Arizona Power Authority
Hoover Operating Account Budget
FINAL 0Y 2027 08/18/26

Condensed Statements of Revenues and Expenses

Line No.		Adopted Budget for Operating Year Ending 09/30/26	Draft Budget for Operating Year Ending 09/30/27	Difference	% of Change
	Operating Revenues				
1	Sales of Hoover Capacity and Energy				
2	Demand Charge (1)	$ 9,146,535	$ 8,979,384	$ (167,151)	-1.83%
3	Energy Charge (2)	9,012,391	8,845,241	(167,151)	-1.85%
4	Lower Co. Riv. Basin Dev. Fund (3)	2,568,687	2,302,604	(266,082)	-10.36%
	Total Revenue from Rates	**$ 20,727,612**	**$ 20,127,229**	**$ (600,383)**	**-2.90%**
5	Interest Income				
6	Operating Account (4)	$ 192,000	$ 192,000	$ -	0.00%
7	**Total Operating Revenues**	**$ 20,919,612**	**$ 20,319,229**	**$ (600,383)**	**-2.87%**
	Operating Expenses				
8	Purchased Power (5)	$ 17,481,686	$ 17,215,604	$ (266,082)	-1.52%
9	Administration & General (6)	1,311,045	1,374,000	62,955	4.80%
10	**Total Operating Expenses**	**$ 18,792,731**	**$ 18,589,604**	**$ (203,127)**	**-1.08%**
11	**Debt Service**				
12	Debt Service Reserve Interest (7)	$ (48,000)	$ (48,000)	$ -	0.00%
13	Debt Service - Interest (8)	1,051,381	1,024,125	(27,256)	-2.59%
14	- Principal (9)	685,000	715,000	30,000	4.38%
15	Other Costs (10)	38,500	38,500	-	0.00%
16	**Total Debt Service**	**$ 1,726,881**	**$ 1,729,625**	**$ 2,744**	**0.16%**
17	**Total Operating Expenses**	**$ 20,519,612**	**$ 20,319,229**	**$ (200,383)**	**-0.98%**

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)

Line No.		Adopted Budget for Operating Year Ending 09/30/26	Draft Budget for Operating Year Ending 09/30/27	Difference	% of Change
	Commission Expenses				
1	Commissioners' Per Diem	$ 3,630	$ 3,690	$ 60	1.65%
2	Travel - In State	7,477	7,090	(387)	-5.18%
3	Travel - Out of State	10,000	10,000	-	0.00%
4	Outside Printing	-	-	-	0.00%
5	Miscellaneous Commission Expense	4,000	2,500	(1,500)	-37.50%
6	Customer Service Programs	20,000	10,500	(9,500)	-47.50%
7	Conference Fees	5,000	4,000	(1,000)	-20.00%
8	**Total**	**$ 50,107**	**$ 37,780**	**$ (12,327)**	**-24.60%**
	Staff Expenses				
9	Staff Salaries	$ 559,601	$ 579,626	$ 20,025	3.58%
10	Travel - In State	4,000	7,000	3,000	75.00%
11	Travel - Out of State	30,000	35,000	5,000	16.67%
12	Office Supplies	2,250	1,800	(450)	-20.00%
13	Copier and Fax Supplies	250	250	-	0.00%
14	Miscellaneous Staff Office Expenses	800	600	(200)	-25.00%
15	Postage	311	213	(98)	-31.51%
16	Telephone	5,375	4,715	(660)	-12.28%
17	Computer Expense	30,420	29,000	(1,420)	-4.67%
18	Staff Training	5,000	4,000	(1,000)	-20.00%
19	Conference Fees	4,500	8,000	3,500	77.78%
20	**Total**	**$ 642,507**	**$ 670,204**	**$ 27,697**	**4.31%**
	Outside Services				
21	Accounting and Auditing	$ 47,973	$ 51,923	$ 3,950	8.23%
22	Computer Consulting Services	1,856	1,656	(200)	-10.78%
23	Legal	45,000	45,000	-	0.00%
24	CREDA	35,000	36,900	1,900	5.43%
25	MSCP	230,538	238,180	7,642	3.31%
26	Miscellaneous Outside Professional Services	6,579	6,665	86	1.31%
27	**Total**	**$ 366,946**	**$ 380,324**	**$ 13,378**	**3.65%**

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Administrative and General Expense (Details)

Line No.		Adopted Budget for Operating Year Ending 09/30/26	Draft Budget for Operating Year Ending 09/30/27	Difference	% of Change
	Employee Related Expenses				
1	Worker's Compensation Insurance	$ 6,883	$ 2,208	$ (4,675)	-67.92%
2	Unemployment	-	-	-	0.00%
3	Social Security Taxes	39,388	41,672	2,284	5.80%
4	State Retirement	67,152	69,555	2,403	3.58%
5	Health Insurance	71,747	107,919	36,172	50.42%
6	Life and Disability Insurance	29	29	-	0.00%
7	Dental Insurance	448	448	-	0.00%
8	Retirees Sick Leave	2,238	2,319	81	3.62%
9	**Total**	**$ 187,885**	**$ 224,150**	**$ 36,265**	**19.30%**
	Occupancy Expense				
10	Janitorial - Labor	$ 2,520	$ 1,800	$ (720)	-28.57%
11	Trash Collection	1,620	1,800	180	11.11%
12	Utilities - Water & Electric	16,800	15,840	(960)	-5.71%
13	Insurance (Property & Liability)	3,960	3,960	-	0.00%
14	Yard Maintenance - Labor	5,100	4,000	(1,100)	-21.57%
15	Maintenance Agreements	750	750	-	0.00%
16	APA Office Building Maintenance	8,500	6,000	(2,500)	-29.41%
17	Charge in Lieu of Depreciation	5,151	7,880	2,729	52.98%
18	**Total**	**$ 44,401**	**$ 42,030**	**$ (2,371)**	**-5.34%**
	Organizational Dues and Subscriptions				
19	Subscriptions	$ 440	$ 710	$ 270	61.36%
20	Membership Dues	4,459	4,838	379	8.50%
21	Organizational Dues	8,300	8,534	234	2.82%
22	Sponsorships	6,000	5,430	(570)	0.00%
23	**Total**	**$ 19,199**	**$ 19,512**	**$ 313**	**1.63%**
24	**Total Administrative and General**	**$ 1,311,045**	**$ 1,374,000**	**$ 62,955**	**4.80%**

Arizona Power Authority
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Administrative and General Expense & Debt Service

Line No.		Adopted Budget for Operating Year Ending 09/30/26	Draft Budget for Operating Year Ending 09/30/27	Difference	% of Change
	Administrative and General				
1	Commission Expenses (1)	$ 50,107	$ 37,780	$ (12,327)	-24.60%
2	Staff Expenses (2)	642,507	670,204	27,697	4.31%
3	Outside Services (3)	366,946	380,324	13,378	3.65%
4	Employee Related Expenses (4)	187,885	224,150	36,265	19.30%
5	Occupancy Expense (5)	44,401	42,030	(2,371)	-5.34%
6	Organizational Expense (6)	19,199	19,512	313	1.63%
7	**Total Administrative and General**	**$ 1,311,045**	**$ 1,374,000**	**$ 62,955**	**4.80%**
	Debt Service				
8	Interest Income (7)	$ (48,000)	$ (48,000)	$ -	0.00%
9	Interest Expense (8)	1,051,381	1,024,125	(27,256)	-2.59%
10	Principle (8)	685,000	715,000	30,000	4.38%
11	Other Costs (9)	38,500	38,500	-	0.00%
12	**Debt Service Expenses Net**	**$ 1,726,881**	**$ 1,729,625**	**$ 2,744**	**0.16%**
	Other Income				
13	Operating Account Interest (9)	$ (192,000)	$ (192,000)	$ -	0.00%
14	**Total Other Income**	**$ (192,000)**	**$ (192,000)**	**$ -**	**0.00%**
	Other Expenses				
15	Planned Surplus (10)	$ 400,000	$ -	$ (400,000)	-100.00%
16	**Total Other Expenses**	**$ 400,000**	**$ -**	**$ (400,000)**	**-100.00%**
17	Subtotal Expenses and Income (11)	$ 3,245,926	$ 2,911,625	$ (334,301)	-10.30%
18	Purchased Power (12)	14,913,000	14,913,000	-	0.00%
19	LCRBDF (Estimated)	2,568,687	2,302,604	(266,082)	-10.36%
20	**Total Revenue Requirement**	**$ 20,727,612**	**$ 20,127,229**	**$ (600,383)**	**-2.90%**

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

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Line No.		Adopted Budget for Operating Year Ending 09/30/26	Draft Budget for Operating Year Ending 09/30/27	Difference	% of Change
	Hoover Power Expenses				
1	Western's Capacity Revenue Requirement	$ 38,087,284	$ 38,087,284	$ -	0.00%
2	Total Capacity (kW) (YrAvg)	1,429,500	1,243,667	(185,833)	-13.00%
3	Capacity Rate ($/kW-month)	$ 2.22	$ 2.55	$ 0.33	14.94%
4	APA Percentage of Capacity	19.75%	19.75%	0.00%	
5	APA Base Charge for Capacity	$ 7,523,572	$ 7,523,572	$ -	0.00%
6	Western's Energy Revenue Requirement	$ 38,087,284	$ 38,087,284	$ -	0.00%
7	BCP OY Estimated Generation (MWh)	2,996,334	2,637,400	(358,934)	-11.98%
7a	Estimated Generation decreases (from historical)	(54,164)	-	54,164	-100.00%
8	Western's Energy Rate (mills/kWh)	$ 12.95	$ 14.44	$ 1.50	11.56%
9	APA Percentage of Energy	19.40%	19.40%	0.00%	0.00%
10	APA Base Charge for Energy	$ 7,389,428	$ 7,389,428	$ -	0.00%
11	Western's Total Revenue Requirement	$ 76,174,568	$ 76,174,568	$ -	0.00%
12	Western's Composite Rate (mills/kWh)	$ 25.89	$ 28.88	$ 2.99	11.56%
	Estimated Western Rate				
13	Demand Charge ($/kW/Mo.)	$ 2.22	$ 2.55	$ 0.33	14.94%
14	Energy Charge (Mills/kWh)	$ 12.95	$ 14.44	$ 1.50	11.56%
15	CAP Surcharge (Mills/kWh)	$ 4.50	$ 4.50	$ -	0.00%
	Purchased Power at Generation				
	Capacity (Kilowatt Months)				
16	Schedule A (Avg/Yr)	100,605	68,982	(31,623)	-31.43%
17	Schedule B (Avg/Yr)	100,070	68,615	(31,455)	-31.43%
18	Schedule D (Avg/Yr)	15,267	10,468	(4,799)	-31.43%
19	**Total (Avg/Yr)**	**215,942**	**148,065**	**(67,877)**	**-31.43%**
	Energy (Megawatt-Hours)				
20	Schedule A	398,847	357,532	(41,315)	-10.36%
21	Schedule B	130,893	117,335	(13,559)	-10.36%
22	Schedule D	41,080	36,824	(4,255)	-10.36%
23	**Total**	**570,819**	**511,690**	**(59,129)**	**-10.36%**
		$581,327.75	511,690		
	Purchased Power Expense				
24	Demand Charge	$ 7,523,572	$ 7,523,572	$ -	0.00%
25	Energy Charge	7,389,428	7,389,428	-	0.00%
26	LCRBDF	2,568,687	2,302,604	(266,082)	-10.36%
27	**Total**	**$ 17,481,686**	**$ 17,215,604**	**$ (266,082)**	**-1.52%**

Arizona Power Authority
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Estimated Revenue Requirements

Line No.		Adopted Budget for Operating Year Ending 09/30/26	Draft Budget for Operating Year Ending 09/30/27	Difference	% of Change	
	Demand Related Costs					
1	Western's Demand Charge	$ 7,523,572	$ 7,523,572	$ -	0.00%	
2	Administrative & General - 50%	655,523	687,000	31,478	4.80%	
3	Debt Service - 50%	863,441	864,813	1,372	0.16%	
4	Planned Surplus - 50%	200,000	-	(200,000)	-100.00%	
5	Interest Income - 50%	(96,000)	(96,000)	-	0.00%	
6	Total	$ 9,146,535	$ 8,979,384	$ (167,151)	-1.83%	
	Energy Related Costs					
7	Western's Energy Charge	$ 7,389,428	$ 7,389,428	$ -	0.00%	
8	Lower Colorado River Basin Dev. Fund Charge	2,568,687	2,302,604	(266,082)	-10.36%	Est - This invoice charge will change based on the actual amount of Megawatts generated
9	Administrative & General - 50%	655,523	687,000	31,478	4.80%	
10	Debt Service - 50%	863,441	864,813	1,372	0.16%	
11	Planned Surplus - 50%	200,000	-	(200,000)	-100.00%	
12	Interest Income - 50%	(96,000)	(96,000)	-	0.00%	
13	Total	$ 11,581,078	$ 11,147,845	$ (433,233)	-3.74%	
	Avg. Capacity Entitlement @ Load (kW)					
14	Schedule 'A'	100,605	68,982	(31,623)	-31.43%	
15	Schedule 'B'	100,074	68,618	(31,456)	-31.43%	
16	Schedule 'D'	15,263	10,465	(4,798)	-31.43%	
17	Total	215,942	148,065	(67,877)	-31.43%	
	Energy Entitlement @ Load (MWh)					
18	Schedule 'A'	398,847	357,532	(41,315)	-10.36%	
19	Schedule 'B'	130,893	117,335	(13,559)	-10.36%	
20	Schedule 'D'	41,080	36,824	(4,255)	-10.36%	
21	Total	570,819	511,690	(59,129)	-10.36%	
	Recovery of Revenue at Delivery					
22	From Demand Rate *	$ 8,046,325	$ 8,073,032	$ 26,707	0.33%	
23	From Energy Rate *	7,912,182	7,938,888	26,707	0.34%	
24	**Total Revenue Requirement**	**$ 15,958,507**	**$ 16,011,920**	**$ 53,413**	**0.33%**	
25	**Hoover Ancillary Costs (MSCP/CREDA/Bonds, etc.)**	**1,800,419**	**1,812,705**	12,286	**0.68%**	
26	**Total Hoover Customer Revenue Requirement**	**$ 17,758,926**	**$ 17,824,625**	**$ 65,699**	**0.37%**	
27	**Estimated LCRBDF**	**2,568,687**	**2,302,604**	(266,082)	**-10.36%**	
	Estimated Total Revenue Charges OY27	**$ 20,327,612**	**$ 20,127,229**	**$ (200,383)**	**-0.99%**	

* OY 26 revised to remove the $400K margin to present an apples to apples comparison

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