desalination plant proposed by Defendant; to revise the forecasted costs and cost caps adopted by D.18-09-017; require Defendant to undertake the appropriate environmental review of Defendant's smaller proposed desalination plant; direct Defendant to halt any construction or other activity until such PFM is filed, addressed, and resolved by a final Commission decision; and issue an Order to Show Cause to determine why Defendant should not be sanctioned, fined, or otherwise disciplined for allegedly not complying with D.18-09-017. The Complainants assert that the Commission expressly rejected a smaller 4.8 mgd plant on both the cost and environmental grounds in favor of the larger 6.4 mgd plant. They also assert that the Commission rejected phasing up from a 4.8 mgd plant to a 6.4 mgd plant due to environmental concerns.

The Defendant disputes the allegations in the complaint and denies any wrongdoing. Cal-Am asserts among other things that they intend to construct a 6.4 mgd plant in compliance with D.18-09-017 and thus there is no need for a PFM. They deny that they intend to construct a standalone 4.8 mgd plant. Rather, they contend that they are essentially doing the 6.4 mgd plant in phases and will construct the 4.8 mgd plant and then expand to the 6.4 mgd plant. They believe that nothing in D.18-09-017 prevents this and they also assert that they have discussed their intentions with Commission staff.

2. Issues

The issues to be determined or otherwise considered are:

1. Should Defendant's Motion to Dismiss be granted? If not, the proceeding will consider the following additional issues set forth below.
2. Has Defendant violated any regulation, Commission decision, order or law?
3. If the Defendant has violated any regulation, decision, order or law, what shall the consequences be?
4. Should the issue concerning any revision to the forecasted costs and cost caps adopted by D.18-09-017 be addressed in a future general rate case or proceeding rather than a complaint?

3. Need for Evidentiary Hearing

Issue numbers 2 through 4 are contested, material issues of fact.

Accordingly, if the Motion to Dismiss is denied, we will allow parties to present evidence on these issues and evidentiary hearings may be necessary.

4. Schedule

The following schedule is adopted here and may be modified by the assigned ALJ as required to promote the efficient and fair resolution of the complaint:

EVENT	DATE
Presiding Officer's Decision (POD) issued on Motion to Dismiss	TBD
Commission decision	<i>Pursuant to Rule 14.4(a), the POD will become final if not appealed within 30 days of issuance</i>
Additional Procedural Actions (depending on outcome of Motion to Dismiss)	TBD

Based on this schedule, the proceeding will be resolved within 12 months as required by Public Utilities Code Section 1701.2(i).

5. Alternative Dispute Resolution Program

The Commission's Alternative Dispute Resolution (ADR) program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.¹

6. Category of Proceeding and Ex Parte Restrictions

The Commission determined that this is an adjudicatory proceeding. Accordingly, *ex parte* communications are prohibited pursuant to Article 8 of the Rules.

7. Public Advisor

Any person who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office> or contact the Commission's

¹ <https://www.cpuc.ca.gov/PUC/adr/>.

Public Advisor at 1-866-849-8390 or 1-866-836-7825 (TTY), or send an email to public.advisor@cpuc.ca.gov.

8. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. 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.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail whenever possible, transmitted no later than 5:00 p.m. on the date scheduled for service to occur. The assigned ALJ directs parties to only serve electronic copies of all documents filed or served and not to serve a paper copy on the assigned ALJ.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each

subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

9. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

10. Assignment of Proceeding

Commissioner Matthew Baker is the assigned Commissioner and Gerald F. Kelly is the assigned Administrative Law Judge and presiding officer for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearings are needed.
4. The presiding officer is Administrative Law Judge Gerald F. Kelly.

Dated September 1, 2026, at San Francisco, California.

/s/ MATTHEW BAKER

Matthew Baker
Assigned Commissioner