

**Arizona Power Authority
Hoover Operating Account Budget
Draft 0Y 2023 06-21-22**

Condensed Statements of Revenues and Expenses

Line No.		Adopted Budget for Operating Year Ending 9/30/22	Final Budget for Operating Year Ending 9/30/23	Difference	% of Change
Operating Revenues					
1	Sales of Hoover Capacity and Energy				
2	Demand Charge (1)	\$ 8,438,484	\$ 8,243,926	\$ (194,558)	-2.31%
3	Energy Charge (2)	8,317,719	8,127,057	(190,662)	-2.29%
4	Lower Co. Riv. Basin Dev. Fund (3)	2,838,125	2,599,640	(238,486)	-8.40%
	Total Revenue from Rates	\$ 19,594,328	\$ 18,970,623	\$ (623,706)	-3.18%
5	Interest Income				
6	Operating Account (4)	\$ 1,700	\$ 4,800	\$ 3,100	182.35%
7	Total Operating Revenues	\$ 19,596,028	\$ 18,975,423	\$ (620,606)	-3.17%
Operating Expenses					
8	Purchased Power (5)	\$ 16,263,871	\$ 15,592,225	\$ (671,647)	-4.13%
9	Administration & General (6)	1,160,055	1,210,904	50,849	4.38%
10	Total Operating Expenses	\$ 17,423,926	\$ 16,803,129	\$ (620,798)	-3.56%
Debt Service					
11					
12	Debt Service Reserve Interest (7)	\$ (300)	\$ (300)	\$ -	0.00%
13	Debt Service - Interest (8)	1,141,402	1,121,594	(19,808)	-1.74%
14	Principal (9)	595,000	615,000	20,000	3.36%
15	Other Costs (10)	36,000	36,000	-	N/A
16	Total Debt Service	\$ 1,772,102	\$ 1,772,294	\$ 192	0.01%
17	Total Operating Expenses	\$ 19,196,028	\$ 18,575,423	\$ (620,606)	-3.23%
18	Operating Margin	\$ 400,000	\$ 400,000	\$ 0	0.00%
19	Prepayment of OY2021 Customer Refund In Excess of \$400,000 Planned Margin	\$ -	\$ -	\$ -	#DIV/0!
20	Operating Margin after Customer Refund (11)	\$ -	\$ 400,000	\$ 0	#DIV/0!

Footnotes:

- (1) See Page 6, Line 6
- (2) See Page 6, Line 13 minus Page 6, Line 8
- (3) See Page 6, Line 8
- (4) See Page 4, Line 14
- (5) See Page 5, Line 27
- (6) See Page 4, Line 8
- (7) See Page 4, Line 9
- (8) See Page 4, Line 10
- (9) See Page 4, Line 11
- (10) See Page 4, Line 12
- (11) See Page 4, Line 17; Budgeted Margin of \$400k - Prepayment of OY 2021 Customer Refund of (\$400k)

**Arizona Power Authority
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Administrative and General Expense (Details)

Line No.		Adopted Budget for Operating Year Ending 9/30/22	Final Budget for Operating Year Ending 9/30/23	Difference	% of Change
Commission Expenses					
1	Commissioners' Per Diem	\$ 3,780	\$ 3,780	\$ -	0.00%
2	Travel - In State	10,486	10,486	-	0.00%
3	Travel - Out of State	8,500	8,500	-	0.00%
4	Outside Printing	-	-	-	#DIV/0!
5	Miscellaneous Commission Expense	6,000	6,000	-	0.00%
6	Customer Service Programs	10,000	10,000	-	0.00%
7	Conference Fees	2,000	10,000	8,000	400.00%
8	Planning & Strategy	-	-	-	N/A
9	Total	\$ 40,766	\$ 48,766	\$ 8,000	19.62%
Staff Expenses					
10	Staff Salaries	\$ 493,537	\$ 528,904	\$ 35,367	7.17%
11	Travel - In State	7,500	7,500	-	0.00%
12	Travel - Out of State	32,500	32,500	-	0.00%
13	Office Supplies	5,000	4,000	(1,000)	-20.00%
14	Copier and Fax Supplies	500	500	-	0.00%
15	Miscellaneous Staff Office Expenses	4,100	3,000	(1,100)	-26.83%
16	Postage	400	300	(100)	-25.00%
17	Telephone	4,535	6,155	1,620	35.72%
18	Computer Expense	20,000	30,000	10,000	50.00%
19	Staff Training	12,000	12,000	-	0.00%
20	Conference Fees	2,500	2,000	(500)	-20.00%
21	Planning & Strategy	-	-	-	0.00%
22	Total	\$ 582,572	\$ 626,859	\$ 44,287	7.60%
Outside Services					
23	Accounting and Auditing	\$ 35,700	\$ 35,700	\$ -	0.00%
24	Computer Consulting Services	1,850	1,850	-	0.00%
25	Legal	45,000	35,000	(10,000)	-22.22%
26	CREDA	35,000	35,000	-	0.00%
27	MSCP	181,523	187,143	5,620	3.10%
28	Miscellaneous Outside Professional Services	12,500	8,500	(4,000)	-32.00%
29	Planning & Strategy	-	-	-	0.00%
30	Total	\$ 311,573	\$ 303,193	\$ (8,380)	-2.69%

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Administrative and General Expense (Details)

Line No.		Adopted Budget for Operating Year Ending 9/30/22	Final Budget for Operating Year Ending 9/30/23	Difference	% of Change
Employee Related Expenses					
1	Worker's Compensation Insurance	\$ 6,071	\$ 6,506	\$ 435	7.17%
2	Unemployment	-	-	-	#DIV/0!
3	Social Security Taxes	35,285	40,750	5,465	15.49%
4	State Retirement	61,248	64,368	3,120	5.09%
5	Health Insurance	35,977	35,977	-	0.00%
6	Life and Disability Insurance	96	96	-	0.00%
7	Dental Insurance	405	405	-	0.00%
8	Retirees Sick Leave	1,974	2,116	142	7.19%
9	Total	\$ 141,056	\$ 150,218	\$ 9,162	6.50%
Occupancy Expense					
11	Janitorial - Labor	\$ 3,600	\$ 3,600	\$ -	0.00%
12	Trash Collection	840	960	120	14.29%
13	Utilities - Water & Electric	17,000	16,000	(1,000)	-5.88%
14	Insurance (Property & Liability)	19,500	11,500	(8,000)	-41.03%
15	Yard Maintenance - Labor	2,800	4,000	1,200	42.86%
16	Maintenance Agreements	2,400	1,800	(600)	-25.00%
17	APA Office Building Maintenance	6,015	12,000	5,985	99.50%
18	Charge in Lieu of Depreciation	14,333	13,389	(944)	-6.59%
19	Total	\$ 66,488	\$ 63,249	\$ (3,239)	-4.87%
Organizational Dues and Subscriptions					
20	Subscriptions	\$ 600	\$ 1,119	\$ 519	86.50%
21	Membership Dues	2,500	3,000	500	20.00%
22	Organizational Dues	14,500	14,500	-	0.00%
23	Total	\$ 17,600	\$ 18,619	\$ 1,019	5.79%
24	Total Administrative and General	\$ 1,160,055	\$ 1,210,904	\$ 50,849	4.38%

**Arizona Power Authority
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Administrative and General Expense & Debt Service

Line No.	Administrative and General	Adopted Budget for Operating Year Ending 9/30/22	Final Budget for Operating Year Ending 9/30/23	Difference	% of Change
1	Commission Expenses (1)	\$ 40,766	\$ 48,766	\$ 8,000	19.62%
3	Staff Expenses (2)	582,572	626,859	44,287	7.60%
4	Outside Services (3)	311,573	303,193	(8,380)	-2.69%
5	Employee Related Expenses (4)	141,056	150,218	9,162	6.50%
6	Occupancy Expense (5)	66,488	63,249	(3,239)	-4.87%
7	Organizational Expense (6)	17,600	18,619	1,019	5.79%
8	Total Administrative and General	\$ 1,160,055	\$ 1,210,904	\$ 50,849	4.38%
Debt Service					
9	Interest Income (7)	\$ (300)	\$ (300)	\$ -	0.00%
10	Interest Expense (8)	1,141,402	1,121,594	(19,808)	-1.74%
11	Principle (9)	595,000	615,000	20,000	3.36%
12	Other Costs (10)	36,000	36,000	-	0.00%
13	Debt Service Expenses Net	\$ 1,772,102	\$ 1,772,294	\$ 192	0.01%
Other Income					
14	Operating Account Interest (11)	\$ (1,700)	\$ (4,800)	\$ (3,100)	182.35%
15	Total Other Income	\$ (1,700)	\$ (4,800)	\$ (3,100)	182.35%
Other Expenses					
16	Planned Surplus (12)	\$ 400,000	\$ 400,000	\$ -	0.00%
17	Total Other Expenses	\$ 400,000	\$ 400,000	\$ -	0.00%
18	Subtotal Expenses and Income (13)	\$ 3,330,457	\$ 3,378,398	\$ 47,941	1.44%
19	Purchased Power (14)	16,263,871	15,592,225	(671,647)	-4.13%
20	Total Revenue Requirement	\$ 19,594,328	\$ 18,970,623	\$ (623,706)	-3.18%

Footnotes:

- (1) See Page 2, Line 9
- (2) See Page 2, Line 22
- (3) See Page 2, Line 30
- (4) See Page 3, Line 9
- (5) See Page 3, Line 19
- (6) See Page 3, Line 23
- (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, 13, 15, 17
- (14) Page 1, Line 8

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Line No.		Adopted Budget for Operating Year Ending 9/30/22	Final Budget for Operating Year Ending 9/30/23	Difference	% of Change
Hoover Power Expenses					
1	Western's Capacity Revenue Requirement	\$ 34,288,889	\$ 33,182,610	\$ (1,106,279)	-3.23%
2	Total Capacity (kW) (YrAvg)	1,613,000	1,613,000	-	0.00%
3	Capacity Rate (\$/kW-month)	\$ 1.77	\$ 1.71	\$ (0.06)	-3.23%
4	APA Percentage of Capacity	19.75%	19.75%	0.00%	
5	APA Base Charge for Capacity	\$ 6,773,256	\$ 6,554,727	\$ (218,529)	-3.23%
6	Western's Energy Revenue Requirement	\$ 34,288,889	\$ 33,182,610	\$ (1,106,279)	-3.23%
7	BCP OY Estimated Generation (MWh)	3,250,785	2,977,624	(273,161)	-8.40%
8	Western's Energy Rate (mills/kWh)	\$ 10.55	\$ 11.14	\$ 0.60	5.65%
9	APA Percentage of Energy	19.40%	19.40%	0.00%	0.00%
10	APA Base Charge for Energy	\$ 6,652,490	\$ 6,437,858	\$ (214,633)	-3.23%
11	Western's Total Revenue Requirement	\$ 68,577,778	\$ 66,365,220	\$ (2,212,558)	-3.23%
12	Western's Composite Rate (mills/kWh)	\$ 21.10	\$ 22.29	\$ 1.19	5.65%
<hr style="border-top: 1px dashed black;"/>					
Estimated Western Rate					
13	Demand Charge (\$/kW/Mo.)	\$ 1.77	\$ 1.71	\$ (0.06)	-3.23%
14	Energy Charge (Mills/kWh)	\$ 10.55	\$ 11.14	\$ 0.60	5.65%
15	CAP Surcharge (Mills/kWh)	\$ 4.50	\$ 4.50	\$ -	0.00%
Purchased Power at Generation					
Capacity (Kilowatt Months)					
16	Schedule A (Avg/Yr)	109,770	109,770	0	0.00%
17	Schedule B (Avg/Yr)	109,187	109,187	0	0.00%
18	Schedule D (Avg/Yr)	16,658	16,658	0	0.00%
19	Total (Avg/Yr)	235,615	235,615	0	0.00%
Energy (Megawatt-Hours)					
20	Schedule A	440,683	403,653	(37,030)	-8.40%
21	Schedule B	144,623	132,471	(12,153)	-8.40%
22	Schedule D	45,389	41,575	(3,814)	-8.40%
23	Total	630,695	577,698	(52,997)	-8.40%
Purchased Power Expense					
24	Demand Charge	\$ 6,773,256	\$ 6,554,727	\$ (218,529)	-3.23%
25	Energy Charge	6,652,490	6,437,858	(214,633)	-3.23%
26	LCRBDF	2,838,125	2,599,640	(238,486)	-8.40%
27	Total	\$ 16,263,871	\$ 15,592,225	\$ (671,647)	-4.13%

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Estimated Revenue Requirements

Line No.		Adopted Budget for Operating Year Ending 9/30/22	Final Budget for Operating Year Ending 9/30/23	Difference	% of Change
Demand Related Costs					
1	Western's Demand Charge	\$ 6,773,256	\$ 6,554,727	\$ (218,529)	-3.23%
2	Administrative & General - 50%	580,028	605,452	25,425	4.38%
3	Debt Service - 50%	886,051	886,147	96	0.01%
4	Planned Surplus - 50%	200,000	200,000	-	0.00%
	Prepayment of OY 2021 Customer Refund	-	-	-	#DIV/0!
5	Interest Income - 50%	(850)	(2,400)	(1,550)	182.35%
6	Total	\$ 8,438,484	\$ 8,243,926	\$ (194,558)	-2.31%
Energy Related Costs					
7	Western's Energy Charge	\$ 6,652,490	\$ 6,437,858	\$ (214,633)	-3.23%
8	Lower Colorado River Basin Dev. Fund Charge	2,838,125	2,599,640	(238,486)	-8.40%
9	Administrative & General - 50%	580,028	605,452	25,425	4.38%
10	Debt Service - 50%	886,051	886,147	96	0.01%
11	Planned Surplus - 50%	200,000	200,000	-	0.00%
	Prepayment of OY 2021 Customer Refund	-	-	-	#DIV/0!
12	Interest Income - 50%	(850)	(2,400)	(1,550)	182.35%
13	Total	\$ 11,155,844	\$ 10,726,697	\$ (429,148)	-3.85%
Avg. Capacity Entitlement @ Load (kW)					
14	Schedule 'A'	109,771	109,771	-	0.00%
15	Schedule 'B'	109,191	109,191	-	0.00%
16	Schedule 'D'	16,653	16,653	-	0.00%
17	Total	235,615	235,615	-	0.00%
Energy Entitlement @ Load (MWh)					
18	Schedule 'A'	440,683	403,653	(37,030)	-8.40%
19	Schedule 'B'	144,623	132,471	(12,153)	-8.40%
20	Schedule 'D'	45,389	41,575	(3,814)	-8.40%
21	Total	630,695	577,698	(52,997)	-8.40%
Recovery of Revenue at Delivery					
22	From Demand Rate	\$ 8,438,484	\$ 8,243,926	\$ (194,558)	-2.31%
23	From Energy Rate	11,155,844	10,726,697	(429,148)	-3.85%
24	Total Revenue Requirement Net of Prepayment of Customer Refund	\$ 19,194,328	\$ 18,970,623	\$ (623,706)	-1.17%
Estimated APA Rate					
25	Demand Charge (\$/kW/Mo.)	\$ 2.98	\$ 2.92	\$ (0.06)	-2.01%
26	Energy Charge (Mills/kWh)	\$ 13.19	\$ 14.07	\$ 0.88	6.67%
27	LCRBDF (Mills/kWh)	\$ 4.50	\$ 4.50	\$ -	0.00%
28	Sched. A, B & D Energy Rate (Mills/kWh)	\$ 17.69	\$ 18.57	\$ 0.88	4.97%
Composite Rate (Mills/kWh)		\$ 31.07	\$ 32.84	\$ 1.77	5.70%
(Budget Year 2022 Unadjusted for \$400,000 Prepayment of Customer Refund)					