

**Arizona Power Authority  
Hoover Operating Account Budget  
Final OY 2023 08-16-22**

**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
<b>Operating Revenues</b>					
1	Sales of Hoover Capacity and Energy				
2	Demand Charge (1)	\$ 8,438,484	\$ 8,325,561	\$ (112,923)	-1.34%
3	Energy Charge (2)	8,317,719	8,207,283	(110,436)	-1.33%
4	Lower Co. Riv. Basin Dev. Fund (3)	2,838,125	2,578,149	(259,977)	-9.16%
	<b>Total Revenue from Rates</b>	<b>\$ 19,594,328</b>	<b>\$ 19,110,993</b>	<b>\$ (483,335)</b>	<b>-2.47%</b>
5	Interest Income				
6	Operating Account (4)	\$ 1,700	\$ 36,000	\$ 34,300	2017.65%
7	<b>Total Operating Revenues</b>	<b>\$ 19,596,028</b>	<b>\$ 19,146,993</b>	<b>\$ (449,035)</b>	<b>-2.29%</b>
<b>Operating Expenses</b>					
8	Purchased Power (5)	\$ 16,263,871	\$ 15,727,353	\$ (536,519)	-3.30%
9	Administration & General (6)	1,160,055	1,257,047	96,992	8.36%
10	<b>Total Operating Expenses</b>	<b>\$ 17,423,926</b>	<b>\$ 16,984,399</b>	<b>\$ (439,527)</b>	<b>-2.52%</b>
<b>Debt Service</b>					
11					
12	Debt Service Reserve Interest (7)	\$ (300)	\$ (10,000)	\$ (9,700)	3233.33%
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	<b>Total Debt Service</b>	<b>\$ 1,772,102</b>	<b>\$ 1,762,594</b>	<b>\$ (9,508)</b>	<b>-0.54%</b>
17	<b>Total Operating Expenses</b>	<b>\$ 19,196,028</b>	<b>\$ 18,746,993</b>	<b>\$ (449,035)</b>	<b>-2.34%</b>
18	<b>Operating Margin</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 0</b>	<b>0.00%</b>
19	Prepayment of OY2021 Customer Refund In Excess of \$400,000 Planned Margin	\$ -	\$ -	\$ -	#DIV/0!
20	<b>Operating Margin after Customer Refund (11)</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ 0</b>	<b>#DIV/0!</b>

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

**Arizona Power Authority  
Hoover Operating Account Budget  
Final 0Y 2023 08-16-22**

**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
<b>Commission Expenses</b>					
1	Commissioners' Per Diem	\$ 3,780	\$ 4,830	\$ 1,050	27.78%
2	Travel - In State	10,486	14,653	4,167	39.74%
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	<b>Total</b>	<b>\$ 40,766</b>	<b>\$ 53,983</b>	<b>\$ 13,217</b>	<b>32.42%</b>
<b>Staff Expenses</b>					
10	Staff Salaries	\$ 493,537	\$ 532,989	\$ 39,452	7.99%
11	Travel - In State	7,500	10,000	2,500	33.33%
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	6,995	2,460	54.24%
18	Computer Expense	20,000	25,200	5,200	26.00%
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	<b>Total</b>	<b>\$ 582,572</b>	<b>\$ 629,484</b>	<b>\$ 46,912</b>	<b>8.05%</b>
<b>Outside Services</b>					
23	Accounting and Auditing	\$ 35,700	\$ 37,485	\$ 1,785	5.00%
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	198,663	17,140	9.44%
28	Miscellaneous Outside Professional Services	12,500	8,500	(4,000)	-32.00%
29	Planning & Strategy	-	-	-	0.00%
30	<b>Total</b>	<b>\$ 311,573</b>	<b>\$ 316,498</b>	<b>\$ 4,925</b>	<b>1.58%</b>

**Arizona Power Authority  
Hoover Operating Account Budget  
Final 0Y 2023 08-16-22**

**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
<b>Employee Related Expenses</b>					
1	Worker's Compensation Insurance	\$ 6,071	\$ 6,556	\$ 485	7.99%
2	Unemployment	-	-	-	#DIV/0!
3	Social Security Taxes	35,285	41,143	5,858	16.60%
4	State Retirement	61,248	64,865	3,617	5.91%
5	Health Insurance	35,977	58,004	22,027	61.23%
6	Life and Disability Insurance	96	32	(64)	-66.25%
7	Dental Insurance	405	451	46	11.36%
8	Retirees Sick Leave	1,974	2,132	158	8.00%
9	<b>Total</b>	<b>\$ 141,056</b>	<b>\$ 173,184</b>	<b>\$ 32,128</b>	<b>22.78%</b>
<b>Occupancy Expense</b>					
11	Janitorial - Labor	\$ 3,600	\$ 6,000	\$ 2,400	66.67%
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	11,130	(8,370)	-42.92%
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	<b>Total</b>	<b>\$ 66,488</b>	<b>\$ 65,279</b>	<b>\$ (1,209)</b>	<b>-1.82%</b>
<b>Organizational Dues and Subscriptions</b>					
20	Subscriptions	\$ 600	\$ 1,119	\$ 519	86.50%
21	Membership Dues	2,500	3,200	700	28.00%
22	Organizational Dues	14,500	14,300	(200)	-1.38%
23	<b>Total</b>	<b>\$ 17,600</b>	<b>\$ 18,619</b>	<b>\$ 1,019</b>	<b>5.79%</b>
24	<b>Total Administrative and General</b>	<b>\$ 1,160,055</b>	<b>\$ 1,257,047</b>	<b>\$ 96,992</b>	<b>8.36%</b>

**Arizona Power Authority  
Hoover Operating Account Budget  
Final 0Y 2023 08-16-22**

**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	\$ 53,983	\$ 13,217	32.42%
3	Staff Expenses (2)	582,572	629,484	46,912	8.05%
4	Outside Services (3)	311,573	316,498	4,925	1.58%
5	Employee Related Expenses (4)	141,056	173,184	32,128	22.78%
6	Occupancy Expense (5)	66,488	65,279	(1,209)	-1.82%
7	Organizational Expense (6)	17,600	18,619	1,019	5.79%
8	<b>Total Administrative and General</b>	<b>\$ 1,160,055</b>	<b>\$ 1,257,047</b>	<b>\$ 96,992</b>	<b>8.36%</b>
<b>Debt Service</b>					
9	Interest Income (7)	\$ (300)	\$ (10,000)	\$ (9,700)	3233.33%
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	<b>Debt Service Expenses Net</b>	<b>\$ 1,772,102</b>	<b>\$ 1,762,594</b>	<b>\$ (9,508)</b>	<b>-0.54%</b>
<b>Other Income</b>					
14	Operating Account Interest (11)	\$ (1,700)	\$ (36,000)	\$ (34,300)	2017.65%
15	<b>Total Other Income</b>	<b>\$ (1,700)</b>	<b>\$ (36,000)</b>	<b>\$ (34,300)</b>	<b>2017.65%</b>
<b>Other Expenses</b>					
16	Planned Surplus (12)	\$ 400,000	\$ 400,000	\$ -	0.00%
17	<b>Total Other Expenses</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>0.00%</b>
18	Subtotal Expenses and Income (13)	\$ 3,330,457	\$ 3,383,641	\$ 53,184	1.60%
19	Purchased Power (14)	16,263,871	15,727,353	(536,519)	-3.30%
20	<b>Total Revenue Requirement</b>	<b>\$ 19,594,328</b>	<b>\$ 19,110,993</b>	<b>\$ (483,335)</b>	<b>-2.47%</b>

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

**Arizona Power Authority  
Hoover Operating Account Budget  
Final OY 2023 08-16-22**

Line No.		Adopted Budget for Operating Year Ending 9/30/22	Final Budget for Operating Year Ending 9/30/23	Difference	% of Change
<b>Hoover Power Expenses</b>					
1	Western's Capacity Revenue Requirement	\$ 34,288,889	\$ 33,582,610	\$ (706,279)	-2.06%
2	Total Capacity (kW) (YrAvg)	1,383,000	1,299,750	(83,250)	-6.02%
3	Capacity Rate (\$/kW-month)	\$ 1.77	\$ 2.15	\$ 0.38	21.54%
4	APA Percentage of Capacity	19.75%	19.75%	0.00%	
5	APA Base Charge for Capacity	\$ 6,773,256	\$ 6,633,741	\$ (139,515)	-2.06%
6	Western's Energy Revenue Requirement	\$ 34,288,889	\$ 33,582,610	\$ (706,279)	-2.06%
7	BCP OY Estimated Generation (MWh)	3,250,785	2,953,008	(297,777)	-9.16%
8	Western's Energy Rate (mills/kWh)	\$ 10.55	\$ 11.37	\$ 0.82	7.82%
9	APA Percentage of Energy	19.40%	19.40%	0.00%	0.00%
10	APA Base Charge for Energy	\$ 6,652,490	\$ 6,515,463	\$ (137,027)	-2.06%
11	Western's Total Revenue Requirement	\$ 68,577,778	\$ 67,165,220	\$ (1,412,558)	-2.06%
12	Western's Composite Rate (mills/kWh)	\$ 21.10	\$ 22.74	\$ 1.65	7.82%
<b>Estimated Western Rate</b>					
13	Demand Charge (\$/kW/Mo.)	\$ 1.77	\$ 2.15	\$ 0.38	21.54%
14	Energy Charge (Mills/kWh)	\$ 10.55	\$ 11.37	\$ 0.82	7.82%
15	CAP Surcharge (Mills/kWh)	\$ 4.50	\$ 4.50	\$ -	0.00%
<b>Purchased Power at Generation</b>					
<b>Capacity (Kilowatt Months)</b>					
16	Schedule A (Avg/Yr)	109,770	103,373	(6,398)	-5.83%
17	Schedule B (Avg/Yr)	109,187	102,823	(6,364)	-5.83%
18	Schedule D (Avg/Yr)	16,658	15,687	(971)	-5.83%
19	<b>Total (Avg/Yr)</b>	<b>235,615</b>	<b>221,883</b>	<b>(13,732)</b>	<b>-5.83%</b>
<b>Energy (Megawatt-Hours)</b>					
20	Schedule A	440,683	400,316	(40,367)	-9.16%
21	Schedule B	144,623	131,376	(13,248)	-9.16%
22	Schedule D	45,389	41,231	(4,158)	-9.16%
23	<b>Total</b>	<b>630,695</b>	<b>572,922</b>	<b>(57,773)</b>	<b>-9.16%</b>
<b>Purchased Power Expense</b>					
24	Demand Charge	\$ 6,773,256	\$ 6,633,741	\$ (139,515)	-2.06%
25	Energy Charge	6,652,490	6,515,463	(137,027)	-2.06%
26	LCRBDF	2,838,125	2,578,149	(259,977)	-9.16%
27	<b>Total</b>	<b>\$ 16,263,871</b>	<b>\$ 15,727,353</b>	<b>\$ (536,519)</b>	<b>-3.30%</b>

**Arizona Power Authority  
Hoover Operating Account Budget  
Final 0Y 2023 08-16-22**

**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
<b>Demand Related Costs</b>					
1	Western's Demand Charge	\$ 6,773,256	\$ 6,633,741	\$ (139,515)	-2.06%
2	Administrative & General - 50%	580,028	628,523	48,496	8.36%
3	Debt Service - 50%	886,051	881,297	(4,754)	-0.54%
4	Planned Surplus - 50%	200,000	200,000	-	0.00%
5	Interest Income - 50%	(850)	(18,000)	(17,150)	2017.65%
6	Total	\$ 8,438,484	\$ 8,325,561	\$ (112,923)	-1.34%
<b>Energy Related Costs</b>					
7	Western's Energy Charge	\$ 6,652,490	\$ 6,515,463	\$ (137,027)	-2.06%
8	Lower Colorado River Basin Dev. Fund Charge	2,838,125	2,578,149	(259,977)	-9.16%
9	Administrative & General - 50%	580,028	628,523	48,496	8.36%
10	Debt Service - 50%	886,051	881,297	(4,754)	-0.54%
11	Planned Surplus - 50%	200,000	200,000	-	0.00%
12	Interest Income - 50%	(850)	(18,000)	(17,150)	2017.65%
13	Total	\$ 11,155,844	\$ 10,785,432	\$ (370,412)	-3.32%
<b>Avg. Capacity Entitlement @ Load (kW)</b>					
14	Schedule 'A'	109,771	103,373	(6,398)	-5.83%
15	Schedule 'B'	109,191	102,827	(6,364)	-5.83%
16	Schedule 'D'	16,653	15,683	(971)	-5.83%
17	Total	235,615	221,883	(13,732)	-5.83%
<b>Energy Entitlement @ Load (MWh)</b>					
18	Schedule 'A'	440,683	400,316	(40,367)	-9.16%
19	Schedule 'B'	144,623	131,376	(13,248)	-9.16%
20	Schedule 'D'	45,389	41,231	(4,158)	-9.16%
21	Total	630,695	572,922	(57,773)	-9.16%
<b>Recovery of Revenue at Delivery</b>					
22	From Demand Rate	\$ 8,438,484	\$ 8,325,561	\$ (112,923)	-1.34%
23	From Energy Rate	11,155,844	10,785,432	(370,412)	-3.32%
24	Total Revenue Requirement Net of Prepayment of Customer Refund	\$ 19,194,328	\$ 19,110,993	\$ (83,335)	-0.43%
<b>Estimated APA Rate</b>					
25	Demand Charge (\$/kW/Mo.)	\$ 2.98	\$ 3.13	\$ 0.15	5.03%
26	Energy Charge (Mills/kWh)	\$ 13.19	\$ 14.33	\$ 1.14	8.62%
27	LCRBDF (Mills/kWh)	\$ 4.50	\$ 4.50	\$ -	0.00%
28	Sched. A, B & D Energy Rate (Mills/kWh)	\$ 17.69	\$ 18.83	\$ 1.14	6.43%
<b>Composite Rate (Mills/kWh)</b>		\$ 31.07	\$ 33.36	\$ 2.29	7.37%
<b>(Budget Year 2022 Unadjusted for \$400,000 Prepayment of Customer Refund)</b>					