

August 11, 2006

MEMORANDUM

TO: Jonathan Tom
Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

FR: Frances Spivy-Weber
Mono Lake Committee
1200 South Catalina Ave., #406
Redondo Beach, CA 90277

RE: Reply Comments on Water Action Plan and Rate Case Plan

Dear Mr. Tom:

As a signatory to the Joint Recommendations for the implementation of the Water Action Plan objectives relating to water conservation filed with the Commission on July 26, 2006, Mono Lake Committee remains fully supportive of the substantive and phased recommendations contained therein. In light of additional comments filed in this proceeding, we make the following additional points:

1. The Joint Recommendations contain somewhat detailed recommendations for near-term application of conservation program requirements (“Phase One”), as well as additional measures that generally require further review, analysis, and negotiation among stakeholders (“Phase Two”). While we recommend that all Phase One measures be approved by the Commission, we recognize that the Joint Recommendations are not fully dispositive of all issues relating to water conservation, not the least of which is the specific design of water-conserving block rate structures. The Division of Ratepayer Advocates and other interested stakeholders should have the opportunity to review and recommend appropriate rate structures that achieve the conservation purposes of the Joint Signatories and the Water Action Plan, and to provide advice on other aspects of the Joint Recommendations, or on water conservation matters not addressed in the Joint Recommendations, prior to the application of the Phase One recommendations to the signatory water companies or any other Class A water company.
2. The July 19 letter from Director Coughlan contains a proposed “Check List” for GRC Class A water company filings. Several of the elements of the check list pertaining to water conservation are quite similar to elements of the Joint recommendations. In fact, where they address similar subject matter, we recommend that the check list be worded to more closely track the Phase One elements of the Joint Recommendations. We believe

that consistent use of standard methodologies and reporting formats, as contained in the Joint Recommendations, will facilitate more efficient review and evaluation by DRA and the Commission during the course of GRC proceedings.

3. Mono Lake Committee and other NGO stakeholders (“CPUC Water Action Plan Working Group”) by letter of January 26, 2006, recommended that the Commission institute one or more rule-makings regarding the water conservation, water quality, and low income objectives of the Water Action Plan. Our goal was to have the CPUC employ its rule-making authority in a timely manner to put these long overdue policies into practice. We continue to believe that a rule-making could be useful, particularly for some of the measures included in Phase Two of the Joint Recommendations. There are, however, measures in the Phase One Joint Recommendations where we believe action can be taken more quickly. Therefore, we urge the Water Division to work now with the Division of Ratepayer Advocates and others in whatever public processes are appropriate to provide leadership that fairly meets the promise of the CPUC Water Action Plan to conserve water and protect the environment.

Respectfully submitted,

Frances Spivy-Weber
Executive Director-Policy
Mono Lake Committee