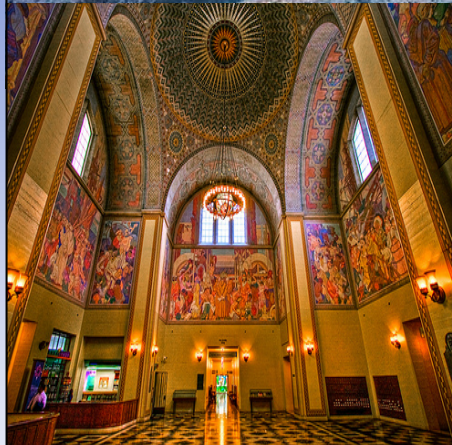




**Review of the
DWP Budgets &
Rates:
*Last Year,
This Year &
Next Year***

**Office of Public
Accountability/
Ratepayer Advocate
City of Los Angeles
opa@LAcity.org
tel. 213-978-0220**

May 5, 2018



Overview

Water

- FY2015-16 actual versus rate case capital spending
- FY2016-17 actual versus rate case capital spending
- Enacted rates versus rate case forecasts
- Draft proposed budget versus Rate Case

Power

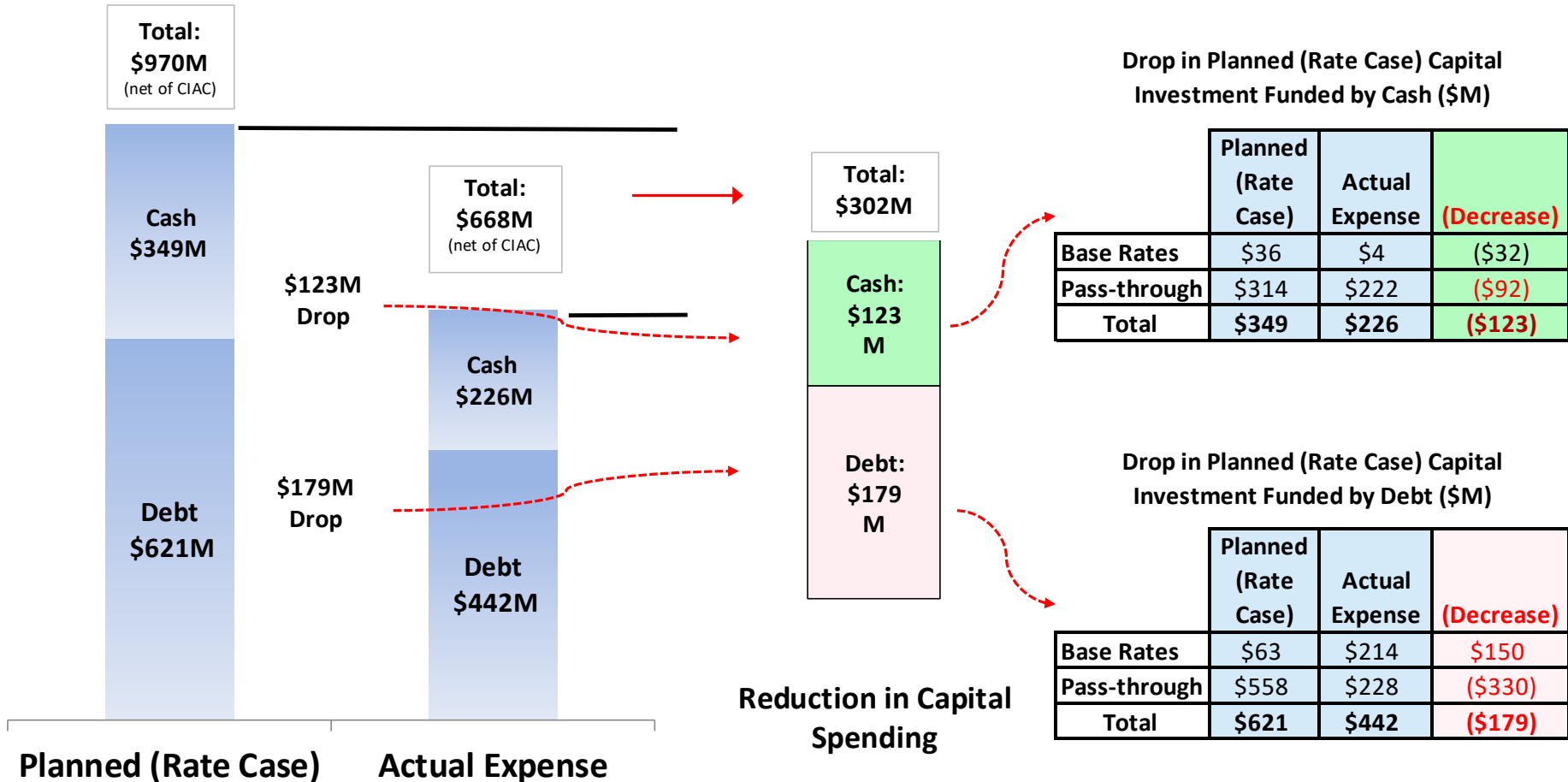
- FY2015-16 actual versus rate case capital spending
- FY2016-17 actual versus rate case capital spending
- Enacted rates versus rate case forecast
- Draft proposed budget versus Rate Case

Discussion

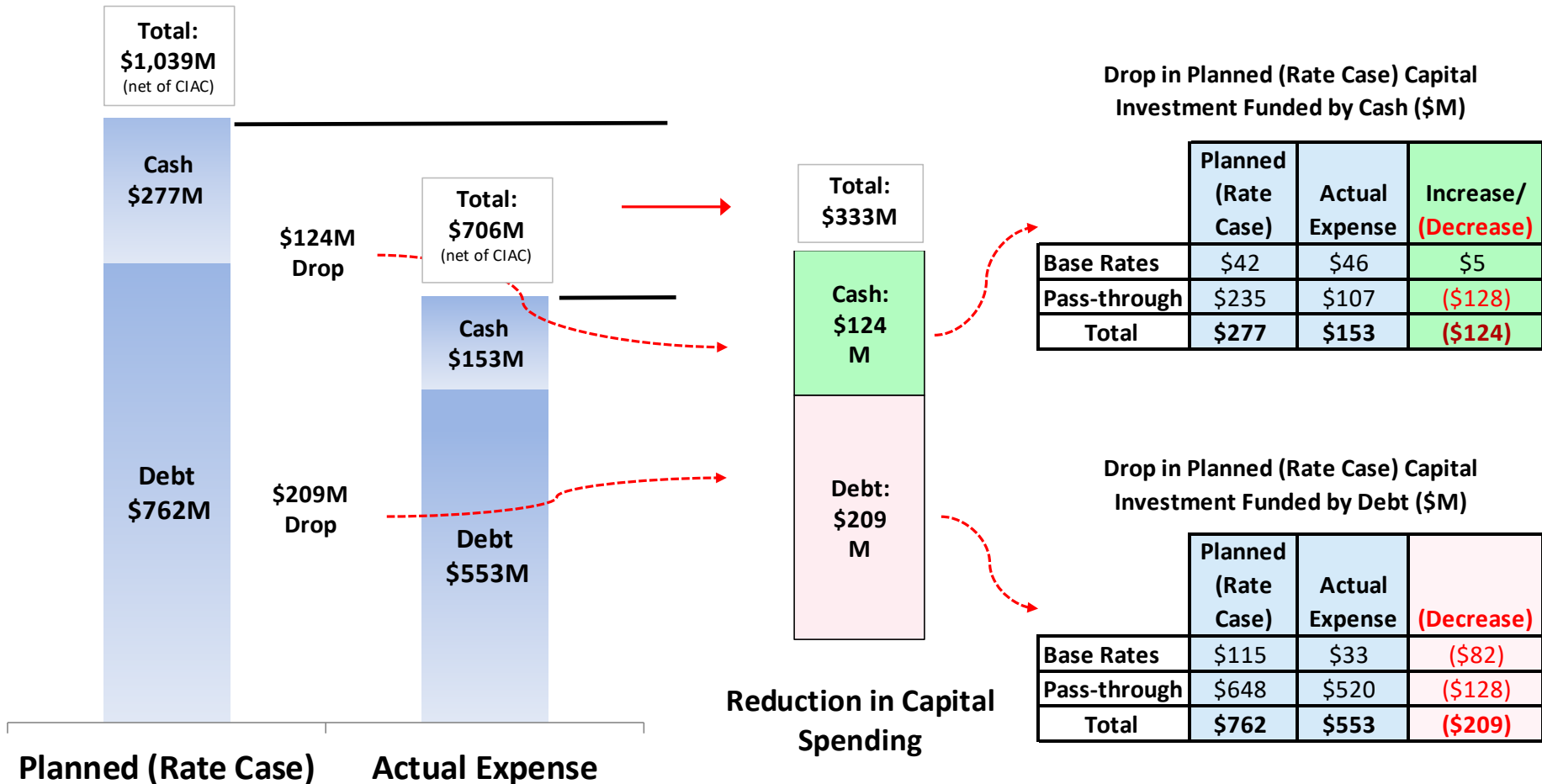
Appendix: Labor Cost Growth Rates



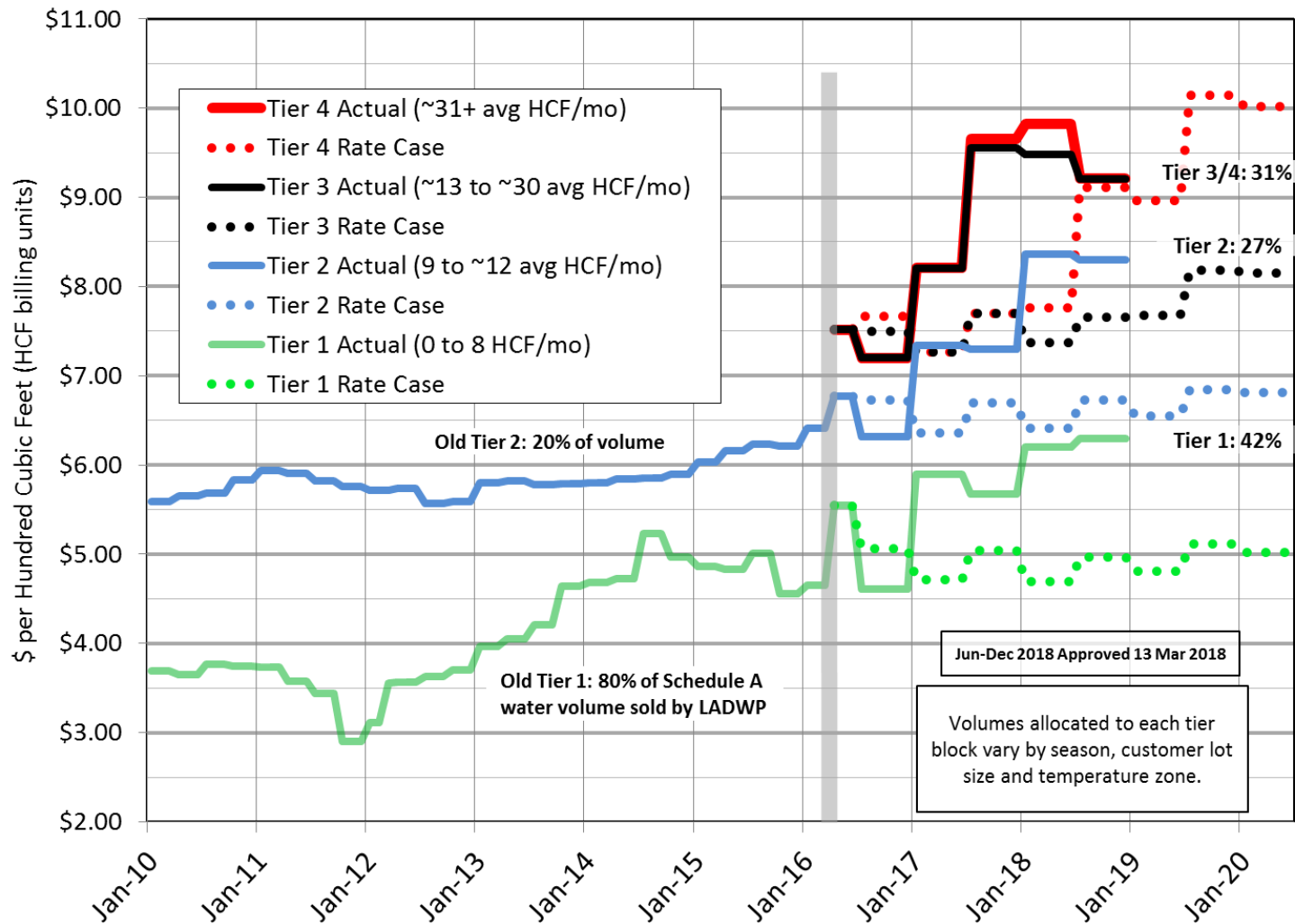
Water System Capital Investment Planned vs. Actual Spending FY 2015-16



Water System Capital Investment Planned vs. Actual Spending FY 2016-17



Schedule A Residential Single Family Water Rates: Enacted versus Forecasted



Water System Budget & Financial Planning

Systemwide Average Unit Rates (\$/HCF)	Final		Current FY 17-18	Forecast	
	FY 15-16	FY 16-17		FY 18-19	FY 19-20
Rate Case 94 in 2016	\$5.26	\$5.77	\$5.71	\$5.94	\$6.39
<i>DWP: Five Year Simple Average Annual Increase:</i>					5.3%
Actual/Forecast (Case No. 11)	\$4.93	\$5.59	\$6.55	\$6.51	
<i>Four Year Simple Average Annual Increase:</i>					7.3%

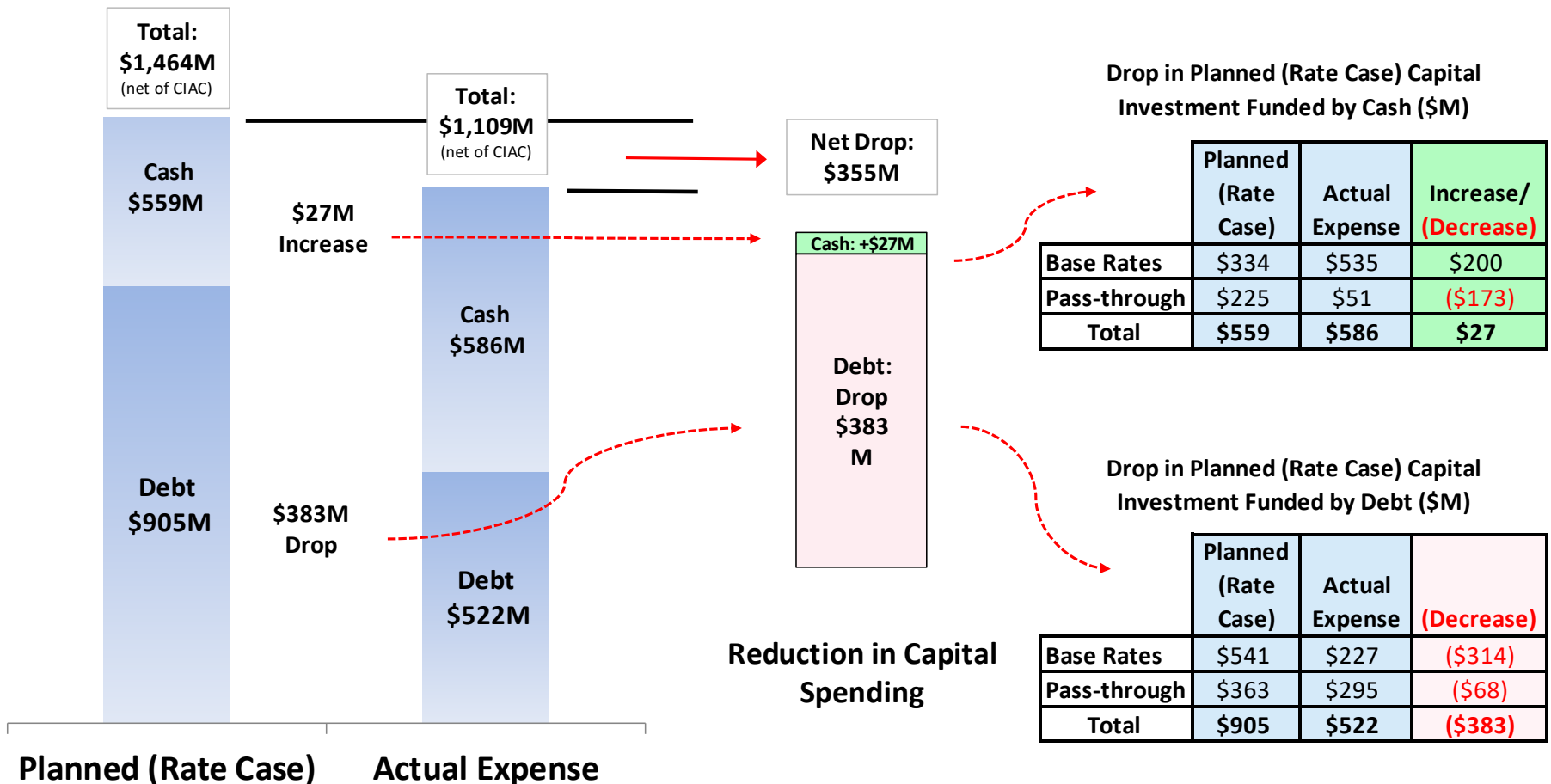
Rate Case No. 94 Forecast values including purchased water and securitization

Case No. 11 for FY 2018-2019 includes purchased water and excludes securitization

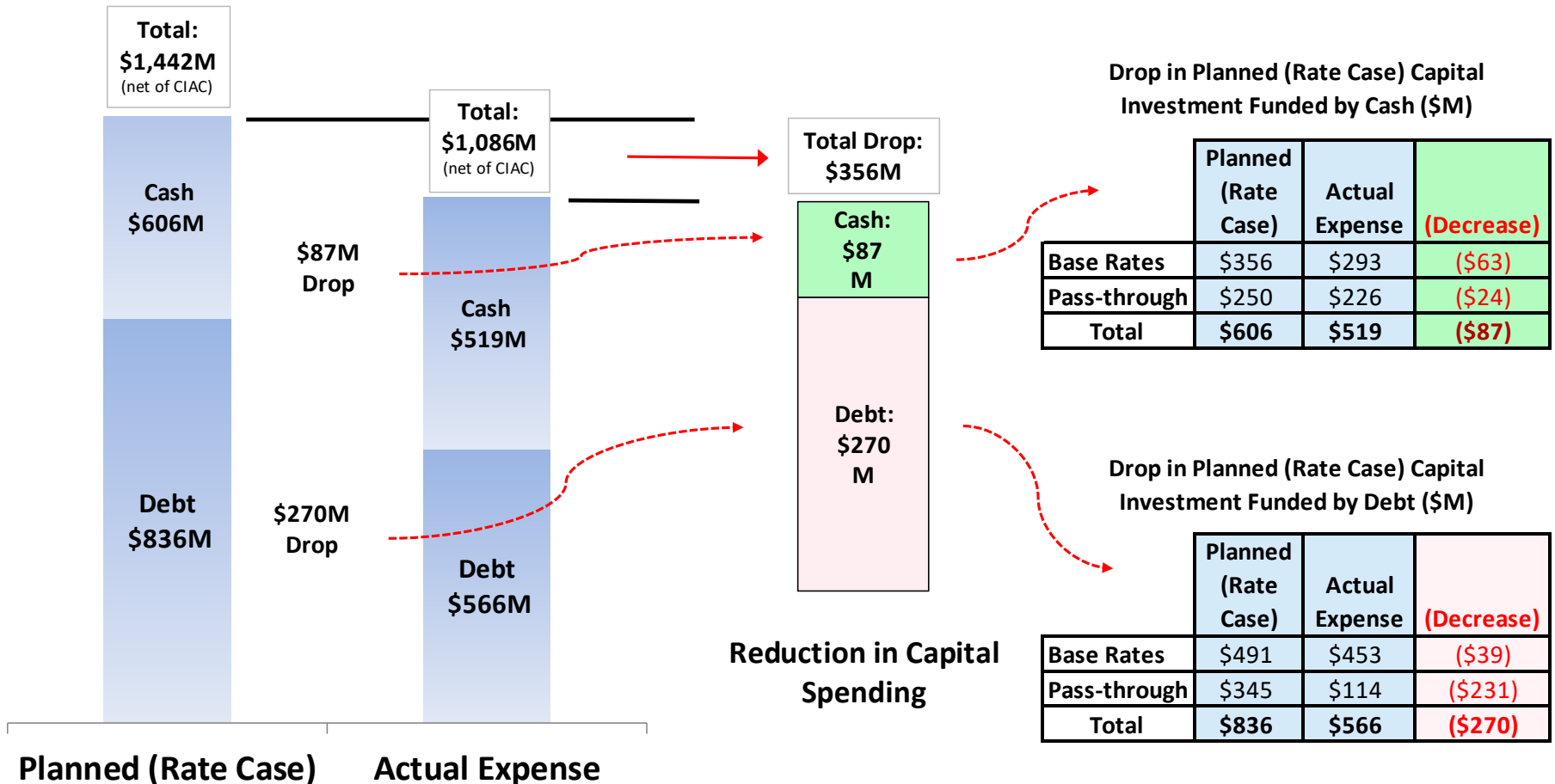
FY 15-16 system average rate of \$4.93 comes from Case No. 2 of FY 2017-2018



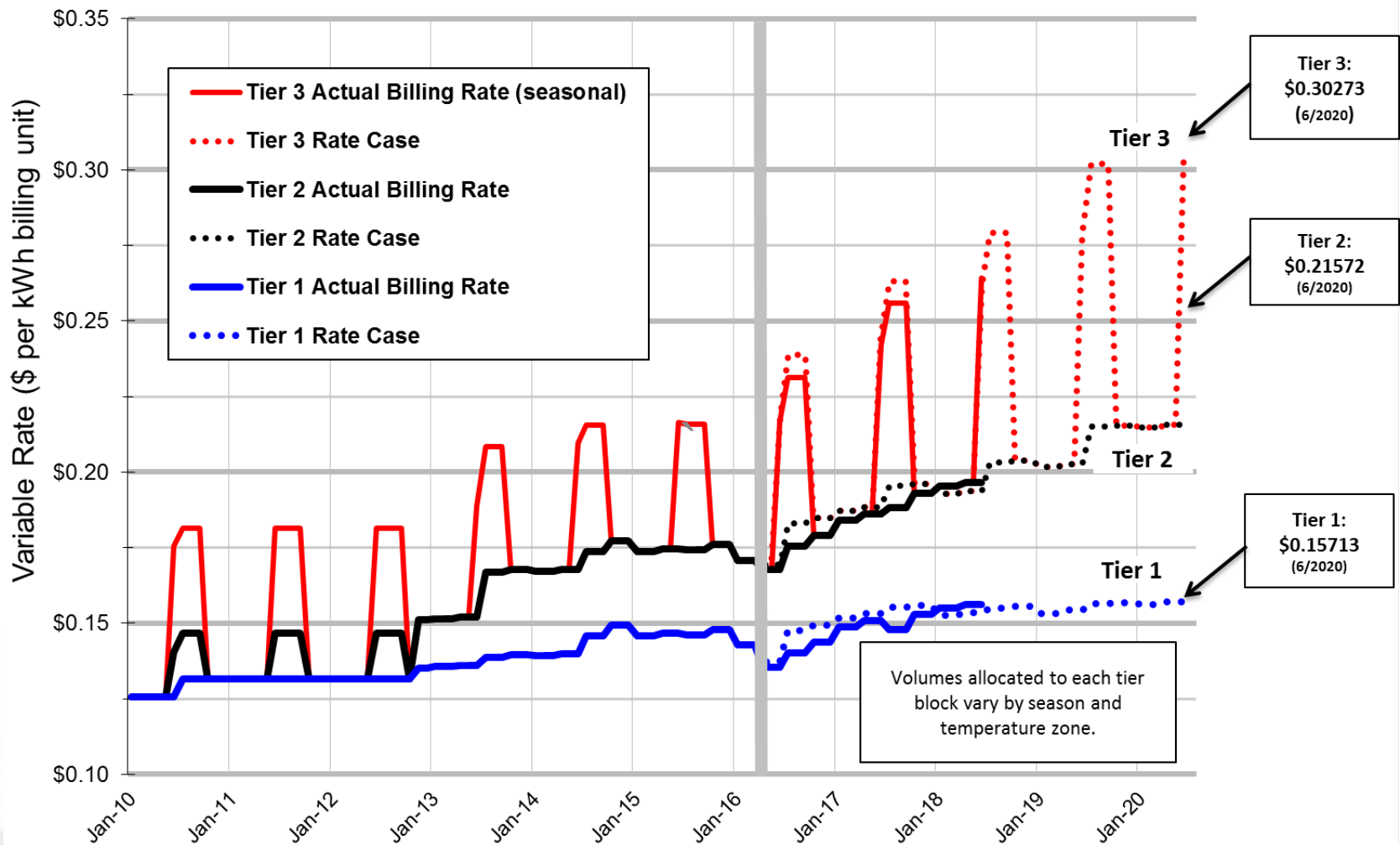
Power System Capital Investment Planned vs. Actual Spending FY 2015-16



Power System Capital Investment Planned vs. Actual Spending FY 2016-17



Schedule R-1 Residential Single Family Power Rates: Enacted versus Forecasted



Power System Budget & Financial Planning

Systemwide Average Rate (cts/kWh)	Final		Current	Forecast	
	FY 15-16	FY 16-17		FY 18-19	FY 19-20

Rate Case 143 Forecast in 2016	14.7	15.8	16.8	17.3	18.1
-----------------------------------	------	------	------	------	------

DWP: Five Year Simple Average Annual Increase: 3.86%

Draft Final Case 12 of Proposed FY 2019 Budget	14.8	15.2	16.3	18.1	
---	------	------	------	------	--

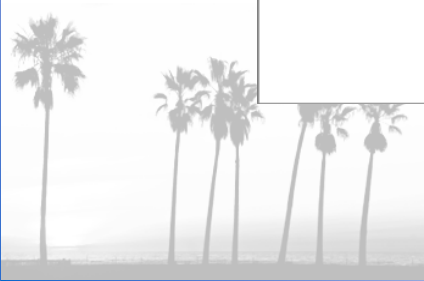
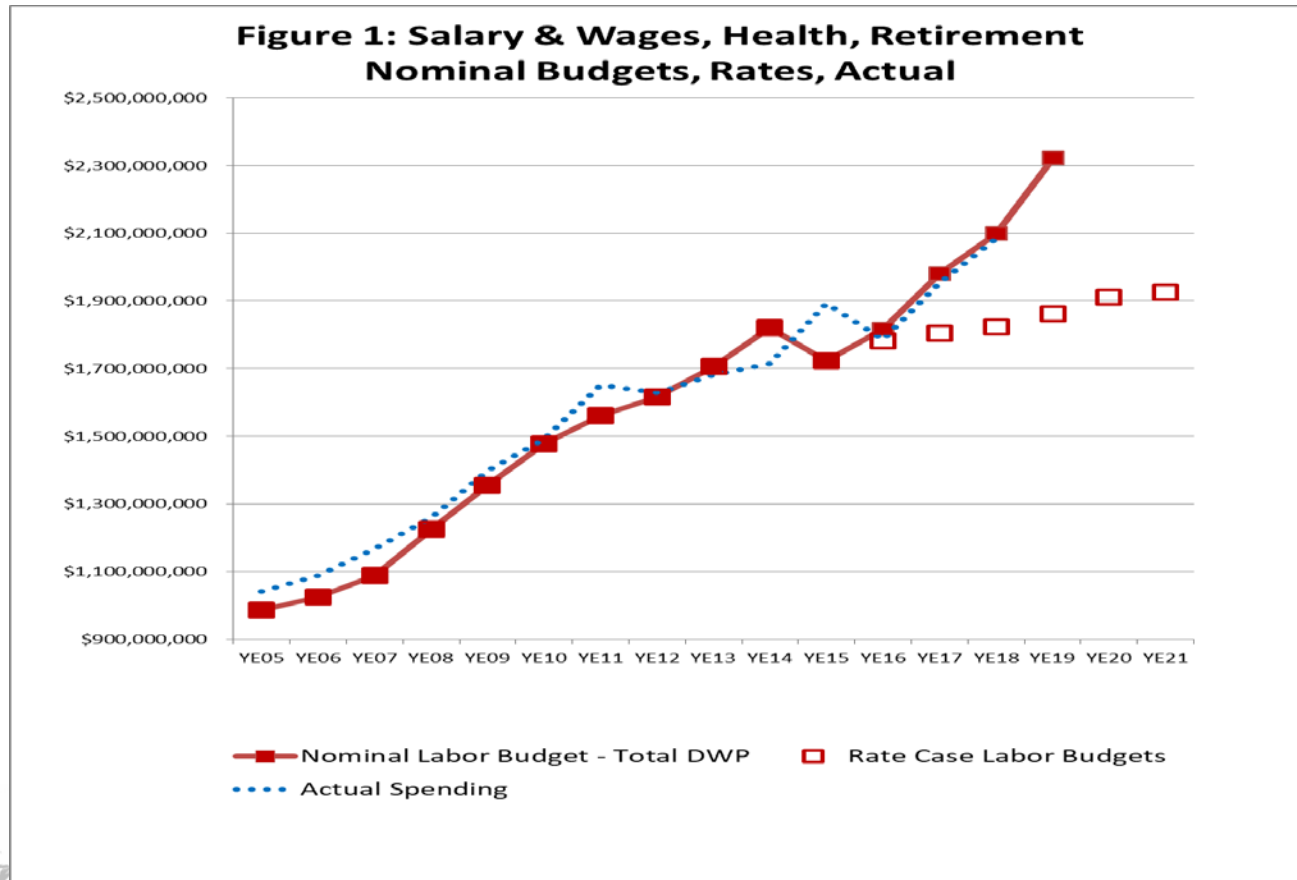
Four Year Simple Average Annual Increase: 4.91%



Discussion

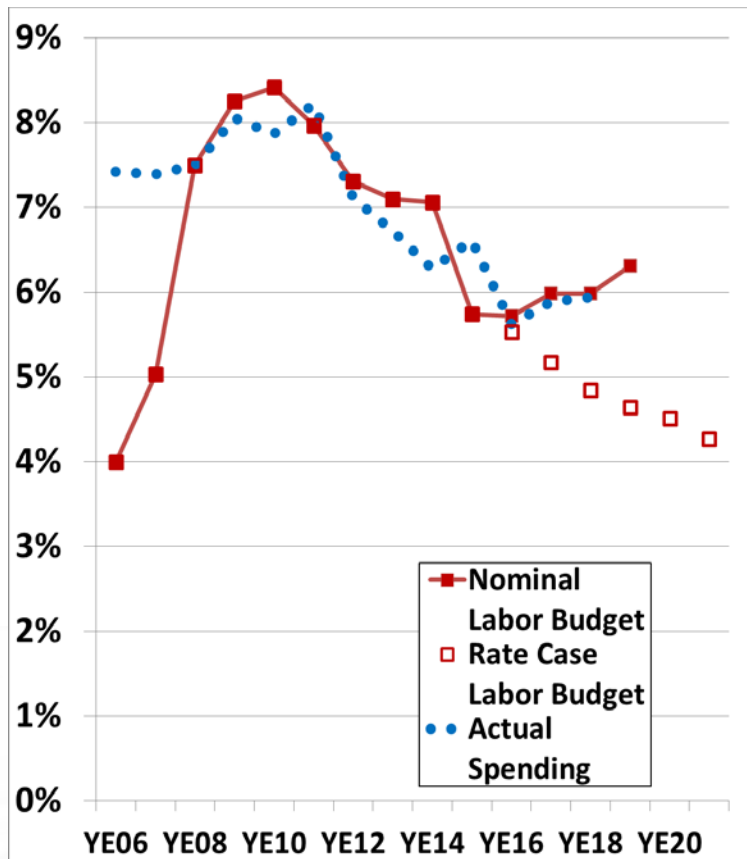


Appendix: DWP Total Compensation

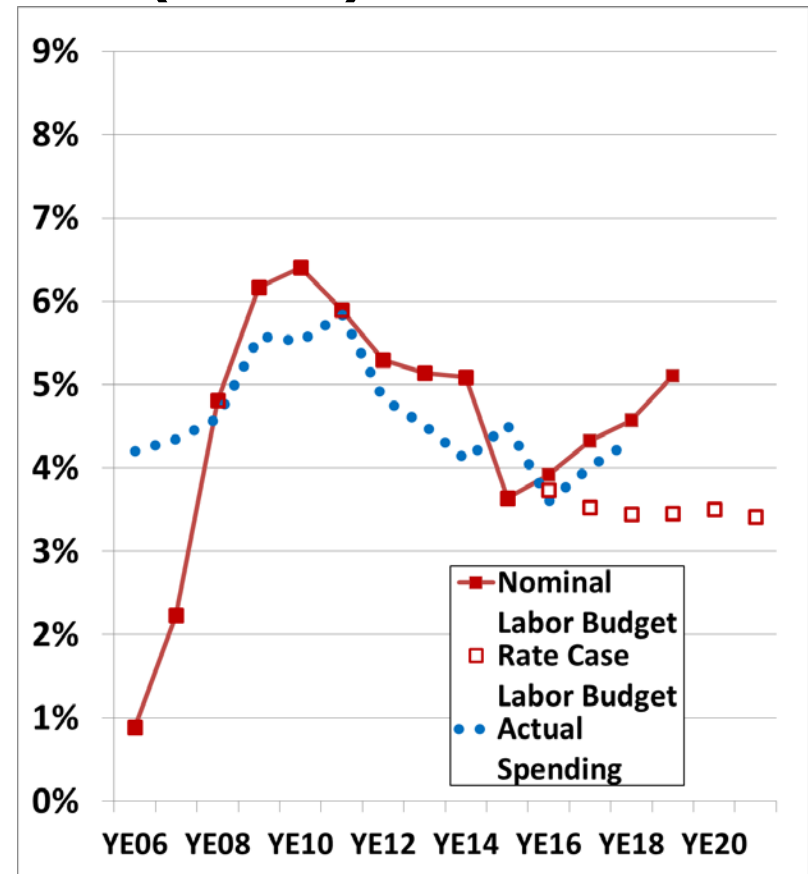


Appendix: DWP Total Compensation Growth Rates

Nominal Growth Rates



Inflation-adjusted Growth Rate (2009\$)



Schedule A Single-Dwelling Unit Residential Water Demand Billing Frequency 2015

