

MORLIN
Management Corporation

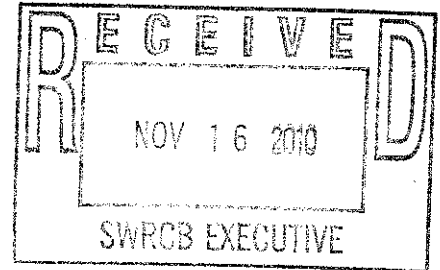


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11/16/2010

Ms. Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, Ca 95814

VIA E-Mail: commentletters@waterboards.ca.gov



Dear Ms. Townsend:

Subject: Proposed Amendments to the Statewide Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (Policy)

The 530 6th Street LLC, is pleased to submit the following comments in support of the proposed amendments to the OTC Policy released by the State Water Resources Control Board (SWRCB) on September 27, 2010.

It is our understanding that the proposed amendments to the Policy would allow utilities such as the Los Angeles Department of Water and Power (LADWP) to continue the use of once through cooling (OTC) for newly repowered, highly efficient facilities for the remainder of their useful lives as long as environmental impacts from that OTC usage was either controlled or mitigated. Furthermore, the Policy allows a compliance deadline beyond the current December 31, 2020 date for utilities that commit to eliminating OTC usage upon repowering their existing units. For utilities such as LADWP, this would allow the intended environmental goal of the Policy to be met in a balanced and methodical way that does not financially burden ratepayers such as ourselves during these difficult economic times when we cannot afford it.

The Manager has studied this issue and the information provided by LADWP. In order to eliminate the use of OTC by the current Policy's compliance deadline, LADWP would have to accelerate their repowering program by expending \$2.2 billion over the next 10 years - resulting in a rate increase of 6%. The Policy amendments now provide for a mechanism to extend the compliance deadlines with appropriate interim environmental mitigation commitments.

The implications of the current Policy on our daily finances and economic health cannot be overlooked and we urge you to adopt the amendments to the Policy as proposed on September 27th as a balanced approach to environmental protection.

Sincerely,