

AVOIDING COSTS WITH CONSERVATION

Conservation Keeps Rates Low in Los Angeles, CA

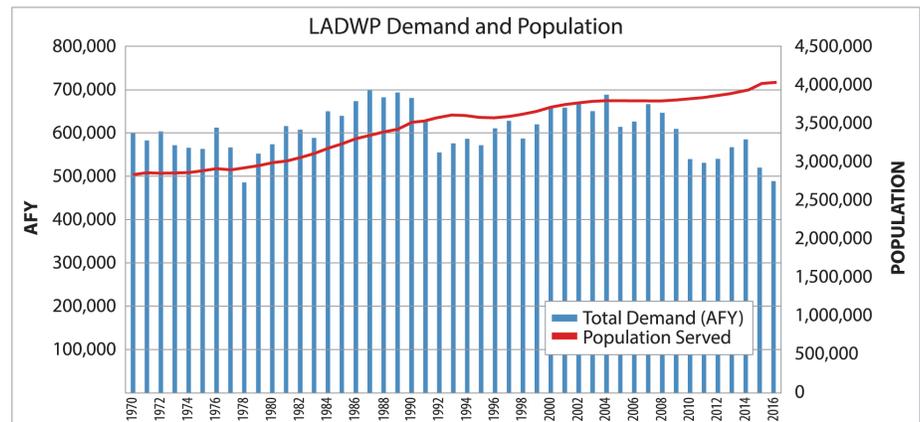
The Los Angeles Department of Water and Power analyzed the impact of decades of water conservation efforts to provide a clear answer to the common customer question: "Why do you ask me to conserve water and then raise my rates?" The analysis found that customer bills are significantly lower today than they would have been without conservation.

How did conservation change water use in Los Angeles, CA?

LADWP has been a leader in water efficiency and conservation for decades. In addition to water conservation programs, LADWP has also implemented efficient water rate structures based on marginal costs, and bills customers with a fully volumetric rate and no service charge.

Thanks to efficient rates and conservation, the volume of water used by LADWP customers has declined. LADWP customer gpcd for the decade before the 1990s averaged 180 with limited variation. Water demand from 1990-2005 averaged 153 gpcd and from 2006-2016 it averaged 133 gpcd.

The reduction in water use has helped meet the needs of a service area population that grew from 3.5 million in 1990 to 4 million in 2016.

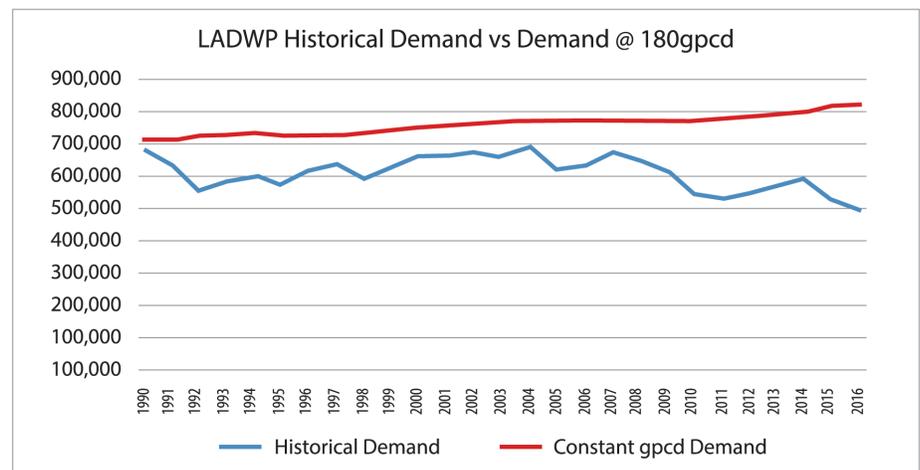


What if the water use patterns from the 1990s had persisted and were unchanged today?

Customers would pay more for their water service. By not having to purchase additional water to quench the thirst of a half a million more people, LADWP has avoided roughly \$11 billion (2016 US\$) in marginal costs from 1990 to 2016 as a result of its conservation efforts.

How did these avoided costs impact customer bills?

The avoided water supply costs of \$11 billion (2016 US\$) from 1990 to 2016 reduced customer water bills by 26.7%.



**FINANCING
SUSTAINABLE
WATER**
Rates. Revenue. Resources.

Today, customers pay water bills that are 26.7% lower than they would have been without LADWP's efficient rates and conservation efforts.



Learn more at financingsustainablewater.org