

# Memorandum

Date: October 27, 2011

To: The Honorable Michael R. Peevey  
President  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

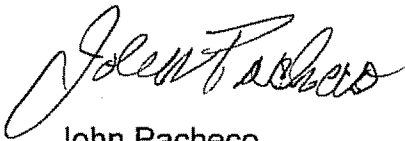
From: Department of Water Resources

Subject: Notification of Revised Revenue Requirement Determination for 2012

Pursuant to California Water Code sections 80110 and 80134 and the Terms and Conditions of the Rate Agreement (Rate Agreement) between the California Department of Water Resources (Department) and the California Public Utilities Commission (Commission) dated March 8, 2002, the Department hereby advises and notifies the Commission of the Department's revised revenue requirements for the period January 1, 2012 through and including December 31, 2012. Capitalized terms not defined herein shall have the meaning set forth in the Rate Agreement. The Department has made this revenue requirement determination in accordance with California Water Code, Division 27 and the California Code of Regulations, Division 23, Chapter 4, Sections 510–517. A copy of the Department's Revised 2012 Revenue Requirement Determination is attached hereto.

The Department requests that the Commission calculate, revise and impose Bond Charges in accordance with Article V of the Rate Agreement sufficient to satisfy the Rate Covenant therein. The Department also requests that the Commission calculate, revise and impose Power Charges in accordance with Article VI of the Rate Agreement sufficient to provide moneys in the amounts and at the times necessary to satisfy the Department's Retail Revenue Requirement delineated in the attached Revised 2012 Revenue Requirement Determination for the period January 1, 2012 through and including December 31, 2012.

The Department appreciates the Commission's assistance in implementing the Department's revised revenue requirements determination for 2012. If you have any questions or need additional information, please contact me at (916) 574-0311.



John Pacheco  
Acting Deputy Director  
California Energy Resources Scheduling

Attachments

(cc: See attached list)

Honorable Michael R. Peevey  
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cc: Honorable Michel Peter Florio, Commissioner  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Honorable Timothy Alan Simon, Commissioner  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Honorable Catherine J.K. Sandoval, Commissioner  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Honorable Mark J. Ferron, Commissioner  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Honorable Seaneen M. Wilson, Administrative Law Judge  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Mr. Paul Clanon, Executive Director  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Service List Rulemaking 11-03-006 (via electronic mail)