

**CENTRAL VALLEY PROJECT
SCHEDULE OF EXCHANGE CONTRACTOR WATER RATES
IRRIGATION COST OF SERVICE AND FULL COST RATES AND M&I COST OF SERVICE RATES
2007 SPECIAL WATER RATES**

| Cost Component | IRRIGATION | | | | | | | M&I | | |
|---|-------------------|-------------------------------------|----------------------------------|-------------------------------------|-----------------------|----------------------------|-------------------------------|-------------------|--|-----------------------|
| | O&M (Sch. S-3) | CAPITAL | | | TOTAL | | | O&M (Sch. S-4) | Capital Including Interest (Sch. S-2) | Cost of Service |
| | | Cost of Service (Sch. S-1) | RRA Full Cost 202(3) 1/ | RRA Full Cost 205(a)(3) 2/ | Cost of Service | RRA Full Cost 202(3) | RRA Full Cost 205(a)(3) | | | |
| Water Marketing | 6.86 | N/A | N/A | N/A | 6.86 | 6.86 | 6.86 | 5.76 | N/A | 5.76 |
| Storage | 7.68 | 5.17 | 11.92 | 14.92 | 12.85 | 19.60 | 22.60 | 9.16 | 3.47 | 12.63 |
| Conveyance | 4/ | 5.33 | 12.29 | 15.38 | 5.33 | 12.29 | 15.38 | 4/ | 6.51 | 6.51 |
| Conveyance Pumping: Tracy Pumping Plant | 4/ | 1.51 | 3.48 | 4.36 | 1.51 | 3.48 | 4.36 | 4/ | 1.76 | 1.76 |
| Other Costs | N/A | 0.40 | 0.68 3/ | 0.68 3/ | 0.40 | 0.68 | 0.68 | N/A | 2.05 | 2.05 |

Footnotes:

1/ Capital Cost of Service Rate amortized over remaining repayment years at Composite Interest Rate Under Section 202(3) of the RRA:
24 remaining repayment years
8.137% Electronic File Source: IRR 2007 FC (FA-11) Composite Interest Rate All Components 202.z09.xls

2/ Capital Cost of Service Rate amortized over remaining repayment years at the Composite Interest Rate Under Section 205(a)(3) of the RRA
24 remaining repayment years
11.053% Electronic File Source: IRR 2007 FC (FB-11) Composite Interest Rate All Components 205.z09.xls

3/ Full Cost Capital Cost of Service Rate amortized over remaining repayment years at the 2005 Reclamation Reform Act of 1982 (RRA) rate
24 remaining repayment years
4.768% 2005 Reclamation Reform Act of 1982 (RRA) rate

4/ Except for contractors who receive water through Folsom-South Canal, conveyance and conveyance pumping O&M costs will be billed directly to the Authorities.
Folsom-South Canal Conveyance Rate: 7.19