

**Arizona Power Authority**  
**Hoover Operating Account Budget**

<b>FINAL</b>
<b>OY 2021</b>
<b>8/13/20</b>

**Condensed Statements of Revenues and Expenses**

Line No.	Adopted Budget for Operating Year Ending 9/30/20 (\$)	Final Budget for Operating Year Ending 9/30/21 (\$)	Difference (\$)	% of Change
<b>1</b>	<b>Operating Revenues</b>			
2				
3	Sales of Hoover Capacity and Energy			
4	\$8,418,167	\$8,214,491	(\$203,677)	-2.42%
5	\$8,301,203	\$8,098,969	(\$202,234)	-2.44%
6	\$3,036,510	\$3,156,779	\$120,269	3.96%
	<b>Total Revenue from Rates</b>	<b>\$19,470,238</b>	<b>(\$285,642)</b>	<b>-1.45%</b>
7	Interest Income			
8	\$70,000	\$16,800	(\$53,200)	-76.00%
9				
<b>10</b>	<b>\$19,825,880</b>	<b>\$19,487,038</b>	<b>(\$338,842)</b>	<b>-1.71%</b>
<b>12</b>	<b>Operating Expenses</b>			
13				
14	\$16,039,702	\$15,999,553	(\$40,149)	-0.25%
16	\$1,630,875	\$1,321,407	(\$309,468)	-18.98%
17	<b>Total Operating Expenses</b>	<b>\$17,320,960</b>	<b>(\$349,617)</b>	<b>-1.98%</b>
18				
19	Debt Service			
20	(\$10,000)	(\$5,000)	\$5,000	-50.00%
21	\$1,174,303	\$1,159,138	(\$15,165)	-1.29%
22	\$560,000	\$580,000	\$20,000	3.57%
23	\$31,000	\$31,940	\$940	N/A
24	<b>Total Debt Service</b>	<b>\$1,766,078</b>	<b>\$10,775</b>	<b>0.61%</b>
25				
<b>26</b>	<b>\$19,425,880</b>	<b>\$19,087,038</b>	<b>(\$338,842)</b>	<b>-1.74%</b>
27				
<b>28</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>0.00%</b>

Footnotes:

- (1) See Page 6, Line 7
- (2) See Page 6, Line 16 minus Page 5, Line 36
- (3) See Page 5, Line 36
- (4) See Page 4, Line 20
- (5) See Page 5, Line 37
- (6) See Page 4, Line 8
- (7) See Page 4, Line 11
- (8) See Page 4, Line 14
- (9) See Page 4, Line 15
- (10) See Page 4, Line 16

**Arizona Power Authority**  
**Hoover Operating Account Budget**  
**Administrative and General Expense (Details)**

Line No.	Adopted Budget for Operating Year Ending 9/30/20 (\$)	Final Budget for Operating Year Ending 9/30/21 (\$)	Difference (\$)	% of Change
<b><u>Commission Expenses</u></b>				
1	3,780	3,780	0	0.00%
2	15,000	11,726	(3,274)	-21.83%
3	11,500	6,000	(5,500)	-47.83%
4	15,000	2,000	(13,000)	-86.67%
5	8,000	6,600	(1,400)	-17.50%
6	20,000	10,000	(10,000)	-50.00%
7	2,000	2,000	0	0.00%
8	3,000	-	(3,000)	N/A
9	78,280	42,106	(36,174)	-46.21%
10				
<b><u>Staff Expenses</u></b>				
12	706,873	547,665	(159,208)	-22.52%
13	6,000	6,000	0	0.00%
14	28,000	30,000	2,000	7.14%
15	5,000	5,000	0	0.00%
16	1,500	500	(1,000)	-66.67%
17	4,000	4,000	0	0.00%
18	700	300	(400)	-57.14%
19	12,580	12,580	0	0.00%
20	40,970	40,970	0	0.00%
21	22,000	20,000	(2,000)	-9.09%
22	4,000	4,000	0	0.00%
23	8,000	-	(8,000)	0.00%
24	839,623	671,015	(168,608)	-20.08%
25				
<b><u>Outside Services</u></b>				
27	45,000	34,000	(11,000)	-24.44%
28	3,000	3,000	0	0.00%
29	75,300	71,700	(3,600)	-4.78%
30	30,000	30,000	0	0.00%
31	169,491	176,769	7,278	4.29%
32	60,000	21,800	(38,200)	-63.67%
33	3,000	3,000	0	0.00%
34	385,791	340,269	(45,522)	-11.80%

**Arizona Power Authority**  
**Hoover Operating Account Budget**  
**Administrative and General Expense (Details)**

	Adopted Budget for Operating Year Ending 9/30/20 (\$)	Final Budget for Operating Year Ending 9/30/21 (\$)	Difference (\$)	% of Change
<b>1 <u>Employee Related Expenses</u></b>				
2 Worker's Compensation Insurance	9,826	7,613	(2,213)	-22.52%
3 Unemployment	0	1,920	1,920	#DIV/0!
4 Social Security Taxes	51,591	38,550	(13,041)	-25.28%
5 State Retirement	85,602	66,925	(18,677)	-21.82%
6 Health Insurance	71,076	45,352	(25,724)	-36.19%
7 Life and Disability Insurance	126	90	(36)	-28.57%
8 Dental Insurance	686	444	(242)	-35.28%
9 Retirees Sick Leave	2,827	2,191	(636)	-22.50%
10 Total	221,734	163,085	(58,649)	-26.45%
11				
<b>12 <u>Occupancy Expense</u></b>				
13 Janitorial - Labor	8,904	8,904	0	0.00%
14 Trash Collection	1,080	1,368	288	26.67%
15 Utilities - Water & Electric	19,000	19,000	0	0.00%
16 Insurance (Property & Liability)	20,200	20,200	0	0.00%
17 Yard Maintenance - Labor	4,000	4,000	0	0.00%
18 Maintenance Agreements	5,400	5,400	0	0.00%
19 APA Office Building Maintenance	10,000	12,000	2,000	20.00%
20 Charge in Lieu of Depreciation	21,303	18,000	(3,303)	-15.50%
21 Total	89,887	88,872	(1,015)	-1.13%
22				
<b>23 <u>Organizational Dues and Subscriptions</u></b>				
24 Subscriptions	560	560	0	0.00%
25 Staff Organizational Dues	1,000	1,000	0	0.00%
26 Organizational Dues	14,000	14,500	500	3.57%
27 Total	15,560	16,060	500	3.21%
28				
29				
<b>30 Total Administrative and General</b>	1,630,875	1,321,407	(309,468)	-18.98%

**Arizona Power Authority**  
**Hoover Operating Account Budget**

Line No.	Adopted Budget for Operating Year Ending 9/30/20 (\$)	Final Budget for Operating Year Ending 9/30/21 (\$)	Difference (\$)	% of Change	
<b>1 Administrative and General</b>					
2	Commission Expenses (1)	\$78,280	\$42,106	(\$36,174)	-46.21%
3	Staff Expenses (2)	\$839,623	\$671,015	(\$168,608)	-20.08%
4	Outside Services (3)	\$385,791	\$340,269	(\$45,522)	-11.80%
5	Employee Related Expenses (4)	\$221,734	\$163,085	(\$58,649)	-26.45%
6	Occupancy Expense (5)	\$89,887	\$88,872	(\$1,015)	-1.13%
7	Organizational Expense (6)	\$15,560	\$16,060	\$500	3.21%
8	<b>Total Administrative and General</b>	<b>\$1,630,875</b>	<b>\$1,321,407</b>	<b>(\$309,468)</b>	<b>-18.98%</b>
9					
<b>10 Debt Service</b>					
11	Debt Service Reserve Interest (7)	(\$10,000)	(\$5,000)	\$5,000	-50.00%
12	Debt Service Income	(\$10,000)	(\$5,000)	\$5,000	-50.00%
13	Debt Service -				
14	2014 Bond Interest (8)	\$1,174,303	\$1,159,138	(\$15,165)	-1.29%
15	Debt Service Reserve 2014 Bond/Principle (9)	\$560,000	\$580,000	\$20,000	3.57%
16	Other Costs (10)	\$31,000	\$31,940	\$940	3.03%
17	<b>Debt Service Expenses</b>	<b>\$1,755,303</b>	<b>\$1,766,078</b>	<b>\$10,775</b>	<b>0.61%</b>
18					
<b>19 Other Income :</b>					
20	Operating Account Interest (11)	(\$70,000)	(\$16,800)	\$53,200	-76.00%
21	<b>Total Other Income</b>	<b>(\$70,000)</b>	<b>(\$16,800)</b>	<b>\$53,200</b>	<b>-76.00%</b>
22					
<b>23 Other Expenses:</b>					
24	Planned Surplus (12)	\$400,000	\$400,000	\$0	0.00%
25	<b>Total Other Expenses</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>0.00%</b>
26					
27	Subtotal Expenses and Income (13)	\$3,716,178	\$3,470,685	(\$245,493)	-6.61%
28	Subtotal Hoover (Page 5 Line 37)	\$16,039,702	\$15,999,553	(\$40,149)	-0.25%
29	<b>Total Revenue Requirement</b>	<b>\$19,755,880</b>	<b>\$19,470,238</b>	<b>(\$285,642)</b>	<b>-1.45%</b>

Footnotes:

- (1) See Page 2, Line 9
- (2) See Page 2, Line 24
- (3) See Page 2, Line 34
- (4) See Page 3, Line 9
- (5) See Page 3, Line 20
- (6) See Page 3, Line 26
- (7) Interest earned on the Bond Reserve account
- (8) Amount from bond schedule
- (9) Amount from bond schedule
- (10) Amount calculated annually
- (11) Amount calculated annually
- (12) Budgeted margin
- (13) The sum of Lines 8, 17,21, 25

Arizona Power Authority  
Hoover Operating Account Budget

Line No.	Description	Adopted Budget for Operating Year Ending 9/30/20	Final Budget for Operating Year Ending 9/30/21	Difference	% of Change
<b>1</b>	<b>Hoover Power Expenses</b>				
2	Western's Capacity Revenue Requirement	\$33,209,701	\$32,800,000	(\$409,701)	-1.23%
3	Total Capacity (kW) (YrAvg)	1,613,000	1,613,000	0	0.00%
4	Capacity Rate (\$/kW-month)	1.72	1.69	(0.02)	-1.23%
5	APA Percentage of Capacity	19.75%	19.75%		
6	APAs Base Charge for Capacity	\$6,560,078	\$6,479,148	(\$80,930)	-1.23%
7	Western's Energy Revenue Requirement	\$33,209,701	\$32,800,000	(\$409,701)	-1.23%
8	BCP OY Estimated Generation (MWh)	3,478,100	3,615,770	137,670	3.96%
9	Western's Energy Rate (mills/kWh)	9.55	9.07	(0.48)	-4.99%
10	APA Percentage of Energy	19.40%	19.40%	0.00	0.00%
11	APAs Base Charge for Energy	\$6,443,114	\$6,363,626	(\$79,487)	-1.23%
12	Western's Total Revenue Requirement	\$66,419,402	\$65,600,000	(\$819,402)	-1.23%
13	Western's Composite Rate (mills/kWh)	19.10	18.14	(\$0.95)	-4.99%
14					
15	Estimated Western Rate:				
16	Demand Charge (\$/kW/Mo.)	1.72	1.69	(0.02)	-1.23%
17	Energy Charge (Mills/kWh)	9.55	9.07	(0.48)	-4.99%
18	CAP Surcharge (Mills/kWh)	4.50	4.50	0.00	0.00%
19					
20	Purchased Power at Generation				
21	Capacity (Kilowatt Months):				
22	Schedule A (Avg/Yr)	128,279	128,279	0	0.00%
23	Schedule B (Avg/Yr)	127,597	127,597	0	0.00%
24	Schedule D (Avg/Yr)	19,467	19,467	0	0.00%
25	Total (Avg/Yr)	275,342	275,342	0	0.00%
26					
27	Energy (Megawatt-Hours)				
28	Schedule A	471,487	490,161	18,674	3.96%
29	Schedule B	154,732	160,861	6,129	3.96%
30	Schedule D	48,561	50,485	1,923	3.96%
31	Total	674,780	701,506	26,726	3.96%
32					
33	Purchased Power Expense				
34	Demand Charge	\$6,560,078	\$6,479,148	(\$80,930)	-1.23%
35	Energy Charge	\$6,443,114	\$6,363,626	(\$79,487)	-1.23%
36	LCRBDF	\$3,036,510	\$3,156,779	\$120,269	3.96%
37	Total	\$16,039,702	\$15,999,553	(\$40,149)	-0.25%

**Arizona Power Authority**  
**Hoover Operating Account Budget**  
**Estimated Revenue Requirements**

FINAL OY2021 8/13/20
----------------------------

Line No.	Adopted Budget for Operating Year Ending 9/30/20	Final Budget for Operating Year Ending 9/30/21	Difference	% of Change
1	<b>Demand Related Costs:</b>			
2	\$ 6,560,078	\$ 6,479,148	\$ (80,930)	-1%
3	\$ 815,438	\$ 660,704	\$ (154,734)	-19%
4	\$ 877,652	\$ 883,039	\$ 5,387	1%
5	\$ 200,000	\$ 200,000	\$ -	0%
6	\$ (35,000)	\$ (8,400)	\$ 26,600	-76%
7	\$ 8,418,167	\$ 8,214,491	\$ (203,677)	-2%
8				
9	<b>Energy Related Costs:</b>			
10	\$ 6,443,114	\$ 6,363,626	\$ (79,487)	-1%
11	\$ 3,036,510	\$ 3,156,779	\$ 120,269	4%
12	\$ 815,438	\$ 660,704	\$ (154,734)	-19%
13	\$ 877,652	\$ 883,039	\$ 5,387	1%
14	\$ 200,000	\$ 200,000	\$ -	0%
15	\$ (35,000)	\$ (8,400)	\$ 26,600	-76%
16	\$ 11,337,713	\$ 11,255,748	\$ (81,965)	-1%
17				
18	<b>Avg. Capacity Entitlement @ Load (kW)</b>			
19	128,279	128,873	594	0%
20	127,602	128,193	591	0%
21	19,461	19,551	90	0%
22	275,342	276,617	1,275	0%
23				
24	<b>Energy Entitlement @ Load (MWh)</b>			
25	471,487	490,161	18,674	4%
26	154,732	160,861	6,129	4%
27	48,561	50,485	1,923	4%
28	674,780	701,506	26,726	4%
29				
30	<b>Recovery of Revenue at Delivery</b>			
31	\$ 8,418,167	\$8,214,491	(\$203,677)	-2%
32	\$ 11,337,713	\$11,255,748	(\$81,965)	-1%
33	\$ 19,755,880	\$19,470,238	(\$285,642)	-1%
34				
35	<b>Estimated APA Rate</b>			
36	2.55	2.47	(0.08)	-3%
37	12.30	11.55	(0.76)	-6%
38	4.50	4.50	0.00	0%
39	16.80	16.05	(0.76)	-5%
40				
41	29.28	27.75	(1.52)	-5%

**Calculation of Energy Rate Adjustment for Potential Lost Energy:**

Lost Energy in MWh	<u>0.030</u>	21,045.19
Lost Energy in Dollars	16.05	337,672.43
Decrease in LCRBDF Cost	4.50	<u>(94,703.36)</u>
<b>Net Revenue to Recover</b>		<b><u>242,969.07</u></b>

**Divided by New Energy Quantity (MWh):**

Old Energy Quantity		701,506.39
Less Adjustment		<u>(21,045.19)</u>
<b>New Energy Quantity</b>		<b><u>680,461.19</u></b>

<b>Effect on Rate</b>	\$	0.36
<b>New Calculated Energy Rate</b>	\$	16.40

**Note: Capacity and LCRBDF rates unchanged.**

**Calculation of Composite Rate Adjustment for Potential Lost Energy:**

Lost Composite Rate in MWh	<u>0.030</u>	21,045.19
Lost Composite Rate in Dollars	27.75	584,107.14
Decrease in LCRBDF Cost	4.50	<u>(94,703.36)</u>
<b>Net Revenue to Recover</b>		<b><u>489,403.78</u></b>

**Divided by New Energy Quantity (MWh):**

Old Energy Quantity		701,506.39
Less Adjustment		<u>(21,045.19)</u>
<b>New Energy Quantity</b>		<b><u>680,461.19</u></b>

<b>Effect on Rate</b>	\$	0.72
<b>New Calculated Energy Rate</b>	\$	28.47

**Note: Capacity and LCRBDF rates unchanged.**

**Adjusted Rates After Adjustment:**

	Adopted Budget for Operating Year Ending 9/30/2020	Final Budget for Operating Year Ending 9/30/2021	Difference	% of Change
<b>Estimated APA Rate</b>				
Demand Charge (\$/kW/Mo.)	2.55	2.47	(0.08)	-3%
Energy Charge (Mills/kWh)	12.30	11.90	(0.40)	-3%
LCRBDF (Mills/kWh)	4.50	4.50	0.00	0%
Sched. A, B & D Energy Rate (Mills/kWh)	16.80	16.40	(0.40)	-2%
<b>Composite Rate (Mills/kWh)</b>	<b>29.28</b>	<b>28.47</b>	<b>(0.80)</b>	<b>-2.74%</b>