

CENTRAL ARIZONA PROJECT
115/230-kV Transmission System
RATE DESIGN

2019

Amortization Expenses

Principal			14,341,822
Interest			12,962,598
		Sum	27,304,420
Average Annual Amortization Expenses			5,460,884

Operation & Maintenance

Western Annual Operation and Maintenance Expenses			5,740,000
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Other Expenses

Post-Retirement Benefits			128,576
Capitalized Moveable Equipment (CME) Depreciation and Interest Expense			95,000
Reclamation Annual Expense			120,000
Facility Charge @ McCullough			500,000
Warehouse Interest Expense			5,100
Replacement Investments (RRADS)			75,000
Purchase Power and Wheeling			2,100,000
Estimated Total Average Annual Operation & Maintenance Expenses			8,763,676
Major Capital			2,000,000
Estimated Total Annual Gross Expenses			16,224,560

Over/Undercollection from PY Rate Estimate			1,455,440
Other Revenues ⁽¹⁾			(250,000)
Estimated Annual Revenue Requirement			17,430,000

*Current Rate Determination/Calculation for 115 / 230 - KV System Rate		Current Year	2019
21.00 / KW - Year	\$/kW-Yr = Total Estimated Annual Revenue Requirement Divided By 5-Year Average Contract Rate of Delivery (CROD), rounded to the penny		
1.75 / KW - Month	\$/kW-Month = \$/kW-Year divided by 12 months, rounded to the penny		
0.40 / KW - Week	\$/kW-Week = \$/kW-Year divided by 52 weeks, rounded to the penny		
0.06 / KW - Day	\$/kW-Day = \$/kW-Year divided by 365 Days, rounded to the penny		
2.40 / KWh	mills/kWh = \$/kW-Year divided by 8,760 hours, multiplied by 1,000, rounded to 2 decimals		
Non-Firm Transmission Rate			
2.40 mills / KWh	mills/kWh = \$/kW-Year divided by 8,760 hours, multiplied by 1,000, rounded to 2 decimals		
Contract Rate of Delivery- CROD			
830,000 kW	5 - Year Average		

*The formula rate design calculates the Estimated Annual Revenue Requirement for the 5-year Cost Evaluation Period, and divides it by the sum of the contractors 5-year average contract rate of delivery (CROD) rounded to the penny.

⁽¹⁾Est. Line Loss Revenues received.

CENTRAL ARIZONA PROJECT
Operation and Maintenance
Estimated Average Annual Expenses

BUDGET ACTIVITY	EXPENSES	ESTIMATED AVERAGE ANNUAL EXPENSES
FACILITY EXPENSES		
N/FGCA COMMM	Communications and Control Equipment	\$175,000
N/FGCA GWAMM	General Western Allocation	\$0
N/FGCA LINCM	Direct Hours Not Identified- Transmission Lines	\$150,000
N/FGCA LINSM	Operation and Maintenance for Transmission Lines	\$600,000
N/FGCA RENTM	Multiproject Costs	\$450,000
N/FGCA SAFEM	Safety Expense	\$95,000
N/FGCA SUBCM	Direct Hours Not Identified-Substations	\$365,000
N/FGCA SUBSM	Operation and Maintenance for Substations	\$790,000
N/FGCA SUPTM	IS Support Costs	\$500,000
N/FGCA SVCFM	Service Facility Distribution Costs	\$130,000
TOTAL		\$3,255,000
SYSTEMWIDE EXPENSES		
N/FGCA FINAM	Financial Management Support	\$50,000
N/FGCA MRKTM	Power Marketing and Resources Planning	\$500,000
N/FGCA SOLDM	System Operation and Load Dispatching	\$1,640,000
N/FGCA STUDM	Transmission and Engineering Studies	\$295,000
TOTAL		\$2,485,000
OTHER EXPENSES		
N/FGCA DEPRM	Capitalized Moveable Equipment (CME) Depreciation and Interest Expense	\$95,000
	Post-Retirement Benefits	\$128,576
	Facility Charge @ McCullough	\$500,000
N/FGCA PPW-RW	Purchase Power and Wheeling	\$2,100,000
	Reclamation Annual Expense	\$120,000
	Warehouse Interest Expense	\$5,100
TOTAL		2,948,676
TOTAL FACILITY + SYSTEMWIDE + OTHER EXPENSES		\$8,688,676
N/FGCA COMMB	Replacement Investments (RRADS)	\$75,000
N/FGCA SUBSB	Replacement Investments (RRADS)	\$2,000,000
2019	GRAND TOTAL	\$10,763,676