**Wholesale Pass-Through Rate FAQ**

**Background**

* Beginning January 1, 2025, an additional 14-cent Wholesale Pass-Through Rate will be charged for each unit of potable water, due to imported water cost increases from Metropolitan Water District of Southern California.

**Why is this new Wholesale Pass-Through Rate on my bill?**

* Southern California’s largest wholesale water provider, the Metropolitan Water District of Southern California, supplies all of our drinking water. Earlier this year, Metropolitan approved an overall 8.5% increase to its wholesale water rates. Its rate increase impacts 19 million people in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura Counties. By law, water retailers must charge our water customers the cost of service. Moulton Niguel will not keep any revenue from this Wholesale Pass-Through Rate.

**How much will my monthly water bill increase?**

* Water bills vary based on individual water usage. For example, a customer that uses 10 billing units, or 7,480 gallons of water, will see an increase of $1.40.

**When does the additional Wholesale Pass-Through Rate begin?**

* The additional increase is effective for all water delivered on and after January 1, 2025 and will appear on your February 2025 bill.

**Who must pay the Wholesale Pass-Through Rate?**

* Metropolitan Water District of Southern California’s higher wholesale water rates will impact 19 million customers in Los Angeles, Orange, Riverside, San Bernardino, San Diego & Ventura Counties. This additional increase applies

to all potable water regardless of customer classification. It applies equally to homes, apartments, and businesses.

**What is a Wholesale Pass-Through Rate?**

* In 2021, Moulton Niguel Water District adopted rates that projected the cost of providing water service through January 1, 2026. This rate structure authorized Moulton Niguel Water District to pass-through certain wholesale cost increases that exceed those projected and included in our rates. Under this notice, pass-through rate increases cannot increase by more than 20%.