

MANDATORY WATER CONSERVATION

FREQUENTLY ASKED QUESTIONS: Shortage Year Water Rates

Q: WHAT ARE SHORTAGE YEAR RATES?

A: With shortage year rates, LADWP reduces a customer's water budget by allotting less water at the cheaper rate, known as Tier 1. Those who conserve will not be penalized. Those who exceed their budgets at the lower water price will see their water bills rise.

Q: HOW MUCH DO I HAVE TO CONSERVE TO AVOID BEING PENALIZED?

A: LADWP asks customers to reduce their Tier 1 water use by 15%. All customers get a specific Tier 1 water budget determined by a formula and the type of customer they are -- single family, multi-family, commercial, industrial or governmental. The formula is based upon the amount of hundred cubic feet (HCF) of water provided to each customer at the lower price point, Tier 1. If the customer exceeds the Tier 1 budget, he/she goes into Tier 2 pricing, which is more costly.

Q: HOW DO I KNOW IF I EXCEED TIER 1?

A: Look at your bill. If you have exceeded your Tier 1 water budget, there will be a line that shows Tier 2 pricing. If there is no reference to Tier 2, you have stayed in your allotted Tier 1 water budget.

Q: HOW DO I REDUCE MY WATER USE?

A: Start by [logging in to your account](#) or by calling 1-800-DIAL DWP and following the prompts. Then, [check our website](#) or chat with a customer service representative for water conservation tips. Make water conservation a common practice in your household.

Q: ARE SHORTAGE YEAR RATES THE SAME THING AS WATER RATIONING?

A: No. Water rationing means allotting a certain amount of water for each customer and no more. The LADWP is not doing this. The Department has enacted shortage year rates as an incentive for people to save money by cutting their water use. Under shortage year rates, each customer is allotted 15% less water at the lowest price, called Tier 1. If the customer stays 15% or more below this water budget, he/she will avoid paying more. When the Tier 1 water budget is exceeded, the customer will be subject to Tier 2 prices, which are considerably higher. This "price signal" is intended to encourage customers to conserve water.

Q: IS IT REALLY NECESSARY TO IMPOSE SHORTAGE YEAR RATES? IT SNOWED IN THE SIERRAS DURING WINTER AND THERE WAS ALSO QUITE A BIT OF RAIN IN LOS ANGELES.

A: Yes, it is necessary. Snowfall in the Sierras for the last three years has been significantly less than normal. 2007 was an exceedingly dry year that has resulted in low reservoir levels throughout California. Additionally, court imposed restrictions on imported water from the San Joaquin-Sacramento Delta means less water is available to Southern California for our customers. Therefore it is prudent and responsible to conserve as much as possible. These factors are sufficient reason to institute shortage year rates.

Q: HOW LONG WILL SHORTAGE YEAR RATES BE IN EFFECT?

A: Shortage year rates will be in effect until the Board of Water and Power Commissioners determines they are no longer necessary.

Q: ARE SHORTAGE YEAR RATES A WAY FOR THE LADWP TO GENERATE ADDITIONAL REVENUE?

A: No. Shortage year rates are not for increasing revenue; they are for encouraging conservation.

Q: WHY NOT JUST ASK CUSTOMERS TO CUT THEIR USE VOLUNTARILY?

A: We believe shortage year rates will be more effective. By reducing Tier 1 water consumption by 15% or more, our customers will save money on their bills. Additionally, customers will be less likely to violate the City's Water Conservation Ordinance which restricts outdoor watering to two days a week and prohibits washing down sidewalks and hard surfaces. With monetary incentives and the prohibited uses law, we have our greatest chance for successfully conserving this precious resource.

Q: WHERE CAN I GET MORE INFORMATION ON WAYS TO SAVE WATER?

A: LADWP offers [these water conservation tips](#) or please visit www.bewaterwise.com.