

**WATER SUPPLY COST ADJUSTMENT FACTOR
FOR JANUARY THROUGH JUNE 2025**

Ord. Ref.

<u>Estimated Expenditures for Each of the Water Supply Sources for the 12-month Period commencing January 1, 2025</u>				<u>Source</u>
Sec.3.F.2.(a)	Los Angeles Aqueduct		\$98,860,513	Schedule A
Sec.3.F.2.(b)	Purchased Water		\$224,169,504	Schedule A
Sec.3.F.2.(c)	Groundwater		\$93,809,421	Schedule A
Sec.3.F.2.(d)	Recycled Water		\$21,450,291	Schedule A
Sec.3.F.2.(e)	Water Conservation		\$22,747,939 *	Schedule A
	Adjustment Account Ending Balance as of June 30, 2024		\$96,675,958	
Sec.3.F.3.	<u>Estimated Production Units (in HCF) of Water Supply Sources for the 12-month Period commencing January 1, 2025</u>			
	Los Angeles Aqueduct		88,840,542	
	Purchased Water		57,078,945	
	Groundwater		28,467,072	
	Recycled Water		5,569,524	
	Water Conservation (Total Sales excluding Schedule D)		176,744,706	
	Over/Under Balance (Total Sales excluding Schedule D)		176,744,706	
	<u>Unit Price for Each of the Water Supply Sources (\$/HCF)</u>			
Sec.3.F.3.(a)	Los Angeles Aqueduct	\$	1.113	
Sec.3.F.3.(b)	Purchased Water	\$	3.927	
Sec.3.F.3.(c)	Groundwater	\$	3.295	
Sec.3.F.3.(d)	Recycled Water	\$	3.851	
Sec.3.F.3.(f)	Water Conservation (Total Sales excluding Schedule D)	\$	0.129 **	
Sec.3.F.3.(g)	Over/Under Balance (Total Sales excluding Schedule D)	\$	0.547	
Sec.3.F.4.	<u>Sources of Supply starting from Least Expensive to Most Expensive (S1 to S4)</u>			
	S1 = LA Aqueduct	49.368%	\$ 1.113	
	S2 = Groundwater	15.819%	\$ 3.295	
	S3 = Recycled Water	3.095%	\$ 3.851 ***	
	S4 = Purchased Water	31.718%	\$ 3.927	
Sec.3.F.5.	<u>Customer Usage (Sales) by Tier, excluding Schedule D</u>			
	Tier 1	74.163%	131,079,057	
	Tier 2	16.601%	29,341,194 ***	
	Tier 3	5.997%	10,598,987	
	Tier 4	3.239%	5,725,468	
Sec.3.F.5.	<u>Water Supply Cost Adjustment Factor for each Tier before Water Conservation and Over/Under Balance</u>			
	Tier 1 = (49.368%/74.163%*1.113) + (15.819%/74.163%*3.295) + (3.095%/74.163%*3.851) + (5.881%/74.163%*3.927)		\$ 1.916	
	Tier 2 = (16.601%/16.601%*3.927)		\$ 3.927	
	Tier 3 = (5.997%/5.997%*3.927)		\$ 3.927	
	Tier 4 = (3.239%/3.239%*3.927)		\$ 3.927	
Sec.3.F.5.	<u>Water Supply Cost Adjustment Factor for Each Tier</u>			
	Tier 1		\$2.591	
	Tier 2		\$4.603	
	Tier 3		\$4.603	
	Tier 4		\$4.603	

* Consistent with the Water System financial plan that assumes no securitization.

** Conservation cost per HCF of water to be sold not conserved.

***Total percentage may not equal sum of parts due to rounding.

**WATER QUALITY IMPROVEMENT ADJUSTMENT FACTOR
FOR JANUARY THROUGH JUNE 2025**

Ord. Ref.

<u>Estimated Expenditures for Each of the Water Quality Cost Types for the 12-month Period commencing</u>		<u>January 1, 2025</u>		<u>Source</u>
	Water Quality Capital Expenditures	\$97,478,340	*	
	Water Quality Operation and Maintenance (O&M) Expenses	\$165,329,300		Schedule B
	Water Quality Debt Service	\$122,043,044		Schedule B
Sec.3.G.2.(a)	Estimated Water Quality Expenditures Subtotal	<u>\$384,850,684</u>		
Sec.3.G.2.(b)	<u>Adjustment Account Ending Balance as of June 30, 2024</u>	\$692,001		
<u>Estimated Retail Water Sales in HCF for the 12-month Period, Less Schedule D,</u>				
Sec.3.G.2.(c)	<u>commencing January 1, 2025</u>	176,744,706		
	Water Quality Improvement Adjustment Factor (WQIAF)	\$2.181		

* Consistent with the Water System financial plan that assumes no securitization.

**OWENS VALLEY REGULATORY ADJUSTMENT FACTOR
FOR JANUARY THROUGH JUNE 2025**

Ord. Ref.

<u>Estimated Expenditures for Each of the Owens Valley Regulatory Cost Types for the 12-month Period commencing</u>		
	<u>January 1, 2025</u>	<u>Source</u>
	Owens Valley Capital Expenditures	\$7,697,880 * Schedule C
	Owens Valley Operation and Maintenance (O&M) Expenses	\$42,402,700
	Owens Valley Debt Service	<u>\$17,176,842</u>
Sec.3.K.2.(a)	Estimated Owens Valley Expenditures Subtotal	\$67,277,422
Sec.3.K.2.(b)	<u>Adjustment Account Ending Balance as of June 30, 2024</u>	\$29,967,498
Sec.3.K.2.(c)	<u>Estimated Retail Water Sales in HCF for the 12-month Period, Less Schedule D, commencing January 1, 2025</u>	176,744,706
	Owens Valley Regulatory Adjustment Factor (OVRAF)	\$0.550

* Consistent with the Water System financial plan that assumes no securitization.

**BASE RATE REVENUE TARGET ADJUSTMENT FACTOR
FOR JANUARY THROUGH DECEMBER 2025**

Ord. Ref.		
Sec.3.H.2.	<u>BRRTAF for Schedule A</u>	
Sec.3.H.3.	BRRTA Account Balance for Schedule A as of June 30, 2024	\$122,888,142
	Estimated Retail Water Sales in HCF for Schedule A for the 12-month Period commencing January 1, 2025	<u>67,761,116</u>
	Base Rate Revenue Target Adjustment Factor _A (BRRTAF _A)	\$1.814
Sec.3.H.2.	<u>BRRTAF for Schedule B</u>	
Sec.3.H.4.	BRRTA Account Balance for Schedule B as of June 30, 2024	\$44,214,841
	Estimated Retail Water Sales in HCF for Schedule B for the 12-month Period commencing January 1, 2025	<u>57,218,258</u>
	Base Rate Revenue Target Adjustment Factor _B (BRRTAF _B)	\$0.773
Sec.3.H.2.	<u>BRRTAF for All Other Rate Schedules (Others)</u>	
Sec.3.H.5.	BRRTA Account Balance for Others as of June 30, 2024	\$5,706,124
	Estimated Retail Water Sales in HCF for Others for the 12-month Period commencing January 1, 2025 (Less Schedule D)	<u>51,765,332</u>
	Base Rate Revenue Target Adjustment Factor _{Others} (BRRTAF _{Others})	\$0.110

**WATER EXPENSE STABILIZATION ADJUSTMENT FACTOR
FOR JANUARY THROUGH DECEMBER 2025**

Ord. Ref.

Sec.3.S.2.(a)	<u>Adjustment Account Ending Balance as of June 30, 2024</u>	\$3,923,462
Sec.3.S.2.(b)	<u>Estimated Expense for Legal Costs and Settlements for the 12-month Period commencing January 1, 2025</u>	\$3,746,692
Sec.3.S.2.(c)	<u>Estimated Retail Water Sales in HCF for the 12-month Period, Less Schedule D, commencing January 1, 2025</u>	176,744,706
Water Expense Stabilization Adjustment Factor (WESAF)		\$0.043

**SURCHARGE FOR WATER SERVICE
OUTSIDE THE CITY OF LOS ANGELES
FOR JANUARY THROUGH DECEMBER 2025**

Current cost per acre foot of MWD Tier II treated water delivered to the City	\$1,395.00
Average cost of water per acre foot of water delivered to the City through the Los Angeles Aqueducts for the previous five years 2019-20 to 2023-24	<u>\$1,259.44</u>
Difference per acre foot (A)	<u>\$135.56</u>
Per hundred cubic feet (A / 435.6)	\$0.311
Outside City Surcharge	\$0.311

The previous surcharges for service outside the City of Los Angeles:

January 1 to December 31, 2024	\$0.622
January 1 to December 31, 2023	\$0.991
January 2 to December 31, 2022	\$0.744
January 1 to December 31, 2021	\$0.665
January 1 to December 31, 2020	\$0.419
January 1 to December 31, 2019	\$0.000
January 1 to December 31, 2018	\$0.000
January 1 to December 31, 2017	\$0.000
January 1 to December 31, 2016	\$0.441