

**CENTRAL ARIZONA PROJECT
FINAL 2018-2022 RATE SCHEDULE**

Final
June 8, 2017

DELIVERY RATES FOR VARIOUS CLASSES OF WATER SERVICE

Units = \$/ acre-foot

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

BASE CASE - NGS remains operating until the end of 2019

	<u>2016</u>	<u>2017</u>	Final 2018	<u>Advisory</u>			
				<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Municipal and Industrial</u>							
Long Term Subcontract (B+C) ¹	\$ 161	\$ 164	\$ 160	\$ 165	\$ 158	\$ 161	\$ 167
Non-Subcontract (A+B+C) ²	184	195	205	212	226	236	240
Recharge (A+B+C) ³	184	195	205	212	226	236	240
Federal (B+C) ⁴	\$ 161	\$ 164	\$ 160	\$ 165	\$ 158	\$ 161	\$ 167
<u>Agricultural</u>							
Settlement Pool (C) ⁵	\$ 76	\$ 77	\$ 65	\$ 68	\$ 56	\$ 55	\$ 55
<u>Agricultural Incentives ⁵</u>							
Meet Settlement Pool Goals	(15)	(12)	-	-	-	-	-
Meet AWBA/CAGR D GSF Goals	(2)	(2)	(1)	-	-	-	-
Meet Recovery Goals	(2)	(2)	(1)	-	-	-	-

RATE COMPONENTS

Units = \$/acre-foot

	<u>2016</u>	<u>2017</u>	Final 2018	<u>Advisory</u>			
				<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Capital Charges</u>							
(A) Municipal and Industrial - Long Term Subcontract ⁶	\$ 23	\$ 31	\$ 45	\$ 47	\$ 68	\$ 75	\$ 73
<u>Delivery Charges</u>							
Fixed O&M ⁷	59	59	67	68	71	73	77
Big "R" ⁷	24	26	27	29	31	33	35
Fixed OM&R Rate Stabilization ⁷	<u>2</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(B) Fixed OM&R ⁸	\$ 85	\$ 87	\$ 95	\$ 97	\$ 102	\$ 106	\$ 112
(C) Pumping Energy Rate ⁹	76	77	65	68	56	55	55

DIRECT UNDERGROUND WATER STORAGE

Units = \$/acre-foot

	<u>2016</u>	<u>2017</u>	Final 2018	<u>Advisory</u>			
				<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Underground Water Storage O&M ¹⁰</u>							
Phoenix AMA	\$ 10	\$ 12	\$ 13	\$ 14	\$ 15	\$ 16	\$ 16
Tucson AMA	15	15	15	15	15	15	15
<u>Underground Water Storage Capital Charge ¹¹</u>							
Phoenix AMA	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Tucson AMA	9	9	9	9	9	9	9

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NOTES:

- 1) Long-Term Municipal and Industrial (M&I) Subcontract include those users that hold a M&I subcontract.
- 2) Non-Subcontract includes M&I users that are taking water under an agreement other than a subcontract and may also be referred to as "Excess" water. It is administered according to CAP's Access to Excess policy.
- 3) Recharge includes the Arizona Water Banking Authority, CAGR, BOR and M&I subcontract holders and other Arizona entities who have valid Arizona Department of Water Resources water storage permits and accrue long-term storage credits. It is administered according to CAP's Access to Excess policy.
- 4) Federal water may also be referred to as "Indian" water.
- 5) Rate is the Pumping Energy Rate 1 component. Board policy is to allow the rate to increase no more than \$4/AF per year. As the energy rate is either less or equal to this amount, there are no incentives starting in 2018.
- 6) For M&I subcontract water, the Capital Charge is paid on full allocation regardless of amount delivered and not included in delivery rates.
- 7) Fixed OM&R charge consists of Fixed O&M, "Big R" (Water delivery capital, large extraordinary maintenance projects and bond debt service) and Fixed OM&R Rate Stabilization. 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".
- 8) This rate is collected on all ordered water whether delivered or not.
- 9) The energy rate applies to all actual water volumes as opposed to scheduled.
- 10) Underground Water Storage O&M is paid by all direct recharge customers using CAP recharge sites.
- 11) Underground Water Storage Capital Charge is paid by all direct recharge customers except AWBA for M&I firming, the CAGR, municipal providers within the CAP service area and co-owners of CAWCD recharge facilities using no more than their share of capacity.