

Assembly Bill No. 1182

CHAPTER 797

An act relating to the Public Utilities Commission.

[Approved by Governor September 23, 1998. Filed
with Secretary of State September 24, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1182, Keeley. Public Utilities Commission:
California-American Water Company.

Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities, including water companies.

This bill would require the commission, in consultation with the California-American Water Company, the Department of Water Resources and other affected interests, to prepare a prescribed long-term contingency plan that company would pursue if a specified dam project does not go forward.

The bill would make related changes, and related legislative findings and declarations.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) As a result of State Board Order No. WR 95-10 by the State Water Resources Control Board, the California-American Water Company must cease and desist diligently from diverting approximately 10,730 acre-feet of water annually from the Carmel River or its underflow.

(b) The California-American Water Company has filed an application with the Public Utilities Commission for a certificate that the present and future public convenience and necessity require the company to construct and operate a 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.

(c) The Public Utilities Commission, after the public participation hearing and prehearing conference held in Monterey, in its June 23, 1997, Joint Ruling, determined that the issues regarding the application of the California-American Water Company fall into three broad interrelated, categories: environmental, financial, and alternative water strategies. The commission also found that the necessity to secure the Monterey Peninsula's water supply greatly predates the current crises, and that the company's dam proposal is the latest of several projects that have received serious consideration.



Further, the commission noted that “[t]he challenge for the community is to achieve closure: some project or combination of projects must be chosen and completed, or long-term water rationing is likely to be unavoidable for this community.”

(d) Decision No. 98-08-036, adopted by the Public Utilities Commission on August 6, 1998, requires the California-American Water Company to prepare a long-term contingency plan describing the program or combination of programs that the company would pursue if for any reason the new Carmel River Dam project does not go forward.

(e) Because of both the long-term difficulties in the water needs of the Monterey Peninsula, and the present urgency to resolve those water needs, the Legislature intends that an environmentally sound water source for the water be secured as quickly as possible in a responsible manner. It is also the policy of the Legislature that in order to achieve closure in the Monterey community it is necessary that the residents served by the Monterey Peninsula Water Management District be provided two water solutions: (a) the dam proposed by the California-American Water Company and (b) a long-term contingency plan.

SEC. 2. (a) Notwithstanding any other provision of law, the Public Utilities Commission, in consultation with the California-American Water Company, the Department of Water Resources, and other affected interests, shall prepare a long-term contingency plan described in Decision No. 98-08-036.

(b) The Public Utilities Commission shall set forth the criteria that it uses in deciding upon the program or combination of programs included in the plan.

(c) Nothing in this section shall override or interfere with the enforcement of decisions or orders of the State Water Resources Control Board.

SEC. 3. The Public Utilities Commission, in making its determination on Application No. 97-03-052, shall consult with the Department of Water Resources. Nothing in this section shall amend or in any way alter the authority of the Public Utilities Commission to make the decision on Application No. 97-03-052.

