

October 29, 2008

**NOTICE OF 2009 REVISED REVENUE REQUIREMENT DETERMINATION
(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 revised determination of revenue requirements for the period January 1, 2009 through and including December 31, 2009. The Department has made this revised 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 revised determination, DWR has reduced its Revenue Requirement for the period January 1, 2009 through and including December 31, 2009 by \$480 million.

In reaching its revised revenue requirements determination, the Department followed procedures consistent with those contained in the Act and the Regulations. The Department issued a proposed revised determination on October 17, 2008. The deadline for submitting comments on the proposed revised determination was October 24, 2008. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company submitted comments. To the extent the Department revised its calculations to respond to the comments, the revisions have been incorporated within the Department's revised determination of revenue requirements and have been considered in connection with the Department reaching a determination that its revised revenue requirement for 2009 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 submitted a request for notice by U.S. Mail. This notice is also posted on the Department's web-site.