

Memorandum

Date: August 5, 2021

To: Marybel Batjer, President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

From: Department of Water Resources

Subject: Notification of Determination of Revenue Requirements for 2022

Pursuant to California Water Code sections 80110 and 80134 and the Terms and Conditions of the March 8, 2002, Rate Agreement between the California Department of Water Resources (DWR) and the California Public Utilities Commission (Commission), DWR hereby advises and notifies the Commission that its Determination of Revenue Requirements for the period January 1, 2022, through and including December 31, 2022. DWR has made its determination in accordance with California Water Code, Division 27 and the California Code of Regulations, Division 23, Chapter 4, Sections 510–517. A copy of the DWR's 2022 Revenue Requirements Determination is attached.

DWR requests that the Commission calculate, revise, and impose negative Bond Charges so that in accordance with Article V of the Rate Agreement to satisfy DWR's Revenue Requirement Determination of \$170.7 million of excess amounts available to be returned to ratepayers in the Pacific Gas and Electric Company ("PG&E"), Southern California Edison Company ("SCE"), and San Diego Gas & Electric Company ("SDG&E") service areas.

DWR has ceased purchasing power for sale to customers in the Investor-Owned Utilities (IOUs) service areas therefore the imposition of a negative Power Charge is not required. The Power Charge accounts will remain open for any future excess amounts that can be allocated back to ratepayers in the IOU service areas. Future excess amounts will be primarily due to energy crisis settlements and the diminishing required minimum balances in the Power Charge Accounts.

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DWR appreciates the Commission's assistance in implementing its Revenue Requirement Determination for 2022. If you have any questions or need additional information, please contact me at Jesse.Cason@water.ca.gov (916) 557-4620.

A handwritten signature in blue ink, appearing to read 'Jesse Cason, Jr.', with a stylized, flowing script.

Jesse Cason, Jr.
Chief, California Energy Bond Office

(Cc: See attached list.)

cc: Honorable Clifford Rechtschaffen, Commissioner
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Honorable Martha Guzman Aceves, Commissioner
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Service List Rulemaking 15-02-012 (via electronic mail)