

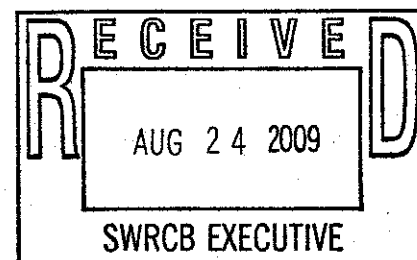
To whom it may concern:

Our Association represents around 450 ratepayers in the Monterey District that California American Water (CAW) services. We have been following the CDO issue because even though our ratepayers do not receive our water from the Carmel River, CAW has used its influence at the CPUC to lump us into their conservation and rationing program which is triggered if the CDO is put into effect. What that means is that the people in the Monterey District will automatically be put on rationing when the CDO goes into effect. This will be our reward for being the lowest consumers of water in the State. The kicker is that CAW benefits (automatically by the new rules) by increasing their rates to cover the loss of revenue they would experience from rationing. This when we are already paying the highest rates for water as it is.

While we support conservation and the environment there comes a time when a balance has to be struck. Punishing the customers who are already doing their part isn't enough. Instead of limiting the amount of water pumped from the Carmel River, the SWRCB should simply consider setting a fine, which increases for every year that goes by without a solution to the problem. This would impact the CAW shareholders and not the customers who are already doing their part. There is no incentive for CAW when they already have the program in place to cover their profits whether or not they are restricted in their pumping on the Carmel River. Customers complaining won't bother CAW as much as having their shareholders complaining. They already have an application before the CPUC to raise their return on investment to 14%. Fining them and trimming that ROI will have far greater impact than restricting the amount of water they can take.

We hope you take this into consideration and punish the abuser and not the victims.

Sincerely,
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