

Arizona Power Authority
Hoover Operating Account Budget

Draft OY 2022 5/18/21

Condensed Statements of Revenues and Expenses

Line No.	Adopted Budget for Operating Year Ending 9/30/21 (\$)	Final Budget for Operating Year Ending 9/30/22 (\$)	Difference (\$)	% of Change
1 Operating Revenues				
2				
3 Sales of Hoover Capacity and Energy				
4 Demand Charge (1)	\$8,214,491	\$8,772,092	\$557,601	6.79%
5 Energy Charge (2)	\$8,098,969	\$8,646,504	\$547,536	6.76%
6 Lower Co. Riv. Basin Dev. Fund (3)	\$3,156,779	\$2,878,563	(\$278,216)	-8.81%
Total Revenue from Rates	<u>\$19,470,238</u>	<u>\$20,297,159</u>	<u>\$826,921</u>	<u>4.25%</u>
7 Interest Income				
8 Operating Account (4)	\$16,800	\$16,800	\$0	0.00%
9				
10 Total Operating Revenues	<u><u>\$19,487,038</u></u>	<u><u>\$20,313,959</u></u>	<u><u>\$826,921</u></u>	<u><u>4.24%</u></u>
11				
12 Operating Expenses				
13				
14 Purchased Power (5)	\$15,999,553	\$16,840,366	\$840,813	5.26%
16 Administration & General (6)	\$1,321,407	\$1,301,491	(\$19,916)	-1.51%
17 Total Operating Expenses	<u>\$17,320,960</u>	<u>\$18,141,857</u>	<u>\$820,897</u>	<u>4.74%</u>
18				
19 Debt Service				
20 Debt Service Reserve Interest (7)	(\$5,000)	(\$300)	\$4,700	-94.00%
21 Debt Service - Interest (8)	\$1,159,138	\$1,141,402	(\$17,736)	-1.53%
22 Principal (9)	\$580,000	\$595,000	\$15,000	2.59%
23 Other Costs (10)	\$31,940	\$36,000	\$4,060	N/A
24 Total Debt Service	<u>\$1,766,078</u>	<u>\$1,772,102</u>	<u>\$6,024</u>	<u>0.34%</u>
25				
26 Total Operating Expenses	<u><u>\$19,087,038</u></u>	<u><u>\$19,913,959</u></u>	<u><u>\$826,921</u></u>	<u><u>4.33%</u></u>
27				
28 Operating Margin	<u><u>\$400,000</u></u>	<u><u>\$400,000</u></u>	<u><u>(\$0)</u></u>	<u><u>0.00%</u></u>

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 9/30/21 (\$)	Final Budget for Operating Year Ending 9/30/22 (\$)	Difference (\$)	% of Change
<u>Commission Expenses</u>				
1	3,780	3,780	0	0.00%
2	11,726	8,486	(3,240)	-27.63%
3	6,000	6,000	0	0.00%
4	2,000	-	(2,000)	-100.00%
5	6,600	6,000	(600)	-9.09%
6	10,000	10,000	0	0.00%
7	2,000	2,000	0	0.00%
8	-	-	0	N/A
9	42,106	36,266	(5,840)	-13.87%
10				
<u>Staff Expenses</u>				
12	547,665	601,138	53,473	9.76%
13	6,000	6,000	0	0.00%
14	30,000	30,000	0	0.00%
15	5,000	5,000	0	0.00%
16	500	500	0	0.00%
17	4,000	4,100	100	2.50%
18	300	400	100	33.33%
19	12,580	4,380	(8,200)	-65.18%
20	40,970	35,000	(5,970)	-14.57%
21	20,000	12,000	(8,000)	-40.00%
22	4,000	2,500	(1,500)	-37.50%
23	-	-	0	0.00%
24	671,015	701,018	30,003	4.47%
25				
<u>Outside Services</u>				
27	34,000	34,000	0	0.00%
28	3,000	1,850	(1,150)	-38.33%
29	71,700	45,000	(26,700)	-37.24%
30	30,000	30,000	0	0.00%
31	176,769	181,523	4,754	2.69%
32	21,800	5,000	(16,800)	-77.06%
33	3,000	-	(3,000)	0.00%
34	340,269	297,373	(42,896)	-12.61%

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

	Adopted Budget for Operating Year Ending 9/30/21 (\$)	Final Budget for Operating Year Ending 9/30/22 (\$)	Difference (\$)	% of Change
1 <u>Employee Related Expenses</u>				
2 Worker's Compensation Insurance	7,613	8,356	743	9.76%
3 Unemployment	1,920	-	(1,920)	-100.00%
4 Social Security Taxes	38,550	42,640	4,090	10.61%
5 State Retirement	66,925	74,601	7,676	11.47%
6 Health Insurance	45,352	52,579	7,227	15.94%
7 Life and Disability Insurance	90	96	6	6.67%
8 Dental Insurance	444	569	125	28.15%
9 Retirees Sick Leave	2,191	2,405	214	9.77%
10 Total	163,085	181,246	18,161	11.14%
11				
12 <u>Occupancy Expense</u>				
13 Janitorial - Labor	8,904	3,600	(5,304)	-59.57%
14 Trash Collection	1,368	840	(528)	-38.60%
15 Utilities - Water & Electric	19,000	17,000	(2,000)	-10.53%
16 Insurance (Property & Liability)	20,200	21,000	800	3.96%
17 Yard Maintenance - Labor	4,000	2,800	(1,200)	-30.00%
18 Maintenance Agreements	5,400	2,400	(3,000)	-55.56%
19 APA Office Building Maintenance	12,000	6,015	(5,985)	-49.88%
20 Charge in Lieu of Depreciation	18,000	14,333	(3,667)	-20.37%
21 Total	88,872	67,988	(20,884)	-23.50%
22				
23 <u>Organizational Dues and Subscriptions</u>				
24 Subscriptions	560	600	40	7.14%
25 Staff Organizational Dues	1,000	2,500	1,500	150.00%
26 Organizational Dues	14,500	14,500	0	0.00%
27 Total	16,060	17,600	1,540	9.59%
28				
29				
30 Total Administrative and General	1,321,407	1,301,491	(19,916)	-1.51%

Arizona Power Authority
Hoover Operating Account Budget

Line No.	Adopted Budget for Operating Year Ending 9/30/21 (\$)	Final Budget for Operating Year Ending 9/30/22 (\$)	Difference (\$)	% of Change
1 Administrative and General				
2	\$42,106	\$36,266	(\$5,840)	-13.87%
3	\$671,015	\$701,018	\$30,003	4.47%
4	\$340,269	\$297,373	(\$42,896)	-12.61%
5	\$163,085	\$181,246	\$18,161	11.14%
6	\$88,872	\$67,988	(\$20,884)	-23.50%
7	\$16,060	\$17,600	\$1,540	9.59%
8	<u>\$1,321,407</u>	<u>\$1,301,491</u>	<u>(\$19,916)</u>	<u>-1.51%</u>
9				
10 Debt Service				
11	(\$5,000)	(\$300)	\$4,700	-94.00%
12	(\$5,000)	(\$300)	\$4,700	-94.00%
13				
14	\$1,159,138	\$1,141,402	(\$17,736)	-1.53%
15	\$580,000	\$595,000	\$15,000	2.59%
16	\$31,940	\$36,000	\$4,060	12.71%
17	<u>\$1,766,078</u>	<u>\$1,772,102</u>	<u>\$6,024</u>	<u>0.34%</u>
18				
19 Other Income :				
20	(\$16,800)	(\$16,800)	\$0	0.00%
21	(\$16,800)	(\$16,800)	\$0	0.00%
22				
23 Other Expenses:				
24	\$400,000	\$400,000	\$0	0.00%
25	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$0</u>	<u>0.00%</u>
26				
27	\$3,470,685	\$3,456,793	(\$13,892)	-0.40%
28	\$15,999,553	\$16,840,366	\$840,813	5.26%
29	<u>\$19,470,238</u>	<u>\$20,297,159</u>	<u>\$826,921</u>	<u>4.25%</u>

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 9/30/21	Final Budget for Operating Year Ending 9/30/22	Difference	% of Change
1	Hoover Power Expenses				
2	Western's Capacity Revenue Requirement	\$32,800,000	\$35,657,961	\$2,857,961	8.71%
3	Total Capacity (kW) (YrAvg)	1,613,000	1,613,000	0	0.00%
4	Capacity Rate (\$/kW-month)	1.69	1.84	0.15	8.71%
5	APA Percentage of Capacity	19.75%	19.75%		
6	APAs Base Charge for Capacity	\$6,479,148	\$7,043,695	\$564,547	8.71%
7	Western's Energy Revenue Requirement	\$32,800,000	\$35,657,961	\$2,857,961	8.71%
8	BCP OY Estimated Generation (MWh)	3,615,770	3,297,102	(318,668)	-8.81%
9	Western's Energy Rate (mills/kWh)	9.07	10.81	1.74	19.22%
10	APA Percentage of Energy	19.40%	19.40%	0.00	0.00%
11	APAs Base Charge for Energy	\$6,363,626	\$6,918,108	\$554,482	8.71%
12	Western's Total Revenue Requirement	\$65,600,000	\$71,315,922	\$5,715,922	8.71%
13	Western's Composite Rate (mills/kWh)	18.14	21.63	\$3.49	19.22%
14					
15	Estimated Western Rate:				
16	Demand Charge (\$/kW/Mo.)	1.69	1.84	0.15	8.71%
17	Energy Charge (Mills/kWh)	9.07	10.81	1.74	19.22%
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	490,161	446,962	(43,199)	-8.81%
29	Schedule B	160,861	146,684	(14,177)	-8.81%
30	Schedule D	50,485	46,035	(4,449)	-8.81%
31	Total	701,506	639,681	(61,826)	-8.81%
32					
33	Purchased Power Expense				
34	Demand Charge	\$6,479,148	\$7,043,695	\$564,547	8.71%
35	Energy Charge	\$6,363,626	\$6,918,108	\$554,482	8.71%
36	LCRBDF	\$3,156,779	\$2,878,563	(\$278,216)	-8.81%
37	Total	\$15,999,553	\$16,840,366	\$840,813	5.26%

Arizona Power Authority
Hoover Operating Account Budget
Estimated Revenue Requirements

Draft OY 2022 5/18/2021

Line No.	Adopted Budget for Operating Year Ending 9/30/21	Final Budget for Operating Year Ending 9/30/22	Difference	% of Change
1 Demand Related Costs:				
2	\$ 6,479,148	\$ 7,043,695	\$ 564,547	9%
3	\$ 660,704	\$ 650,746	\$ (9,958)	-2%
4	\$ 883,039	\$ 886,051	\$ 3,012	0%
5	\$ 200,000	\$ 200,000	\$ -	0%
6	\$ (8,400)	\$ (8,400)	\$ -	0%
7	\$ 8,214,491	\$ 8,772,092	\$ 557,601	7%
8				
9 Energy Related Costs:				
10	\$ 6,363,626	\$ 6,918,108	\$ 554,482	9%
11	\$ 3,156,779	\$ 2,878,563	\$ (278,216)	-9%
12	\$ 660,704	\$ 650,746	\$ (9,958)	-2%
13	\$ 883,039	\$ 886,051	\$ 3,012	0%
14	\$ 200,000	\$ 200,000	\$ -	0%
15	\$ (8,400)	\$ (8,400)	\$ -	0%
16	\$ 11,255,748	\$ 11,525,067	\$ 269,320	2%
17				
18 Avg. Capacity Entitlement @ Load (kW)				
19	128,873	128,873	-	0%
20	128,193	128,193	-	0%
21	19,551	19,551	-	0%
22	276,617	276,617	-	0%
23				
24 Energy Entitlement @ Load (MWh)				
25	490,161	446,962	(43,199)	-9%
26	160,861	146,684	(14,177)	-9%
27	50,485	46,035	(4,449)	-9%
28	701,506	639,681	(61,825)	-9%
29				
30 Recovery of Revenue at Delivery				
31	\$ 8,214,491	\$ 8,772,092	\$ 557,601	7%
32	\$ 11,255,748	\$ 11,525,067	\$ 269,320	2%
33	\$ 19,470,238	\$ 20,297,159	\$ 826,921	4%
34				
35 Estimated APA Rate				
36	2.47	2.64	0.17	7%
37	11.90	13.52	1.62	14%
38	4.50	4.50	(0.00)	0%
39	16.40	18.02	1.61	10%
40				
41	28.47	31.73	3.26	11%

Calculation of Energy Rate Adjustment for Potential Lost Energy:

Lost Energy in MWh	-	0.00
Lost Energy in Dollars	18.02	0.00
Decrease in LCRBDF Cost	4.50	0.00
Net Revenue to Recover		0.00

Divided by New Energy Quantity (MWh):

Old Energy Quantity	639,680.65
Less Adjustment	0.00
New Energy Quantity	639,680.65

Effect on Rate	\$ -
New Calculated Energy Rate	\$ 18.02

Note: Capacity and LCRBDF rates unchanged.

Calculation of Composite Rate Adjustment for Potential Lost Energy:

Lost Composite Rate in MWh	-	0.00
Lost Composite Rate in Dollars	31.73	0.00
Decrease in LCRBDF Cost	4.50	0.00
Net Revenue to Recover		0.00

Divided by New Energy Quantity (MWh):

Old Energy Quantity	639,680.65
Less Adjustment	0.00
New Energy Quantity	639,680.65

Effect on Rate	\$ -
New Calculated Energy Rate	\$ 31.73

Note: Capacity and LCRBDF rates unchanged.

Adjusted Rates After Adjustment:

	Adopted Budget for Operating Year Ending 9/30/21	Final Budget for Operating Year Ending 9/30/22	Difference	% of Change
Estimated APA Rate				
Demand Charge (\$/kW/Mo.)	2.47	2.64	0.17	7%
Energy Charge (Mills/kWh)	11.90	13.52	1.62	14%
LCRBDF (Mills/kWh)	4.50	4.50	(0.00)	0%
Sched. A, B & D Energy Rate (Mills/kWh)	16.40	18.02	1.62	10%
Composite Rate (Mills/kWh)	28.47	31.73	3.26	11.43%