



County of San Diego

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Honorable Tani Gorre Cantil-Sakauye, Chief Justice
and Honorable Associate Justices
California Supreme Court
350 McAllister Street
San Francisco, California 94102-3600

**Re: *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.*, Supreme Court Case No. S24350
(Court of Appeal Nos. A146901, A148266)
Letter in Support of Petition for Review (Cal. Rules of Court, Rule 8.500(g))**

Honorable Chief Justice Cantil-Sakauye and Associate Justices:

This case addresses the cost of distributing a commodity that is particularly precious in California: water. The Court of Appeal ruled that the rate the Metropolitan Water District of Southern California ("Metropolitan") charges the San Diego County Water Authority ("Water Authority") for transporting water from third-party sources may include the allocated transportation costs for the entire California Aqueduct rather than just the allocated transportation costs for the parts of the system it owns and uses in a particular transaction. This ruling is significant because these transportation costs constitute more than 75% of the charges for imported water.

I. APPLICANT'S INTEREST

The County of San Diego has a significant interest in the resolution of the issue presented because its economy and residents depend on the Water Authority and its member agencies to provide a reliable water supply at a reasonable cost. (Slip Op., p. 5.)

II. WHY REVIEW SHOULD BE GRANTED

The Court should grant review to resolve an important question of law: what transportation costs Metropolitan may include in the rate it charges to transport water from third party sources for distribution by the Water Authority and its member agencies. (Cal. Rules of Court, rule 8.500(b)(1).) Over the next four years alone, the Water Authority estimates this ruling will result in a \$160 million increase in the cost of water the Water Authority imports for distribution to residents, businesses and military users in the San Diego region. The importance of water supply and cost reliability to the County's 3.3 million residents, \$222 billion economy and military installations cannot be overemphasized.

For this reason, the County urges the Court to grant the Water Authority's petition for review.

Respectfully submitted,

A handwritten signature in blue ink, reading "Thomas E. Montgomery". The signature is written in a cursive style with a long, sweeping underline.

THOMAS E. MONTGOMERY, County Counsel
County of San Diego

