

Memorandum

Date: April 26, 2012

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: R.11-03-006, IOUs' Settlement Agreement Requesting Re-Allocation of the Department of Water Resources Revised 2012 Revenue Requirement

The California Energy Resources Scheduling division of the Department of Water Resources (DWR) submits this memorandum to assist the California Public Utilities Commission (Commission) in its decision making process regarding the Investor Owned Utilities' (IOUs) request to re-allocate DWR's Revised 2012 Revenue Requirement to implement the IOUs' Settlement Agreement resolving disputes over the CFS Discount and the Sempra LT Contract Refund (IOU Settlement Agreement).

DWR can implement the allocation of funds to the IOUs as described in the Proposed Decision. DWR could also implement the June 2012 amortization option requested by the IOUs in their comments on the Proposed Decision, dated April 12, 2012, if the final decision is adopted at the Commission's May 10, 2012 meeting.

DWR confirms it received \$15,825,086.89 from the Continental Forge Settlement Discount for the period September through October 2011.

DWR appreciates the opportunity to assist the Commission by providing these comments. If you have any further questions or need additional information, please contact me at (916) 574-0311.



John Pacheco
Acting Deputy Director
California Energy Resources Scheduling

Attachment

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)

Attachment

Effective Date Scenario Table

IOU Settlement Summary

2012 Revenue Requirement Changes to Monthly Payments and Power Charges

Start Month ¹		Apr-12	May-12	Jun-12	Jul-12
PG&E rate	(\$/MWh)	84.75	84.75	84.75	84.75
PG&E original pmt	(\$)	29,535,127	29,535,127	29,535,127	29,535,127
PG&E new pmt	(\$)	35,234,842	35,947,306	36,863,332	38,084,699
difference	(\$)	5,699,715	6,412,179	7,328,205	8,549,573
SCE original pmt	(\$)	36,764,253	36,764,253	36,764,253	36,764,253
SCE new pmt	(\$)	30,135,198	29,306,566	28,241,182	26,820,670
difference	(\$)	(6,629,056)	(7,457,688)	(8,523,072)	(9,943,584)
SDG&E original rate	(\$/MWh)	40.83	40.83	40.83	40.83
SDG&E new rate	(\$/MWh)	31.33	27.49	17.92	0.00
difference	(\$/MWh)	(9.50)	(13.33)	(22.91)	(40.83)

1 - Different implementation dates result in changes to Power Charges (for SDG&E) and monthly amounts returned to PG&E and SCE customers so that the aggregate 2012 Revenue Requirement remains unchanged