

MUNI/WESTERN EXHIBIT 10-17

**THE STATE WATER PROJECT, BULLETIN 132-2005,
DWR DECEMBER 2006, COVER AND PAGE 217**

MANAGEMENT OF THE CALIFORNIA STATE WATER PROJECT

Muni/Western Ex. 10-17

BULLETIN 132-05

DECEMBER 2006

An aerial photograph showing a large dam structure with water cascading over it into a river. The surrounding landscape is lush green with dense forests and some developed areas. In the background, there are mountains under a cloudy sky.

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Governor, State of California

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Secretary for Resources, The Resources Agency

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Director, Department of Water Resources

Revenues not needed for operating costs or debt service are available for financing SWP capital expenditures.

Future Costs of Water Service

Estimates of future water costs are useful to SWP contractors for short-range and long-range planning of water needs, operations, and budgets. Unit water charges shown in Table 14-12 represent both unescalated and escalated costs of water according to service areas for years 2006 and 2011. The unit rates include costs of existing and future SWP facilities accounted for in Table 14-1 and Table 14-7.

The unit charges are based on the assumption that in 2006 and 2011, the SWP will be able to deliver the entire amounts of water requested by contractors. The unit water charges included in Table 14-12 are listed both as unescalated 2004 dollars and as escalated rates reflecting assumed future inflation.

DWR's estimates of future capital expenditures include allowances for escalation of construction costs at 3 percent per year for 2005 through 2015. The escalation rates for future power sources vary, depending on the source of energy.

Table 14-12. Estimated Unit Water Charges for 2006 and 2011, by Service Area (Dollars per Acre-Foot)

Service Area and Charge	2006		2011	
	Unescalated	Escalated	Unescalated	Escalated
<i>Feather River Area</i>				
Capital; OM&R	36	36	28	28
<i>North Bay Area</i>				
Capital; OM&R	230	230	145	148
Power	33	33	22	23
Total	263	263	167	171
<i>South Bay Area</i>				
Capital; OM&R	86	86	103	105
Power	43	43	46	48
Total	129	129	149	153
<i>Coastal Area</i>				
Capital; OM&R	472	472	495	497
Power	118	118	126	133
Total	590	590	621	630
<i>San Joaquin Area</i>				
Capital; OM&R	54	54	52	54
Power	20	20	21	22
Total	74	74	73	76
<i>Southern California Area</i>				
Capital; OM&R	131	131	123	125
Power	135	135	141	147
Total	266	266	264	272

Information for this chapter was provided by the State Water Project Analysis Office in conjunction with the Division of Fiscal Services.