

**Arizona Power Authority
Hoover Operating Account Budget
FINAL 0Y 2025 08-20-24**

Condensed Statements of Revenues and Expenses

Line No.		Adopted Budget for Operating Year Ending 9/30/24	Draft Budget for Operating Year Ending 9/30/25	Difference	% of Change
Operating Revenues					
1	Sales of Hoover Capacity and Energy				
2	Demand Charge (1)	\$ 8,915,037	\$ 8,893,629	\$ (21,408)	-0.24%
3	Energy Charge (2)	8,784,135	8,762,726	(21,409)	-0.24%
4	Lower Co. Riv. Basin Dev. Fund (3)	2,649,820	2,554,569	(95,251)	-3.59%
	Total Revenue from Rates	\$ 20,348,992	\$ 20,210,924	\$ (138,068)	-0.68%
5	Interest Income				
6	Operating Account (4)	\$ 180,000	\$ 216,000	\$ 36,000	20.00%
7	Total Operating Revenues	\$ 20,528,992	\$ 20,426,924	\$ (102,068)	-0.50%
Operating Expenses					
8	Purchased Power (5)	\$ 17,202,416	\$ 17,107,289	\$ (95,127)	-0.55%
9	Administration & General (6)	1,221,062	1,277,482	56,420	4.62%
10	Total Operating Expenses	\$ 18,423,478	\$ 18,384,771	\$ (38,707)	-0.21%
11	Debt Service				
12	Debt Service Reserve Interest (7)	\$ (66,000)	\$ (132,000)	\$ (66,000)	100.00%
13	Debt Service - Interest (8)	1,100,014	1,076,653	(23,361)	-2.12%
14	Principal (9)	635,000	660,000	25,000	3.94%
15	Other Costs (10)	36,500	37,500	1,000	N/A
16	Total Debt Service	\$ 1,705,514	\$ 1,642,153	\$ (63,361)	-3.72%
17	Total Operating Expenses	\$ 20,128,992	\$ 20,026,924	\$ (102,068)	-0.51%
18	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

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Administrative and General Expense (Details)

Line No.		Adopted Budget for Operating Year Ending 9/30/24	Draft Budget for Operating Year Ending 9/30/25	Difference	% of Change
Commission Expenses					
1	Commissioners' Per Diem	\$ 4,830	\$ 4,230	\$ (600)	-12.42%
2	Travel - In State	9,354	8,411	(943)	-10.08%
3	Travel - Out of State	10,500	11,500	1,000	9.52%
4	Outside Printing	-	-	-	0.00%
5	Miscellaneous Commission Expense	6,000	6,000	-	0.00%
6	Customer Service Programs	10,000	14,500	4,500	45.00%
7	Conference Fees	10,000	10,000	-	0.00%
8	Planning & Strategy	-	-	-	0.00%
9	Total	\$ 50,684	\$ 54,641	\$ 3,957	7.81%
Staff Expenses					
10	Staff Salaries	\$ 495,456	\$ 531,919	\$ 36,463	7.36%
11	Travel - In State	4,000	5,000	1,000	25.00%
12	Travel - Out of State	25,000	30,000	5,000	20.00%
13	Office Supplies	3,500	2,500	(1,000)	-28.57%
14	Copier and Fax Supplies	500	500	-	0.00%
15	Miscellaneous Staff Office Expenses	1,500	2,000	500	33.33%
16	Postage	150	250	100	66.52%
17	Telephone	8,015	7,775	(240)	-2.99%
18	Computer Expense	30,000	29,065	(935)	-3.12%
19	Staff Training	12,000	6,000	(6,000)	-50.00%
20	Conference Fees	2,000	6,000	4,000	200.00%
21	Planning & Strategy	-	-	-	0.00%
22	Total	\$ 582,121	\$ 621,009	\$ 38,888	6.68%
Outside Services					
23	Accounting and Auditing	\$ 43,108	\$ 49,575	\$ 6,467	15.00%
24	Computer Consulting Services	1,850	1,856	6	0.32%
25	Legal	42,200	43,000	800	1.90%
26	CREDA	35,000	35,000	-	0.00%
27	MSCP	221,259	227,478	6,219	2.81%
28	Miscellaneous Outside Professional Services	10,824	8,649	(2,175)	-20.09%
29	Planning & Strategy	-	-	-	0.00%
30	Total	\$ 354,241	\$ 365,558	\$ 11,317	3.19%

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Administrative and General Expense (Details)

Line No.		Adopted Budget for Operating Year Ending 9/30/24	Draft Budget for Operating Year Ending 9/30/25	Difference	% of Change
Employee Related Expenses					
1	Worker's Compensation Insurance	\$ 6,094	\$ 6,543	\$ 449	7.37%
2	Unemployment	-	-	-	0.00%
3	Social Security Taxes	38,272	37,397	(875)	-2.29%
4	State Retirement	60,892	65,266	4,374	7.18%
5	Health Insurance	52,161	59,378	7,217	13.84%
6	Life and Disability Insurance	29	29	0	0.69%
7	Dental Insurance	448	448	-	0.00%
8	Retirees Sick Leave	1,982	2,128	146	7.37%
9	Total	\$ 159,878	\$ 171,189	\$ 11,311	7.07%
Occupancy Expense					
11	Janitorial - Labor	\$ 3,000	\$ 2,400	\$ (600)	-20.00%
12	Trash Collection	1,200	1,320	120	10.00%
13	Utilities - Water & Electric	16,000	17,000	1,000	6.25%
14	Insurance (Property & Liability)	3,960	3,960	-	0.00%
15	Yard Maintenance - Labor	3,300	1,500	(1,800)	-54.55%
16	Maintenance Agreements	800	1,000	200	25.00%
17	APA Office Building Maintenance	16,000	8,000	(8,000)	-50.00%
18	Charge in Lieu of Depreciation	12,028	13,099	1,071	8.91%
19	Total	\$ 56,288	\$ 48,279	\$ (8,009)	-14.23%
Organizational Dues and Subscriptions					
20	Subscriptions	\$ 300	\$ 672	\$ 372	124.00%
21	Membership Dues	3,250	4,434	1,184	36.43%
22	Organizational Dues	14,300	11,700	(2,600)	-18.18%
23	Total	\$ 17,850	\$ 16,806	\$ (1,044)	-5.85%
24	Total Administrative and General	\$ 1,221,062	\$ 1,277,482	\$ 56,420	4.62%

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

Line No.	Administrative and General	Adopted Budget for Operating Year Ending 9/30/24	Draft Budget for Operating Year Ending 9/30/25	Difference	% of Change
1	Commission Expenses (1)	\$ 50,684	\$ 54,641	\$ 3,957	7.81%
3	Staff Expenses (2)	582,121	621,009	38,888	6.68%
4	Outside Services (3)	354,241	365,558	11,317	3.19%
5	Employee Related Expenses (4)	159,878	171,189	11,311	7.07%
6	Occupancy Expense (5)	56,288	48,279	(8,009)	-14.23%
7	Organizational Expense (6)	17,850	16,806	(1,044)	-5.85%
8	Total Administrative and General	\$ 1,221,062	\$ 1,277,482	\$ 56,420	4.62%
Debt Service					
9	Interest Income (7)	\$ (66,000)	\$ (132,000)	\$ (66,000)	100.00%
10	Interest Expense (8)	1,100,014	1,076,653	(23,361)	-2.12%
11	Principle (9)	635,000	660,000	25,000	3.94%
12	Other Costs (10)	36,500	37,500	1,000	2.74%
13	Debt Service Expenses Net	\$ 1,705,514	\$ 1,642,153	\$ (63,361)	-3.72%
Other Income					
14	Operating Account Interest (11)	\$ (180,000)	\$ (216,000)	\$ (36,000)	20.00%
15	Total Other Income	\$ (180,000)	\$ (216,000)	\$ (36,000)	20.00%
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)	\$ 3,146,576	\$ 3,103,635	\$ (42,941)	-1.36%
19	Purchased Power (14)	17,202,416	17,107,289	(95,127)	-0.55%
20	Total Revenue Requirement	\$ 20,348,992	\$ 20,210,924	\$ (138,068)	-0.68%

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 9/30/24	Draft Budget for Operating Year Ending 9/30/25	Difference	% of Change
Hoover Power Expenses					
1	Western's Capacity Revenue Requirement	\$ 37,166,826	\$ 37,167,143	\$ 317	0.00%
2	Total Capacity (kW) (YrAvg)	1,192,467	1,409,917	217,450	18.24%
3	Capacity Rate (\$/kW-month)	\$ 2.60	\$ 2.20	\$ (0.40)	-15.42%
4	APA Percentage of Capacity	19.75%	19.75%	0.00%	0.00%
5	APA Base Charge for Capacity	\$ 7,341,749	\$ 7,341,811	\$ 63	0.00%
6	Western's Energy Revenue Requirement	\$ 37,166,826	\$ 37,167,143	\$ 317	0.00%
7	BCP OY Estimated Generation (MWh)	3,182,100	2,926,000	(256,100)	-8.05%
7a	Estimated Generation decreases (from historical)	(147,000)	-	147,000	-100.00%
8	Western's Energy Rate (mills/kWh)	\$ 11.55	\$ 12.70	\$ 1.15	9.98%
9	APA Percentage of Energy	19.40%	19.40%	0.00%	0.00%
10	APA Base Charge for Energy	\$ 7,210,847	\$ 7,210,909	\$ 61	0.00%
11	Western's Total Revenue Requirement	\$ 74,333,652	\$ 74,334,285	\$ 633	0.00%
12	Western's Composite Rate (mills/kWh)	\$ 23.10	\$ 25.40	\$ 2.30	9.98%
Estimated Western Rate					
13	Demand Charge (\$/kW/Mo.)	\$ 2.60	\$ 2.20	\$ (0.40)	-15.42%
14	Energy Charge (Mills/kWh)	\$ 11.55	\$ 12.70	\$ 1.15	9.98%
15	CAP Surcharge (Mills/kWh)	\$ 4.50	\$ 4.50	\$ -	0.00%
Purchased Power at Generation					
Capacity (Kilowatt Months)					
16	Schedule A (Avg/Yr)	117,892	108,236	(9,656)	-8.19%
17	Schedule B (Avg/Yr)	117,265	107,660	(9,605)	-8.19%
18	Schedule D (Avg/Yr)	17,890	16,425	(1,465)	-8.19%
19	Total (Avg/Yr)	253,047	232,321	(20,726)	-8.19%
Energy (Megawatt-Hours)					
20	Schedule A	411,445	396,655	(14,790)	-3.59%
21	Schedule B	135,028	130,174	(4,854)	-3.59%
22	Schedule D	42,377	40,854	(1,523)	-3.59%
23	Total	588,849	567,682	(21,167)	-3.59%
Purchased Power Expense					
24	Demand Charge	\$ 7,341,749	\$ 7,341,811	\$ 63	0.00%
25	Energy Charge	7,210,847	7,210,909	61	0.00%
26	LCRBDF	2,649,820	2,554,569	(95,251)	-3.59%
27	Total	\$ 17,202,416	\$ 17,107,289	\$ (95,127)	-0.55%

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Estimated Revenue Requirements

Line No.		Adopted Budget for Operating Year Ending 9/30/24	Draft Budget for Operating Year Ending 9/30/25	Difference	% of Change
Demand Related Costs					
1	Western's Demand Charge	\$ 7,341,749	\$ 7,341,811	\$ 63	0.00%
2	Administrative & General - 50%	610,531	638,741	28,210	4.62%
3	Debt Service - 50%	852,757	821,077	(31,681)	-3.72%
4	Planned Surplus - 50%	200,000	200,000	-	0.00%
5	Interest Income - 50%	(90,000)	(108,000)	(18,000)	20.00%
6	Total	\$ 8,915,037	\$ 8,893,629	\$ (21,408)	-0.24%
Energy Related Costs					
7	Western's Energy Charge	\$ 7,210,847	\$ 7,210,909	\$ 61	0.00%
8	Lower Colorado River Basin Dev. Fund Charge	2,649,820	2,554,569	(95,251)	-3.59%
9	Administrative & General - 50%	610,531	638,741	28,210	4.62%
10	Debt Service - 50%	852,757	821,077	(31,681)	-3.72%
11	Planned Surplus - 50%	200,000	200,000	-	0.00%
12	Interest Income - 50%	(90,000)	(108,000)	(18,000)	20.00%
13	Total	\$ 11,433,955	\$ 11,317,295	\$ (116,660)	-1.02%
Avg. Capacity Entitlement @ Load (kW)					
14	Schedule 'A'	117,892	108,236	(9,656)	-8.19%
15	Schedule 'B'	117,270	107,665	(9,605)	-8.19%
16	Schedule 'D'	17,885	16,420	(1,465)	-8.19%
17	Total	253,047	232,321	(20,726)	-8.19%
Energy Entitlement @ Load (MWh)					
18	Schedule 'A'	411,445	396,655	(14,790)	-3.59%
19	Schedule 'B'	135,028	130,174	(4,854)	-3.59%
20	Schedule 'D'	42,377	40,854	(1,523)	-3.59%
21	Total	588,849	567,682	(21,167)	-3.59%
Recovery of Revenue at Delivery					
22	From Demand Rate	\$ 8,915,037	\$ 8,893,629	\$ (21,408)	-0.24%
23	From Energy Rate	11,433,955	11,317,295	(116,660)	-1.02%
24	Total Revenue Requirement	\$ 20,348,992	\$ 20,210,924	\$ (138,068)	-0.68%
Estimated APA Rate					
25	Demand Charge (\$/kW/Mo.)	\$ 2.94	\$ 3.19	\$ 0.25	8.50%
26	Energy Charge (Mills/kWh)	\$ 14.92	\$ 15.44	\$ 0.52	3.48%
27	LCRBDF (Mills/kWh)	\$ 4.50	\$ 4.50	\$ -	0.00%
28	Sched. A, B & D Energy Rate (Mills/kWh)	<u>\$ 19.42</u>	<u>\$ 19.94</u>	<u>\$ 0.52</u>	<u>2.67%</u>
Composite Rate (Mills/kWh)		\$ 34.56	\$ 35.60	\$ 1.04	3.02%