

# Annual Report

2017-18







## Overview

The Los Angeles Department of Water and Power (LADWP) is the nation's largest municipal utility, with a 7,850 megawatt (MW) electric capacity and serving an average of 438 million gallons of water per day to the 4 million residents of Los Angeles, its businesses and visitors. For more than 100 years, LADWP has provided the city with reliable water and power service in a cost-effective and environmentally responsible manner. With a workforce of more than 11,000 employees, LADWP is guided by the five-member Board of Water and Power Commissioners, appointed by the Mayor and confirmed by the City Council.





## WATER AND POWER (CONSOLIDATED) FINANCIAL FACTS IN BRIEF

(\$ Billions)	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>Financial Data</b>					
Total Assets	26.9	26.7	25.6	24.4	23.5
Total Net Position	8.4	8.9	8.6	8.2	8.1
Total Annual Operating Revenue	5.0	4.8	4.6	4.4	4.4
Total Annual Budget	6.1	6.3	6.4	6.0	6.0
<b>Retiree Benefits Data</b>					
<i>Based on Market Value of Assets</i>					
Unfunded Pension Liability	0.9	1.3	2.2	1.1	1.3
Funded Pension %	93.1%	89.4%	82.2%	89.8%	88.4%
Unfunded Retiree Medical Liability	0.4	0.4	0.6	0.3	0.3
Funded Retiree Medical %	84.5%	81.4%	72.5%	85.8%	82.8%

Letter from the President of the Board of Water and Power Commissioners	6
Board of Water and Power Commissioners	7
Our Executive Team	8
Letter from the General Manager	9
Strategic Plan	11
Strategic Initiatives	13
Customers First	14
Reliability	17
Maintaining Cost-Effective and Affordable Rates	20
Enhancing the Customer Experience	23
Connecting with Our Communities	25
Advancing Transportation Electrification	27
Transition to 100% Clean Energy	28
Path to Higher Renewable Energy	30
Taking Aim at Greenhouse Gas Emissions	30
Securing a Resilient Local Water Supply and Infrastructure	32
Ensuring a Sustainable and Equitable Workforce	35
Financial Data	36



## Letter from the President of the Board of Water and Power Commissioners

Since the turn of the last century, LADWP has played a vital role in propelling Los Angeles to become the nation's second largest city. Its history overflows with examples of major infrastructure projects, such as the Los Angeles Aqueduct and Hoover Dam, built to meet the water and energy needs of a rapidly growing population. Yet, LADWP has never rested on its historic achievements. The Department has continually evolved to meet new challenges in ways that are fiscally responsible and ensure the reliable delivery of safe, high-quality water and power.

Under the leadership of Mayor Eric Garcetti and the City Council, LADWP is transforming Los Angeles' water and power supplies to make them more sustainable. As the Department works toward a 100% emissions-free power supply and a locally sustainable water supply, we have an obligation to do so in a manner that embraces openness, accountability, fiscal responsibility and equity. We also recognize that these goals will not be achieved overnight. The work must be done strategically in ways that are fair and equitable for all customers.

LADWP's finances remain strong. High credit ratings have enabled LADWP to access low-interest borrowing, achieve cost-effective capital projects, and maintain competitively priced water and power services for our customers. With the advent of performance-based rates, implemented as part of the 2016-2020 rate adjustments, LADWP has also aligned spending with strategic priorities. Performance metrics are reported to the Board of Water and Power Commissioners semi-annually through a transparent and open process.

I am grateful for the service of my fellow Board members and General Manager David H. Wright, his leadership team and all of the men and women who proudly serve our city. Together, we are navigating the Department through a both monumental and challenging transformation. Through this work, LADWP has made careful, well-considered investments as it develops clean energy resources, expands our local water supplies, and replaces critical infrastructure to ensure continued reliability for our customers.

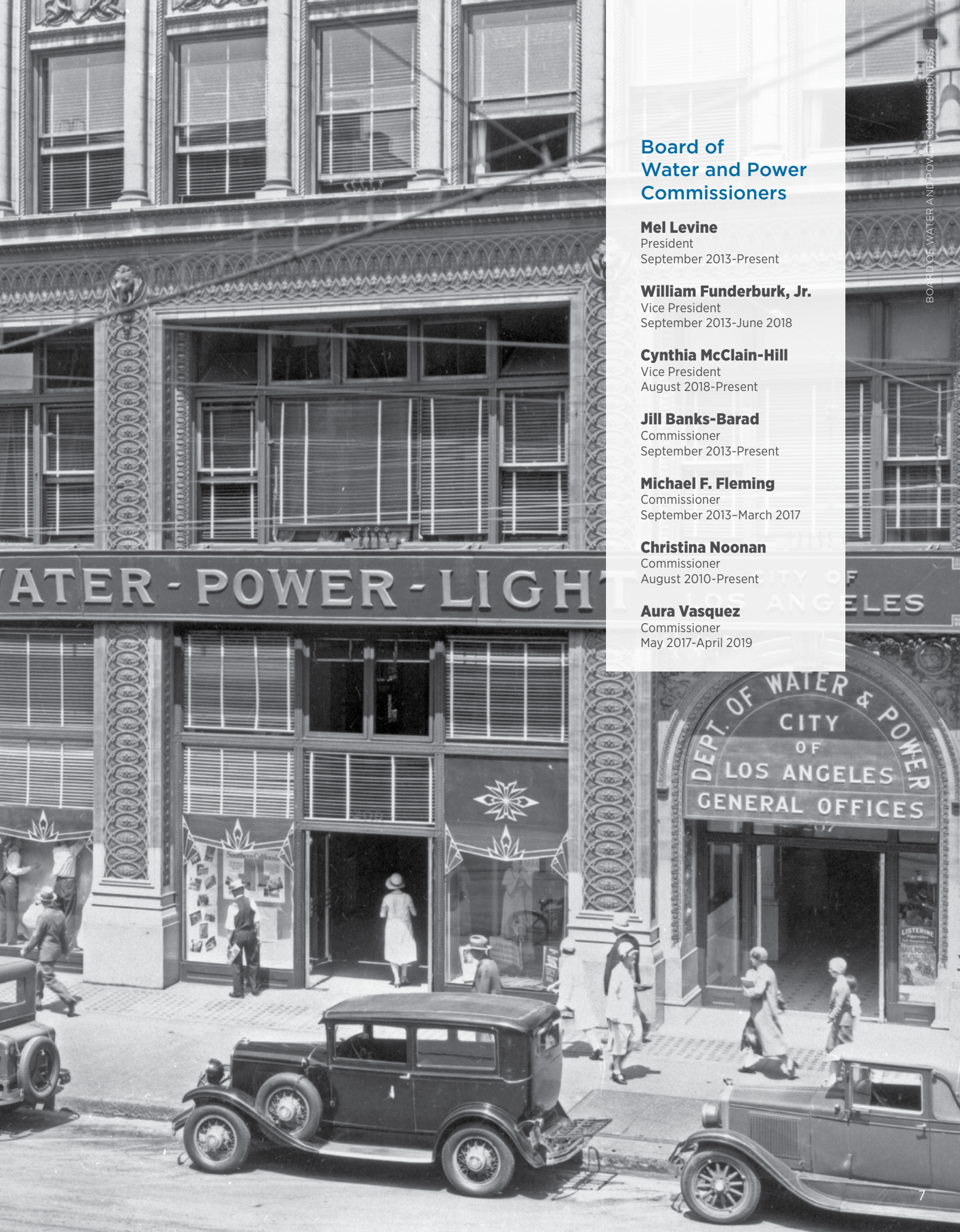
Sincerely,

A handwritten signature in black ink that reads "Mel Levine". The signature is fluid and cursive.

Mel Levine







## Board of Water and Power Commissioners

### **Mel Levine**

President  
September 2013-Present

### **William Funderburk, Jr.**

Vice President  
September 2013-June 2018

### **Cynthia McClain-Hill**

Vice President  
August 2018-Present

### **Jill Banks-Barad**

Commissioner  
September 2013-Present

### **Michael F. Fleming**

Commissioner  
September 2013-March 2017

### **Christina Noonan**

Commissioner  
August 2010-Present

### **Aura Vasquez**

Commissioner  
May 2017-April 2019



## Our Executive Team

**David H. Wright**

General Manager

**Martin L. Adams**

Chief Operating Officer

**Reiko A. Kerr**

Senior Assistant General Manager  
Power System Engineering,  
Planning, and Technical Services

**Andrew C. Kendall**

Senior Assistant General Manager  
Power System Construction,  
Maintenance, and Operations

**Richard F. Harasick**

Senior Assistant General Manager  
Water System

**Nancy Sutley**

Chief Sustainability Officer

**Donna I. Stevener**

Chief Administrative Officer  
Technology and Security Services

**Bradley J. Hudson**

Chief Administrative Officer  
Corporate Services

**Ann M. Santilli**

Chief Financial Officer

**Joseph A. Brajevich**

General Counsel





## Letter from the General Manager

I am very pleased to introduce the 2017-18 Annual Report, which focuses on five long-term priorities that support the Department's Strategic Plan, "Putting Customers First," and align with the policy priorities of Mayor Eric Garcetti, the Los Angeles City Council and Board of Water and Power Commissioners. The report describes the significant progress we are making in each of these focus areas—customer excellence, transportation electrification, 100% clean energy, local water supply and infrastructure, and a sustainable, diverse workforce.

Some of the highlights of the past year include commissioning the 250 megawatt Beacon Solar Plant, which helped achieve over 30% renewable energy. We reduced greenhouse gas emissions to about 47% of our 1990 levels—a full 14 years ahead of the state mandated deadline while keeping power reliability above the national average. We began constructing the North Hollywood Groundwater Treatment facility to reduce reliance on imported water. We also continued installing a network of earthquake resilient pipe to better safeguard our water supply.

In keeping with our focus on putting customers first, we have made measurable progress in many areas of customer service. Call hold times averaged 55 seconds in FY 2017-18, and have remained below the three minute goal since July 2015. We also launched new industry-leading energy efficiency and water conservation programs to assist our most at-risk customers with paying their bills while supporting conservation goals.

Every day, LADWP's more than 11,000 employees are working to make Los Angeles a more resilient, prosperous and sustainable city in which to live, work and play. The steps we have taken toward accomplishing our long-term strategic priorities reflect our commitment to putting customers first and fostering positive customer experiences. Our customers deserve nothing less.

Sincerely,

David H. Wright







# Strategic Plan

## Mission

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The Los Angeles Department of Water and Power (LADWP) provides our customers and the communities we serve safe, reliable and cost-effective water and power in a customer-focused and environmentally responsible manner.

## Vision

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By 2021, LADWP will be trusted and valued by our customers and recognized nationally and globally as a leader in innovation and environmental stewardship.

## Key Targets

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Meet 100% of performance metrics defined in class action lawsuit.

Meet 100% of rate case performance targets.

Attain the top quartile in performance benchmarks or at least 90% in customer satisfaction surveys.

Meet or exceed all local, state and federal energy efficiency, water conservation and sustainability goals.

Be recognized locally, nationally and globally for innovation and environmental stewardship with awards, grants, presentation opportunities and in publications.





## Core Values

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Transparency  
Safety  
Reliability  
Accountability  
Exemplary Customer Service  
Integrity  
Innovation  
Equity  
Fiscal Responsibility  
Professional Excellence

## Five-Year Goals

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Provide exemplary customer service  
Maintain competitive rates while remaining financially stable  
Increase organizational effectiveness, efficiency and innovation  
Increase the reliability of our water and power infrastructure  
Achieve zero injuries for our employees and the public  
Be a leader in environmental stewardship



## Strategic Initiatives

Our Strategic Plan, “Putting Customers First,” reflects the heightened importance of customer service throughout LADWP, as we evolve from a commodity-based organization to a service-based organization. At LADWP, we believe customer service is the responsibility of all our employees. In the Customer Bill of Rights, adopted by the Board of Water and Power Commissioners in January 2017, we made a commitment to provide customers with the highest quality water and power; and to offer prompt, consistent and easily accessible services by simplifying the customer experience.

Our commitment to customer excellence is highlighted throughout this report. Based on this guiding principle, we have developed five main areas of focus to help us meet our goals.

- **Achieving Excellence in Customer Service through Reliability, Affordable Rates and Putting Customers First**
- **Advancing Transportation Electrification**
- **Transition to 100% Clean Energy**
- **Securing a Resilient Local Water Supply and Infrastructure**
- **Ensuring a Sustainable and Equitable Workforce**

# Customers First

## Achieving Excellence in Customer Service

**Maintaining operational excellence ensures that we continue to meet our core business objective of providing reliable water and power. How we do business with our customers is equally important.**

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Providing exemplary customer service is a core value that is driving our transformation to a customer-centric organization. “Putting Customers First” and providing a positive customer experience drive our policies, operations and activities. Our measure of excellence as an organization is not only about our ability to bring reliable and cost-effective water and power to our customers. How we run the organization and how we treat the customers we serve are just as important to us.

Fundamental to excellent customer service is ease of access should our customers have needs, questions or concerns. We welcome customer inquiries over the phone, online, via email and in person at our customer service centers. In FY 2017-18, LADWP’s Customer Service Division handled more than 2.1 million customer calls, nearly 27,000 emails, 156,000 online sign ups and 1.8 million visits to our customer service centers. During this time, the average call wait time was 55 seconds. Every day, we strive to make it easier for our customers to reach us and get the services they need.









## Upgrading Water Infrastructure

2017-18  
Completed

2018-19  
Goal



Distribution mainlines  
(pipes 20 inches or  
less in diameter)

216,543  
feet

232,000  
feet

Trunk lines (pipes 20  
inches or greater in  
diameter)

6,091  
feet

7,700  
feet

Large valves

5

5

Pressure regulator  
stations

4

4

Pumps/motors

15

12

Small meters

28,198

31,500

## Power Reliability

Average outage  
duration

2 1/2 hours

Average outage  
frequency

< 1 per year







## Reliability

Customer confidence in their water and power service is important to us, and we strive to deliver the highest level of reliability and quality in the water and power we provide. LADWP maintains a vast water distribution infrastructure and every foot of our more than 7,000 miles of pipe is critical to the reliable delivery of drinking water to Los Angeles residents. With a significant amount of pipe installed at the turn of the last century, LADWP is investing over \$2.85 billion in the next 10 years to aggressively upgrade and replace critical infrastructure.

Despite the challenges of aging water infrastructure, LADWP maintains a high level of reliability. Our leak rate has averaged 19 leaks per 100 miles of pipeline over the past five years, below the national average of 25 leaks per 100 miles of pipeline. We also meet state and federal drinking water standards, guaranteeing that we provide the safest, most easily accessible water for our customers.

LADWP is also upgrading and replacing critical aging power infrastructure to ensure continued reliability for our customers. We continue to ramp up the replacement of distribution infrastructure, such as poles, cross-arms, transformers, overhead circuits, and underground cables through our Power System Reliability Program (PSRP). We've invested approximately \$2.3 billion over the past three years for rebuilding infrastructure and proactive maintenance.

In FY 2017-18, LADWP fared well compared to other utilities in nationwide industry standards for outage frequency and duration. LADWP customers can experience an average of less than one outage per year, and average two and a half hours without power. By comparison, the national average is 1.3 outages per customer, and each outage lasts over four hours.







## Upgrading Power Infrastructure

2017-18  
Completed

2018-19  
Goal



Poles

3,018

3,500

Crossarms

10,879

10,000

Transformers

950

800

Miles of UG cable

51

50

Vaults

17

18

## Maintaining Cost-Effective and Affordable Rates

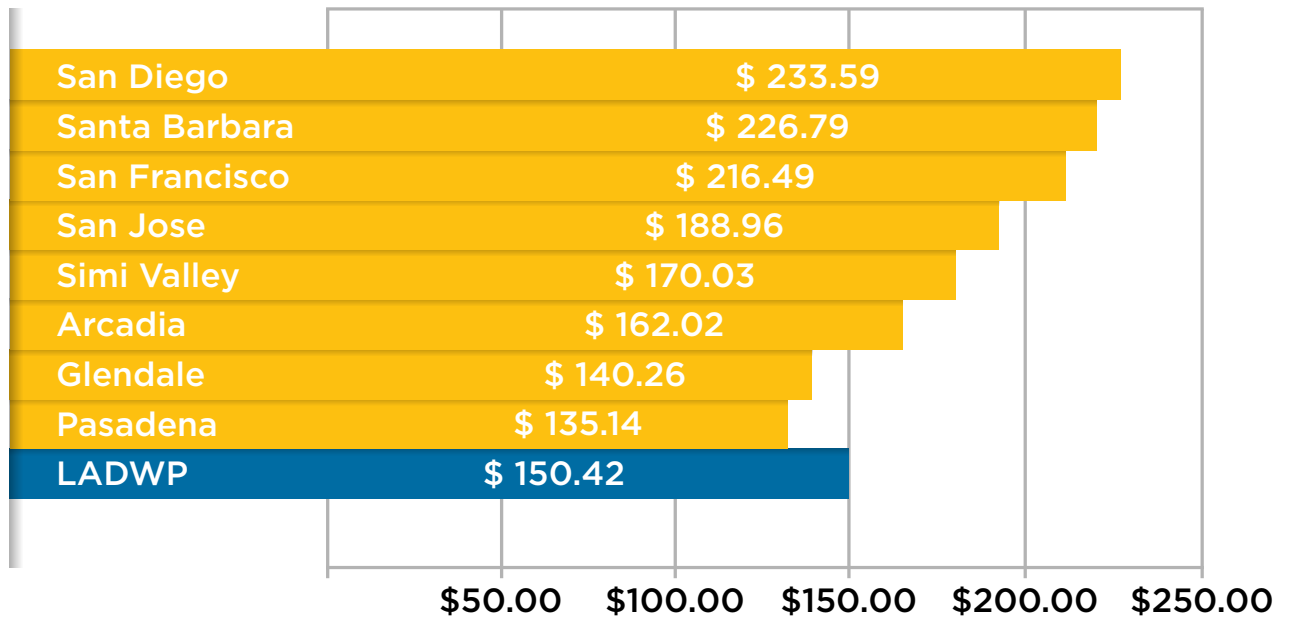
LADWP’s water and power rates remain low and competitive compared to our neighboring water and power utilities in Southern California.

To empower customers to manage their water and power consumption, we offer a variety of rebates and incentive programs. In FY 2017-18, we worked to enhance programs that benefit renters, low-income customers and those living in disadvantaged communities. Helping our customers to continue saving water, we raised the high-efficiency clothes washer rebate to \$400 per unit per customer. We continued to incentivize customers to switch to sustainable landscaping, increasing our turf removal rebate to \$2 per square foot for both residential and commercial customers. From 2009 through July 2018, customers replaced nearly 49 million square feet of turf with California Friendly® and native landscaping. This has resulted in up to nearly 2 billions of gallons of water saved annually.

In August 2018, we announced a five-year, \$100 million attic insulation rebate program to help Angelenos better control temperatures in their homes, reduce energy use, and save money. The rebate subsidizes 80% of the cost of materials and other expenses that are required to install attic insulation. A homeowner who previously had no insulation and is participating in the program can save \$200 to \$375 per year on electricity, or 15 to 30% of average annual cooling and heating expenses.

To improve access and awareness of programs that can help customers pay their bills, we launched a new Low-Income Customer Access Program in 2017. Through the program, we are finding ways to reach customers in need and help them avail of payment assistance and access programs to save. In 2018, we hosted one-on-one consultation sessions with qualifying customers who can least afford to pay their bills. Held at three of our Customer Service Centers, the sessions reached more than 75 qualifying customers who met with our staff and learned more about available discount and assistance programs.

### Typical Residential Water and Power Bill



FY 2018-19 comparison of typical residential combined water and power bill based on usage of 10 HCF and 500 kWh per month

Go to [ladwp.com/rates](http://ladwp.com/rates) to learn more.











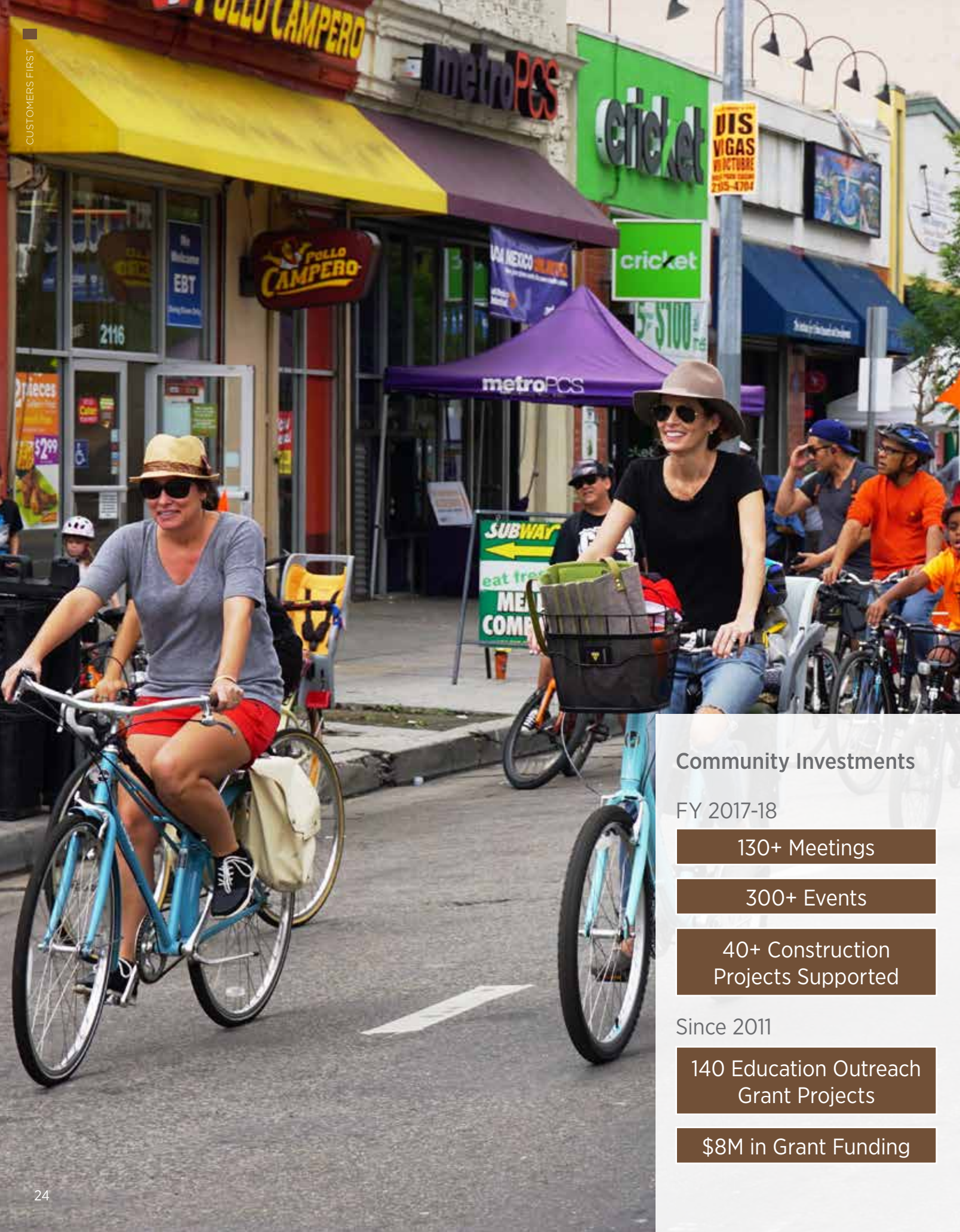
## Enhancing the Customer Experience

To truly improve the customer experience, we recognized the need to first understand it. Journey management is now an LADWP best practice where we place ourselves in our customers' shoes and evaluate the experience we provide to them. The goal is to improve the customer experience overall by clarifying communications, enhancing coordination, and improving transparency. The systematic exercise has led to enhancements in communicating with customers, facilitating prompt follow-up and creating feedback channels. We have evaluated customer journeys related to setting up water and power service, water outages, water quality, water leak detection, high and low bills for residential and commercial customers, the Solar Rooftop program, refrigerator recycling, electric vehicle charger rebates, and the turf replacement rebate.

Another way we continue to enhance our customer service is by seeking feedback about the experience we create for our customers. In a Customer Service Division Transaction Survey conducted in July 2018, our customers said their experience during telephone or in-person interactions with LADWP continues to improve rating their overall satisfaction at 84%, up from 74% in January 2018.

Looking ahead, LADWP is working on the expansion of smart grid and customer-facing automation to enhance customer choice and experience. Our goal is to implement smart meter communications at the same time we upgrade our Customer Care and Billing system. With Advanced Metering Infrastructure (AMI), customers will be empowered with knowledge and tools to manage their usage and costs. At the same time, AMI can improve water and power reliability, reduce water and energy losses, enhance employee safety, and help to meet future operational and regulatory requirements. As we upgrade the metering infrastructure, the distribution communications technology will enable us to respond faster to power outages and cut down outage durations. Installation of the robust communication system will also serve as the platform that will be utilized for LADWP's future automation projects.

Industry analysts watching LADWP have recognized our strides in enhancing the customer experience. For the second year in a row, LADWP was awarded the Business Customer Champion among peer utilities by Market Strategies International. The recognition was based on the 2017 Utility Trusted Brand & Customer Engagement™: Business by Cogent Reports™.



## Community Investments

FY 2017-18

130+ Meetings

300+ Events

40+ Construction  
Projects Supported

Since 2011

140 Education Outreach  
Grant Projects

\$8M in Grant Funding





## Connecting with Our Communities



Community outreach and awareness are vital to our mission of putting customers first. Through a variety of channels, we work to engage our communities, raise awareness, and instill trust in our organization. To stay connected with our communities, we host or participate in numerous meetings with Neighborhood Councils, homeowners' groups, elected officials and other agencies every month throughout the city. In FY 2017-18, we hosted or attended 132 meetings, had a presence at 304 events, and conducted outreach for more than 40 construction projects.

LADWP continues to foster a mutually beneficial partnership with the City of Los Angeles Neighborhood Councils. A long-standing MOU between LADWP and the Neighborhood Councils was renewed in 2017 for five more years. LADWP liaisons provide information on Department projects and significant actions, such as the budget, rates, and major policy changes. Our liaisons also meet regularly with the City Council Offices to educate members about water and power programs, projects and services.

LADWP also leverages partnerships to expand our reach and further drive our outreach. In FY 2018-19, we awarded \$1.4 million in grants to 24 non-profit organizations—23 in Los Angeles and one in the Owens Valley, to develop and implement programs focused on improving energy efficiency and water conservation. LADWP's Community Partnership Outreach Grants Program assists non-profit organizations in reaching LADWP customers who may not be reached through traditional communication strategies, and affects behavior change by informing and energizing residents and businesses to reduce their energy and water use. The current portfolio of grants was built upon the success of the initial American Recovery and Reinvestment Act funded grants first offered by LADWP in FY 2011-12. In the seven years of this program, LADWP has provided over \$8 million in funding for more than 140 education and outreach projects, engaging hundreds of thousands of students, residents and businesses.

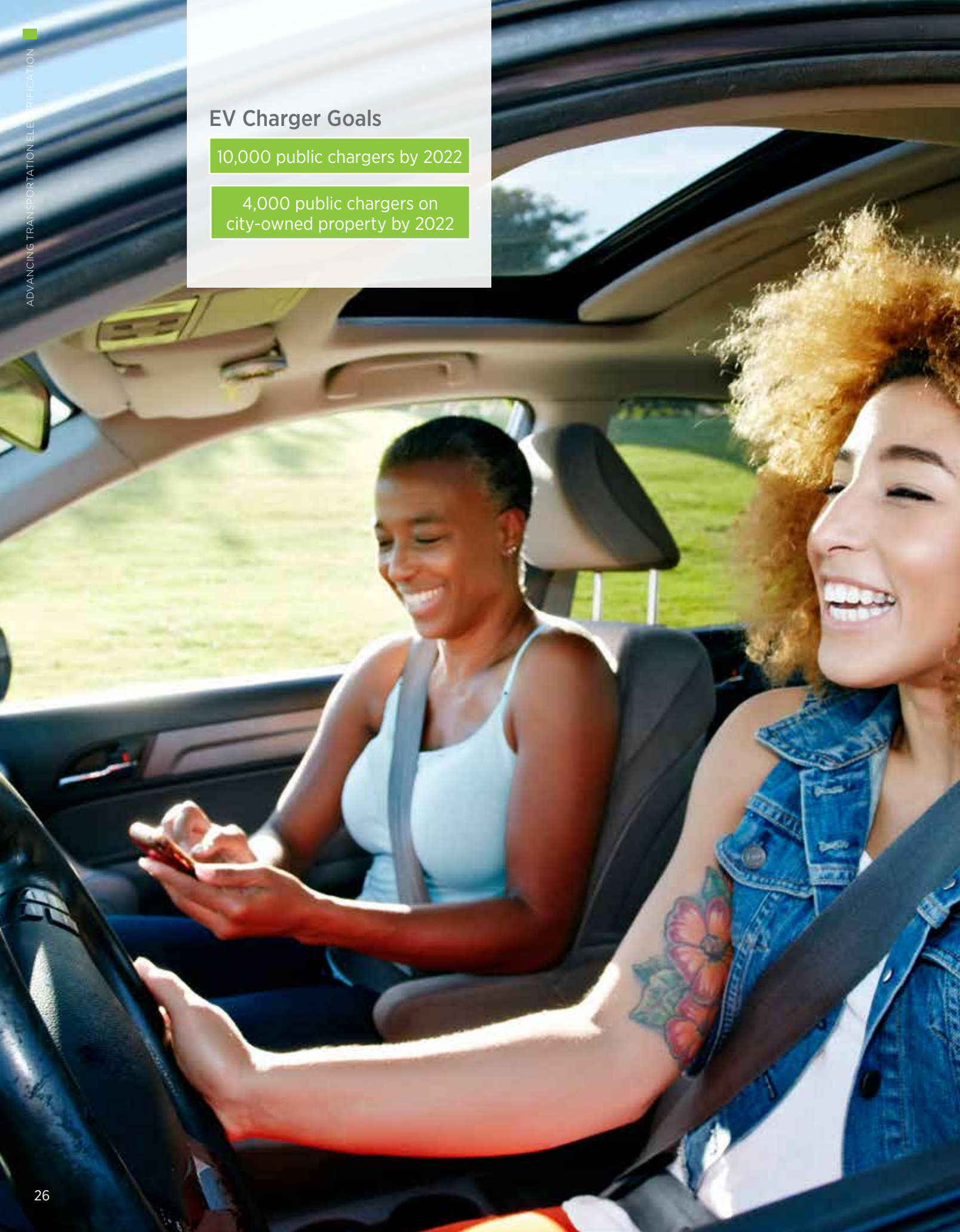
Pictured: LADWP is a proud sponsor and participant of CicLAvia.  
#LADWPinTheCommunity



## EV Charger Goals

10,000 public chargers by 2022

4,000 public chargers on  
city-owned property by 2022







# Advancing Transportation Electrification

## Creating an EV Community in L.A.

As we strive to create a clean energy future for Los Angeles, LADWP is at the forefront of efforts to electrify transportation. LADWP supports electric vehicle adoption, and we are building the infrastructure to Charge Up L.A., powering EVs in our customers' homes and business. As EV use in Los Angeles expands rapidly, we expect to achieve an additional 25% reduction in greenhouse gas emissions and air pollution in our city by 2028.

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Last year, we made it a lot easier to drive an EV in Los Angeles, offering more chargers all over the city. EV drivers can now plug in at many publicly accessible EV chargers mounted on power poles. We are building EV charging plazas—the first one is at the LADWP Crenshaw Customer Service Center with 22 EV chargers available to the public. At our many LADWP facilities, we now have chargers that our customers and employees can access for free. In partnership with other L.A. public agencies, we continue to support the installation of 4,000 chargers on streetlights, at parks, police stations, the Los Angeles World Airports, and Port of Los Angeles. We are increasing the number of public chargers at city facilities and on streetlights. By 2022, LADWP aims to have 10,000 chargers available to the public.

To incentivize drivers to choose EVs over gas-powered vehicles, LADWP offers rebates designed to promote equitable access to EVs. Customers can now receive a \$450 rebate for the purchase of a pre-owned EV. We continue to offer charger rebates to all our customers.

# Transition to 100% Clean Energy

Our goal is to achieve 100% clean energy and reduce greenhouse gas emissions while keeping power reliable and cost-effective.

LADWP is aggressively decarbonizing our power supply mix through clean energy initiatives. Our multi-pronged strategy includes transitioning away from coal and reducing other fossil fuel power generation, expanding renewable energy, developing innovative energy storage systems, investing in energy efficiency, local solar, and encouraging L.A. drivers to switch to electric vehicles.

A ground-breaking study is underway to determine the investments necessary to achieve 100% renewables, among other clean energy scenarios. Unprecedented for a utility the size of LADWP, the study will provide an objective economic and reliability analysis of the options for reaching 100% clean energy. The results and recommendations, expected to be complete in 2020, will help guide the transition to 100% clean energy while ensuring continued reliable electric service and maintaining cost competitive rates for our customers.



## Renewable Energy

Up from 7% in 2006 to 30% in 2017

## Greenhouse Gas Emissions

Down from 17.9 MMT in 1990 to 9.6 MMT in 2017







## Path to Higher Renewable Energy

In calendar year 2017, over 30% of all retail electricity sales came from renewable resources, including 250 megawatts (MW) from the Beacon Solar Plant, completed in December 2017 in the Mojave Desert. Altogether, we now receive about 580 MW from large solar arrays along Highway 14 north of Mojave, Calif. To improve the reliability and capacity of the solar power from this area, we installed a 20 MW utility-scale battery at the Beacon Solar Plant.

At the same time, we have significantly expanded solar on Los Angeles rooftops through our customer net-metering and feed-in tariff programs, ranking as the No. 1 Solar City in America by the Environment California Research and Policy Center's annual survey. We are also expanding our Community Solar Program to bring the economic and environmental benefits of solar to more underserved areas.

## Taking Aim at Greenhouse Gas Emissions

In 2016, LADWP exceeded the state's 2030 GHG emissions reduction target 14 years ahead of the deadline. By the end of 2017, LADWP had reduced GHGs to 9.6 million metric tons (MMT)—approximately 47% below our 1990 emissions level. This feat is equivalent to removing about 1.8 million cars off the road for an entire year.

LADWP's long-term resource plan forecasts that our GHG emissions in 2030 will be approximately 79% below LADWP's 1990 baseline, almost achieving the state's 2050 GHG emissions reduction target 20 years early.







# Securing a Resilient Local Water Supply and Infrastructure

**Our goal is to reduce our reliance on imported, purchased water and source nearly half of L.A.'s water supply locally by 2040.**

**Climate change and natural disasters pose significant threats to our water supply. To continue to meet the water needs of Los Angeles, LADWP is ensuring the resilience and sustainability of our overall water system through infrastructure and supply planning.**

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Radical variations in climate patterns directly affect the snowpack regions of California. In recent years, the state experienced an extended dry period followed in 2017 by record rainfall and snowpack. To secure L.A.'s water future, LADWP has set goals to expand local water resources, including stormwater, recycled water and groundwater. We also continue to aggressively incentivize water conservation with rebates and programs that helped L.A. achieve a per capita water use in FY 2017-18 of 112 gallons—the lowest of any major U.S. city. In February 2019, the City announced a major new initiative to recycle 100% of all the city's wastewater by 2035. LADWP will define the strategy to meet this new goal in our 2020 Urban Water Management Plan.

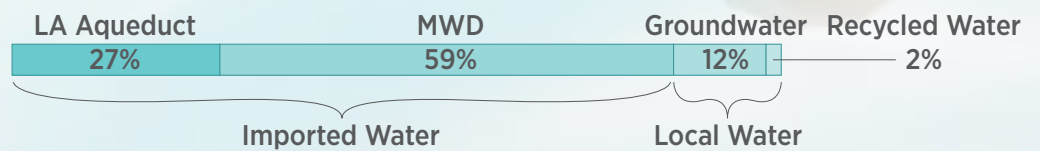
At the same time, LADWP is building a 14-mile seismic resilient pipe network, pioneering the use of earthquake resilient ductile iron pipe (ERDIP) in the United States. To strengthen our city and water system's capacity to withstand and recover quickly from an earthquake, LADWP has installed over two miles of ERDIP throughout Los Angeles, including the East Valley, West Valley, Central, West L.A., and Harbor areas of the city. Among the projects is the largest ERDIP pipe installed to date—a two-mile segment of the 54-inch Foothill Trunk Line where the major water distribution artery crosses the San Fernando Fault in Sylmar. As we expand the seismic resilient pipe network, we are prioritizing placement in areas where hospitals, fire stations and other services most needed for earthquake recovery are located.



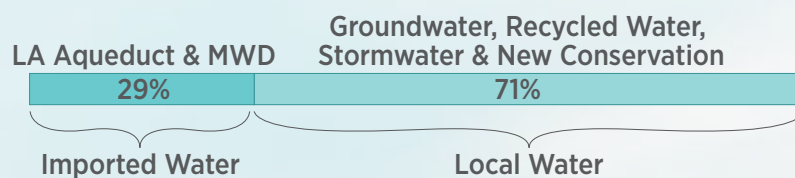




**Five Year Average  
2014-2018**



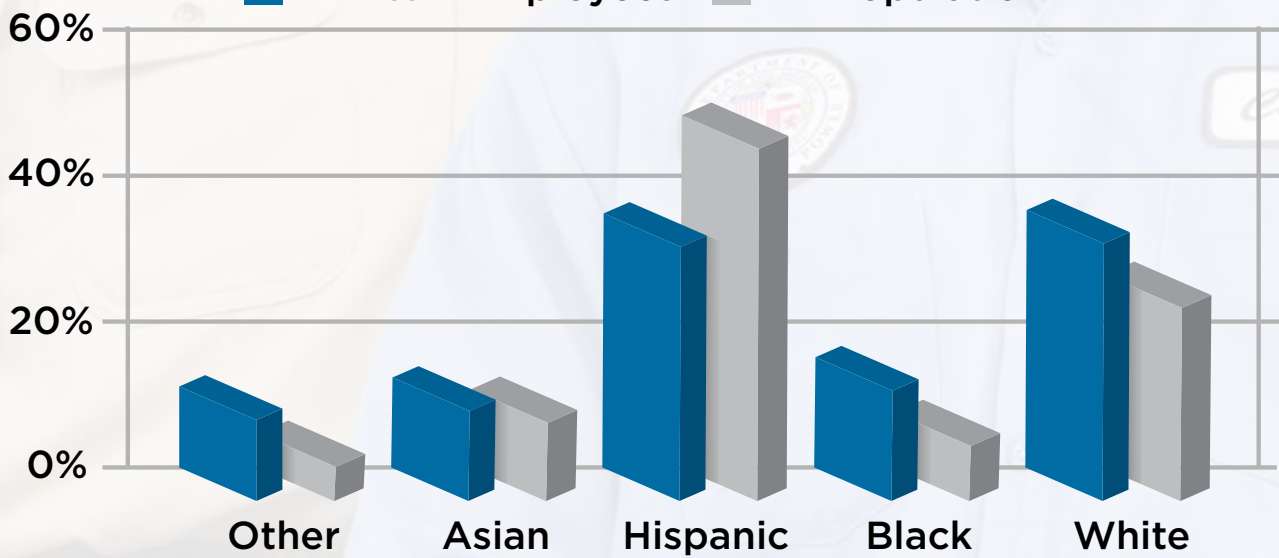
**L.A.'s Green New Deal  
2034-2035**





### Ethnic Diversity at LADWP

■ LADWP Employees ■ LA Population







## Ensuring a Sustainable and Equitable Workforce

We are expanding local hiring to increase female and minority candidates.

As we continue to deliver reliable water and power and excellent customer service, much of our success lies in maintaining a talented, skilled and dedicated workforce. For several years, we have anticipated a major transition of our workforce as employees retire from service. We expect that more than 4,600 employees will be eligible to retire by 2023, and we have stepped up recruitment to entice new talent to join our organization.

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Employment demographics are included in the core categories that LADWP is tracking and reporting as part of the Equity Metrics Data Initiative. A snapshot of LADWP's workforce in FY 2017-18 showed that 78% of our employees are male and 22% are female. While well-represented in the administrative classes, women are significantly underrepresented in the skilled trades and engineering classifications. Overall, the ethnic characteristics of employees across the Department mostly reflect the diversity of the L.A. population.

To address this and other issues, we have refocused recruitment strategies to expand local hiring and increase female and minority candidates in engineering associate positions as well as eight field job classifications that are critical to keeping the water and power flowing. We have also begun a broad recruitment marketing campaign that includes videos, social media promotions, outdoor advertising, recruitment exhibits and strategic partnerships, both locally and nationally.

# Financial Data

This provides an overview of the financial activities of the LADWP for fiscal years 2013-14 through 2017-18.

For the complete financial statements:  
[LADWP.com/financialinfo](http://LADWP.com/financialinfo)



## WATER SERVICES FACTS IN BRIEF

	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>Use of Water</b>					
Average Los Angeles Population Served	4,054,400	4,021,488	3,985,114	3,959,840	3,945,037
Average daily use per capita (gallons)*	112	102	104	113	n/a
Water Sales for Fiscal Year (Millions of Billing Units of 100 cu. Ft)	205.3	196.0	199.2	216.2	236.2
<b>Water Supply (Millions of Billing Units of 100 cu. Ft.)</b>					
Local supply	9.5	22.3	34.4	39.4	34.6
DWP Aqueduct	134.0	92.6	22.3	25.1	26.6
MWD	79.6	95.7	150.6	167.9	192.5
Recycled Water	4.3	3.5	4.3	4.5	4.4
Gross Supply	227.4	214.1	211.6	236.9	258.1
Diversion from (to) local storage	-0.1	-3.4	1.0	-10.0	-2.5
Net supply to distribution systems	227.3	210.7	212.6	226.9	255.6
<b>Bond Ratings</b>					
Moody's/S&P/Fitch	Aa2/AA+/AA	Aa2/AA+/AA	Aa2/AA+/AA	Aa2/AA/AA	Aa2/AA/AA

## ENERGY SERVICES FACTS IN BRIEF

	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>Number of Customers</b>					
Residential	1,385,470	1,378,172	1,370,137	1,363,366	1,368,220
Commercial and Industrial	123,680	122,841	122,734	122,609	127,289
All Other	6,391	6,651	7,002	7,230	7,915
Total customers of all classes	1,515,541	1,507,664	1,499,873	1,493,205	1,503,424
<b>Power Use</b>					
Sales to Ultimate Customers					
- kilowatt (kW) hours	22,383,310,345	22,490,122,681	23,278,785,593	23,018,220,376	22,760,433,905
Sales to Other Utilities					
- kW Hours	532,293,000	1,425,847,000	1,880,402,376	2,330,069,000	2,550,419,000
Average annual kW hours per residential customer	5,248	5,285	5,450	5,380	5,341
Net dependable capacity, megawatts	7,850	7,787	8,038	7,976	7,966
<b>Bond Ratings</b>					
Moody's/S&P/Fitch	Aa2/AA/AA	Aa2/AA-/AA-	Aa2/AA-/AA-	Aa3/AA-/AA-	Aa3/AA-/AA-

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Total Annual Budget	6.1	6.3	6.4	6.0	6.0
<b>Retiree Benefits Data Based on Market Value of Assets</b>					
Unfunded Pension Liability	0.9	1.3	2.2	1.1	1.3
Funded Pension %	93.1%	89.4%	82.2%	89.8%	88.4%
Unfunded Retiree Medical Liability	0.4	0.4	0.6	0.3	0.3
Funded Retiree Medical %	84.5%	81.4%	72.5%	85.8%	82.8%

\*Beginning in Fiscal Year 2015, the Department replaced Average Metered Consumption Per Person Per Day with Average Consumption Per Person.

## WATER SERVICES SELECTED FINANCIAL DATA AND STATISTICS

(\$ Millions)	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>Operating Revenue</b>					
Residential	\$509.6	\$450.4	\$458.0	\$431.9	\$475.9
Multi Dwelling	352.1	338.6	339.8	331.2	342.4
Commercial and Industrial	254.7	264.7	277.8	269.0	269.4
Other	73.7	64.9	56.2	50.4	54.1
Total Operating Revenue	\$1,190.2	\$1,118.6	\$1,131.7	\$1,082.6	\$1,141.8
Operating Income	\$339.0	261.1	251.8	212.7	248.1
As % of operating revenues	28.5%	23.3%	22.2%	19.6%	21.7%
Change in Net Position*	\$200.3	\$140.5	\$154.2	\$108.0	\$152.4
<b>Balance Sheet</b>					
Net utility plant	\$8,033.0	\$7,554.0	\$7,013.0	\$6,513.8	\$5,950.2
Capital additions, net Capitalization	479.0	541.0	499.3	563.6	538.3
Net Position	\$3,018.3	3,136.2	2,995.7	2,841.5	2,733.5
Long-term debt	5,786.4	5,569.2	5,249.6	4,568.5	4,174.7
Interest on debt	205.3	194.5	181.3	173.6	160.4
<b>Key Financial Planning Metrics</b>					
Debt Service Ratio	1.82	1.74	1.95	1.88	2.11
Number of Days Cash on Hand	183	165	154	173	168
Debt to Capitalization %	65%	64%	63%	61%	60%
<b>Operations</b>					
Gallons sold (billions)	153.6	146.5	149.0	161.7	176.7
Customers - average number (thousands)	683	680	678	676	679
Average Revenue per hundred cu. ft. Sold (in dollars)					
Residential	\$6.48	\$6.21	\$6.30	\$5.23	\$5.04
Multiple Dwelling	5.62	5.54	5.46	5.06	4.86
Commercial and Industrial	5.53	5.89	5.88	5.38	5.12
Water Supply (millions of billing units of 100 cu. ft.)					
Local supply	9.5	22.3	34.4	39.4	34.6
DWP Aqueduct	134.0	92.6	22.3	25.1	26.6
Metropolitan Water District	79.6	95.7	150.6	167.9	192.5
Recycled Water	4.3	3.5	4.3	4.5	4.4
Gross Supply	227.4	214.1	211.6	236.9	258.1
Diversion from (to) local storage	-0.1	-3.4	1.0	-10.0	-2.5
Net supply to distribution systems	227.3	210.7	212.6	226.9	255.6

\*The Change in Net Position amount under Fiscal Year 2018 excludes the cumulative effect of change in accounting for post retirement benefits other than pensions under GASB 75.



## ENERGY SERVICES SELECTED FINANCIAL DATA AND STATISTICS

(\$ Millions)	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>Operating Revenue</b>					
Residential	\$1,265.7	\$1,179.5	\$1,126.7	\$1,034.1	\$1,042.6
Commercial and industrial	2,429.3	2,331.6	2,308.2	2,201.1	2,232.9
Sales for resale	91.4	88.1	72.9	93.9	42.8
Other	17.8	98.7	9.2	7.8	1.5
Total Operating Revenue	\$3,804.2	\$3,697.9	\$3,517.0	\$3,337.0	\$3,319.8
Operating Income	725.3	611.7	524.6	395.7	\$489.4
As % of operating revenues	19.1%	16.5%	14.9%	11.9%	14.7%
Change in Net Position*	\$278.2	\$176.9	\$175.3	\$36.6	\$134.5
<b>Balance Sheet</b>					
Net utility plant	\$11,377.5	\$10,772.6	\$10,322.5	\$9,925.9	\$9,212.6
Capital additions, net	634.7	479.2	429.0	747.0	629.7
Capitalization					
Net Position	5,384.9	5,767.9	5,591.1	5,415.8	5,293.6
Long-term debt	9,772.3	9,519.3	9,154.5	8,798.4	8,164.8
Interest on debt	348.3	326.0	299.7	298.8	277.8
Transfers to City of Los Angeles	241.8	264.4	267.0	265.6	253.0
<b>Key Financial Planning Metrics</b>					
Debt Service Ratio	2.59	2.37	2.68	2.31	2.47
Number of Days Cash on Hand	176	206	267	241	197
Debt to Capitalization %	63.6%	61.4%	61.3%	61.0%	59.7%
Full Obligation Ratio	1.88	1.63	1.83	1.51	1.69
<b>Operations</b>					
Kilowatt hours sold (billions)	23.0	24.0	25.3	25.4	26.2
Customers - average number (thousands)	1,516	1,508	1,500	1,493	1,503
Average Revenue per kWh Sold (in cents)					
Residential	17.4	16.2	15.1	14.1	13.3
Commercial and Industrial	16.0	15.2	14.5	14.0	14.2
Energy production (billions in kWh)					
Total generation	14.0	14.6	14.4	15.0	15.4
Purchases	12.3	12.2	13.1	12.9	12.8
Total production	26.3	26.8	27.5	27.9	28.2
Net system dependable capability (thousand megawatts)					
Power System-owned Facilities	4.8	4.8	4.7	4.7	4.7
Jointly owned and firm purchases	3.1	3.0	3.4	3.3	3.3
Total	7.9	7.8	8.1	8.0	8.0

\*The Change in Net Position amount under Fiscal Year 2018 excludes the cumulative effect of change in accounting for post retirement benefits other than pensions under GASB 75.



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