

1. Total Annualized Present Value Costs

Tables VI-6a and VI-6b summarize the annualized present value cost estimates for the proposed LT2ESWTR at three percent and seven percent discount rates, respectively. The mean annualized present value costs of the proposed LT2ESWTR are estimated to range from approximately \$73 to \$111 million using a three percent discount rate and \$81 to \$121 million using a seven percent discount rate. This range in mean cost estimates is associated with the ICRSSL and Information Collection Rule *Cryptosporidium* occurrence data sets. Using different occurrence data sets results in different

bin classifications and, thus, impacts the cost of the rule. Results for the ICRSSM fall within the range of results for the Information Collection Rule and ICRSSL. In addition to mean estimates of costs, the Agency calculated 90 percent confidence bounds by considering the uncertainty in *Cryptosporidium* occurrence estimates and around the mean unit technology costs (USEPA 2003a).

Public water systems will incur approximately 99 percent of the rule's total annualized present value costs. States incur the remaining rule costs. Table VI-7 shows the undiscounted initial capital and one-time costs broken

out by rule component. A comparison of annualized present value costs among the rule alternatives considered by the Agency is located in subsection VI.F. and in the LT2ESWTR EA (USEPA 2003a). Using a present value allows costs and benefits that occur during different time periods to be compared. For any future cost, the higher the discount rate, the lower the present value. Specifically, a future cost evaluated at a seven percent discount rate will always result in a lower total present value cost than the same future cost evaluated at a three percent discount rate.

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