
California Department of Water Resources



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DWR RELEASES PROPOSED REVENUE REQUIREMENT FOR 2004

Sacramento – The California Department of Water Resources today released its proposed revenue requirement for calendar year 2004. The new revenue requirement is not expected to negatively affect electricity rates for consumers.

For calendar year 2004, the Department expects to collect \$4.816 billion for power and \$852 million for bond costs for a total of \$5.668 billion.

Last month, the Department submitted an amended 2003 revenue requirement totaling \$4.005 billion for power. The amended revenue requirement provided more than \$1 billion in ratepayer relief from its previous revenue requirement for the same period due primarily to the one-time reduction in required reserves. The Department's ability to reduce reserves was the result of the successful transition of power buying responsibilities from DWR to California's investor-owned utilities on Jan. 1, 2003.

The Department files a revenue requirement with the California Public Utilities Commission at least once a year. This 2004 Revenue Requirement will be filed with to the CPUC following a 21-day public comment period.

The revenue requirement is based on a number of projections regarding power supplies, natural gas prices, off-system power sales, ancillary services (capacity reserves) costs, conservation, and administrative and general expenses.

DWR, in response to the energy crisis, assumed and maintained the power-buying responsibilities from California's three investor-owned utilities from Jan. 17, 2001 through Dec. 31, 2002.

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During that period, DWR was successful at controlling runaway cost and stabilizing the overall electricity market, creating a more stable environment for utilities to reenter the power market.

For a copy of the 2004 revenue requirement, visit the Department's California Energy Resources Scheduling division web site at www.cers.water.ca.gov.