



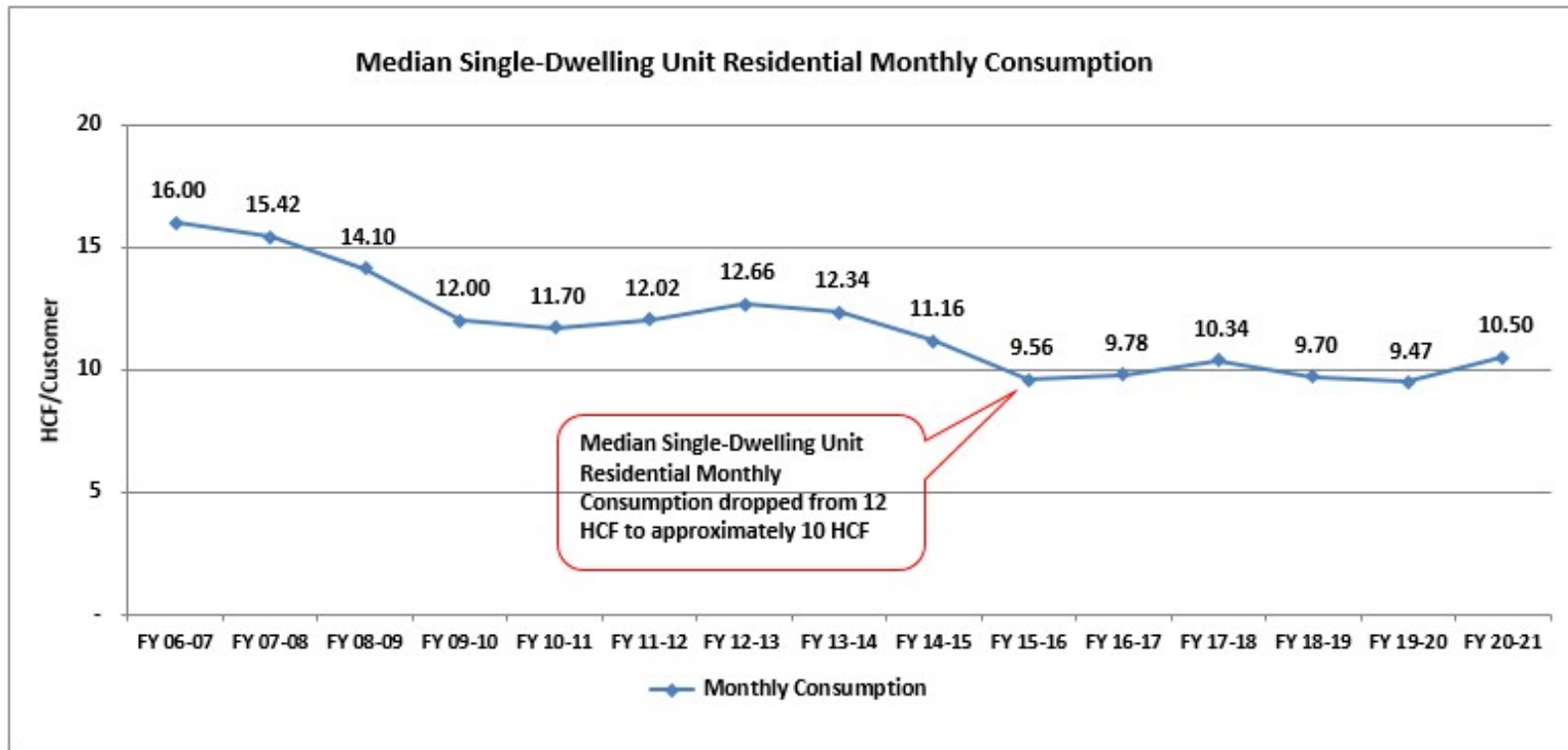
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CUSTOMERS FIRST

# **WATER ADJUSTMENT FACTOR OVERVIEW**

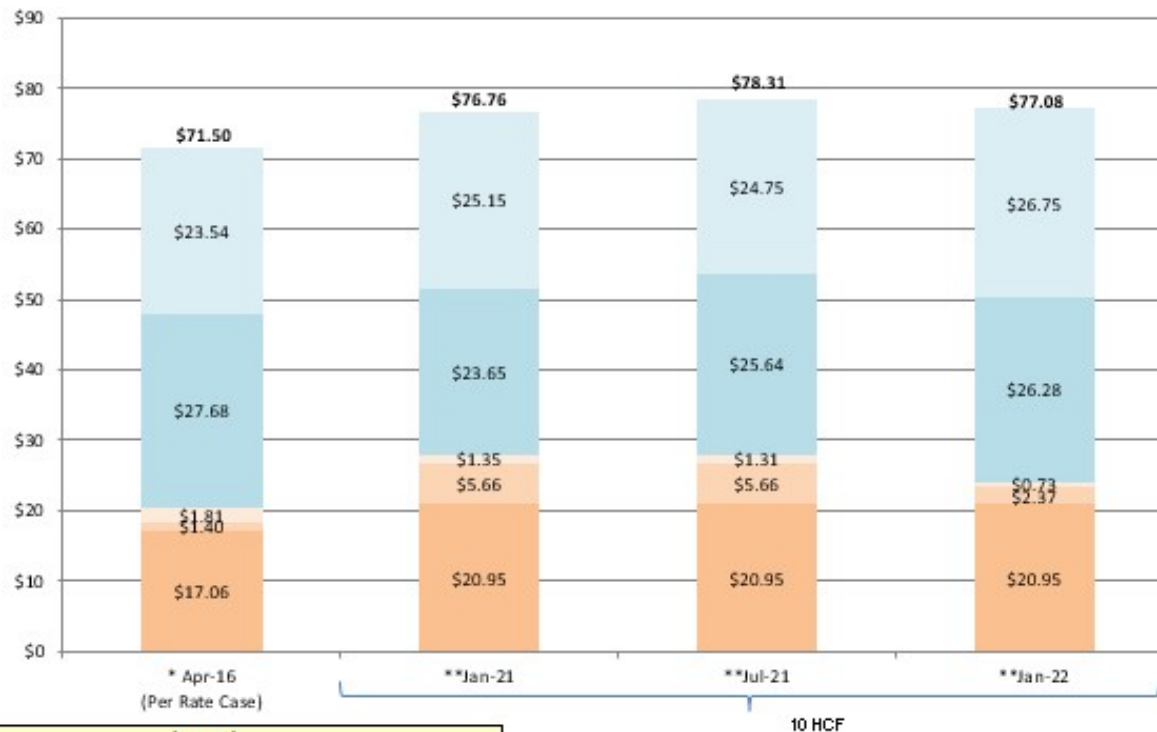
September 28, 2021

# HISTORICAL CONSUMPTION



# SINGLE-DWELLING UNIT RESIDENTIAL CUSTOMER MONTHLY BILLS

LADWP Historic/Projected  
Single-Dwelling Unit Residential Customer Monthly Bill



Legend
Water Supply Adjustment
Owens Valley Regulatory, Water Quality & Water Infrastructure
Water Expense Stabilization & Low-Income/Lifeline
Base Rate Revenue Target Adjustment
Base Revenue

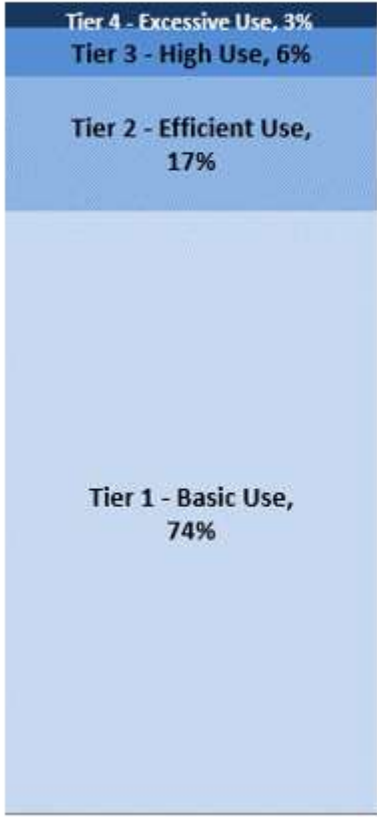
\*Ordinance took effect on April 15, 2016

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



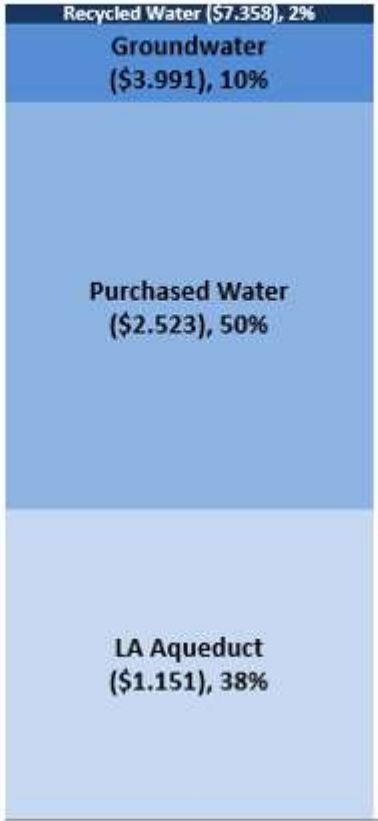
# WATER SUPPLY AND CUSTOMER WATER USE

Customer Water Use



Water Supply (\$ Per HCF)

Jan 2022 - Dec 2022



July 2021 - June 2022



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

# CAUSES OF BILL CHANGES

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Compared to the previous period, the Single-Dwelling Unit Residential customer's monthly water bill (10 HCF), effective January 1, 2022, will decrease by 1.6%, or \$1.23 per month, from \$78.31 to \$77.08 mainly due to the following:

- Decrease shortfall amount for BRRTA due to higher consumption and base revenue from the Single-Dwelling Unit Residential customers in Fiscal Year (FY) 20/21
- Decrease in WESA due to higher revenue from customers and lower estimated legal expenses

# COMPARISON OF ADJUSTMENT FACTORS

## PROPOSED VS PRIOR APPROVED

Factor (in \$/HCF)	Proposed Jan-Jun 2022	Approved Jul-Dec 2021	Variance (Decrease)/Increase
Water Supply Cost Adjustment Factor			
Tier 1- Basic Use	\$2.485	\$2.331	\$0.154
Tier 2 - Efficient Use	\$3.435	\$3.052	\$0.383
Tier 3 - High Use	\$4.657	\$3.090	\$1.567
Tier 4 - Excessive Use	\$7.015	\$3.090	\$3.925
Water Quality Improvement Adjustment Factor	\$1.858	\$1.783	\$0.075
Owens Valley Regulatory Adjustment Factor	\$0.264	\$0.275	(\$0.011)
Water Infrastructure Adjustment Factor	\$0.506	\$0.506	\$0.000

Variations under Water Supply Cost Adjustment Factor for Tiers 1 through 4 are mainly due to:

- Tiers 1 & 2 - Higher expected deliveries of purchased water along with a larger over/under balancing-account, increasing the overall unit costs.
- Tier 3 - Increase in groundwater unit cost as a result of lower estimated production units.
- Tier 4 - Reliance on the most expensive water sources, including recycled water, which couples higher cost with lower estimated production units.

# SINGLE-DWELLING UNIT RESIDENTIAL RATE (Tier 1-4)

