

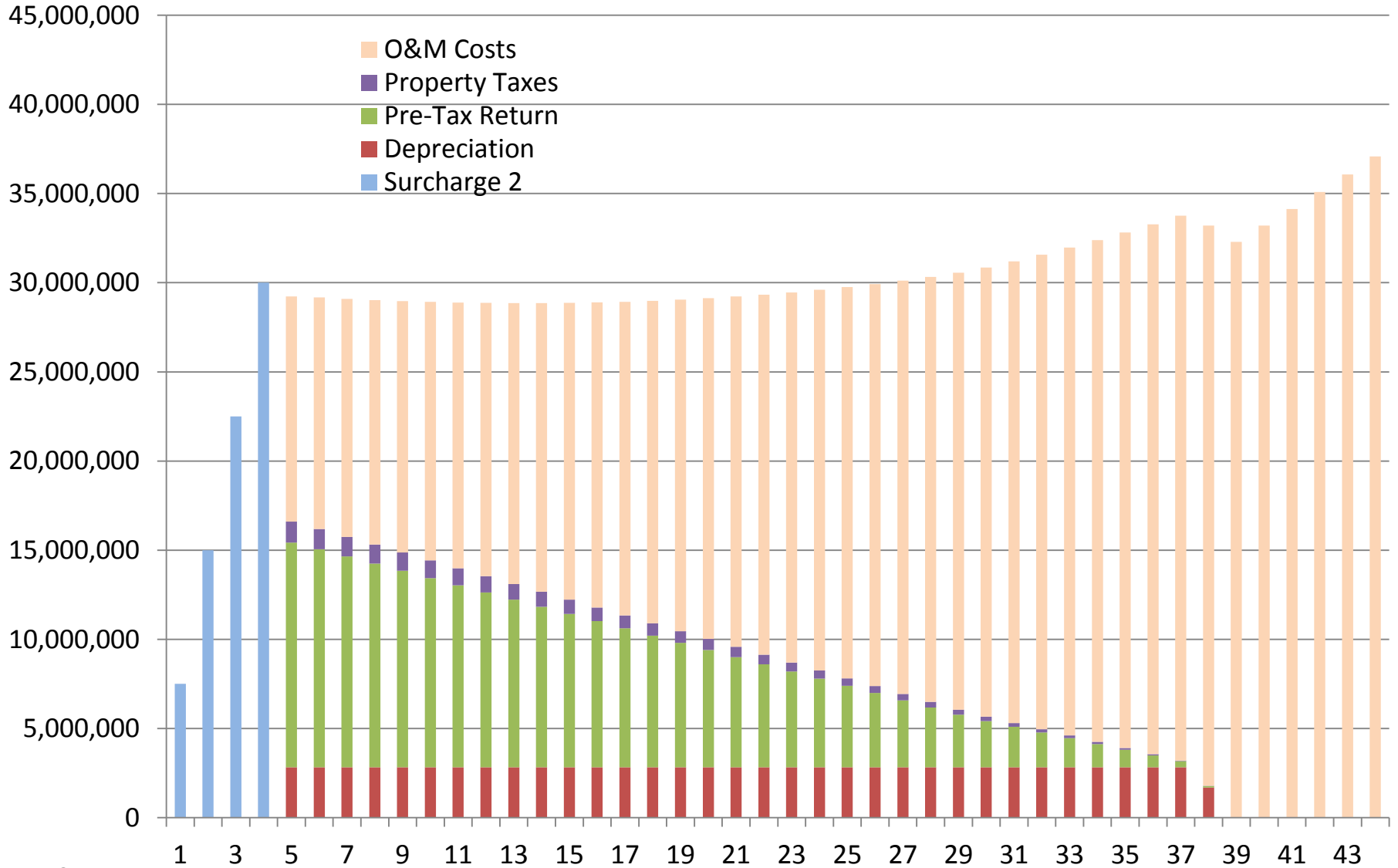


## Action Item 19

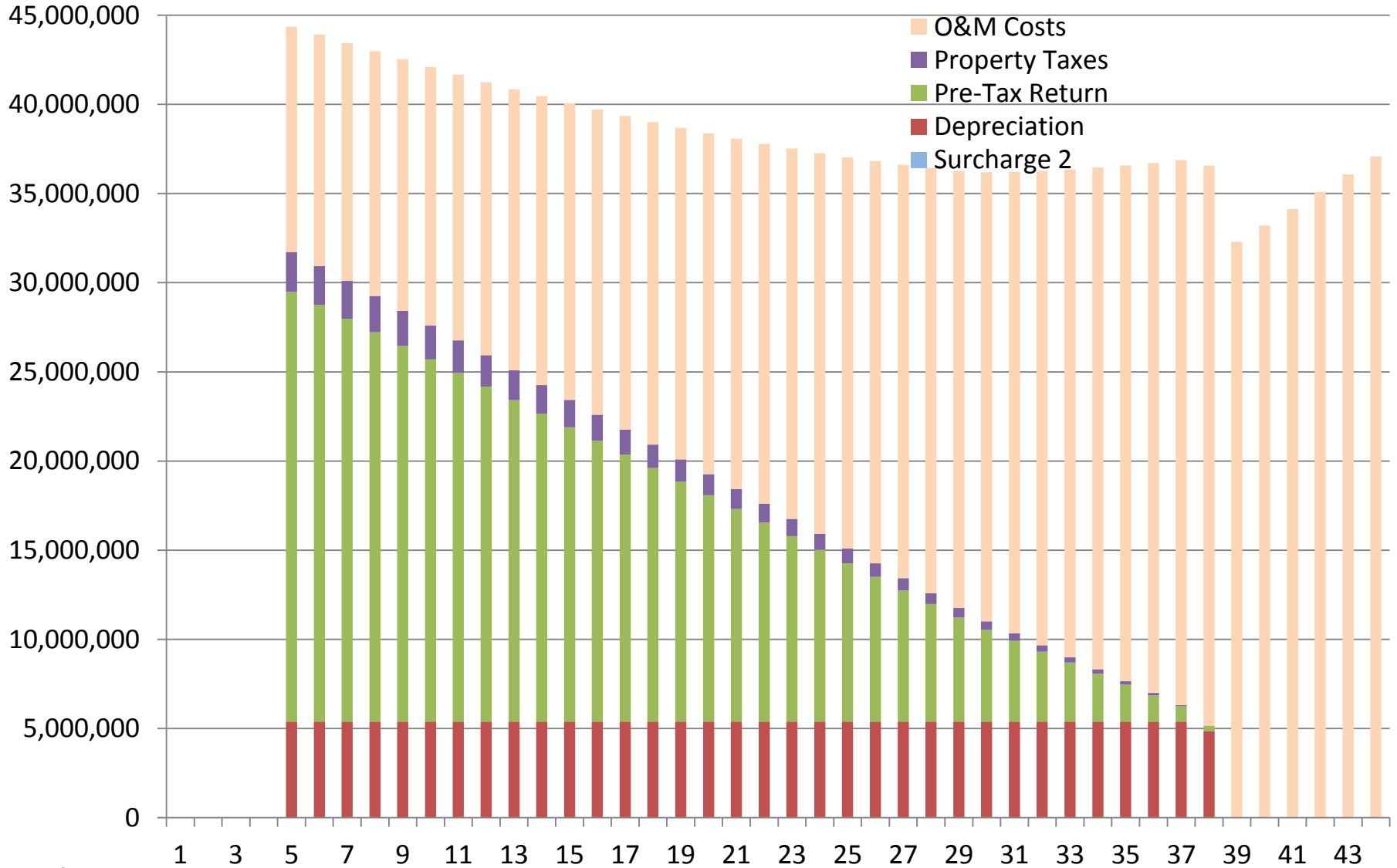
Overview of Surcharge 2:  
9,000 AF / \$207 million Example  
*(December 2012 SPI Report)*

January 30, 2013 Regular Meeting  
David Stoldt, General Manager

# With Surcharge 2



# Without Surcharge 2



# Impact of Surcharge 2

Financial Measure	Cal-Am	
	9kAFY w/Surcharge 2	9kAFY w/o Surcharge 2
Construction Proceeds	\$207.0	\$207.0
O & M Cost (2012 \$)	\$11.0	\$11.0
First Year of Operations	2017	2017
Total Revenue Requirement over Lifecycle	\$1,331.3	\$1,528.7
Net Present Value of Revenue Rqt in 2012 \$	\$508.1	\$560.7
Revenue Requirement in Common Year, 2019	\$29.2	\$43.4
Amount of Surcharge 2 Proceeds	\$99.15	\$0

# Key Issues

- Which approach is least expensive?
- Easing “rate shock.”
- Are early dollars riskier dollars?
- Do ratepayers get anything for their investment?
- Who pays versus when they pay.