

California Department of Water Resources



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REVENUE REQUIREMENTS RELEASED BY DWR SHOWS NO RATE INCREASE NEEDED TO COVER DEPARTMENT'S POWER COSTS

Sacramento - No new rate increases are needed to cover California's purchases of power, state officials said in a conference call today.

The announcement was based on the release of the California Department of Water Resources [Revenue Requirements](#) (.doc), which details the Department's funding needs to cover past and future power purchases made of behalf of the state's Investor Owned Utilities. Also see Director Hannigan [cover memo](#) (.doc) and Revenue Requirements [Section B](#) (.pdf).

Based on a thorough analysis of the Revenue Requirements, the Department will not seek any rate increase from the PUC to recover its power costs. The document will be filed with the PUC on Monday.

"At this point, we can see no need to seek any rate increase for DWR to recover its past costs as well as any future purchases," said B.B. Blevins, Assistant Director for Energy at DWR. "The analysis indicates that our cost for energy will be covered by the PUC's current rate structure."

The Department seeks to collect \$13.072 billion over sales of 118,930 gigawatt hours for the period extending from Jan. 17, 2001 through Dec. 31, 2002.

DWR's Revenue Requirements, which updates the Department's May 2, 2002 filing ([cover memo](#) (.doc), [May Revenue Requirements](#) (.pdf)) with the PUC, is based on the current power market and projected market trends. Factors taken into consideration include overall demand, weather forecasts, conservation patterns, amount and cost

of energy under contract, spot purchase costs and needs, gas price projections, as well as other factors.

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