

## **EXHIBIT 2-A**

### Excerpts from Administrative Law Judge' Ruling Setting Issues and Schedule for Further Evidentiary Hearings

## **2. Discussion**

We now address issues, schedule, consideration of settlements, and electronic submission of supporting documents.

### **2.1 Issues**

Testimony will be heard on the nine issues stated below. These include the eight identified in the August 7, 2017 ruling and one raised at the PHC.

The ninth issue pertains to four factors required by Pub. Util. Code Section 1002 to be addressed, among others, as bases for granting a CPCN. The four factors are: community values, recreational and park areas, historical and aesthetic values, and influence on the environment. Testimony on these factors has been heard but parties should be permitted to update their position and new parties should be heard. Parties have addressed “influence on the environment” in comments on the draft EIR/EIS, and will address it again in briefs after publication of the FEIR/FEIS. The Commission will consider the environmental factor when it considers the FEIR/FEIS. Therefore, testimony should be on the remaining three issues: community values, recreational and park areas, and historical and aesthetic values.

The issues below are not stated with specificity. Testimony can expand their parameters but testimony outside those parameters will not be heard. The issues are:

1. Demand: updated estimates and analysis of demand including but not limited to:
  - a. use by existing customers
  - b. status with respect to legal lots of record
  - c. status with respect to Pebble Beach
  - d. status with respect to economic recovery of hospitality industry
2. Supply: updated estimates and analysis of supply including but not limited to:
  - a. Plans for expansion of the Pure Water Monterey (PWM) project, if any
  - b. Can expansion of the PWM project provide water to applicant in excess of 3,500 acre-feet per year, in what amounts, and at what cost

**EXHIBIT 2-A**

A.12-04-019 LR1/GW2/vm1

- c. Is water available for purchase by applicant from Marina Coast Water District, in what amounts, and at what cost
3. Costs: updated estimates and analysis of costs for the Monterey Peninsula Water Supply Project (MPWSP)
4. Project Financing: updated information and analysis of project financing
5. Downsizing: feasibility and costs of MPWSP being downsized including but not limited to:
  - a. Postponement of one or more wells
  - b. Operation of plant at lower rate until demand materializes
  - c. Construction in modular increments including but not limited to whether the MPWSP can be authorized at a level smaller than 6.4 million gallons per day with the option for applicant to later request authority to add increments if and as demand increases
6. Solar and Renewables: Feasibility and desirability of a desalination project configuration that includes the plant being energized by a combination of purchased electricity (including some or all renewables) and on site solar panels
7. CEMEX Site: status of applicant's access to land at the CEMEX site if CEMEX ends operation and the land is transferred to another entity
8. Settlement Agreements: Are modifications needed, if any, to any pending Settlement Agreement?
9. Section 1002 Factors: In determining whether or not to grant the CPCN (in whole, in part, or not at all) what consideration should the Commission give to:
  - a. Community values
  - b. Recreational and park areas
  - c. Historical and aesthetic values

**2.2 Schedule**

The adopted schedule is:

ITEM	DATE
Service of proposed direct testimony by applicant	September 15, 2017
Service of proposed testimony by intervenors	September 29, 2017
Service of proposed rebuttal testimony by applicant	October 13, 2017
Evidentiary Hearing (EH)	9:30 a.m. on October 25, 2017, continuing October 26 and October 30 through November 3, 2017, if needed
Parties agree to outline for briefs on CPCN issues	No later than the last day of EH
File and serve opening briefs on CPCN issues	Three weeks after the close of EH
File and serve reply briefs on CPCN issues	Two weeks after opening briefs
Parties agree on outline for briefs on FEIR/FEIS or submit disputes to Administrative Law Judge	March 1, 2018
Publication of FEIR/FEIS	About March 16, 2018
File and serve opening briefs on FEIR/FEIS issues	Ten days after publication of FEIR/FEIS
File and serve closing briefs on FEIR/FEIS issues	Seven days after filing of opening briefs on FEIR/FEIS issues

Parties shall note that the adopted dates for service of proposed testimony are the last dates for that service. A party may serve its proposed testimony before the last date for that service, particularly if the party faces other constraints.