



April 12, 2012

Mr. Russ Baggerly  
Director, Division 5  
Casitas Municipal Water District  
1055 Ventura Ave.  
Oak View, CA. 93022

Dear Director Baggerly,

On behalf of Golden State Water Company, I wanted to thank you for bringing to our attention the increased cost of purchased water noticed in our public notices for the 2013-2015 General Rate Case filing.

We researched the issue, and found a technical error in our purchased water projections which inaccurately forecasted the cost of purchased water. We apologize for the error. We will be making a correction when we submit testimony to the California Public Utilities Commission, and amending our filing to reflect a three percent reduction in our revenue request. Additionally, you can be assured that, even if the mistake was not found and corrected, customers would not have paid the extra charges since such water supply related costs are reconciled to actual costs each year.

Golden State takes pride in providing the best possible service and being accountable to customers, water partners and the California Public Utilities Commission. We appreciate the strong professional relationship with Casitas Municipal Water District and value our continued collaboration. We want to ensure that water rates reflect the cost to provide quality, reliable water service and maintain the water system. A thorough and transparent process, with public review and input, ensures this will be the result.

Again, thank you for taking time to address this issue. Please don't hesitate to contact me if you have any questions or would like additional information.

Sincerely,

Kenneth J. Petersen, P.E.  
Coastal District Manager

CC: Casitas Municipal Water District Board of Directors  
Mary Bergen  
Jim Word  
Pete Kaiser  
Bill Hicks  
Steve Wickstrum – General Manager