PUBLIC UTILITIES COMMISSION 505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



August 29, 2006

To: All parties in R.03-09-005 and R.06-04-010

I am notifying you of three items related to the California Public Utilities Commission's efforts on implementing the Water Action Plan (WAP) and improving the Rate Case Plan (RCP).

First, please review the Comments and Reply Comments from all parties on implementing the WAP and improving the RCP. These documents are on the CPUC's internet webpage. Please access the internet webpage by (1) placing your cursor over the below web address, (2) holding down your "Ctrl" button (Control Button), and (3) "left clicking" on your mouse.

http://www.cpuc.ca.gov/static/Water/Comments WAP GRC.htm

Second, the CPUC will hold a workshop on identifying, explaining and clarifying issues for a subsequent rulemaking process on implementing the WAP and improving the RCP. The workshop will be held on September 27 (Wednesday), with a possible carryover date of September 28 (Thursday). The workshop will be in San Francisco at the CPUC building Training Room A. Please contact Steven Haine at <u>shi@cpuc.ca.gov</u> or (415) 703-2162 if you have any questions regarding the workshop.

Third, I have attached a matrix of the issues covered by the Comments and Reply Comments. This matrix is a draft and is provided to all parties to help identify major issues during the workshop. Minor issues may have been omitted from the matrix in order to keep the size of the matrix manageable. By September 11th, please review the matrix for obvious omissions and errors and also rank the issues that you want to discuss during the workshop by priority. The priority ranking of the issues are "A – C" where "A" is the highest priority and "C" is the lowest priority. Please provide your feedback, your priority ranking of the issues, and any other suggestions for change regarding the matrix to Steven Haine at shi@cpuc.ca.gov or at (415) 703-2162. Please limit your suggestions to comments or reply comments that have already been submitted. During the workshop, additional comments and reply comments may be brought up.

Very truly yours,

Kevin P. Coughlan Director Water Division

Enclosure

Cc: Cynthia Walker Division of Ratepayer Advocates

Joint Signatories