

**Arizona Power Authority
Hoover Operating Account Budget
FINAL 0Y 2026 08/19/25**

Condensed Statements of Revenues and Expenses

		Adopted Budget for Operating Year Ending 09/30/25	Draft Budget for Operating Year Ending 09/30/26	Difference	% of Change
Line No.	Operating Revenues				
1	Sales of Hoover Capacity and Energy				
2	Demand Charge (1)	\$ 8,893,629	\$ 9,146,535	\$ 252,906	2.84%
3	Energy Charge (2)	8,762,726	9,012,391	249,665	2.85%
4	Lower Co. Riv. Basin Dev. Fund (3)	2,554,569	2,568,687	14,117	0.55%
	Total Revenue from Rates	\$ 20,210,924	\$ 20,727,613	\$ 516,688	2.56%
5	Interest Income				
6	Operating Account (4)	\$ 216,000	\$ 192,000	\$ (24,000)	-11.11%
7	Total Operating Revenues	\$ 20,426,924	\$ 20,919,613	\$ 492,688	2.41%
	Operating Expenses				
8	Purchased Power (5)	\$ 17,107,289	\$ 17,481,686	\$ 374,397	2.19%
9	Administration & General (6)	1,277,482	1,311,045	33,563	2.63%
10	Total Operating Expenses	\$ 18,384,771	\$ 18,792,732	\$ 407,960	2.22%
11	Debt Service				
12	Debt Service Reserve Interest (7)	\$ (132,000)	\$ (48,000)	\$ 84,000	-63.64%
13	Debt Service - Interest (8)	1,076,653	1,051,381	(25,272)	-2.35%
14	- Principal (9)	660,000	685,000	25,000	3.79%
15	Other Costs (10)	37,500	38,500	1,000	2.67%
16	Total Debt Service	\$ 1,642,153	\$ 1,726,881	\$ 84,728	5.16%
17	Total Operating Expenses	\$ 20,026,924	\$ 20,519,613	\$ 492,688	2.46%
18	Operating Margin (11)	\$ 400,000	\$ 400,000	\$ -	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 7
- (7) See Page 4, Line 8
- (8) See Page 4, Line 9
- (9) See Page 4, Line 10
- (10) See Page 4, Line 11
- (11) See Page 4, Line 16; Budgeted Margin of \$400k

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

		Adopted Budget for Operating Year Ending 09/30/25	Draft Budget for Operating Year Ending 09/30/26	Difference	% of Change
Line No.	Commission Expenses				
1	Commissioners' Per Diem	\$ 4,230	\$ 3,630	\$ (600)	-14.18%
2	Travel - In State	8,411	7,477	(934)	-11.10%
3	Travel - Out of State	11,500	10,000	(1,500)	-13.04%
4	Outside Printing	-	-	-	0.00%
5	Miscellaneous Commission Expense	6,000	4,000	(2,000)	-33.33%
6	Customer Service Programs	14,500	20,000	5,500	37.93%
7	Conference Fees	10,000	5,000	(5,000)	-50.00%
8	Total	\$ 54,641	\$ 50,107	\$ (4,534)	-8.30%
Staff Expenses					
9	Staff Salaries	\$ 531,919	\$ 559,601	\$ 27,682	5.20%
10	Travel - In State	5,000	4,000	(1,000)	-20.00%
11	Travel - Out of State	30,000	30,000	-	0.00%
12	Office Supplies	2,500	2,250	(250)	-10.00%
13	Copier and Fax Supplies	500	250	(250)	-50.00%
14	Miscellaneous Staff Office Expenses	2,000	800	(1,200)	-60.00%
15	Postage	250	311	61	24.60%
16	Telephone	7,775	5,375	(2,400)	-30.87%
17	Computer Expense	29,065	30,420	1,355	4.66%
18	Staff Training	6,000	5,000	(1,000)	-16.67%
19	Conference Fees	6,000	4,500	(1,500)	-25.00%
20	Total	\$ 621,009	\$ 642,507	\$ 21,499	3.46%
Outside Services					
21	Accounting and Auditing	\$ 49,575	\$ 47,973	\$ (1,602)	-3.23%
22	Computer Consulting Services	1,856	1,856	-	0.00%
23	Legal	43,000	45,000	2,000	4.65%
24	CREDA	35,000	35,000	-	0.00%
25	MSCP	227,478	230,538	3,060	1.35%
26	Miscellaneous Outside Professional Services	8,649	6,579	(2,070)	-23.93%
27	Total	\$ 365,558	\$ 366,946	\$ 1,388	0.38%

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Administrative and General Expense (Details)

		Adopted Budget for Operating Year Ending 09/30/25	Draft Budget for Operating Year Ending 09/30/26	Difference	% of Change
Line No.	Employee Related Expenses				
1	Worker's Compensation Insurance	\$ 6,543	\$ 6,883	\$ 340	5.20%
2	Unemployment	-	-	-	0.00%
3	Social Security Taxes	37,397	39,388	1,991	5.32%
4	State Retirement	65,266	67,152	1,886	2.89%
5	Health Insurance	59,378	71,747	12,369	20.83%
6	Life and Disability Insurance	29	29	-	0.00%
7	Dental Insurance	448	448	-	0.00%
8	Retirees Sick Leave	2,128	2,238	110	5.17%
9	Total	\$ 171,189	\$ 187,885	\$ 16,696	9.75%
	Occupancy Expense				
10	Janitorial - Labor	\$ 2,400	\$ 2,520	\$ 120	5.00%
11	Trash Collection	1,320	1,620	300	22.73%
12	Utilities - Water & Electric	17,000	16,800	(200)	-1.18%
13	Insurance (Property & Liability)	3,960	3,960	-	0.00%
14	Yard Maintenance - Labor	1,500	5,100	3,600	240.00%
15	Maintenance Agreements	1,000	750	(250)	-25.00%
16	APA Office Building Maintenance	8,000	8,500	500	6.25%
17	Charge in Lieu of Depreciation	13,099	5,151	(7,948)	-60.68%
18	Total	\$ 48,279	\$ 44,401	\$ (3,878)	-8.03%
	Organizational Dues and Subscriptions				
19	Subscriptions	\$ 672	\$ 440	\$ (232)	-34.52%
20	Membership Dues	4,434	4,459	25	0.56%
21	Organizational Dues	11,700	8,300	(3,400)	-29.06%
22	Sponsorships	-	6,000	6,000	0.00%
23	Total	\$ 16,806	\$ 19,199	\$ 2,393	14.24%
24	Total Administrative and General	\$ 1,277,482	\$ 1,311,045	\$ 33,563	2.63%

**Arizona Power Authority
Hoover Operating Account Budget
FINAL 0Y 2026 08/19/25**

Administrative and General Expense & Debt Service

		Adopted Budget for Operating Year Ending 09/30/25	Draft Budget for Operating Year Ending 09/30/26	Difference	% of Change
Line No.	Administrative and General				
1	Commission Expenses (1)	\$ 54,641	\$ 50,107	\$ (4,534)	-8.30%
2	Staff Expenses (2)	621,009	642,507	21,499	3.46%
3	Outside Services (3)	365,558	366,946	1,388	0.38%
4	Employee Related Expenses (4)	171,189	187,885	16,696	9.75%
5	Occupancy Expense (5)	48,279	44,401	(3,878)	-8.03%
6	Organizational Expense (6)	16,806	19,199	2,393	14.24%
7	Total Administrative and General	\$ 1,277,482	\$ 1,311,045	\$ 33,563	2.63%
Debt Service					
8	Interest Income (7)	\$ (132,000)	\$ (48,000)	\$ 84,000	-63.64%
9	Interest Expense (8)	1,076,653	1,051,381	(25,272)	-2.35%
10	Principle (8)	660,000	685,000	25,000	3.79%
11	Other Costs (9)	37,500	38,500	1,000	2.67%
12	Debt Service Expenses Net	\$ 1,642,153	\$ 1,726,881	\$ 84,728	5.16%
Other Income					
13	Operating Account Interest (9)	\$ (216,000)	\$ (192,000)	\$ 24,000	-11.11%
14	Total Other Income	\$ (216,000)	\$ (192,000)	\$ 24,000	-11.11%
Other Expenses					
15	Planned Surplus (10)	\$ 400,000	\$ 400,000	\$ -	0.00%
16	Total Other Expenses	\$ 400,000	\$ 400,000	\$ -	0.00%
17	Subtotal Expenses and Income (11)	\$ 3,103,635	\$ 3,245,926	\$ 142,291	4.58%
18	Purchased Power (12)	17,107,289	17,481,686	374,397	2.19%
19	Total Revenue Requirement	\$ 20,210,924	\$ 20,727,613	\$ 516,688	2.56%

Footnotes:

- (1) See Page 2, Line 8
- (2) See Page 2, Line 20
- (3) See Page 2, Line 27
- (4) See Page 3, Line 9
- (5) See Page 3, Line 18
- (6) See Page 3, Line 23
- (7) Interest earned on the Bond Reserve account
- (8) Amount from bond schedule
- (9) Amount calculated annually
- (10) Budgeted margin
- (11) The sum of Lines 7, 12, 14, 16
- (12) Page 1, Line 8

**Arizona Power Authority
Hoover Operating Account Budget
FINAL 0Y 2026 08/19/25**

		Adopted Budget for Operating Year Ending 09/30/25		Draft Budget for Operating Year Ending 09/30/26		Difference	% of Change
Line No.	Hoover Power Expenses						
1	Western's Capacity Revenue Requirement	\$	37,167,143	\$	38,087,284	\$ 920,142	2.48%
2	Total Capacity (kW) (YrAvg)		1,409,917		1,429,500	19,583	1.39%
3	Capacity Rate (\$/kW-month)	\$	2.20	\$	2.22	\$ 0.02	1.07%
4	APA Percentage of Capacity		19.75%		19.75%	0.00%	
5	APA Base Charge for Capacity	\$	7,341,811	\$	7,523,572	\$ 181,760	2.48%
6	Western's Energy Revenue Requirement	\$	37,167,143	\$	38,087,284	\$ 920,142	2.48%
7	BCP OY Estimated Generation (MWh)		3,036,000		2,996,334	(39,666)	-1.31%
7a	Estimated Generation decreases (from historical)		(110,000)		(54,164)	55,836	-50.76%
8	Western's Energy Rate (mills/kWh)	\$	12.70	\$	12.95	\$ 0.24	1.91%
9	APA Percentage of Energy		19.40%		19.40%	0.00%	0.00%
10	APA Base Charge for Energy	\$	7,210,909	\$	7,389,428	\$ 178,519	2.48%
11	Western's Total Revenue Requirement	\$	74,334,285	\$	76,174,568	\$ 1,840,283	2.48%
12	Western's Composite Rate (mills/kWh)	\$	25.40	\$	25.89	\$ 0.49	1.91%
Estimated Western Rate							
13	Demand Charge (\$/kW/Mo.)	\$	2.20	\$	2.22	\$ 0.02	1.07%
14	Energy Charge (Mills/kWh)	\$	12.70	\$	12.95	\$ 0.24	1.91%
15	CAP Surcharge (Mills/kWh)	\$	4.50	\$	4.50	\$ -	0.00%
Purchased Power at Generation							
Capacity (Kilowatt Months)							
16	Schedule A (Avg/Yr)		108,236		100,605	(7,631)	-7.05%
17	Schedule B (Avg/Yr)		107,660		100,070	(7,590)	-7.05%
18	Schedule D (Avg/Yr)		16,425		15,267	(1,158)	-7.05%
19	Total (Avg/Yr)		232,321		215,942	(16,379)	-7.05%
Energy (Megawatt-Hours)							
20	Schedule A		396,655		398,847	2,192	0.55%
21	Schedule B		130,174		130,893	719	0.55%
22	Schedule D		40,854		41,080	226	0.55%
23	Total		567,682		570,819	3,137	0.55%
Purchased Power Expense							
24	Demand Charge	\$	7,341,811	\$	7,523,572	\$ 181,760	2.48%
25	Energy Charge		7,210,909		7,389,428	178,519	2.48%
26	LCRBDF		2,554,569		2,568,687	14,117	0.55%
27	Total	\$	17,107,289	\$	17,481,686	\$ 374,397	2.19%

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Estimated Revenue Requirements

		Adopted Budget for Operating Year Ending 09/30/25		Draft Budget for Operating Year Ending 09/30/26		Difference	% of Change
Line No.	Demand Related Costs						
1	Western's Demand Charge	\$ 7,341,811	\$	7,523,572	\$	181,760	2.48%
2	Administrative & General - 50%	638,741		655,523		16,782	2.63%
3	Debt Service - 50%	821,077		863,441		42,364	5.16%
4	Planned Surplus - 50%	200,000		200,000		-	0.00%
5	Interest Income - 50%	(108,000)		(96,000)		12,000	-11.11%
6	Total	\$ 8,893,629	\$	9,146,535	\$	252,906	2.84%
	Energy Related Costs						
7	Western's Energy Charge	\$ 7,210,909	\$	7,389,428	\$	178,519	2.48%
8	Lower Colorado River Basin Dev. Fund Charge	2,554,569		2,568,687		14,117	0.55%
9	Administrative & General - 50%	638,741		655,523		16,782	2.63%
10	Debt Service - 50%	821,077		863,441		42,364	5.16%
11	Planned Surplus - 50%	200,000		200,000		-	0.00%
12	Interest Income - 50%	(108,000)		(96,000)		12,000	-11.11%
13	Total	\$ 11,317,295	\$	11,581,078	\$	263,782	2.33%
	Avg. Capacity Entitlement @ Load (kW)						
14	Schedule 'A'	108,236		100,605		(7,631)	-7.05%
15	Schedule 'B'	107,665		100,074		(7,591)	-7.05%
16	Schedule 'D'	16,420		15,263		(1,158)	-7.05%
17	Total	232,321		215,942		(16,379)	-7.05%
	Energy Entitlement @ Load (MWh)						
18	Schedule 'A'	396,655		398,847		2,192	0.55%
19	Schedule 'B'	130,174		130,893		719	0.55%
20	Schedule 'D'	40,854		41,080		226	0.55%
21	Total	567,682		570,819		3,137	0.55%
	Recovery of Revenue at Delivery						
22	From Demand Rate	\$ 8,893,629	\$	9,146,535	\$	252,906	2.84%
23	From Energy Rate	11,317,295		11,581,078		263,782	2.33%
24	Total Revenue Requirement	\$ 20,210,924	\$	20,727,613	\$	516,688	2.56%
	Estimated APA Rate						
25	Demand Charge (\$/kW/Mo.)	\$ 3.19	\$	3.53	\$	0.34	10.66%
26	Energy Charge (Mills/kWh)	\$ 15.44	\$	15.79	\$	0.35	2.28%
27	LCRBDF (Mills/kWh)	\$ 4.50	\$	4.50	\$	-	0.00%
28	Sched. A, B & D Energy Rate (Mills/kWh)	\$ 19.94	\$	20.29	\$	0.35	1.77%
	Composite Rate (Mills/kWh)	\$ 35.60	\$	36.31	\$	0.71	1.99%