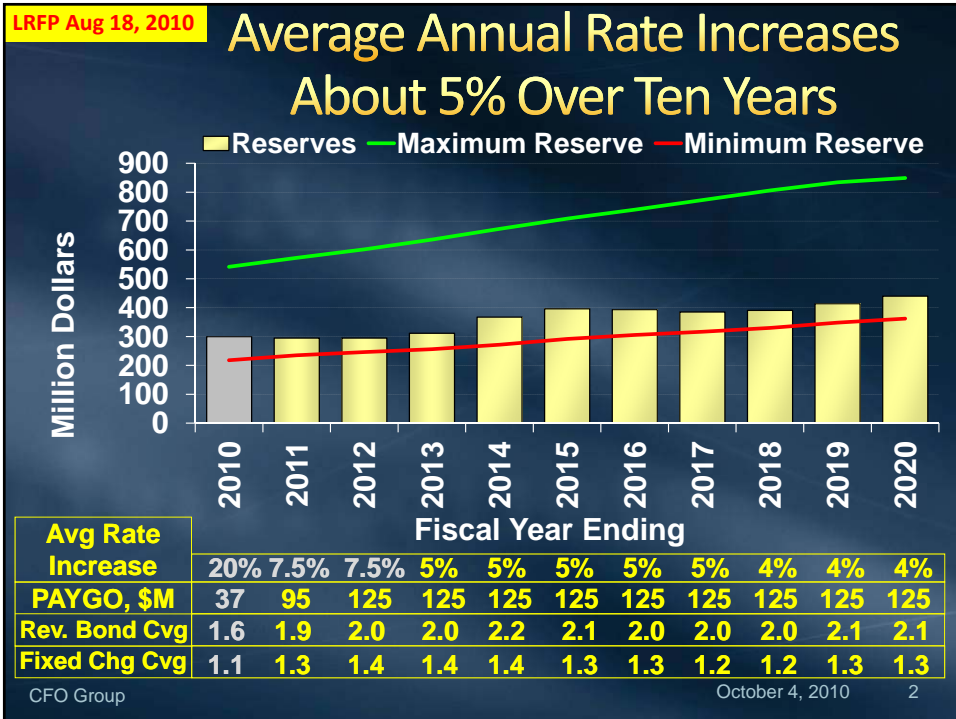
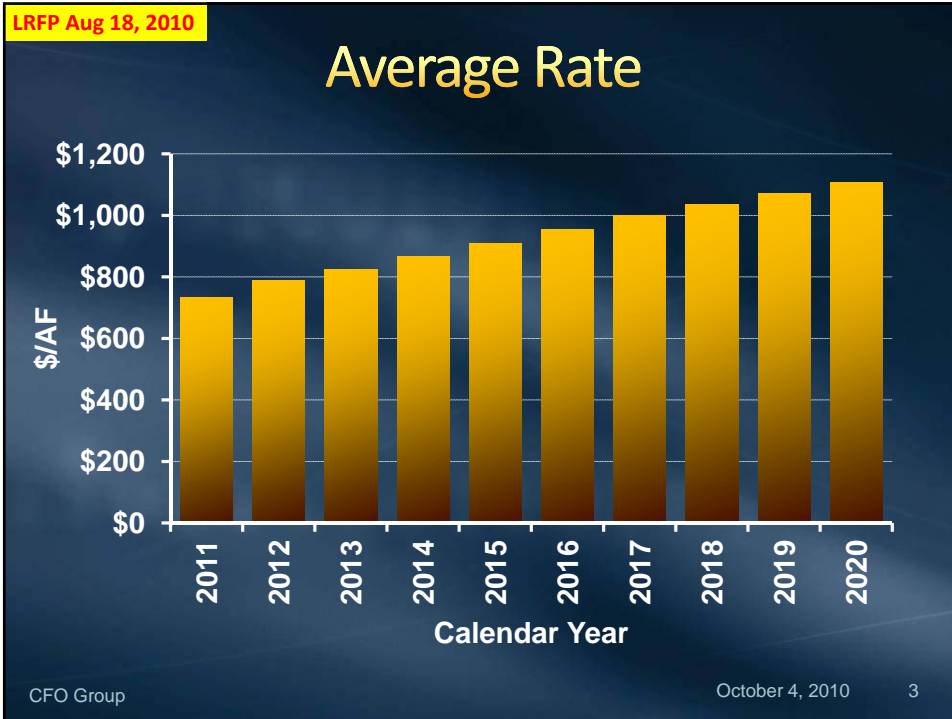


Long Range Finance Plan 2010 Update

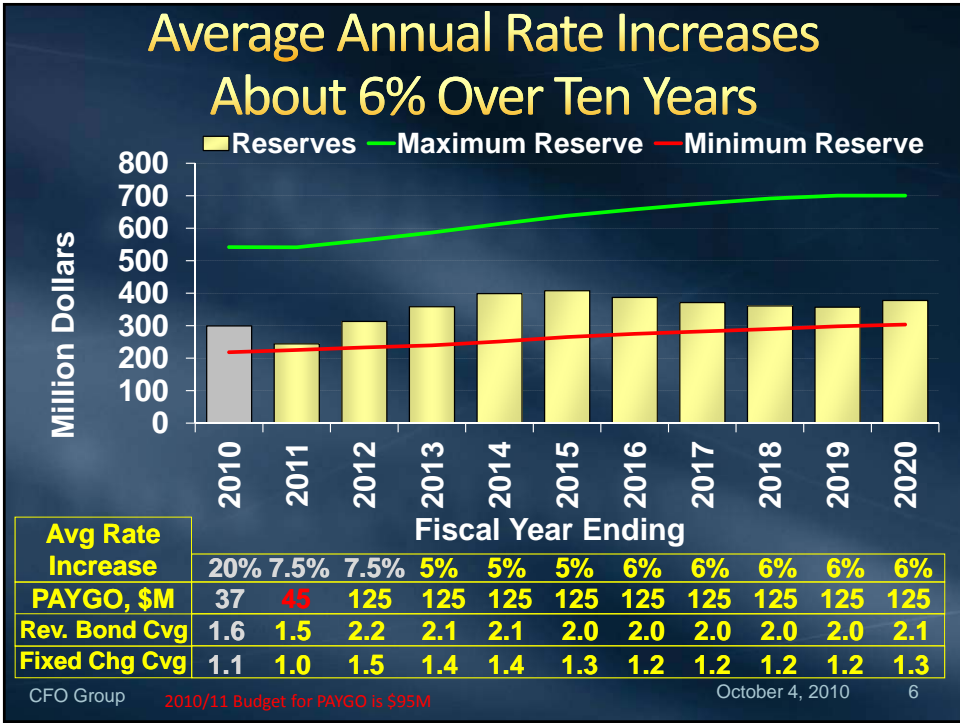
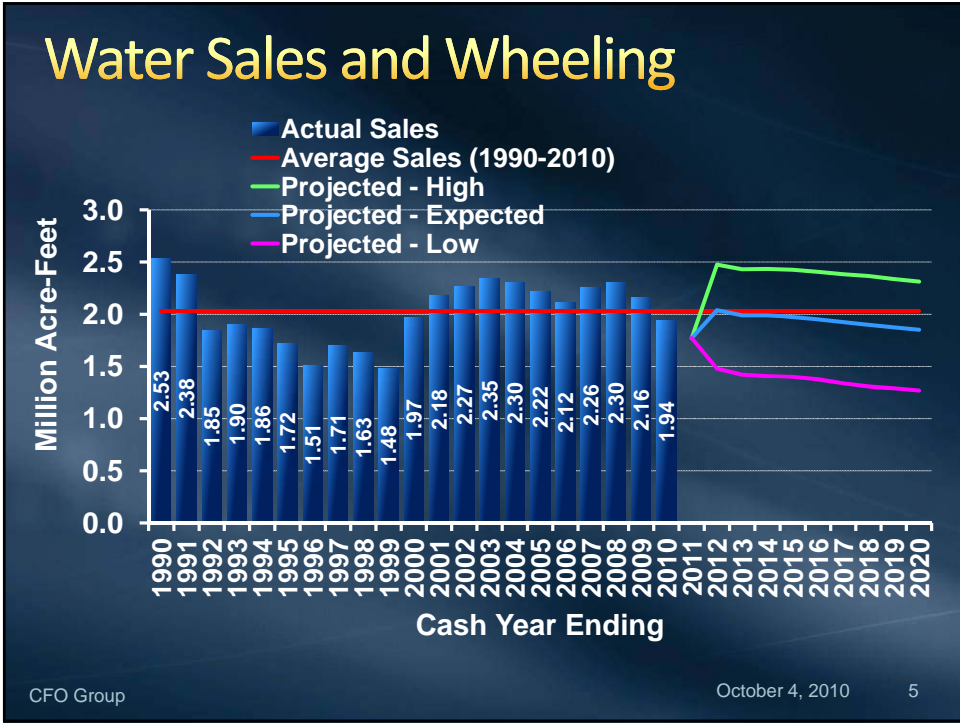
October 4, 2010





10-Year Rate Forecast

- Align to the IRP
 - Core Resources Strategy plus Water Use Efficiency
 - 20% by 2020 Retail and Regional efficiency
 - Lower water sales over 10-year period
 - Changed water supply, power costs
 - Departmental O&M, SWP capital and OMP&R, and CIP unchanged
 - No enhanced regional programs included
 - Updated 2010/11





Long-Term Estimated Rate Increases (Based On Existing COS Method)

Rates and Charges Effective January 1 (\$/AF)											
	2010*	2011	2012	2013	2014	2015	2016	2017	2017	2019	2020
Untreated Full Service											
Tier 1	\$484	\$527	\$560	\$580	\$605	\$633	\$674	\$715	\$758	\$808	\$857
Tier 2	\$594	\$652	\$686	\$716	\$748	\$782	\$827	\$872	\$917	\$963	\$1,009
Untreated Repl.	\$366	\$409	\$442	\$462	\$487	\$515	\$556	\$597	\$640	\$690	\$739
Untreated Ag.*	\$416	\$482	\$537								
Treated Full Service											
Tier 1	\$701	\$744	\$794	\$833	\$877	\$920	\$970	\$1,023	\$1,079	\$1,146	\$1,214
Tier 2	\$811	\$869	\$920	\$969	\$1,020	\$1,069	\$1,123	\$1,180	\$1,238	\$1,301	\$1,366
Treated Repl.	\$558	\$601	\$651	\$690	\$734	\$777	\$827	\$880	\$936	\$1,003	\$1,071
Treated Ag.**	\$615	\$687	\$765								
Untreated Whlg	\$314	\$372	\$396	\$416	\$437	\$460	\$494	\$527	\$560	\$594	\$627

* Most rates effective September 1, 2009.
 ** The Interim Agricultural Water Program will be discontinued after 2012.

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Long-Term Estimated Rate Increases (Based On Existing COS Method)

Rates (\$/AF) and Charges Effective January 1											
	2010*	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tier 1 Supply Rate**	\$170	\$155	\$164	\$164	\$168	\$173	\$180	\$188	\$198	\$214	\$230
Tier 2 Supply Rate	\$280	\$280	\$290	\$300	\$311	\$322	\$333	\$345	\$357	\$369	\$382
System Access Rate	\$154	\$204	\$217	\$234	\$250	\$270	\$294	\$318	\$339	\$357	\$380
Water Stewardship Rate	\$41	\$41	\$43	\$46	\$51	\$54	\$55	\$58	\$58	\$58	\$58
System Power Rate	\$119	\$127	\$136	\$136	\$136	\$136	\$145	\$151	\$163	\$179	\$189
Treatment Surcharge	\$217	\$217	\$234	\$253	\$272	\$287	\$296	\$308	\$321	\$338	\$357
RTS Charge (\$M)	\$114	\$125	\$146	\$160	\$168	\$180	\$195	\$213	\$231	\$240	\$256
Capacity Charge (\$/cfs)	\$7,200	\$7,200	\$7,400	\$7,400	\$7,400	\$7,500	\$7,800	\$8,100	\$8,500	\$8,900	\$9,300

* Most rates effective September 1, 2009.

** Includes Delta Supply Surcharge

Discussion