



ORA

*Office of Ratepayer Advocates
California Public Utilities Commission*

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JOSEPH P. COMO
Acting Director

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April 22, 2014

Honorable Bill Monning
California State Senate
State Capitol, Room 4066
Sacramento, CA 95814

RE: SB 936 (Monning) – Support

Dear Senator Monning,

ORA (Office of Ratepayer Advocates) is the independent consumer advocate within the California Public Utilities Commission (CPUC). ORA's statutory mandate is to obtain the lowest possible rate for utility service consistent with reliable and safe service levels. ORA also advocates for customer and environmental protections in connection with utility service.

ORA supports the intent of your SB 936, which seeks to provide Monterey residents with a more affordable long-term water supply solution through the use of an alternative financing mechanism for the Monterey Peninsula.

ORA's focus is to work with your office and other stakeholders to provide Monterey residents with a long-term safe, affordable and reliable water supply that would best resolve the severe water shortage. Currently, ORA is a signatory to the pending settlement before the CPUC for Application (A.)12-04-019 that proposes a plan to address this situation. This settlement was achieved by carefully balancing many interests, including the allocation of ratepayer costs and risks. SB 936 would offer a funding option to this settlement by proposing a financing mechanism to construct a desalination plant and other water supply systems at a potentially lower overall cost through public debt financing.

Developing new water sources in Monterey is critical to providing residents with much needed reliable and safe water. SB 936 would facilitate the issuance of lower cost financing to fund a portion of the Water Supply Project, and lower the overall cost to customers. ORA looks forward to working with you to ensure such a financing plan includes sufficient customer safeguards and project parameters. If you have any questions or would like to discuss this matter further, please call ORA's Legislative Advisor, Rebecca Lee, at (916) 327-1407 or me at (415) 703-2381.

Respectfully,

Joseph P. Como, Acting Director
Office of Ratepayer Advocates

By
Rebecca Lee
Legislative Advisor