Original comments in black, author responses in ***bold italics***.

I have reviewed a previous version of this article in another journal. A lot of the comments (from me and other reviewers) have been taken into account. However, there are still some issues left.

There are a lot of references to Mr. Cahill's master thesis (but why force readers to search and pay for references to locate key information. Note: a pdf version of the thesis costs $37 on ProQuest). I feel that this is not a appropriate reference. At least in this paper a summary of
* the parameter probability functions (pg 4875, ln 20)
* relations between water use and parameters (pg 4876, ln 15 and pg 4878, ln 17)
* cost functions (pg 4879, ln 5)
* inputs of optimization model (pg 4881, ln 4)
should be added.

In the revised reference set we have provided and URL with access to a version of the thesis that available at no cost. This is:
http://cee.engr.ucdavis.edu/faculty/lund/students/CahillMSThesis.pdf

*** other comments:
* pg 4870, ln 23: "many water utilities", there are only two references

Water utilities and water economists often use regression analysis based on historical water use and price trends. It was not our intention to provide exhaustive set of inductive applications. We have softened the sentence to better represent our focus in the paper.

* pg 4871, ln 7: another good South African reference is Jacobs and Haarhof 2004

Thanks for the reference, we added in a sentence on it.

* pg 4871, ln 25: in fact the model could include outdoor use, the thing is that in the Netherlands outdoor use is very small compared to US, Australia, etc.

We added in a note making clear that it wasn't included because outdoor water use is not too large in the Netherlands.

* figure 3: I would suggest to put the indoor use on a differnt y-scale then the outdoor use. That way it is easier to judge the results if only indoor use were present. The conclusions may be different then (see also pg 4877, ln 3).

We think it is a good idea for the outdoor use to stand out, just to make it clear to the reader how large it is in relation to indoor uses. Also, the secondary axis is already being used to present both U.S. Customary and SI units. It is unclear for us how could having this distinction could change our overall conclusions.

* table 3: winter and summer scenarios are equal, why not just name them winter 1-3 and summer 1-3 in stead of 1-6?

Table was changed following your suggestion

* pg 4879, ln 23 and further: nice!

Thank you. We think this helps to better represent opportunity cost of different households.

* pg 4880, ln 20-25: I do not understand this part.

It's a way of including some variability in hassle costs. Basically saying that the value of time varies depending on the household—the income was used as a proxy for this uncertainty. Higher income households are often willing to pay more for subcontracting some of these short-term actions.

* pg 4883, ln 6-8: which actions are you talking of?

We added in an example

* pg 4883, ln 13-16: could you add an example?

We added in an example

* pg 4885, ln 12: hassle costs were for short term changes only. Fig 5 shows long term changes.

Hassle costs do not directly affect to long term actions. However, they do indirectly affect the long-term adoption rates, as the hassle costs affect the short-term costs, which may make long-term actions more or less attractive.

* pg 4886, ln 15 a.f.: can you quanitfy this? Why should we bother?
Added in a description on how this can be quantified. # of free riders = # of people that conserve when the rebate is $0.
* some typos and reference formats need to be taken care of.

Thank you. We have made these corrections.