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01-11-08
01:17 PM

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California State Senate

SENATOR
CAROLE MIGDEN
THIRD SENATE DISTRICT
DEMOCRATIC CAUCUS CHAIR
LABOR & INDUSTRIAL RELATIONS CHAIR

COMMITTEES
ELECTIONS, REAPPORTIONMENT & CONSTITUTIONAL AMENDMENTS
NATURAL RESOURCES & WATER
PUBLIC EMPLOYMENT & RETIREMENT
SELECT COMMITTEE ON ASIAN PACIFIC RIM ECONOMIC DEVELOPMENT
SELECT COMMITTEE ON CALIFORNIA'S HORSE RACING
SELECT COMMITTEE ON CALIFORNIA'S WINE INDUSTRY
SELECT COMMITTEE ON FOOD BORNE ILLNESS

Commissioner John Bohn
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Application No. A.07-01-37 – California-American Water Company – Larkfield District

Dear Commissioner Bohn,

We are writing in opposition to California-American Water Company's application to consolidate its Larkfield District with its Sacramento District for ratemaking purposes. We believe you should allow more time to hear from community organizers seeking to provide water services in the area through a community services district.

As you may know, residents in the Larkfield area are interested in bringing a range of services -- including the delivery of water – under local control. We are concerned that their efforts to create a local district may be hampered if California-American Water Company (Cal-Am) is able to link its local operation to its Sacramento district. Linking Larkfield to Sacramento could make it more difficult for a newly created community services district to negotiate for the local water infrastructure if that infrastructure were suddenly part of a larger system.

Moreover, it appears that the proposal advanced in the CalAm application is contrary to the September 2005 CPUC ruling against consolidation of these two districts. The two districts are not in close proximity and there does not appear to be any opportunity for overall savings through the sharing of resources.

As noted in the recently released Ratepayer Advocate's report, having the Sacramento district subsidize the Larkfield district is counter to guidelines published in 1992 and would not appear to be good public policy. Please reconsider the decision to include consolidation in the general rate case. Consolidation would not be in the interest of residents in either service area.

Sincerely,

CAROLE MIGDEN	PATRICIA WIGGINS	PATTY BERG
Senator, 3rd District	Senator, 2nd District	Assemblymember, 1st District