

Neighborhood News and Information Alert

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LADWP APPROVES SHORTAGE YEAR WATER RATES EFFECTIVE JUNE 1

Department Seeks 15% Reduction in Water Use Across All Customer Sectors

LOS ANGELES -- The Los Angeles Board of Water and Power Commissioners (Board) has unanimously approved instituting shortage year rates for all Los Angeles Department of Water and Power (LADWP) water customers effective June 1, 2009, citing reduced water supplies due to drought and regulatory restrictions imposed on the Sacramento/San Joaquin Delta. Shortage year rates are designed to send a strong price signal to customers to conserve water or pay a much higher price for excessive water use.

"We did not make this decision without very serious consideration, but Los Angeles is facing a dire water shortage and conservation is absolutely imperative," said Board President Lee Kanon Alpert. "We take the matter seriously and need to act now to give our customers notice that mandatory water conservation is needed. In fact, it is becoming increasingly clear that this is not a short term problem and unfortunately will require a more significant change of lifestyle on a long term basis."

"With our water supplies significantly reduced, we must adjust our consumption to fit the times," said David Nahai, LADWP CEO and General Manager. "We are experiencing both a natural drought and a regulatory drought due to restrictions placed on the importation of water from the Delta, and though our customers have cut their use, we believe that significantly more conservation will be needed. Simple steps such as reducing outdoor watering to only two days per week are relatively effortless, but add up to big savings."

Shortage year rates seek to achieve 15% water savings citywide and in all customer sectors -- single-family, multi-family, commercial, industrial and governmental. Under shortage year rates, the current Tier 1 water allocation, which is the standard allocation every customer gets per billing cycle, will be reduced by 15%. A customer's allocation is based on number of family members, heat zone and lot size. Customers whose water use remains within their reduced allocation will actually see their bills go down. Customers who usually stay within their regular allocation and do not reduce their water use by 15% will pay a premium rate for each gallon they use beyond their new reduced water allocation. Customers who today exceed their regular allocation and pay Tier 2 rates routinely, and do not significantly cut their water use under shortage year rates, will see their water bills increase substantially.

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An example of an LADWP residential customer under shortage year rates in June 2009:

	Before Shortage Year Rates	After 15% Shortage Year Rates Allocation	
		Without 15% Conservation	With 15% Conservation
Customer Use	28 HCF	28 HCF	24 HCF
Applicable Rate	28 HCF @ Tier 1	First 24 HCF @ Tier 1 4 HCF @ Tier 2	24 HCF @ Tier 1
Total Bill	\$83.52	\$92.35	\$71.59

HCF= hundred cubic feet

The Board action is subject to review by the Los Angeles City Council and will stand approved unless disapproved by April 9, 2009.

More information about LADWP's water rates can be found on the Department website at www.ladwp.com/waterrates. For information on water conservation and prohibited water uses, water conservation tips and more, please visit www.ladwp.com and click on "Water Conservation."

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