

**CENTRAL VALLEY PROJECT
SCHEDULE OF COST OF SERVICE INCREMENTAL WATER RATES FOR TRANSFER OF
CVP WATER TO CVP M&I WATER CONTRACTORS
2006 SPECIAL WATER RATES**

| <u>Component / Facility</u> | <u>Total Capital at 9/30/2004 1/</u> | <u>Capital with Int. Annualized Costs 50 Years @ 0.024038 2/</u> | <u>50 Year Water Deliveries 3/</u> | <u>50 Year Capital Water Rate</u> |
|-----------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------|
| <u>Storage</u> | | | | |
| San Felipe Unit | 6,335,811 4/ | 10,955,739 | 4,585,125 | 2.39 |
| All Other Contractors | <u>31,250,359</u> | <u>54,037,403</u> | 19,460,442 | 2.78 |
| Total Storage | 37,586,170 | 64,993,142 | | |
| <u>Conveyance</u> | | | | |
| Contra Costa Canal System | 17,822,456 | 5/ | | |
| All Other Contractors | <u>51,004,055</u> | <u>88,195,041</u> | 13,265,395 | 6.65 |
| Total Conveyance | 68,826,511 | 88,195,041 | | |
| <u>Conveyance Pumping</u> | | | | |
| Dos Amigos Pumping Plant | | | | |
| Capital only | 215,670 | 372,932 | 766,165 7/ | 0.49 |
| PUE only | 405,900 | 701,874 | 787,416 | 0.89 |
| O'Neill P-Generator/Pumping Plant | | | | |
| Capital only | 1,378,345 | 2,383,402 | 5,374,276 | 0.44 |
| PUE only | 1,229,482 | 2,125,992 | 5,374,276 | 0.40 |
| Tracy Pumping Plant | | | | |
| Friant Kern/Madera | | | | |
| Capital only | 676,033 6/ | 1,168,981 | 2,982,207 8/ | 0.39 |
| PUE only | 2,979,634 6/ | 5,152,315 | 2,982,207 8/ | 1.73 |
| All Other Contractors | | | | |
| Capital only | 1,206,961 6/ | 2,087,049 | 5,992,025 9/ | 0.35 |
| PUE only | 5,319,711 6/ | 9,198,722 | 5,992,025 9/ | 1.54 |
| Total Conveyance Pumping | <u>13,411,737</u> | <u>23,191,267</u> | | |

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|--------------------------------------------|-------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|
| Direct Pumping | | | | |
| Colusa County WD Relift PP | 2,375 | 4,106 | 4,620 | 0.89 |
| Contra Costa PP (Contra Costa WD) | 4,364,232 | 7,546,530 | 7,215,701 | 1.05 |
| Kanawha WD | 41 | 72 | 452 | 0.16 |
| Pleasant Valley PP (City of Coalinga) | 195,843 | 338,647 | 350,527 | 0.97 |
| Pleasant Valley WD Canalside Relift PP | 22,164 | 38,325 | | |
| San Benito County WD | | | | |
| Gianelli, WR PGP | 310,760 | 537,360 | | |
| Pacheco PP | 182,393 | 315,391 | | |
| Total San Benito County WD | 493,154 | 8,780,430 | 232,127 | 37.83 |
| Santa Clara Valley WD | | | | |
| Coyote PP | 984,452 | 1,702,292 | | |
| Gianelli, WR PGP | 5,827,586 | 10,076,927 | | |
| Pacheco PP | 3,420,361 | 5,914,410 | | |
| Total Santa Clara WD | 10,232,399 | 17,693,629 | 4,352,998 | 4.06 |
| San Luis WD Canalside Relift PP | 167,469 | 289,583 | 24,889 | 11.63 |
| Shasta Pumping Plant (City of Shasta Lake) | 521,618 | 901,970 | 118,086 | 7.64 |
| State Delta PP (Cross Valley Canal) | 23,594 | 40,798 | 21,251 | 1.92 |
| Westlands WD Relifts | 644,723 | 1,114,840 | 193,629 | 5.76 |
| Wintu PP (Bella Vista WD) | 684,462 | 1,183,556 | 251,851 | 4.70 |
| Total Direct Pumping | 17,352,073 | 37,932,486 | | |
| Subtotal | 137,176,490 | 214,311,936 | | |
| Other Costs | | | | |
| Deferred Interest Capitalized | 21,275,569 4/ | 36,789,225 | | |
| Programmatic EIS Capitalized | 3,611,547 4/ | 6,245,003 | | |
| All others | 4,690,862 4/ | 8,111,330 | | |
| Total Other Costs | 29,577,977 | 51,145,559 | 24,045,567 | 2.13 |
| Total | 166,754,467 | | | |
| San Felipe Out-Of-Basin | | | | |
| Conveyance | 209,723,737 | 447,065,045 | | |
| Direct Pumping | 39,697,355 | 84,622,276 | | |
| Total San Felipe Out-Of-Basin | 249,421,093 | 531,687,321 | 5,298,495 10/ | 100.35 |

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FOOTNOTES:

- 1/ Refer to M&I Water Rates, Schedule A-5
2/ Refer to M&I Water Rates, Schedule A-13
3/ Refer to M&I Water Rates, Schedule A-7
4/ Refer to M&I Water Rates, Schedule A-4
5/ In accordance with Contra Costa's amendatory contract (dated May 26, 1994) payment of their specific facilities is being handled through a repayment contract.
6/ Suballocation of Tracy Pumping Plant costs:

| | Historical & Projected Deliveries (1981-2030) 3/ | Ratio | M&I Capital Costs at 9/30/2004 | Project Use Energy | | |
|-----------------------------------------------------|-----------------------------------------------------|-----------------|--------------------------------|---------------------|---------------------|------------------|
| | | | | BOR | DOE | Total |
| Tracy Pumping Plant: | | | | | | |
| Delta-Mendota Exchange | 3,356,205 | 0.359020 | 676,033 | 1,588,174 | 1,391,460 | 2,979,634 |
| All Other Contractors | 5,992,025 | 0.640980 | 1,206,961 | 2,835,458 | 2,484,253 | 5,319,711 |
| Total | 9,348,230 | 1.000000 | 1,882,994 a/ | 4,423,632 a/ | 3,875,713 a/ | 8,299,345 |
| a/ Tracy Pumping Plant - Conveyance Pumping: | | | | | | |
| Total Capital | | | 10,182,339 1/ | | | |
| less: BOR PUE | | | 4,423,632 1/ | | | |
| less: DOE PUE | | | 3,875,713 1/ | | | |
| Capital Allocation | | | <u>1,882,994</u> | | | |

- 7/ Cross Valley Canal contractors are charged for PUE capital component only. Therefore their deliveries are not included in determining the "Capital only" rate.
8/ Includes Friant Dam and Friant-Kern Canal
9/ Total Conveyance Pumping for Tracy Pumping Plant less Delta Mendota Exchange
10/ Refer to M&I Water Rates, Schedule A-14