

**Arizona Power Authority
Hoover Operating Account Budget
Final 0Y 2024 08-15-23**

Condensed Statements of Revenues and Expenses

Line No.		Adopted Budget for Operating Year Ending 9/30/23	Draft Budget for Operating Year Ending 9/30/24	Difference	% of Change
Operating Revenues					
1	Sales of Hoover Capacity and Energy				
2	Demand Charge (1)	\$ 8,325,561	\$ 8,915,037	\$ 589,476	7.08%
3	Energy Charge (2)	8,207,283	8,784,135	576,852	7.03%
4	Lower Co. Riv. Basin Dev. Fund (3)	2,578,149	2,649,820	71,671	2.78%
	Total Revenue from Rates	\$ 19,110,993	\$ 20,348,992	\$ 1,237,999	6.48%
5	Interest Income				
6	Operating Account (4)	\$ 36,000	\$ 180,000	\$ 144,000	400.00%
7	Total Operating Revenues	\$ 19,146,993	\$ 20,528,992	\$ 1,381,999	7.22%
Operating Expenses					
8	Purchased Power (5)	\$ 15,727,353	\$ 17,202,416	\$ 1,475,064	9.38%
9	Administration & General (6)	1,257,047	1,221,062	(35,985)	-2.86%
10	Total Operating Expenses	\$ 16,984,399	\$ 18,423,478	\$ 1,439,079	8.47%
Debt Service					
11	Debt Service Reserve Interest (7)	\$ (10,000)	\$ (66,000)	\$ (56,000)	560.00%
12	Debt Service - Interest (8)	1,121,594	1,100,014	(21,580)	-1.92%
13	Principal (9)	615,000	635,000	20,000	3.25%
14	Other Costs (10)	36,000	36,500	500	N/A
15	Total Debt Service	\$ 1,762,594	\$ 1,705,514	\$ (57,080)	-3.24%
16	Total Operating Expenses	\$ 18,746,993	\$ 20,128,992	\$ 1,381,999	7.37%
17	Operating Margin (11)	\$ 400,000	\$ 400,000	\$ (0)	0.00%

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
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Administrative and General Expense (Details)

Line No.		Adopted Budget for Operating Year Ending 9/30/23	Draft Budget for Operating Year Ending 9/30/24	Difference	% of Change
Commission Expenses					
1	Commissioners' Per Diem	\$ 4,830	\$ 4,830	\$ -	0.00%
2	Travel - In State	14,653	9,354	(5,299)	-36.16%
3	Travel - Out of State	8,500	10,500	2,000	23.53%
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	10,000	10,000	-	0.00%
8	Planning & Strategy	-	-	-	N/A
9	Total	\$ 53,983	\$ 50,684	\$ (3,299)	-6.11%
Staff Expenses					
10	Staff Salaries	\$ 532,989	\$ 495,456	\$ (37,533)	-7.04%
11	Travel - In State	10,000	4,000	(6,000)	-60.00%
12	Travel - Out of State	32,500	25,000	(7,500)	-23.08%
13	Office Supplies	4,000	3,500	(500)	-12.50%
14	Copier and Fax Supplies	500	500	-	0.00%
15	Miscellaneous Staff Office Expenses	3,000	1,500	(1,500)	-50.00%
16	Postage	300	150	(150)	-50.00%
17	Telephone	6,995	8,015	1,020	14.58%
18	Computer Expense	25,200	30,000	4,800	19.05%
19	Staff Training	12,000	12,000	-	0.00%
20	Conference Fees	2,000	2,000	-	0.00%
21	Planning & Strategy	-	-	-	0.00%
22	Total	\$ 629,484	\$ 582,121	\$ (47,363)	-7.52%
Outside Services					
23	Accounting and Auditing	\$ 37,485	\$ 43,108	\$ 5,623	15.00%
24	Computer Consulting Services	1,850	1,850	-	0.00%
25	Legal	35,000	42,200	7,200	20.57%
26	CREDA	35,000	35,000	-	0.00%
27	MSCP	198,663	221,259	22,596	11.37%
28	Miscellaneous Outside Professional Services	8,500	10,824	2,324	27.34%
29	Planning & Strategy	-	-	-	0.00%
30	Total	\$ 316,498	\$ 354,241	\$ 37,743	11.93%

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Administrative and General Expense (Details)

Line No.		Adopted Budget for Operating Year Ending 9/30/23	Draft Budget for Operating Year Ending 9/30/24	Difference	% of Change
Employee Related Expenses					
1	Worker's Compensation Insurance	\$ 6,556	\$ 6,094	\$ (462)	-7.05%
2	Unemployment	-	-	-	#DIV/0!
3	Social Security Taxes	41,143	38,272	(2,871)	-6.98%
4	State Retirement	64,865	60,892	(3,973)	-6.13%
5	Health Insurance	58,004	52,161	(5,843)	-10.07%
6	Life and Disability Insurance	32	29	(4)	-11.11%
7	Dental Insurance	451	448	(3)	-0.67%
8	Retirees Sick Leave	2,132	1,982	(150)	-7.04%
9	Total	\$ 173,184	\$ 159,878	\$ (13,306)	-7.68%
Occupancy Expense					
11	Janitorial - Labor	\$ 6,000	\$ 3,000	\$ (3,000)	-50.00%
12	Trash Collection	960	1,200	240	25.00%
13	Utilities - Water & Electric	16,000	16,000	-	0.00%
14	Insurance (Property & Liability)	11,130	3,960	(7,170)	-64.42%
15	Yard Maintenance - Labor	4,000	3,300	(700)	-17.50%
16	Maintenance Agreements	1,800	800	(1,000)	-55.56%
17	APA Office Building Maintenance	12,000	16,000	4,000	33.33%
18	Charge in Lieu of Depreciation	13,389	12,028	(1,361)	-10.17%
19	Total	\$ 65,279	\$ 56,288	\$ (8,991)	-13.77%
Organizational Dues and Subscriptions					
20	Subscriptions	\$ 1,119	\$ 300	\$ (819)	-73.19%
21	Membership Dues	3,200	3,250	50	1.56%
22	Organizational Dues	14,300	14,300	-	0.00%
23	Total	\$ 18,619	\$ 17,850	\$ (769)	-4.13%
24	Total Administrative and General	\$ 1,257,047	\$ 1,221,062	\$ (35,985)	-2.86%

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

Line No.	Administrative and General	Adopted Budget for Operating Year Ending 9/30/23	Draft Budget for Operating Year Ending 9/30/24	Difference	% of Change
1	Commission Expenses (1)	\$ 53,983	\$ 50,684	\$ (3,299)	-6.11%
3	Staff Expenses (2)	629,484	582,121	(47,363)	-7.52%
4	Outside Services (3)	316,498	354,241	37,743	11.93%
5	Employee Related Expenses (4)	173,184	159,878	(13,306)	-7.68%
6	Occupancy Expense (5)	65,279	56,288	(8,991)	-13.77%
7	Organizational Expense (6)	18,619	17,850	(769)	-4.13%
8	Total Administrative and General	\$ 1,257,047	\$ 1,221,062	\$ (35,985)	-2.86%
Debt Service					
9	Interest Income (7)	\$ (10,000)	\$ (66,000)	\$ (56,000)	560.00%
10	Interest Expense (8)	1,121,594	1,100,014	(21,580)	-1.92%
11	Principle (9)	615,000	635,000	20,000	3.25%
12	Other Costs (10)	36,000	36,500	500	1.39%
13	Debt Service Expenses Net	\$ 1,762,594	\$ 1,705,514	\$ (57,080)	-3.24%
Other Income					
14	Operating Account Interest (11)	\$ (36,000)	\$ (180,000)	\$ (144,000)	400.00%
15	Total Other Income	\$ (36,000)	\$ (180,000)	\$ (144,000)	400.00%
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)	\$ 3,383,641	\$ 3,146,576	\$ (237,065)	-7.01%
19	Purchased Power (14)	15,727,353	17,202,416	1,475,064	9.38%
20	Total Revenue Requirement	\$ 19,110,993	\$ 20,348,992	\$ 1,237,999	6.48%

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
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Final OY 2024 08-15-23**

Line No.		Adopted Budget for Operating Year Ending 9/30/23	Draft Budget for Operating Year Ending 9/30/24	Difference	% of Change
Hoover Power Expenses					
1	Western's Capacity Revenue Requirement	\$ 33,582,610	\$ 37,166,826	\$ 3,584,216	10.67%
2	Total Capacity (kW) (YrAvg)	1,299,750	\$ 1,192,467	(107,283)	-8.25%
3	Capacity Rate (\$/kW-month)	\$ 2.15	\$ 2.60	\$ 0.44	20.63%
4	APA Percentage of Capacity	19.75%	19.75%	0.00%	
5	APA Base Charge for Capacity	\$ 6,633,741	\$ 7,341,749	\$ 708,008	10.67%
6	Western's Energy Revenue Requirement	\$ 33,582,610	\$ 37,166,826	\$ 3,584,216	10.67%
7	BCP OY Estimated Generation (MWh)	2,953,008	3,035,100	82,092	2.78%
8	Western's Energy Rate (mills/kWh)	\$ 11.37	\$ 12.25	\$ 0.87	7.68%
9	APA Percentage of Energy	19.40%	19.40%	0.00%	0.00%
10	APA Base Charge for Energy	\$ 6,515,463	\$ 7,210,847	\$ 695,384	10.67%
11	Western's Total Revenue Requirement	\$ 67,165,220	\$ 74,333,652	\$ 7,168,432	10.67%
12	Western's Composite Rate (mills/kWh)	\$ 22.74	\$ 24.49	\$ 1.75	7.68%
Estimated Western Rate					
13	Demand Charge (\$/kW/Mo.)	\$ 2.15	\$ 2.60	\$ 0.44	20.63%
14	Energy Charge (Mills/kWh)	\$ 11.37	\$ 12.25	\$ 0.87	7.68%
15	CAP Surcharge (Mills/kWh)	\$ 4.50	\$ 4.50	\$ -	0.00%
Purchased Power at Generation					
Capacity (Kilowatt Months)					
16	Schedule A (Avg/Yr)	103,373	117,892	14,519	14.05%
17	Schedule B (Avg/Yr)	102,823	117,265	14,442	14.05%
18	Schedule D (Avg/Yr)	15,687	17,890	2,203	14.05%
19	Total (Avg/Yr)	221,883	253,047	31,164	14.05%
Energy (Megawatt-Hours)					
20	Schedule A	400,316	411,445	11,129	2.78%
21	Schedule B	131,376	135,028	3,652	2.78%
22	Schedule D	41,231	42,377	1,146	2.78%
23	Total	572,922	588,849	15,927	2.78%
Purchased Power Expense					
24	Demand Charge	\$ 6,633,741	\$ 7,341,749	\$ 708,008	10.67%
25	Energy Charge	6,515,463	7,210,847	695,384	10.67%
26	LCRBDF	2,578,149	2,649,820	71,671	2.78%
27	Total	\$ 15,727,353	\$ 17,202,416	\$ 1,475,064	9.38%

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Estimated Revenue Requirements

Line No.		Adopted Budget for Operating Year Ending 9/30/23	Draft Budget for Operating Year Ending 9/30/24	Difference	% of Change
Demand Related Costs					
1	Western's Demand Charge	\$ 6,633,741	\$ 7,341,749	\$ 708,008	10.67%
2	Administrative & General - 50%	628,523	610,531	(17,992)	-2.86%
3	Debt Service - 50%	881,297	852,757	(28,540)	-3.24%
4	Planned Surplus - 50%	200,000	200,000	-	0.00%
5	Interest Income - 50%	(18,000)	(90,000)	(72,000)	400.00%
6	Total	\$ 8,325,561	\$ 8,915,037	\$ 589,476	7.08%
Energy Related Costs					
7	Western's Energy Charge	\$ 6,515,463	\$ 7,210,847	\$ 695,384	10.67%
8	Lower Colorado River Basin Dev. Fund Charge	2,578,149	2,649,820	71,671	2.78%
9	Administrative & General - 50%	628,523	610,531	(17,992)	-2.86%
10	Debt Service - 50%	881,297	852,757	(28,540)	-3.24%
11	Planned Surplus - 50%	200,000	200,000	-	0.00%
12	Interest Income - 50%	(18,000)	(90,000)	(72,000)	400.00%
13	Total	\$ 10,785,432	\$ 11,433,955	\$ 648,523	6.01%
Avg. Capacity Entitlement @ Load (kW)					
14	Schedule 'A'	103,373	117,892	14,519	14.05%
15	Schedule 'B'	102,827	117,270	14,442	14.05%
16	Schedule 'D'	15,683	17,885	2,203	14.05%
17	Total	221,883	253,047	31,164	14.05%
Energy Entitlement @ Load (MWh)					
18	Schedule 'A'	400,316	411,445	11,129	2.78%
19	Schedule 'B'	131,376	135,028	3,652	2.78%
20	Schedule 'D'	41,231	42,377	1,146	2.78%
21	Total	572,922	588,849	15,927	2.78%
Recovery of Revenue at Delivery					
22	From Demand Rate	\$ 8,325,561	\$ 8,915,037	\$ 589,476	7.08%
23	From Energy Rate	10,785,432	11,433,955	648,523	6.01%
24	Total Revenue Requirement Net of Prepayment of Customer Refund	\$ 19,110,993	\$ 20,348,992	\$ 1,237,999	6.48%
Estimated APA Rate					
25	Demand Charge (\$/kW/Mo.)	\$ 3.13	\$ 2.94	\$ (0.19)	-6.07%
26	Energy Charge (Mills/kWh)	\$ 14.33	\$ 14.92	\$ 0.59	4.13%
27	LCRBDF (Mills/kWh)	\$ 4.50	\$ 4.50	\$ -	0.00%
28	Sched. A, B & D Energy Rate (Mills/kWh)	\$ 18.83	\$ 19.42	\$ 0.59	3.15%
Composite Rate (Mills/kWh) Proposal #2 Energy Estimate 3,035,100 MWh		\$ 33.36	\$ 34.56	\$ 1.20	3.60%