FILED
01-18-08
04:59 PM

ATTACHMENT C

COUNTY OF SONOMA
BOARD OF SUPERVISORS
575 ADMINISTRATION DRIVE, RM. 100A
SANTA ROSA, CALIFORNIA 95403

(707) 565-2241
FAX (707) 565-3778

PAUL L. KELLEY
SUPERVISOR FOURTH
DISTRICT

pkelley@sonoma-county.org

March 20, 2007

Honorable Linda A. Rochester
Administrative Law Judge
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Re: Application No. 07-01-037 – California-American Water Company – Larkfield District

Dear Judge Rochester:

As a member of the Sonoma County Board of Supervisors, I represent the Fourth District which includes the Larkfield-Wikiup area in unincorporated Sonoma County. Larkfield-Wikiup is a predominantly residential area with a population of approximately 8,000. Water service in this area is provided by California-American Water Company (Cal-Am).

The water rates paid by Cal-Am's Larkfield District customers are generally higher than those paid by residents of similar nearby communities. Several years ago, a group of residents formed the Larkfield-Wikiup Water District Advisory Committee (LWWDAC) to investigate whether acquisition of the Cal-Am Larkfield District by a public entity was feasible and could result in a reduction in water rates to the community. I have met with and supported this committee for a number of years, and I support local control of rates and service. The committee has commissioned a study to evaluate the feasibility of acquiring the Larkfield District to provide local services and the possibility of acquiring the water district.

In 2004, Cal-Am filed an application with the CPUC seeking consolidation of Larkfield and Sacramento Districts for rate purposes. This application was actively opposed by the LWWDAC, and the CPUC denied Cal-Am's application in Decision 05-09-020, finding the proposed consolidation was "poorly supported, generally opposed, and inconsistent with ... [CPUC] guidelines...." (Decision at 17.) Notwithstanding this decision, Cal-am's application has as an alternative a rate design that effectuates a consolidation of the Larkfield and Sacramento Districts.

I am concerned that the two systems are so far apart in distance that it would not be in the best interest of my local community. It is bad public policy to have local water not completely controlled locally and influenced by a service area many Counties away. I oppose Cal-Am's application that would effectuate consolidation. The application is directly contrary to the 2004 CPUC ruling against consolidation. I request that the CPUC deny Cal-Am's application to the extent it requests any type of consolidation with the Sacramento District. Thank you for your consideration of my request.

Sincerely,

Paul L. Kelley

PAUL L. KELLEY
Fourth District Supervisor

PLK:cw:19615