

October 31, 2007

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

The California Department of Water Resources (Department or DWR) hereby provides notice of its Revised Determination of Revenue Requirements for the period January 1, 2008 through and including December 31, 2008. The Department has made this Revised Determination of Revenue Requirements in accordance with California Water Code, Division 27 (Act) and California Code of Regulations, Division 23, Chapter 4, Sections 510–517 (Regulations).

The Department has determined that its Revised Revenue Requirement for the period January 1, 2008 through and including December 31, 2008, is \$4.622 billion on a cash basis, consisting of \$3.792 billion in power revenues and \$0.831 billion in bond revenues.

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 10, 2007. The deadline for submitting comments on the Proposed Revised Determination was October 24, 2007. Southern California Edison Company and Pacific Gas and Electric Company submitted comments. To the extent changes were necessary, they 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 2008 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.