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To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)
Cc:
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Subject: CPUC Approves Carmel River Reroute and San Clemente Dam Removal Project:
CPUC Press Release

**FOR IMMEDIATE RELEASE
RELEASE**

PRESS

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov
Docket #: A.10-09-018

CPUC APPROVES CARMEL RIVER REROUTE AND SAN CLEMENTE DAM REMOVAL PROJECT

SAN FRANCISCO, June 21, 2012 - The California Public Utilities Commission (CPUC) today approved California-American Water Company's (Cal-Am) request to implement the joint ratepayer/public funded Carmel River Reroute and San Clemente Dam Removal Project in order to eliminate the Dam's seismic safety hazard, provide comprehensive restoration of the natural character and function of the valley bottom, and restore steelhead fish passage.

The project is expected to cost \$83 million in partnership with the California State Coastal Conservancy and the National Marine Fisheries Service. Of the \$83 million, Cal-Am will incur \$49 million, and the Conservancy will secure \$34 million in public funds, \$19.5 million of which has been committed or nearly committed.

The project will consist of a permanent bypass around a portion of the Carmel River by cutting a channel between the Carmel River and San Clemente Creek, upstream of the Dam. The bypassed portion of the Carmel River will be used as a disposal site for the accumulated sediment, and the Dam will be removed.

Said Commissioner Catherine J.K. Sandoval, the author of today's decision, "This project is a laudatory example of innovative thinking, as it provides a creative solution and a public/private partnership to address a host of problems. It is a historic

opportunity to protect people from potential flood damage, meet earthquake safety guidelines, protect endangered species, and provide significant environmental benefits to the public and wildlife.”

Added CPUC President Michael R. Peevey, “Safety is our number one priority and this project improves the seismic safety of the Dam while also benefitting our environment. The unique public/private partnership ensures that Cal-Am’s customers do not bear the full burden of the cost of the project.”

Cal-Am’s funding of the project will be paid through a surcharge on customer bills over the next 20 years. Cal-Am estimates the surcharge will be approximately 6.7 percent, or \$2.55 per month for an average residential customer. The first tier of residential rates will remain intact with no surcharge.

The project is expected to begin in September 2012 and be completed three years later.

The proposal voted on is available at http://docs.cpuc.ca.gov/WORD_PDF/AGENDA_DECISION/169106.pdf.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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