

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

2021

Amortization Expenses

Principal		15,878,446
Interest		11,978,313
	Sum	27,856,759
Average Annual Amortization Expenses (5yr.)		5,571,352

Operation & Maintenance

Western Annual Operation and Maintenance Expenses		5,352,000
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Other Expenses

Post-Retirement Benefits		55,000
Capitalized Moveable Equipment (CME) Depreciation and Interest Expense		281,000
Reclamation Annual Expense		120,000
Facility Charge @ McCullough		550,000
Warehouse Interest Expense		2,000
Replacement Investments		264,000
Purchase Power and Wheeling		1,140,000
Estimated Total Average Annual Operation & Maintenance Expenses		7,764,000
Major Capital		2,200,000
Estimated Total Annual Gross Expenses		15,535,352

Over/Undercollection from PY Rate Estimate		(309,054)
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Other Revenues ⁽¹⁾		(2,000,000)
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Estimated Annual Revenue Requirement		13,226,298
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*Current Rate Determination/Calculation for 115 / 230 - KV System Rate		Current Year	2021
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			
630,000 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.



CENTRAL ARIZONA PROJECT
Operation and Maintenance
2021 Estimated Average Annual Expenses

BUDGET ACTIVITY	EXPENSES	EST. AVG ANNUAL EXPENSES
FACILITY EXPENSES		
N/FGCA ADMSM	Indirect Substation Work	\$196,000
N/FGCA COMMM	Communications and Control Equipment	\$240,000
N/FGCA ENVTM	Environmental Support	\$55,000
N/FGCA LINCM	Direct Hours Not Identified- Transmission Lines	\$235,000
N/FGCA LINSM	Operation and Maintenance for Transmission Lines	\$312,000
N/FGCA RENTM	Multiproject Costs	\$420,000
N/FGCA SAFEM	Safety Expense	\$99,000
N/FGCA SUBCM	Direct Hours Not Identified-Substations	\$462,000
N/FGCA SUBSM	Operation and Maintenance for Substations	\$994,000
N/FGCA SVCFM	Service Facility Distribution Costs	\$287,000
TOTAL		\$3,300,000
SYSTEMWIDE EXPENSES		
N/FGCA FINAM	Financial Management Support	\$32,000
N/FGCA MRKTM	Power Marketing and Resources Planning	\$671,000
N/FGCA SOLDM	System Operation and Load Dispatching	\$1,001,000
N/FGCA STUDM	Transmission and Engineering Studies	\$348,000
TOTAL		\$2,052,000
OTHER EXPENSES		
N/FGCA DEPRM	Capitalized Moveable Equipment (CME) Depreciation and Interest Expense	\$281,000
	Post-Retirement Benefits	\$55,000
	Facility Charge @ McCullough	\$550,000
N/FGCA PPW-RW	Purchase Power and Wheeling	\$1,140,000
	Reclamation Annual Expense	\$120,000
	Warehouse Interest Expense	\$2,000
TOTAL		2,148,000
TOTAL FACILITY + SYSTEMWIDE + OTHER EXPENSES		\$7,500,000
N/FGCA COMMB	Replacement Investments	\$264,000
N/FGCA SUBSB	Replacement Investments	\$0
2021		GRAND TOTAL
		\$7,764,000

