



Preliminary Draft 9/28/10

September 29, 2010

Mayor
City

Subject: Application of California American Water to the California Public Utilities Commission Requesting Imposition of an Immediate Moratorium for the Monterey Peninsula (A. 10-05-020)

Dear Mayor _____,

This letter provides an update on the above-captioned Application pending before the California Public Utilities Commission (CPUC). California American Water (Cal-Am) has filed a request with the CPUC seeking authorization to impose a moratorium on new or expanded water service connections in the Monterey District. This would affect the majority of Cal-Am customers in its main system.

MPWMD has intervened as a party in this proceeding, joining the other intervening parties that include Hidden Hills Ratepayers, Security National Guarantee, and three individuals: Stanley Pletz, Shan Sayles and Mahroom Family Partnership. This proceeding has been assigned to Commissioner Bohn and Administrative Law Judge (ALJ) Gary Weatherford.

Following a prehearing conference on August 25, 2010, the ALJ and assigned Commissioner identified the following key issues in the proceeding via a scoping memo:

- Whether or not Cal-Am should be relieved of its obligation to serve connections prohibited by SWRCB Order WR 2009-0060;
- Whether or not the CPUC should determine any types of connections to be exempt from the moratorium, and if so, what exceptions should apply;
- Whether or not the moratorium should apply to Cal-Am subsystems that are physically unconnected to the Main System and receive no water from the Carmel River.

No evidentiary hearings will be held, and it appears that the CPUC cannot hold public participation hearings for this matter prior to resolution of the state budget.

The proceeding is on a fast track. Opening briefs are to be filed by October 8, 2010; reply briefs are due October 22, 2010. A Proposed Decision is likely to issue in

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December 2010, and a final decision is tentatively planned for the full Commission in January 2011.

Time is of the essence for any comments to be made in this matter. At this late date, the most likely means to communicate issues of concern should be by filing an ex parte letter with Commissioner Bohn and ALJ Gary Weatherford.

Sincerely,

Regina Doyle, Chair

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