

CENTRAL VALLEY PROJECT
SCHEDULE OF MUNICIPAL AND INDUSTRIAL (M&I) OPERATION, MAINTENANCE AND REPLACEMENT COSTS
BY FACILITY AND/OR COMPONENT FOR FY 2006
2008 M&I WATER RATES

Component/Facility	O&M & Corps Expense 1/	Project Use Energy Costs 1b/	Total
COST TO BE ALLOCATED			
Storage			
American River (0353)	7,000.41		7,000.41
Black Butte O&M COE (0214)	19,771.19		19,771.19
Clear Creek Tunnel (0416) (1910)	2,476.59		2,476.59
ClairHill, CA Whiskeytown Dam (0416) (1910)	38,294.00		38,294.00
Coleman Fish Hatchery (1741) (1910)	440,441.45		440,441.45
Columbia-Mowry System (1785) 1b/	21,024.00	1,339.38	22,363.38
Delta Cross Channel (0863)	5,690.82		5,690.82
Folsom Complex (0353)	60,868.97		60,868.97
Folsom Dam & Reservoir (0353) & (1910)	244,121.22		244,121.22
Folsom Garage (0353)	25,350.01		25,350.01
Folsom Pipeline (0353)	17,477.45		17,477.45
Folsom Plant Maintenance Draw (0353)	32,274.23		32,274.23
Folsom Pumping Plant (0353) & (1910)	32,477.44	56,552.18	89,029.62
Friant Dam & Reservoir (1785)	197,731.70	5,487.75	203,219.45
Gianelli, WR PGP (0805) 2/	575,968.35	47,992.52	623,960.87
Regeneration Credit		(39,904.26)	(39,904.26)
San Felipe Unit	(140,294.37)		(140,294.37)
Nimbus Dam & Reservoir (0353) & (1910)	31,399.62		31,399.62
Rehabilitate Trinity-Main Channel (0416)	(2,728.39)		(2,728.39)
Reservoir and River Operations (0725)	715.22		715.22
Safety Security & Law Enforcement (1741)	198,036.10		198,036.10
San Joaquin River (1785)	29,050.10		29,050.10
Sacramento River (0725)	58,754.87		58,754.87
Shasta Dam & Reservoir (1741) & (1910)	166,132.52	16,447.36	182,579.88
Sisk, BF San Luis Dam (0805)	615,044.25		615,044.25
Spring Creek Tunnel (0416)	6.99		6.99
Trinity Dam & Reservoir (0416)	11,051.76		11,051.76
Total Storage	2,688,136.50	87,914.93	2,776,051.42
Conveyance			
Folsom South Canal (0353) (1910)	917,939.72		917,939.72
Direct Costs - Pumping & Other			
City of Shasta Lake (1741)		22,485.19	22,485.19
Contra Costa PP (Contra Costa WD) (0863)		347,910.06	347,910.06
Colusa County WD (0725)		1,059.26	1,059.26
Kanawha WD (0725)		1.38	1.38
Pleasant Valley PP (City of Coalinga) (0805)		36,973.36	36,973.36
San Benito County WD			
Gianelli, WR PGP (0805) 2/	5,718.40	14,549.85	20,268.25
Pacheco PP (0805) 3/		13,526.03	13,526.03
San Luis WD Relift (0805)PP		7,012.87	7,012.87

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Component/Facility	O&M & Corps Expense 1/	Project Use Energy Costs 1b/	Total
Direct Costs - Pumping & Other (continued)			
Santa Clara Valley WD			
San Luis and Delta Mendota WA Offsets (0805)	(74,830.19)		(74,830.19)
Santa Clara Valley WD Deficiencies - Delta Mendota Canal (0921)	414,477.75		414,477.75
Coyote PP (805)		83,144.34	83,144.34
Gianelli, WR PGP (0805) 2/	134,575.97	342,380.10	476,956.07
Pacheco PP (0805) 3/		318,319.62	318,319.62
Westlands WD Relifts (0805)		4,718.43	4,718.43
Wintu PP (Bella Vista WD) (0725)		1,964.88	1,964.88
Total Direct Costs (Pumping & Other)	479,941.93	1,194,045.37	1,673,987.30
Sub Total	4,086,018.15	1,281,960.30	5,367,978.45
Water Marketing 1/	1,234,152.83		1,234,152.83
Total Costs to be Allocated	5,320,170.98	1,281,960.30	6,602,131.28

COST TO BE DIRECT BILLED

Conveyance			
Arroyo Pasajero (0805)	(933.33)		(933.33)
Delta Cross Channel (1910)	18,416.14		18,416.14
Delta Mendota Canal (0863)	1,072.41		1,072.41
Friant Kern Canal (1785)	1,359.65		1,359.65
Little Panoche Creek Det Dam (0805)	(33.88)		(33.88)
Litigation Costs Dev-Jt Use (0805)	933.33		933.33
Los Banos Creek Det Dam (0805)	(9.42)		(9.42)
O'Neill Dam/O&M (0805)	(58.17)		(58.17)
Red Bluff Dam (0725)	580.93		580.93
Red Bluff Research PP (0725)	3,878.78		3,878.78
San Luis Canal (0805)	1,320.13		1,320.13
San Luis Canal Turnouts (0805)	160.49		160.49
Stony Creek CHO (0725)	2,755.74		2,755.74
Tehama-Colusa Canal (0725)	397.21		397.21
Tehama-Colusa Fish Facility (0725)	5.23		5.23
Toyon Pipeline (1741) 1b/	60,080.37		60,080.37
Total Conveyance	89,925.61		89,925.61
Conveyance Pumping			
Dos Amigos PP (0805)	18.74	39,905.26	39,924.00
O'Neill PGP (0805)	9,533.58	127,994.75	137,528.33
Regeneration Credit		6,104.99	6,104.99
Tracy Pumping Plant (0863) & (1910)	849,558.23	742,360.83	1,591,919.06
Administrative Building (1910)	146.72		146.72
State-Delta PP			
Total Conveyance Pumping	859,257.27	916,365.83	1,775,623.10
Total Costs to be Direct Billed	949,182.88	916,365.83	1,865,548.71
Grand Total	6,269,353.86	2,198,326.13	8,467,679.99

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Footnotes

1/ Financial Statement Costs are taken from Schedules 22 & 25 of the 2006 CVP Consolidated Financial Statement (F/S). For certain facilities, the power costs have been isolated and shown under "Project Use Energy". FY 2006 O&M Expenses are as follows:

	Joint Expense Recorded in F/S Sch 25	Expenses or Credits Not Recorded in F/S Sch 25 a/	Total Per F/S Sch 22	Other Adjustments to Expense b/	Total Expenses per Ratesetting	Total Expenses to be Direct Billed per Ratesetting	Total Expenses to be Allocated per Ratesetting
Storage	2,810,135.26	(2,728.39)	2,807,406.87	(31,355.45)	2,776,051.42		2,776,051.42
Carriage	889,102.51	306,953.78	1,196,056.29	2,310,765.90	3,506,822.19	1,865,548.71	1,641,273.48
Water Marketing	2,731,612.45	2,173,471.68	4,905,084.13	(3,670,931.30)	1,234,152.83		1,234,152.83
Other		2,481,559.13	2,481,559.13	(1,530,905.59)	950,653.54		950,653.54
Interest on Investment		13,479,504.92	13,479,504.92	(13,479,504.92)	0.00		0.00
Financial Statement Balance	<u>6,430,850.22</u>	<u>18,438,761.12</u>	<u>24,869,611.34</u>	<u>(16,401,931.35)</u>	<u>8,467,679.99</u>	<u>1,865,548.71</u>	<u>6,602,131.28</u>

a/ Detail of financial statement expenses or credits in Schedule 22 but not recorded in the Multipurpose Expense Schedule 25.

<u>Storage</u>	<u>Carriage</u>	<u>Water Marketing</u>	<u>Other</u>
Rehab Trinity-Main (0416)	(2,728.39) Folsom South Canal (0353)	306,953.78 Toyon Pipeline (1741)	60,080.37 SLDM WA Offset (0805)
		CV Auto Cntrl System (1786)	(6,453.06) Santa Clara Valley WD Defic. (0921)
		PEIS PY Adjustment (1787)	2,119,844.37 Folsom South Canal (1910)
			Spring Creek Debris Dam Repair (1910)
Total	<u>(2,728.39)</u>	<u>306,953.78</u>	<u>2,173,471.68</u>

b/ Detail of Ratesetting O&M Expense Adjustments to Reconcile with F/S Schedule 22:

<u>Storage:</u>		Total
Gianelli WR PGP costs moved to Direct Pumping	(140,294.37)	
Columbia-Mowry System moved from Water Marketing	21,024.00	
PUE costs from "2006 PUE used in FY 2006 B-6" (F/S Sch 16)	<u>87,914.93</u>	
		(31,355.45)
<u>Carriage:</u>		
Toyon Pipeline moved from Water Marketing	60,080.37	
Gianelli WR PGP costs moved from Storage	140,294.37	
PUE costs from "2006 PUE used in FY 2006 B-6" (F/S Sch 16)	2,110,411.20	
Interest/Penalty - Non-Reimbursable (0353 - Folsom South Canal)	<u>(20.04)</u>	
		2,310,765.90
<u>Water Marketing:</u>		
Toyon Pipeline moved to Carriage	(60,080.37)	
Columbia-Mowry System moved to Storage	(21,024.00)	
CFO adjustment for Foresthill PUD and Contra Costa WD e/	2,194.31	
PEIS - FY 1999 adjustment	(2,119,844.37)	
BOR WORKS amortization adjustments for FY 2003 through FY 2006 f/	158,520.17	
Non-Permanent Contractor Revenue (Includes Non-Project Water Revenue) d/	<u>(1,630,697.04)</u>	
		(3,670,931.30)
<u>Other</u>		
San Luis Delta Mendota WA Offset - FY 2005 adjustment to financial statement (from 08054429 to 08054430)	(786,881.52)	
San Luis Delta Mendota WA Offset - FY 2004 costs (08054429) transferred from irrigation	3,369.68	
San Luis Delta Mendota WA Offset - FY 2005 costs (08054429) transferred from irrigation	(3,509.60)	
Santa Clara Valley WD Deficiencies - FY 2005 costs (09214492) transferred to irrigation	(53,594.99)	
Santa Clara Valley WD Deficiencies - FY 2005 other costs (09214492) not allocated	(1,513.97)	
San Luis Delta Mendota WA Offset - FY 2006 costs transferred from Sch. 19 (Irrigation, 08054429)	(74,690.27)	
Santa Clara Valley WD Deficiencies - FY 2006 costs transferred to irrigation (09214492)	(275,078.60)	
Santa Clara Valley WD Deficiencies - FY 2006 quarterly accrual (09214492)	(329,000.00)	
Santa Clara Valley WD Deficiencies - FY 2006 other costs not allocated (09214492)	(3,693.63)	
Spring Creek Debris Dam Repair - Costs should have been allocated to Power & FW (1910)	<u>(6,312.69)</u>	
		(1,530,905.59)
Interest on Investment		<u>(13,479,504.92)</u>
Total		<u>(16,401,931.35)</u>

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Footnotes (continued)

- c/ Includes General and Administrative Expenses.
- d/ Non-Project water revenue - Contra Costa WD's revenue related to Los Vaqueros.
- e/ FY 2006 distribution for Foresthill PUD and Contra Costa WD. Ref: 2006 M&I Application of CFO/PFR Audit Adj Analysis.Z10.xls
- f/ FY 2003 through FY 2006 amortization expenses were inadvertently excluded in the prior year accountings.

2/ Determination of FY 2006 Gianelli, WR Pump Generator "Storage" and "Direct Pumping" costs allocated to the San Felipe Unit are as follows:

	San Felipe Unit (Storage)			All Other Storage Contractors	Total
	Total	Direct Pumping Applicable To Gianelli, WR Pump Generator			
		San Benito	Santa Clara		
2006 Storage Deliveries (A/F)	96,139	3,919	92,220	298,549	394,688
Ratios	0.24358	0.04076	0.95924	0.75642	1.00000
Allocated Gianelli,WR Pump Generator Costs (Excludes Regeneration Credit) - 2006:					
Direct Costs	140,294.37	5,718.40	134,575.97	435,673.98	575,968.35
Project Use Energy Costs	356,929.95	14,549.85	342,380.10	47,992.52	404,922.47

3/ Allocation of Pacheco Pumping Plant costs - Allocation is based on same water delivery ratios as shown in 2/ above.

Total	San Benito	Santa Clara
331,845.65	13,526.03	318,319.62

Note: Storage Expense Allocation

(The following calculations are provided for use on Schedule of CVP Allocated Municipal and Industrial Storage Expense)

	San Felipe Unit		All Other Contractors	Total
	Other Storage Expense	Direct Pumping Gianelli, WR PGP		
Allocated Gianelli, WR PGP Costs:				
Direct Costs (see 5/ above)		140,294.37	435,673.98	575,968.35
PUE Costs/Excludes Regenerating Credit (see pg 1) Regeneration Credit			47,992.52 (39,904.26)	47,992.52 (39,904.26)
Less: Gianelli, WR PGP Costs Allocated to Direct Pumping		140,294.37		(140,294.37)
Sub-total				443,762.24
Allocated Other Storage O&M Expense	568,099.00		1,764,190.19	2,332,289.19
Total Allocable Storage Expense	568,099.00		2,207,952.42	2,776,051.42

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4/ RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2006

M&I Revenue per Schedule B-2 (excluding Voluntary Payments)	17,777,771.70	
Correction to erroneous FY 2005 entries 4c/	(127,756.94)	
September 2006 revenue estimate not included in ratesetting	479,434.85	
FY 2006 revenues included in ratesetting in FY 2006 but will be included in F/S in FY 2007	(3,033,418.57)	
FY 2006 voluntary payments included in F/S and ratesetting in FY 2006	1,441,292.45	
Prior year revenue adjustments included in ratesetting in FY 2006 but will be included F/S in FY 2007	(807,342.51)	
Prior year revenues included in F/S in FY 2006 but included in ratesetting in prior year	(180,949.20)	
Prior year voluntary payments included in F/S but not included in the draft 2006 accounting	8,643,783.64	
Prior year voluntary payments, refunds and revenue reapplications included in F/S in FY 2006, but included in ratesetting in prior year	(434,962.40)	
Contra Costa WD - duplicate entries for FY 2006 voluntary payments (3,517.50+2,834.47)	6,351.97	
Prior year voluntary payment refunded - Terra Bella ID	(2,858.46)	
Conveyance Income - Delta Mendota Water Authority	1,183,782.25	
M&I Revenues Per Financial Statement (Sch. 21)	24,945,128.78	
Reconstructed Excess of Income Over Expense at 9/30/05 (See 2007 Water Rates, Sch B-6)		(42,383,387.11)
FY 2006 Activity per Ratesetting: O & M Expense	6,602,131.28	
Net change from Financial Statement Costs 1/		
Other Adjustments to Expense 1b/	16,401,931.35	
Total O&M Expense	23,004,062.63	
Total Costs to be Direct Billed 1/	1,865,548.71	
M&I O&M Expenses and Interest per F/S (Sch. 22)	24,869,611.34	
Interest/Penalty - non-reimbursable	20.04	
Total Current Year Result per F/S (Sch. 20)		75,537.48

Transactions Incorporated into Ratesetting in Prior Years but not in F/S @9/30/2006 (differences between Ratesetting and Financial Statement)

Revenue:		
FY 2005 erroneous revenue entries to be reversed in FY 2006 (see 2005 M&I PY ADJUSTMENT.Z09)	127,756.94	
FY 2005 revenues to be included in F/S in FY 2006	202,757.19	
Prior year revenues to be included in F/S in FY 2006	(62,425.32)	
Prior year revenues to be included in F/S in FY 2006 -County of Madera (SX#:050320FQ023)	(2,896.00)	
Prior year revenues to be included in F/S in FY 2006 (CCWD & City of Roseville)	(63,716.83)	
		201,475.98
Expense:		
PEIS capitalized		
FY 1992 through FY 1998 (see 99MFB8AE.Z03)	(2,206,215.99)	
Adjustment to F/S in FY 1999 (see 1999 F/S Sch. 26)	2,134,366.00	
		(71,849.99)
PEIS not capitalized		
Cost through 10/92	33,490.33	
FY 1993 cost	3,753.00	
		37,243.33

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4/ RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2006 (Continued)

Transactions Incorporated into Ratesetting in Prior Years but not in F/S @9/30/2006 (differences between Ratesetting and Financial Statement)

Expense (continued):		
Friant D&R , Drum Gates capitalized through FY 2005		(745,067.38)
Tracy PP, upgrade SCDA System capitalized (FY 1999)		(6,214.00)
FY 1993 Adjustment (see FY 1995 M&I and IRR Water Rates)		1,670.11
Dos Amigos PP adjustment to F/S (FY 2004: - 2,797.20)		2,797.20
O'Neill Dam prior year adjustment not included in F/S - Schedules 22 & 25		(185.66)
Shasta D&R (Coleman Fish Hatchery) included in F/S twice.		(548,119.97)
Banks Pumping Plant adjustment (FY 1999 - FY 2002)		36,111.57
Deferred (2006/2007) Chief Financial Officer (CFO) adj (Conv. & WM only) plus amounts not allocated		(974,793.03)
FY 2005 PUE cost included in ratesetting in FY 2005 (cost included in financial statement schedule 16)		2,233,524.31
Chief Financial Officer Adjustment (PUE)		
Included in F/S in FY 2004	(235,645.59)	
Included in ratesetting in 2001 through 2005 accountings	166,820.10	
		(68,825.49)
Chief Financial Officer (CFO) PUE adjustment to F/S		130,952.85
Chief Financial Officer Adjustment for San Felipe Division still in the plant account (needs to be moved to the exp. account)		206,620.97
Provision for Replacement credit included in Ratesetting (2001 through 2005 - see CFO & PFR ADJ worksheet)		(345,709.21)
Arroyo Pasajero (0805) FY 2002 Conveyance Expense not included in FY 2002 accounting		(6,938.84)
SLDMWA Offsets transferred from IRR (Sch 19) - Santa Clara Valley WD FY 2004 & FY 2005 (786,881.52 + 317,319.14)		1,104,200.66
FY 2005 Voluntary Payments included in Ratesetting in FY 2005, but will be included in F/S in FY 2006		(373,673.71)
FY 2005 O&M surplus refunded or reapplied		2,229,746.87
FY 2005 VP PY O&M deficit reapplied, Sacramento County WA & Terra Bella ID		18,546.24
Contra Costa WD, Fiscal Year 2006 Voluntary Payments included in F/S in 2005		118,695.00
Provision for Replacement costs not included in F/S - Sch.22 (FYS 1998 thru 2000)		33,966.00
Interest Adjustments:		
FY 2005 interest adjustment to F/S		(534,255.81)
FY 1997 interest adjustment to F/S - Contra Costa WD's interest not included in ratesetting		(179,495.00)
PUE Costs		
Direct Billed for Fiscal Years 1998 through 2005 (see prior years' ratebooks)	(3,701,127.06)	
Adjustment to F/S (Fiscal Years 1998 & 2000)	(437,910.76)	
		(4,139,037.82)
Conveyance Income		
Tehama Colusa - FY 1999	148.58	
Delta Mendota - Fiscal Years 1999 through 2005	4,458,163.15	
		4,458,311.73
Contract Administrative Fees		6,200.00
Warren Act Contractor Revenues through fiscal year 2005		3,601,195.76
Title Transfer Revenues through FY 2005		546,700.00
Rescheduled Water Revenues through fiscal year 2005		172,159.42
Non-Storable Project 215 Water Revenues through FY 2005		271,126.01
Special Supplemental 215 Contractors Revenues through FY 2005		1,192.00
Restoration Fund (Interest portion of transfer water revenues)		605.00
Prior year interest True-up adjustment not included in prior year reconciliation - adjustment recorded in F/S in 2005		(1,662,390.54)
Prior year (1995) expense adjustment: Refer to M&I Title Transfer Adjustment.xls		(488,395.48)
City of Roseville pump credit included in ratesetting but not included in financial statement		(1,164,600.00)
Foresthill PUD credit		(813.60)
M&I settlement interest adjustment		(133,896,815.69)
		(129,794,140.21)
Cumulative Recorded Excess of Income Over Expense at 9/30/2006 per F/S (Sch. 12)		(172,101,989.84)

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4/ **RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2006 (Continued)**

Transactions Incorporated into Ratesetting but not in F/S at 9/30/2006 (differences between Ratesetting and Financial Statement)

Revenue:		
FY 2006 revenues included in ratesetting in FY 2006 but will be included in F/S in 2007		3,033,418.57
Prior year revenues recorded in ratesetting in FY 2006 but will be included in FFS in 2007		801,625.01
Prior year revenues included in ratesetting in FY 2005 but will be included in FFS in 2007		43,513.33
Prior year revenues included in ratesetting in FY 2003 but will be included in FFS in 2007 (Contra Costa WD & City of Roseville)		63,716.83
Estimate for Sept. 2006 will be reversed in FFS in FY 2007		(479,434.85)
Expense:		
PEIS capitalized		
FY 1992 through FY 1998 (see 98MFB8AE.Z03)	2,206,215.99	
Adjustment to F/S in FY 1999 (see FY 1999 F/S Sch. 26) and FY 2006	(14,521.63)	
	2,191,694.36	
PEIS not capitalized - costs through Oct. 31, 1992		(33,490.33)
Friant Dam & Reservoir, Drum Gates capitalized (through FY 2003 - 745,067.38)		745,067.38
Tracy PP, Upgrade SCDA System capitalized (1999)		6,214.00
FY 1993 adjustment (see FY 1995 M&I & IRR Rates)		(1,670.11)
Shasta D&R (Coleman Fish Hatchery) included in F/S twice		548,119.97
Banks Pumping Plant adjustment (FY 1999 - FY 2002)		(36,111.57)
Dos Amigos PP adjustment to F/S (FY 2004: - 2,797.20)		(2,797.20)
O'Neill Dam - FY 1998 adjustment not included in F/S, Schs 22 & 25 (see FY 1999 F/S)		185.66
Deferred (2007) Chief Financial Officer (CFO) adj (Conv. & WM only) plus amounts not allocated 4b/		493,200.15
Chief Financial Officer (CFO) PUE adjustment included in F/S	235,645.59	
Chief Financial Officer (CFO) PUE adjustment included in ratesetting through FY 2006	(200,018.39)	
		35,627.20
Chief Financial Officer (CFO) PUE adjustment to F/S		(130,952.85)
CFO adjustment for San Felipe Division (09216530; WM) is in plant account and will be moved to expense account		(206,620.97)
Provision for Replacement credit included in Ratesetting (2001 through 2006 - see CFO & PFR ADJ worksheet)		373,071.10
Arroyo Pasajero (0805) - Fiscal Year 2002 conveyance expense not included in 2002 accounting		6,938.84
SLDMWA Offsets transferred from IRR - Santa Clara Valley WD FYS 2004/2005/2006 (- 317,319.14+)		(242,488.95)
Santa Clara Valley WD Deficiencies transferred to IRR - FY 2005 & FY 2006 for Santa Clara Valley WD and Westlands WD		328,673.59
Santa Clara Valley WD Deficiencies not allocated - FY 2005 & FY 2006 accruals and other costs		334,207.60
FY 2005/2006 PUE costs included in ratesetting in FY 2005/2006 (cost included in F/S Sch. 16)		(4,431,850.44)
Spring Creek Debris Dam Repair - Costs should have been MP and allocated to Power & F&W (1910)		6,312.69
BOR WORKS amortization adjustments for FY 2003 through FY 2006		(158,520.17)
FY 2006 voluntary payments/refunds included in ratesetting, but will be recorded in F/S in FY 2007		(1,059,005.89)
Contra Costa WD's voluntary payments (duplicate entries) to be reversed in FY 2007		(6,351.97)
Contra Costa WD's FY 2005 voluntary payment refund will be recorded in F/S in FY 2007		(1,421,072.83)
Provision for Replacement costs for Fiscal Years 1998 - 2000 not included in F/S, Sch. 22 (11,322 * 3)		(33,966.00)
Interest Adjustments:		
FY 2006 interest True-up adjustment to F/S		(1,287,932.80)
FY 1997 Interest for Contra Costa WD (repayment contracts) not included in ratesetting 4a/		179,495.00
Direct Billed Conveyance/Conveyance Pumping Costs		
Fiscal Years 1998 through 2005	3,701,127.06	
Fiscal Year 2006	1,865,548.71	
Adjustment to be recorded in F/S for Fiscal Years 1998 - 2000 (See 98MFB8AE.Z02)	437,910.76	
	6,004,586.53	

CENTRAL VALLEY PROJECT
SCHEDULE OF MUNICIPAL AND INDUSTRIAL (M&I) OPERATION, MAINTENANCE AND REPLACEMENT COSTS
BY FACILITY AND/OR COMPONENT FOR FY 2006
2008 M&I WATER RATES

4/ **RECONCILIATION OF RECONSTRUCTED EXCESS OF INCOME OVER EXPENSE TO FINANCIAL STATEMENT AT 9/30/2006 (Continued)**

Transactions Incorporated into Ratesetting but not in F/S at 9/30/2006 (differences between Ratesetting and Financial Statement)

Conveyance Income			
Tehama Colusa - Fiscal Year 1999 (148.58)		(148.58)	
Delta-Mendota WA - Fiscal Years 1999 -2005 (4,458,163.15) & 2006 (1,183,782.25)		<u>(5,641,945.40)</u>	
			(5,642,093.98)
Warren Act Contractor Revenues through Fiscal Year 2006			(4,353,545.48)
Non-Storable Project 215 Water Revenues through FY 2006			(301,801.98)
Special Supplemental 215 Contractors Revenues through FY 2006			(1,806.40)
Contract Administrative Fees			(6,200.00)
Title Transfer Revenues through FY 2006			(546,700.00)
Rescheduled Water Revenues through FY 2006 (included in Sch. A-4A - Storage)			(214,705.51)
Restoration Fund (Interest portion of Transfer Water Revenues) - will be moved to Restoration Fund Account			(605.00)
Non-permanent contractor removed from schedule A-6 (City of Sac., SMUD w/o Delta, Stockton-East WD, Union PUD)			50,239.82
Contra Costa WD's repayment contract removed from schedule A-6 in 1995 rates			(9,214,758.04)
City of Roseville pump credit included in ratesetting but not included in financial statement			1,164,600.00
Adjustment to repayment balance. Refer to 95M&I-06A35, 96M&I-06.B62, 97M&I-6A.C09 and 98MFA06B.			1,465,719.20
Adjustment to deficit balance. Refer to 94M&I-06.167, 95M&I-06A35, 96M&I-06.B62, 97M&I-6A.C09 and 98MFA06B.			(13,272,951.07)
Prior year interest (1949 - 1997) including CCWD's repayment contract not included in ratesetting			13,260,076.83
FY 1995 expense adjustment: Refer to M&I Title Transfer Adjustment.xls			488,395.48
M&I Settlement interest adjustment reclassified as non-reimbursable			<u>133,896,815.69</u>
			<u>122,434,080.44</u>
			<u>(49,667,909.40)</u>

Reconstructed Excess of Income Over Expense at 9/30/2006

- a/ Interest for the period 1/97-9/97: 31,372.00 (Contra Costa Canal) + 77,682.00 (Contra Loma D&R) + 70,436.00 (Contra Costa New Facility) = 179,495.00
b/ Chief Financial Officer Adjustment (excludes PUE), Ref: CFO & PFR ADJ worksheet, M&I Application of CFO & PFR Audit Adj Analysis.Z10.

Storage (included in Water Marketing in Ratesetting)

Trinity River Division (0416) 806,473.26

Carriage

Sacramento River Division (0725) 20,989.00

Water Marketing

Trinity River Division (0416)	294,144.95	
Sacramento River Division (0725)	176,541.27	
Delta Division (0863)	2,621,069.29	
San Felipe Division (0921)	<u>589,839.52</u>	
		<u>3,681,595.03</u>

Total CFO adjustment 4,509,057.29

Less: Adjustment included in accountings (2001/2003)	<u>(2,089,485.64)</u>
Total adjustment deferred over a 5-year period	<u>2,419,571.65</u>
Less: Annual distribution amounts included in accountings (2003/2004/2005/2006)	<u>1,926,371.50</u>
Remaining balance to be distributed for FY 2007 plus amounts not allocated	<u><u>493,200.15</u></u>