

July 8, 2008

**NOTICE OF PROPOSED DETERMINATION
OF A REVENUE REQUIREMENT**

The California Department of Water Resources (DWR) proposes to determine a just and reasonable revenue requirement for 2009 that together with any moneys on deposit in the Electric Power Fund, is sufficient to provide the amounts necessary to pay obligations authorized by Division 27 of the Water Code (commencing at Section 80000). Procedures for public participation in this determination are set out in Sections 510-517 of Title 23 of the California Code of Regulations. A copy of the procedures is also provided herewith.

Availability. A copy of the proposed determination is available for review at www.cers.water.ca.gov and at the California Energy Resources Scheduling Division (CERS) of DWR, 3310 El Camino Avenue, Sacramento, California. The proposed determination includes the amount of the proposed revenue requirement, a written explanation of the assumptions and methodologies underlying the proposed determination, and reference to the material upon which DWR intends to rely to support the determination if, as and when it is made. Such material is available for review at CERS at the above address.

According to contract or law, DWR and its consultants must keep some material that DWR intends to rely on in determining this revenue requirement confidential. If contract and law permit, DWR will make such information available to interested persons, upon receipt and countersignature by DWR of a valid and binding nondisclosure agreement, for the sole purpose of preparing comments on a proposed determination. Please contact Iryna Kwasny at (916) 574-2009 or ikwasny@water.ca.gov for nondisclosure agreements.

Comments. DWR will consider comments on the proposed determination that it receives at the following address or e-mail address by 5:00 P.M. on July 29, 2008.

Mailing address: Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, CA 95821-9001
Attention: Russell Mills

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

Comments must also satisfy the following requirements, as specified in Section 515 of Title 23 of the California Code of Regulations:

- Comments must be in typewritten form and must be clear and permanently legible.
- Comments must identify the determination that is the subject of the comment by referencing the deadline for submitting comments. The deadline for submitting comments in response to this notice is July 29, 2008.
- Comments 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.

New Material/Revised Proposed Determination. If DWR identifies significant additional material upon which it intends to rely in making its determination, which was not identified in the proposed determination or if DWR revises the proposed determination, DWR will provide notice of such additional material or notice of proposed revised determination to the public and provide an opportunity for comment on the additional material.

Issuance of Determination/Requests for Reconsideration. After considering comments timely received and otherwise in conformance with the requirements of Section 515 of Title 23 of the California Code of Regulations DWR will issue a determination on the record by posting the determination on its website and mailing or electronically mailing a notice of posting as required by Section 516(a)

of Title 23 of the California Code of Regulations. DWR will consider any request for reconsideration which is submitted within 10 business days of the posting of the determination on the DWR website only if the request satisfies the requirements of Section 515 of Title 23 of the California Code of Regulations, which are summarized above.