

**CENTRAL ARIZONA PROJECT
FINAL 2025-2030 RATE SCHEDULE
BOARD APPROVED**

June 6, 2024

DELIVERY RATES FOR VARIOUS CLASSES OF WATER SERVICE

Units = \$/ acre-foot

(The Letter Designations in the Formulas Refer to the Rate Components Shown Below)

| Water Volume (acre feet) | 900K | 900K | 900K | 900K | 900K | 900K | 900K |
|---|--------|--------------|--------------------------|--------|----------|--------|--------|
| | 2024 | Firm 2025 | Provi- sional 2026 | 2027 | Advisory | | |
| | | | | 2028 | 2029 | 2030 | |
| Municipal and Industrial Subcontract (B+C) | \$ 270 | \$ 295 | \$ 304 | \$ 306 | \$ 322 | \$ 335 | \$ 350 |
| Federal Contract (B+C) | \$ 270 | \$ 295 | \$ 304 | \$ 306 | \$ 322 | \$ 335 | \$ 350 |
| Agricultural Settlement Pool (C) ¹ | \$ 78 | \$ 95 | \$ 98 | \$ 101 | \$ 104 | \$ 107 | \$ 110 |
| Excess (A+B+C) ² | \$ 323 | \$ 349 | \$ 360 | \$ 370 | \$ 386 | \$ 396 | \$ 409 |
| Interstate (A+B+C+D) | TBD | TBD | TBD | TBD | TBD | TBD | TBD |

RATE COMPONENTS

Units = \$/acre-foot

| Water Volume (acre feet) | 900K | 900K | 900K | 900K | 900K | 900K | 900K |
|---|---------|--------------|--------------------------|--------|----------|--------|--------|
| | 2024 | Firm 2025 | Provi- sional 2026 | 2027 | Advisory | | |
| | | | | 2028 | 2029 | 2030 | |
| Capital Charges | | | | | | | |
| Municipal and Industrial - Long Term Subcontract-Full rate Board applied taxes to Repayment ³ | \$ 72 | \$ 69 | \$ 67 | \$ 64 | \$ 64 | \$ 61 | \$ 59 |
| (A) Municipal and Industrial - Long Term Subcontract-Net ³ | \$ (19) | \$ (15) | \$ (11) | TBD | TBD | TBD | TBD |
| | \$ 53 | \$ 54 | \$ 56 | \$ 64 | \$ 64 | \$ 61 | \$ 59 |
| Delivery Charges | | | | | | | |
| Fixed O&M ⁴ "Big R" ⁴ | 145 | 160 | 166 | 164 | 177 | 184 | 194 |
| (B) Fixed OM&R ⁴ | 47 | 40 | 40 | 41 | 41 | 44 | 46 |
| (C) Pumping Energy Rate ⁵ | \$ 192 | \$ 200 | \$ 206 | \$ 205 | \$ 218 | \$ 228 | \$ 240 |
| (D) Property Tax Equivalency | \$ 78 | \$ 95 | \$ 98 | \$ 101 | \$ 104 | \$ 107 | \$ 110 |
| (E) 2020 Voluntary Rate Stabilization ⁶ | TBD | TBD | TBD | TBD | TBD | TBD | TBD |
| | \$ (11) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

DIRECT UNDERGROUND WATER STORAGE

Units = \$/acre-foot

| | 2024 | Firm 2025 | Provi- sional 2026 | 2027 | Advisory | | |
|---|-------|--------------|--------------------------|-------|----------|-------|-------|
| | | | | 2028 | 2029 | 2030 | |
| Underground Water Storage O&M⁷ | | | | | | | |
| Phoenix AMA | \$ 14 | \$ 14 | \$ 15 | \$ 15 | \$ 15 | \$ 15 | \$ 15 |
| Tucson AMA | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Underground Water Storage Capital Charge⁸ | | | | | | | |
| Phoenix AMA | \$ 15 | \$ 15 | \$ 15 | \$ 15 | \$ 15 | \$ 15 | \$ 15 |
| Tucson AMA | 9 | 9 | 9 | 9 | 9 | 9 | 9 |

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NOTES:

- 1) Agricultural Settlement Pool only pays the energy rate in accordance with the Arizona Water Settlement Agreement.
- 2) In the event excess water is available, charges would include the water delivery rate plus a capital charge equivalent.
- 3) For M&I use water, the Capital Charge is paid on full allocation regardless of amount delivered and is not included in delivery rates. The Capital Charge rate is impacted by the following:
 - 2024 - 1 1/2 cents of 2022/23 property taxes are being applied to the federal repayment, resulting in a reduction of \$19/AF.
 - 2025 - 1 1/2 cents of 2023/24 property taxes are being applied to the federal repayment, resulting in a reduction of \$15/AF.
 - 2026 - 1 cent of 2024/25 property taxes are being applied to the federal repayment, resulting in a reduction of \$11/AF.
- 4) Fixed OM&R charge consists of Fixed O&M and "Big R" (Water delivery capital, large extraordinary maintenance projects and bond debt service). Both charges are reconciled to actual expenses and water volumes. Debt service on CAP's Water Delivery O&M Revenue Bonds, Series 2016 is about \$3.6 million annually and is included in "Big R". This rate is collected on all scheduled water whether delivered or not.
- 5) The pumping energy rate applies to all actual water volumes delivered as opposed to scheduled.
- 6) The 2020 Voluntary Rate Stabilization program will be completely utilized in 2024, for those entities participating, resulting in a reduction in the Energy rate. Posted rates do not include this reduction. This is a customer funded program.
- 7) Underground Water Storage O&M is paid by all direct recharge customers using CAP recharge sites.
- 8) Underground Water Storage Capital Charge is paid by all direct recharge customers except AWBA for M&I firming, the CAGRDR, municipal providers within the CAP service area and co-owners of CAWCD recharge facilities using no more than their share of capacity.

Key Assumptions

- Hohokam CDR allocations are not ordered and therefore do not incur capital charges
- Water volume for Fixed OM&R includes water deliveries, take or pay, and CAGRDR long-term storage credit purchases
- Water volume for Energy includes water deliveries and CAGRDR long-term storage credit purchases

FIXED OM&R RATE AT ALTERNATIVE WATER VOLUMES (For Planning Purposes Only)

Units = \$/ acre-foot

| <u>Water Volume (acre-foot)</u> | <u>2025</u> | <u>Provi- sional 2026</u> | <u>Advisory</u> | | | |
|---------------------------------|-------------|-----------------------------------|-----------------|-------------|-------------|-------------|
| | | | <u>2027</u> | <u>2028</u> | <u>2029</u> | <u>2030</u> |
| 700,000 | \$ 257 | \$ 265 | \$ 263 | \$ 281 | \$ 294 | \$ 309 |
| 800,000 | \$ 224 | \$ 232 | \$ 231 | \$ 246 | \$ 257 | \$ 270 |
| 900,000 | \$ 200 | \$ 206 | \$ 205 | \$ 218 | \$ 228 | \$ 240 |
| 1,000,000 | \$ 180 | \$ 186 | \$ 184 | \$ 197 | \$ 206 | \$ 216 |
| 1,100,000 | \$ 164 | \$ 169 | \$ 168 | \$ 179 | \$ 187 | \$ 196 |