

Water Rates and Charges

| | Effective 1/1/2005 | Effective 1/1/2006 | Effective 1/1/2007 |
|--|-----------------------|--------------------|-----------------------|
| Tier 1 Supply Rate (dollars per acre-foot) | \$73 | \$73 | \$73 |
| <u>Tier 2 Supply Rate</u> (dollars per acre-foot) | \$154 | \$169 | \$169 |
| System Access Rate (dollars per acre-foot) | \$152 | \$152 | \$143 |
| Water Stewardship Rate (dollars per acre-foot) | \$25 | \$25 | \$25 |
| System Power Rate (dollars per acre-foot) | \$81 | \$81 | \$90 |
| Full Service Untreated Volumetric Cost (\$/AF) Tier 1 Tier 2 | \$331 \$412 | \$331 \$427 | \$331 \$427 |
| Replenishment Water Rate: untreated (dollars acre-foot) | per \$238 | \$238 | \$238 |
| Interim Agricultural Water Program: untreated (dollars per acre-foot) | \$241 | \$241 | \$241 |
| Treatment Surcharge (dollars per acre-foot) | \$112 | \$122 | \$147 |
| Full Service Treated Volumetric Cost (\$/AF) Tier 1 Tier 2 | \$443 \$524 | \$453 \$549 | \$478 \$574 |
| <u>Treated Replenishment Water Rate</u> (treated dollars per acre-foot) | \$325 | \$335 | \$360 |
| <u>Treated Interim Agricultural Water Program</u> (dollars per acre-foot | \$329 | \$339 | \$364 |
| Readiness-to-Serve Charge (millions of dollars) | \$80 | \$80 | \$80 |
| Capacity Charge (dollars per cubic foot second) | \$6,800 | \$6,800 | \$6,800 |

Definitions

Tier 1 Supply Rate - recovers the of cost of maintaining a reliable amount of supply.

Tier 2 Supply Rate - set at Metropolitan's cost of developing additional supply to encourage efficient use of local resources.

System Access Rate – recovers a portion of the costs associated with the delivery of supplies.

System Power Rate - recovers Metropolitan's power costs for pumping supplies to Southern California.

Water Stewardship Rate – recovers the cost of Metropolitan's financial commitment to conservation, water recycling, groundwater clean-up and other local resource management programs.

Replenishment Water Rate – a discounted rate for surplus system supplies available for the purpose of replenishing local storage.

Treated Replenishment Water Rate – a discounted rate for surplus system supplies available for the purpose of replenishing local storage.

Interim Agricultural Water Rate – discounted rate for surplus system supplies available for the purpose of growing agricultural, horticultural, or floricultural products.

Treated Interim Agricultural Water Program Rate – discounted rate for surplus system supplies available for the purpose of growing agricultural, horticultural, or floricultural products.

Treatment Surcharge – recovers the costs of treating imported water.

Readiness-to-Serve Charge - a fixed charge that recovers the cost of the portion of system capacity that is on standby to provide emergency service and operational flexibility.

Capacity Charge - the capacity charge recovers the cost of providing peak capacity within the distribution system.