

April 19, 2004

**NOTICE OF SUPPLEMENTAL DETERMINATION OF REVENUE REQUIREMENTS
(California Code of Regulations Title 23 Section 510 et seq.)**

The California Department of Water Resources ("the Department" or "DWR") hereby provides Notice of its supplemental determination of revenue requirements for the period January 1, 2004 through and including December 31, 2004. The Department has made this supplemental determination of revenue requirements in accordance with California Water Code, Division 27 (the "Act") and California Code of Regulations, Division 23, Chapter 4, Sections 510–517 (the "Regulations").

As part of the supplemental determination, the Department has reduced its Retail Revenue Requirement for the year 2004 by \$245 million and has modified its projection of the amount of energy that it will deliver to bundled customers in 2004.

In reaching its supplemental revenue requirements determination, the Department followed procedures consistent with those contained in the Act and the Regulations. The Department issued a proposed determination on March 10, 2004. A copy of the Department's proposed supplemental determination was posted on its web-site, <http://www.water.ca.gov>, and was also sent to interested persons who had requested notice of the Department's initial 2003 determination of revenue requirements. The deadline for submitting comments on the proposed supplemental determination was April 1, 2004. Comments were submitted by Pacific Gas Electric Company and San Diego Gas & Electric Company. The Department has reviewed all comments timely submitted in accordance with the Regulations and has made an assessment as to whether matters raised in those comments have a material impact on the proposed supplemental revenue requirement. To the extent changes were necessary they have been incorporated within the Department's supplemental determination of revenue requirements. The Department has also considered comments submitted in reaching a determination that its supplemental revenue requirement for 2004 is just and reasonable.

This notice is being provided via electronic mail to those persons who received the original notice by electronic mail and by U.S. Mail to every person who has filed a request for notice. This notice is also posted on the Department's web site.

DWR will consider any request for reconsideration of the supplemental determination of revenue requirements only if the request satisfies the requirements of section 515 of title 23 of the California Code of Regulations, which are summarized below. To be

considered requests for reconsideration must be received at either of the following addresses by 5:00 P.M. on April 29, 2004:

Mailing address: Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, CA 95821-9001
Attention: Jeannie S. Lee., Esq.

E-mail address: jslee@water.ca.gov

Requests for reconsideration must satisfy the following requirements, as specified in section 515 of title 23 of the California Code of Regulations:

A comment must be in typewritten form and must be clear and permanently legible.

A comment must identify the determination that is the subject of the comment by referencing the deadline for submitting comments.

A comment must be signed. Comments submitted on behalf of a business or organization must be signed by a person authorized to comment on behalf of the business or organization, must include the name and title of the signatory, the date of signing, the signatory's business address, and the signatory's business telephone number. Comments submitted through electronic mail will be considered by DWR only if an original, signed copy of the comment is received by DWR within three working days after the receipt of the electronic-mail comment.

A signature on submitted testimony certifies that the signer has read the document and knows its contents; that to the signer's best knowledge, information, and belief, formed after diligent inquiry, the facts are true as stated; that any legal contentions are warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; that the testimony is not tendered for any improper purpose; and that the signer has full power and authority to sign the document.

No documents or records submitted as testimony which purport to be statements of fact shall be considered by DWR unless the documents or records have been certified under penalty of perjury by the person preparing or in charge of preparing them as being true and correct.