

9. REVISED FINANCIAL PLAN (CASE 94)

This appendix provides the details for Financial Case Plan Number 94, the official case upon which the revised proposed revenue requirement is determined.

Water FY16 Case#94 Final Rate Case Assumptions

Case Description

1 Planned Financial Metrics

Debt Service Coverage Ratio	1.70
Cash Balance (Water Revenue Fund)	150 operating days
Capitalization Ratio	65%

2 Sales Volumes / Forecasted Purchased Water Schedule

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3 % price increase for MWD water rates

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
	4.90%	5.40%	5.50%	5.50%	6.20%	6.90%	7.60%

4 Budget Data for Capital and O&M

	IBIS 04/22/15
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5 Securitization

100% of Water Quality, GroundWater, Conservation and Recycled Water (include StormWater) capital projects, and Owens Valley Dust Mitigation & Master Project - Effective 7/1/16

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
DWP Fixed Interest Rate			5.35%	5.35%	5.35%	5.35%	5.35%
Interest Rate Saving			0.25%	0.25%	0.25%	0.25%	0.25%
Interest Rate Use for Securitization (JPA)			5.10%	5.10%	5.10%	5.10%	5.10%

6 Pass Through Design

	Effective 4/1/2016
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7 Expense Stabilization Factor

Collect additional \$16.6M to reach a target of \$50M in Expense Stabilization Fund in FY16/17

	1/1/2017
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8 Water Security Elimination

Move WS Capital and O&M Fls to Water Quality and Infrastructure effective

	4/1/2016
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9 Infrastructure Pass Thru Funding

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Cash		30%	35%	35%	30%	30%	30%
Debt		70%	65%	65%	70%	70%	70%

10 New Money (Bond) Issue

Includes new money bond issuance

	2014 Series A
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11 Interest Expense - Rate Assumptions

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Variable	0.18%	0.41%	0.88%	1.31%	1.61%	1.75%	1.75%
Fixed	4.25%	5.35%	5.35%	5.35%	5.35%	5.35%	5.35%

12 Interest Income - Rate Assumptions

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Variable	0.98%	1.21%	1.70%	2.12%	2.36%	2.56%	2.56%

13 BABs Subsidy Reduction

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Reduce subsidy by 7.2%	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)

14 State Revolving Fund Loan

(\$ Million)	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Amount	128.1	151.4	80.5	71.5	52.8	33.5	3.0

15 Recycled Water Capital Adjustment

(\$ Million)	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Capital	57.2	105.4	108.6	108.0	119.1	273.3	279.6
Adjustment	0.0	(25.0)	0.0	0.0	0.0	0.0	0.0
Adjusted Capital	57.2	80.4	108.6	108.0	119.1	273.3	279.6

16 Pass Through Factors

Reflects the latest update of

	January-16
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17 Owens Valley Master Plan

	Yes
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18 Depreciation for existing Plant Assets

	4/10/2015
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19 Unfunded Pension Liability as Regulatory Assets

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
FY14/15	0.0	351.8	291.0	231.0	175.6	122.1	71.0

20 GASB 45 - Post Retirement Health Care (use Annual Required Contribution)

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Annual Required Contribution	73.4	73.4	72.7	70.1	67.4	65.5	61.2
OPEB Cost	68.2	70.8	72.7	73.3	74.4	77.1	78.5

21 Bad Debt Allowance %

Recovers through Pass Thru Factors

	FY15	FY16	FY17	FY18	FY19	FY20	FY21
	1.5%	1%	1%	1%	1%	1%	1%

Water System Financial Plan Summary
(\$ in millions)

Water FY16 Case#94 Final Rate Case

O&M and Capex per - IBIS 04/22/15

Base Revenue/HCF Inc %	-0.8%	-2.9%	-1.3%	3.3%	6.8%	3.5%	0.3%	1.3%	2.4%
Water Supply Cost Adjustment/HCF Inc %	6.0%	17.8%	9.9%	-7.8%	0.0%	-3.1%	-0.1%	1.2%	1.8%
Conservation & Reclaimed Water/HCF Inc %	-1.7%	0.7%	1.5%	0.2%	-6.0%	0.0%	0.0%	0.0%	0.0%
Water Quality Factor (WQA)/HCF Inc %	12.5%	0.7%	-3.2%	3.3%	3.6%	-1.7%	0.1%	0.4%	0.8%
Water Infrastructure Factor/HCF Inc %	0.0%	0.0%	0.0%	2.2%	8.6%	1.4%	2.9%	2.5%	3.4%
Water Expense Stabilization Revenue/HCF Inc %				0.0%	1.4%	-1.3%	0.0%	0.0%	0.0%
Security Factor/HCF Inc %	-2.3%	-0.1%	3.6%	-0.3%	-2.2%	0.0%	0.0%	0.0%	0.0%
Owens Lake & LORP Factor/HCF Inc %	-0.7%	0.1%	-1.6%	2.5%	0.3%	-0.6%	0.1%	0.2%	0.0%
Low Income Subsidy/HCF Inc %	-0.4%	-0.2%	0.2%	0.7%	-0.2%	-0.1%	0.0%	0.0%	0.0%
Water Revenue/HCF Inc %	-1.1%	-1.1%	0.0%	1.7%	0.9%	-1.5%	-0.8%	0.0%	0.0%
Securitization Revenue/HCF Inc %	0.0%	0.0%	0.0%	0.0%	2.5%	1.6%	1.8%	2.0%	3.2%
Total Billed Revenue/HCF Inc %	11.5%	15.1%	9.0%	6.0%	9.8%	-1.1%	4.1%	7.9%	11.1%
Total Billed Revenue/HCF Inc % excl PW	6.5%	-2.8%	-0.9%	13.6%	9.1%	1.0%	4.2%	6.4%	9.5%
5 Year Average (starting FY16)									5.3%
5 Year Avg excluding PW (starting FY16)									7.1%

Base Revenue Incr (\$M)	12.2	-30.5	-40.8	19.5	93.8	49.9	-4.3	17.6	35.7
WSCA Revenue Incr (\$M)	87.8	163.9	70.3	-97.2	23.4	-38.0	-1.4	18.0	23.8
Conservation & Reclaimed Water Incr (\$M)	-11.0	5.7	9.8	-0.9	-71.8	0.0	0.0	0.0	0.0
Water Quality Factor (WQA)/HCF Inc %	107.7	5.3	-44.2	20.1	48.8	-12.1	1.3	5.8	7.7
Water Infrastructure Factor/HCF Inc %	0.0	0.0	0.0	22.4	76.0	18.5	35.9	32.0	48.0
Expense Stabilization Revenue Incr (\$M)				0.0	15.5	-16.3	0.2	0.0	0.0
Security Factor/HCF Inc %	-16.0	-1.1	32.1	-8.4	-88.0	0.0	0.0	0.0	0.0
Owens Lake & LORP Factor/HCF Inc %	-3.0	0.5	-19.5	24.2	8.2	-7.1	0.9	3.1	0.7
Low Income Subsidy Incr (\$M)	-1.9	-1.8	0.5	0.3	-0.8	-1.2	-0.3	0.4	-0.2
Water Revenue Incr (\$M)	-8.8	-10.2	0.0	17.3	11.7	-18.8	-10.2	0.0	0.0
Securitization Revenue Incr (\$M)		0.0	0.0	20.3	21.1	22.0	25.9	45.6	
Base + Pass Thru Revenue Billed Incr (\$M)	137.2	131.8	8.0	13.4	184.2	0.1	52.2	101.3	161.2

	Actual	Actual	(3-6)	Forecast					
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1. Sales (Million HCF)	237.1	238.1	217.2	267.4	217.4	219.9	220.8	220.5	221.2
2. Revenue: *									
a. Base Rates	394.1	363.5	322.8	342.3	436.1	466.0	490.3	507.9	543.6
b. Water Supply Cost Adjustment Factor (previously only Purchased Water)	317.1	365.6	340.6	394.1	304.9	307.0	321.2	333.0	360.3
c. Conservation & Reclaimed Water	56.3	66.5	110.4	83.0	0.0	0.0	0.0	0.0	0.0
d. Water Infrastructure Adjustment Factor			0.0	15.7	105.8	117.9	104.3	169.7	237.0
e. Water Expense Stabilization Adjustment Factor				0.0	95.7	0.0	0.0	0.0	0.0
f. Water Security Adjustment Factor	51.8	79.4	63.8	96.0	0.0	0.0	0.0	0.0	0.0
g. Water Quality Adjustment Factor	160.5	168.0	124.4	109.8	185.3	188.4	191.6	198.5	204.8
h. Base Revenue Target Adjustment Factor	0.7	0.0	57.2	0.0	0.0	0.0	0.0	0.0	0.0
i. Owens Valley Regulatory Adjustment Factor	30.1	43.2	68.8	58.8	51.9	52.4	53.2	56.7	56.7
j. Low Income Subsidy Adjustment Factor	22.5	23.7	22.8	29.4	26.8	26.8	26.7	26.7	26.7
k. Water Rights Revenue	4.1	2.7	1.8	4.1	6.4	6.8	9.0	9.2	9.3
l. Other Operating Revenue	13.5	66.3	-19.0	4.7	4.8	4.8	4.9	4.9	5.0
m. Allowance for Uncollectible Accounts	-8.1	-17.8	-10.4	-10.8	-10.9	-12.3	-12.1	-12.4	-13.1
Total Operating Revenue before Securitization	1,042.2	1,145.0	1,082.4	1,157.5	1,127.7	1,177.8	1,238.4	1,314.3	1,430.3
i. Securitization Revenue	0.0	0.0	0.0	20.2	49.2	71.3	97.2	142.8	
Total Operating Revenue include Securitization	1,042.2	1,145.0	1,082.4	1,177.7	1,176.9	1,249.1	1,411.4	1,573.1	
System Average Rate before Securitization(\$/HCF)	3.95	4.85	4.96	5.28	5.64	5.40	5.62	5.95	6.45
System Average Rate include Securitization (\$/HCF)	3.95	4.85	4.96	5.28	5.77	5.71	5.94	6.39	7.10
3. Purchased Water Expenses	200.4	338.4	273.1	245.4	154.0	150.0	167.5	159.5	108.8
4. Operation & Maintenance Expenses									
a. Water Quality	41.2	42.0	43.3	84.1	87.9	92.4	96.7	97.4	100.6
b. Water Reclamation	-3.7	9.3	7.7	7.8	8.7	8.7	9.1	8.7	7.8
c. Water Conservation	11.2	9.7	7.8	21.4	21.8	22.3	12.8	13.1	13.3
d. In-City Pumping	30.4	35.7	43.8	41.4	43.0	44.5	45.7	46.9	48.3
e. Water Security	31.8	33.5	37.7	0.0	0.0	0.0	0.0	0.0	0.0
f. Owens Valley/LORP	28.8	46.2	29.5	38.9	45.2	46.2	47.4	47.8	48.1
g. Infrastructure	232.5	219.0	274.5	265.3	266.8	270.9	280.0	287.8	293.0
Total O & M Expenses	379.5	418.4	444.3	458.9	473.4	484.9	491.8	501.7	511.8
5. Legal Settlement Expense							0.0	0.0	0.0
6. Depreciation (Including Amortization of Regulatory Assets)	112.7	123.3	136.8	158.8	189.0	186.5	259.3	232.8	260.4
7. Property Taxes	32.6	32.6	33.3	18.4	18.1	18.1	16.1	18.1	18.1
8. Other Income/Expense (Net)	27.8	32.1	24.8	18.7	19.5	21.0	21.9	22.5	22.4
9. Interest Expense(Net)	150.0	156.0	164.0	202.8	219.7	229.9	249.2	276.0	311.5
10. Contribution in Aid of Construction	16.7	28.3	34.4	12.8	21.1	27.5	34.2	42.1	55.8
11. Net Income without Securitization	151.6	152.4	150.3	168.7	125.0	139.8	137.9	161.2	194.7
Net Income with Securitization			190.3	166.7	133.6	154.7	158.5	190.7	238.1
12. Capital Expenditures:									
a. Water Conservation	2.6	14.7	33.4	37.5	38.6	38.8	39.6	40.3	41.0
b. Water Quality	204.6	245.2	172.3	328.9	330.7	234.6	190.4	166.3	434.1
c. Water Reclamation	37.0	37.3	57.2	80.4	106.6	109.0	119.1	273.3	279.5
d. Water Security	15.8	43.3	24.7	0.0	0.0	0.0	0.0	0.0	0.0
e. Owens Valley				192.1	139.3	118.5	148.9	220.3	218.9
f. Infrastructure - Pass Through				209.4	280.6	295.1	439.1	481.8	574.7
Infrastructure - Base	222.5	328.9	446.5	134.4	150.2	153.0	175.3	174.0	117.9
Capital Expenditures	482.2	669.5	734.2	907.7	1,052.0	948.8	1,121.4	1,358.0	1,868.2
13a. OWP Borrowing	362	500	399	598	254	288	516	670	608
13b. State Loan				151	81	72	63	34	3
13c. Borrowing for Securitization		0	0	0	428	320	335	393	691
14a. Debt Service	182	263	214	263	302	328	351	394	434
14b. Debt Service for Securitization		0	0	0	28	49	71	97	143
15. Cash on hand	415	336	342	290	282	268	278	278	287
16. Days of Operating Cash	225	158	171	150	159	150	150	160	150
17. Days of Operating Cash with Debt Service	175	126	132	110	109	100	98	85	83
Financial Ratios									
18. Debt Service Coverage Ratio	2.19	2.05	1.83	1.78	1.70	1.70	1.70	1.70	1.77
19. Capitalization Ratio	0.58	0.69	0.81	0.84	0.84	0.84	0.84	0.85	0.85
20. Audit's Bond Test Ratio: (pwr / cap)	1.17	1.46	1.52	1.32	1.43	1.51	1.53	1.56	1.55

* FY14-15 reflects actual through June (3-6) 2015 and Approved Pass Thru Factor through Jan 2016

Infrastructure O&M Increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Infrastructure Capex Increase	0.0	0.0	-25.0	0.0	0.0	0.0	0.0	0.0	0.0

Water System Income Statement
(\$ In millions)

Water FY16 Case#94 Final Rate Case

Fiscal Year ending June 30,	Actual	Actual	(3-8)	Forecast					
	2013	2014	2015	2016	2017	2018	2019	2020	2021
<i>Consumption (Million HCF)</i>	237.1	235.1	217.2	207.4	217.4	219.9	220.0	220.5	221.2
Revenue From Base Rates	394.1	363.5	322.8	342.3	436.1	486.0	490.3	507.9	543.6
Revenue from Water Supply Cost Adjustment (WSCA) Factor	197.8	361.7	432.0	334.8	358.1	323.1	321.7	337.7	361.6
Revenue from Conservation & Reclaimed Water (WPA) Factor	57.3	63.0	72.7	71.8	0.0	0.0	0.0	0.0	0.0
Revenue from Water Quality Factor (WQIA)	163.3	168.6	124.4	152.5	201.4	189.3	190.6	196.2	203.9
Revenue from Infrastructure				22.4	98.5	118.0	153.9	186.5	234.5
Revenue from Water Expense Stabilization Adjustment Factor				0.0	16.5	0.2	0.0	0.0	0.0
Revenue from Security Factor	43.3	42.3	74.4	68.0	0.0	0.0	0.0	0.0	0.0
Revenue from Owens Lake & LORP Factor	47.6	48.1	28.6	52.8	59.0	52.0	52.8	56.0	56.6
Revenue from Low Income Subsidy Factor	23.8	22.0	22.5	28.8	28.2	27.0	26.5	26.9	26.8
Revenue from Base Revenue Target Adjustment	10.3	0.0	0.0	17.3	29.0	10.2	0.0	0.0	0.0
Total Retail Revenue	937.5	1,069.3	1,077.3	1,090.7	1,226.8	1,205.8	1,235.9	1,311.3	1,427.1
System Average before Securitization (\$/HCF)	3.95	4.55	4.96	5.26	5.64	5.48	5.62	5.95	6.45
Change in Accrued Revenue	9.1	41.6	(18.2)	0.0	0.0	0.0	0.0	0.0	0.0
Change in (Over)/Under Collection of WSC Adj Factor	119.4	3.9	(91.3)	59.3	(53.2)	(16.2)	(0.5)	(4.7)	(1.3)
Change in (Over)/Under Collection of Conservation/RW	(1.0)	3.5	37.7	11.9	0.0	0.0	0.0	0.0	0.0
Change in (Over)/Under Collection of WQIA Factor (o&M/DS only)	(2.9)	0.0	0.0	17.2	(16.0)	(0.8)	1.2	2.2	0.9
Change in (Over)/Under Collection of Infrastructure				(6.8)	7.3	(0.0)	0.4	3.2	2.4
Change in (Over)/Under Collection of Water Expense Stabilization				0.0	0.2	(0.2)	0.0	0.0	0.0
Change (Over)/Under Security Factor	8.0	37.1	(10.8)	(2.0)	0.0	0.0	0.0	0.0	0.0
Change (Over)/Under Owens Lake Factor	(17.5)	(4.9)	40.2	5.9	(7.2)	0.4	0.4	0.7	0.1
Change (Over)/Under Low Income Subsidy Factor	(1.3)	1.7	0.3	0.5	(1.5)	(0.3)	0.2	(0.2)	(0.0)
Change (Over)/Under Base Revenue Target Adjustment	(9.5)	(0.0)	57.2	(17.3)	(29.0)	(10.2)	0.0	0.0	0.0
Water Rights Revenue	4.1	2.7	1.8	4.1	6.4	6.6	9.0	9.2	9.3
Other Operating Revenue	4.3	4.7	(1.4)	4.7	4.8	4.8	4.9	4.9	5.0
Allowance for Uncollectible Accounts	(8.1)	(17.8)	(10.4)	(10.8)	(10.9)	(12.3)	(12.1)	(12.4)	(13.1)
Additional allowance for Uncollectible Accounts						0.0			
Total Operating Revenue	1,042.2	1,141.8	1,082.4	1,157.5	1,127.7	1,177.6	1,239.4	1,314.3	1,430.3
Purchased Water	280.4	339.4	273.1	245.4	154.6	150.0	167.5	159.5	168.8
Demand Side Management	11.2	9.7	7.8	21.4	21.8	22.3	12.8	13.1	13.3
Operation & Maintenance Expense	368.2	408.7	436.5	437.5	451.6	462.7	479.0	488.6	498.5
Legal Settlement Expense							0.0	0.0	0.0
Amortization of Regulatory Assets	1.1	2.5	4.1	7.5	10.2	13.1	16.1	19.6	23.4
Depreciation	111.6	120.9	132.5	149.3	158.7	175.5	193.3	213.2	237.0
Property Taxes	12.6	12.8	13.3	16.4	18.1	18.1	18.1	18.1	18.1
Total Operating Expenses	785.1	893.7	867.3	877.5	815.1	841.5	886.7	912.1	959.0
Operating Income	257.1	248.1	215.1	280.1	312.6	336.1	352.6	402.1	471.3
Gain/Loss on Asset Sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Income/Expenses, Net	27.8	32.1	24.8	18.7	19.5	21.0	21.9	22.5	22.4
Income Before LT Debt Exp.	284.9	280.2	239.9	298.7	332.2	357.1	374.5	424.7	493.7
Interest On Fixed LT Debt	160.6	169.3	186.6	211.5	231.0	242.8	262.4	291.2	322.9
Interest On Variable LT Debt	0.4	1.8	0.1	1.3	2.9	4.3	4.3	4.3	4.3
Amortization of Debt Expenses	(6.0)	(10.5)	(13.1)	(2.6)	(5.6)	(4.8)	(2.0)	(0.1)	0.4
Long Term Debt Expense	155.0	160.4	173.6	210.2	228.2	242.3	264.6	295.4	327.6
AFUDC	(5.0)	(4.4)	(9.6)	(7.8)	(8.5)	(12.5)	(15.4)	(19.4)	(16.1)
Net Long Term Debt Expense	150.0	156.0	164.0	202.6	219.7	229.9	249.2	276.0	311.5
Contributions in Aid of Construction	16.7	28.3	34.4	12.6	12.6	12.5	12.5	12.5	12.5
CIAC - Amortization of Regulatory Asset (Securitization)				0.0	8.6	15.0	21.7	29.5	43.4
Change in Fund Net Assets before Securitization		152.4	110.3	108.7	125.0	139.8	137.9	161.2	194.7
Change in Fund Net Assets with Securitization	151.6	152.4	110.3	108.7	133.6	154.7	159.5	190.7	238.1
Transfer To City Reserve Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary gain/(loss) on extinguishment of debt									
Increase in Fund Net Assets with Securitization	151.6	152.4	110.3	108.7	133.6	154.7	159.5	190.7	238.1
Calculation for System Average Rate (\$/HCF)									
<i>Consumption (Million HCF)</i>		235.1	217.2	207.4	217.4	219.9	220.0	220.5	221.2
Billed Revenue Before Securitization		1,069.3	1,077.3	1,090.7	1,226.8	1,205.8	1,235.9	1,311.3	1,427.1
Securitization Revenue		0.0	0.0	0.0	28.2	49.2	71.3	97.2	142.6
Billed Revenue Include Securitization		1,069.3	1,077.3	1,090.7	1,255.0	1,255.0	1,307.2	1,408.5	1,569.7
System Average before Securitization (\$/HCF)		4.55	4.96	5.26	5.64	5.48	5.62	5.95	6.45
System Average include Securitization (\$/HCF)		4.55	4.96	5.26	5.77	5.71	5.94	6.39	7.10

**Los Angeles Department of Water
Water System Balance Sheet**

(\$ in millions)

Water FY16 Case#94 Final Rate Case

Fiscal Year ending June 30,	Actual	(3-6)	Forecast					
	2014	2015	2016	2017	2018	2019	2020	2021
Plant Assets:								
Plant in Service	7,377.4	7,813.4	8,772.6	9,615.6	10,554.1	11,544.3	12,613.9	13,905.3
C W I P	923.8	1,182.0	1,149.6	1,304.4	1,261.0	1,336.3	1,550.1	1,847.5
Gross Plant	8,301.2	8,995.4	9,922.2	10,919.9	11,815.1	12,880.6	14,164.0	15,752.8
Accum. Depreciation	2,351.0	2,482.0	2,618.9	2,767.8	2,936.3	3,125.7	3,338.5	3,578.9
Net Plant Assets	5,950.2	6,513.4	7,303.4	8,152.1	8,878.8	9,754.9	10,825.5	12,173.9
Current Assets:								
Revenue Fund	335.7	342.0	296.2	282.1	268.3	278.4	279.2	287.1
Construction Fund	212.2	110.3	0.0	0.0	0.0	0.0	0.0	0.0
Construction Fund - Securitization		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance Funds & Others	26.9	27.9	28.9	29.9	30.9	31.9	32.9	33.9
Expense Stabilization Fund	33.4	33.5	33.5	49.8	50.0	50.0	50.0	50.0
Bond Redemption & Interest Fund	114.8	131.7	164.6	192.7	201.2	221.9	241.8	263.9
Accounts Receivable	105.9	85.7	106.8	111.2	108.8	108.2	112.5	119.3
Due from/to Power System	(40.3)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)
Accrued Revenue	88.0	69.0	69.0	69.0	69.0	69.0	69.0	69.0
Material & Supplies	19.6	19.3	19.3	19.3	19.3	19.3	19.3	19.3
Prepayments	18.1	19.7	19.7	19.7	19.7	19.7	19.7	19.7
Total Current Assets	914.3	835.2	734.2	769.9	763.4	794.6	820.6	858.4
Regulatory Assets - Reclamation	67.1	106.5	112.4	116.7	124.0	135.7	167.4	199.8
Regulatory Assets - Conservation			37.5	76.1	114.9	154.5	194.7	235.7
Net Pension Asset	7.0	(15.6)	(15.6)	(15.6)	(15.6)	(15.6)	(15.6)	(15.6)
Net Postretirement Asset	309.8	313.5	314.4	314.4	313.4	311.2	307.4	307.4
Regulatory Asset - Unfunded Pension Liability		0.0	351.8	291.0	231.0	175.6	122.1	71.0
Total Assets	7,248.4	7,753.0	8,838.2	9,704.6	10,409.9	11,310.9	12,422.1	13,830.7
Retained Earning	1,849.3	1,908.0	2,004.1	2,116.6	2,243.9	2,369.2	2,517.9	2,700.1
Accumulated CIAC	908.4	942.8	955.3	976.5	1,004.0	1,038.2	1,080.2	1,136.1
Prior Period Adjustment - Cost of Issuance	(17.1)							
Fund Net Assets	2,740.5	2,850.8	2,959.5	3,093.1	3,247.8	3,407.4	3,598.1	3,836.2
Fixed Rate Bonds	3,513.1	3,791.3	4,330.1	4,507.8	4,707.1	5,131.8	5,696.2	6,252.1
State Loan	304.0	421.7	573.1	653.6	725.1	777.9	811.4	814.4
Variable Rate Bonds	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0
Long Term Debt Due 1 YR	(27.2)	(39.0)	(68.1)	(80.9)	(83.9)	(98.4)	(106.3)	(112.5)
Non - Current Debt	4,114.9	4,499.0	5,160.2	5,405.5	5,673.3	6,136.2	6,726.4	7,279.0
Current Liabilities:								
Long Term Debt Due in 1 Yr	27.2	39.0	68.1	80.9	83.9	98.4	106.3	112.5
Accrued Interest on Bonds	88.6	94.7	96.6	111.8	117.3	123.5	135.5	151.4
Accounts Payable	182.4	185.2	185.2	185.2	185.2	185.2	185.2	185.2
LT Workers Comp. Liab.	26.5	25.5	25.5	25.5	25.5	25.5	25.5	25.5
Customer Deposit	113.4	137.9	139.2	140.6	142.0	143.5	144.9	146.3
Accrued Postretirement Liab.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payable to City's Reserve Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over (Under) Recovery Water Supply Cost Adj	(120.9)	(29.6)	(89.0)	(35.7)	(19.6)	(19.0)	(14.3)	(13.0)
Over (Under) Recovery Conservation & Reclaim	50.4	11.9	0.0	0.0	0.0	0.0	0.0	0.0
Over (Under) Recovery Water Quality	0.0	0.0	(17.2)	(1.2)	(0.4)	(1.6)	(3.8)	(4.7)
Over (Under) Recovery Infrastructure			6.8	(0.5)	(0.5)	(0.8)	(4.0)	(6.5)
Over (Under) Recovery Water Expense Stabilization			0.0	(0.2)	0.0	0.0	0.0	0.0
Over (Under) Recovery Water Security	(12.8)	(2.0)	0.0	0.0	0.0	0.0	0.0	0.0
Over (Under) Recovery Owens Lake	39.4	(0.8)	(6.7)	0.5	0.1	(0.4)	(1.1)	(1.2)
Over (Under) Recovery Water Subsidy	(1.6)	(2.0)	(2.5)	(1.0)	(0.7)	(1.0)	(0.8)	(0.7)
Over (Under) Recovery BRTA	0.6	(56.5)	(39.2)	(10.2)	0.0	0.0	0.0	0.0
Total Current Liabilities	393.0	403.2	366.7	495.5	532.8	553.3	573.4	594.8
Unfunded Pension Liability		0.0	351.8	291.0	231.0	175.6	122.1	71.0
Regulatory Assets - Securitization			0.0	419.5	724.9	1,038.4	1,402.2	2,049.7
Total Fund Net Assets and Liabilities	7,248.4	7,753.0	8,838.2	9,704.6	10,409.9	11,310.9	12,422.1	13,830.7

Water System Source of Funds
(\$ in millions)

Water FY16 Case#94 Final Rate Case

Fiscal Year ending June 30,

	Actual	Actual	(3-6)	Forecast					
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue Fund	295.9	415.0	335.7	342.0	296.2	282.1	268.3	278.4	279.2
Construction Fund		42.9	212.2	110.3	0.0	0.0	0.0	0.0	0.0
Beginning Cash	295.9	457.9	547.9	452.2	296.2	282.1	268.3	278.4	279.2
Available From Operation	101.2	117.4	147.6	123.3	298.6	245.0	231.7	262.4	318.5
Cont. In Aid Of Construction	16.7	28.3	34.4	12.6	12.6	12.5	12.5	12.5	12.5
Cont. In Aid Of Construction - Securitization			0.0	0.0	8.6	15.0	21.7	29.5	43.4
Bond Proceeds for Capex	322.0	380.0	271.0	598.0	253.9	287.9	515.8	669.7	668.4
State Loan	29.5	129.2	128.1	151.4	80.5	71.5	52.8	33.5	3.0
Bond Proceeds for Refunding	208.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond Proceeds for Disc/Prem on Refunding	45.3	46.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change In Current Assets	(23.7)	(9.4)	(20.0)	(99.5)	(92.6)	(52.4)	(70.2)	(93.5)	(103.3)
Change In Current Liabilities	37.5	47.1	32.4	3.3	16.6	6.9	7.6	13.4	17.3
Regulatory Asset - Unfunded Pension Liability			0.0	(351.8)	60.8	60.0	55.4	53.5	51.1
Unfunded Pension Liability			0.0	351.8	(60.8)	(60.0)	(55.4)	(53.5)	(51.1)
Regulatory Assets - Securitization			0.0	0.0	419.5	305.4	313.5	363.8	647.6
Clearing Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Refunded Bonds	(237.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued Interest on Refunded Bonds	(16.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Premium (Discount) on Bonds	51.6	0.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond Issue Costs	(1.7)	(1.0)	(0.8)	(6.0)	(2.5)	(2.9)	(5.2)	(6.7)	(6.7)
Sale of Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Adjustments									
Total Source	829.0	1,195.8	1,180.5	1,235.4	1,291.3	1,171.1	1,348.5	1,563.1	1,879.9
Less: Capital Expenditures (excl CIAC, REV, AFUDC & DSM&Reclaimed Regulatory Assets)	414.0	669.5	734.2	939.2	1,009.2	902.7	1,070.1	1,284.0	1,592.8
Adjustment to reconcile with Cash		21.6	5.8						
Ending Cash	415.0	547.9	452.2	296.2	282.1	268.3	278.4	279.2	287.1

* FY12 & FY13- excluding Regulatory Assets and including adjustment to reconcile to revenue fund.

Water System Operating Results

(\$ in millions)

Water FY16 Case#94 Final Rate Case

Fiscal Year ending June 30,	Actual	Actual	(3-6)	Forecast					
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Operating Revenue (Cash basis)	937.8	1,058.9	1,067.3	1,088.7	1,227.1	1,204.9	1,237.7	1,313.0	1,428.2
Additional allowance for Uncollectible Accounts		0.0	0.0			0.0			
Purchased Water	280.4	339.4	273.1	245.4	154.6	150.0	167.5	159.5	168.8
Conservation	11.2	9.7	7.8	21.4	21.8	22.3	12.8	13.1	13.3
O & M Expenses	368.2	408.7	436.5	437.5	451.6	462.7	479.0	488.6	498.5
Legal Settlement Expense							0.0	0.0	0.0
Taxes	12.6	12.6	13.3	16.4	18.1	18.1	18.1	18.1	18.1
Total O & M Less Depreciation	672.5	770.4	730.7	720.6	646.1	653.0	677.4	679.3	698.6
Net Proceeds From Assets Sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFUDC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Income/Expenses, Net	27.8	32.1	24.8	18.7	19.5	21.0	21.9	22.5	22.4
Total Other Income	27.8	32.1	24.8	18.7	19.5	21.0	21.9	22.5	22.4
Balance Avail for DS	293.1	320.6	361.4	386.8	600.5	573.0	582.2	656.3	752.0
Interest on Fixed Rate Debt	160.6	169.3	186.6	211.5	231.0	242.8	262.4	291.2	322.9
Fixed Rate Bond Maturities	30.9	32.2	27.2	50.6	68.1	80.9	83.9	98.4	106.3
Interest on Variable Rate Debt	0.4	1.8	0.1	1.3	2.9	4.3	4.3	4.3	4.3
Variable Rate Bond Maturities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Debt Service	191.9	203.2	213.8	263.5	301.9	328.0	350.5	393.9	433.5
Balance Available After DS	101.2	117.4	147.6	123.3	298.6	245.0	231.7	262.4	318.5
Available From Operation	101.2	117.4	147.6	123.3	298.6	245.0	231.7	262.4	318.5

**LOS ANGELES DEPARTMENT OF WATER AND POWER
FINANCIAL PLAN - RATING AGENCY RATIOS**

(\$ In millions)

Water FY16 Case#94 Final Rate Case

FY ENDING JUNE 30	Actual	Actual	(3-6)	Forecast					
	2013	2014	2015	2016	2017	2018	2019	2020	2021
① Debt Service Coverage Ratio:									
Total Operating Revenue (Accrual Basis)	1042.2	1141.8	1082.4	1157.5	1127.7	1177.6	1239.4	1314.3	1430.3
Total O&M (excluding Depreciation)	(672.5)	(770.4)	(730.7)	(720.6)	(646.1)	(653.0)	(677.4)	(679.3)	(698.6)
Total Other Income	27.8	32.1	24.8	18.7	19.5	21.0	21.9	22.5	22.4
BABs Subsidy	(18.5)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)
Bal. Avail. for Debt Service (Accrual Basis)	379.0	386.3	359.3	438.4	483.9	528.4	566.7	640.3	736.9
Debt Service									
Interest on Fixed Rate Debt	160.6	169.3	186.6	211.5	231.0	242.8	262.4	291.2	322.9
Fixed Rate Bond Maturities	30.9	32.2	27.2	50.6	88.1	80.9	83.9	98.4	106.3
Interest on Variable Rate Debt	0.4	1.8	0.1	1.3	2.9	4.3	4.3	4.3	4.3
Variable Rate Bond Maturities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BABs Subsidy	(18.5)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)	(17.2)
Total Debt Service (less BAB subsidy)	173.4	186.0	196.7	246.3	284.7	310.8	333.3	376.7	416.3
Debt Service Coverage (Accrual Basis Net of BABs)	2.19	2.08	1.83	1.78	1.70	1.70	1.70	1.70	1.77
② Additional Bond Tests Ratio:									
Max Debt Service	286.6	286.6	286.6	318.2	333.8	351.0	382.1	422.6	463.0
Net Income	151.6	152.4	110.3	108.7	133.6	154.7	159.5	190.7	238.1
LT Debt Expense	155.0	160.4	173.6	210.2	228.2	242.3	264.6	295.4	327.6
Amortization of Regulatory Assets	1.1	2.5	4.1	7.5	10.2	13.1	16.1	19.6	23.4
Depreciation	111.6	120.9	132.5	149.3	158.7	175.5	193.3	213.2	237.0
Adjusted Net Income (as defined in Master Bond Reso)	419.2	436.2	420.4	475.8	530.8	585.6	633.5	718.9	826.1
Additional Bond Test Ratio (previous year adjusted net income /max debt service)	1.17	1.46	1.52	1.32	1.43	1.61	1.63	1.50	1.55
③ Days of Operating Cash:									
Purchased Water Expenses	280.4	339.4	273.1	245.4	154.6	150.0	167.5	159.5	168.8
Total O & M Expenses	379.5	418.4	444.3	458.9	473.4	484.9	491.8	501.7	511.8
Property Taxes	12.6	12.6	13.3	16.4	18.1	18.1	18.1	18.1	18.1
Total Operating Expenses	672.5	770.4	730.7	720.6	646.1	653.0	677.4	679.3	698.6
Total Operating Expenses / 365 days	a 1.8	2.1	2.0	2.0	1.8	1.8	1.9	1.9	1.9
Cash on hand	b 415.0	335.7	342.0	296.2	282.1	268.3	278.4	279.2	287.1
Days of Operating Cash	b/a 225	159	171	150	159	150	150	150	150
④ Capitalization Ratio:									
Long-term Debt	a 3,597.4	4,114.9	4,499.0	5,160.2	5,405.5	5,673.3	6,136.2	6,726.4	7,279.0
Fund Net Assets	b 2,605.2	2,740.5	2,850.8	2,959.5	3,093.1	3,247.8	3,407.4	3,598.1	3,836.2
Total Long-term Debt + Fund Net Assets	c 6,202.6	6,855.4	7,349.8	8,119.7	8,498.6	8,921.2	9,543.6	10,324.4	11,115.2
Capitalization Ratio	a/c 58%	60%	61%	64%	64%	64%	64%	65%	65%