

CENTRAL ARIZONA PROJECT
PROPOSED 2026-2030 RATE SCHEDULE

May 1, 2025

<u>WATER RATES</u>									
Units = \$/ acre-foot									
(The Letter Designations in the Formulas Refer to the Rate Components Shown Below)									

Water Volume (acre-feet)	900K	900K	825K	825K	825K	825K	825K
	2024	Firm 2025	Proposed 2026	2027	Advisory 2028	2029	2030
Water Delivery Rate							
Fixed O&M	145	160	175	185	187	199	209
"Big R"	47	40	49	50	52	52	52
Fixed OM&R Rate ¹	\$ 192	\$ 200	\$ 224	\$ 235	\$ 239	\$ 251	\$ 261
Pumping Energy Rate ²	\$ 78	\$ 95	\$ 85	\$ 88	\$ 91	\$ 94	\$ 97
Water Delivery Rate ³	\$ 270	\$ 295	\$ 309	\$ 323	\$ 330	\$ 345	\$ 358

Capital Charge ⁴							
Full rate	\$ 72	\$ 69	\$ 67	\$ 64	\$ 64	\$ 61	\$ 59
Board applied taxes to Repayment	\$ (19)	\$ (15)	\$ (11)	TBD	TBD	TBD	TBD
Net Capital Charge	\$ 53	\$ 54	\$ 56	\$ 64	\$ 64	\$ 61	\$ 59

<u>DIRECT UNDERGROUND WATER STORAGE</u>									
Units = \$/acre-foot									

	2024	Firm 2025	Proposed 2026	2027	Advisory 2028	2029	2030
Underground Water Storage O&M ⁵							
Phoenix AMA	\$ 14	\$ 14	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Tucson AMA	15	15	15	15	15	15	15
Underground Water Storage Capital Charge ⁶							
Phoenix AMA	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Tucson AMA	9	9	9	9	9	9	9

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NOTES:

- 1) Fixed OM&R rate consists of Fixed O&M and "Big R" (Water delivery capital spending, large extraordinary maintenance projects and bond debt service). Both components 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.
- 2) The pumping energy rate applies to all actual water volumes delivered as opposed to scheduled.
- 3) All contracts and subcontracts pay the Water Delivery Rate. When available, the Agricultural Settlement Pool only pays the energy rate in accordance with the Arizona Water Settlement Agreement. In the event Excess Water is available, charges would include the water delivery rate plus a capital charge equivalent.
- 4) 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 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 cents of 2024/25 property taxes are being applied to the federal repayment, resulting in a reduction of \$11/AF.
- 5) Underground Water Storage O&M is paid by all direct recharge customers using CAP recharge sites.
- 6) 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.

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 CAGR long-term storage credit purchases
- Water volume for Energy includes water deliveries and CAGR 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>	Firm		Proposed	Advisory							
	2025		2026	2027		2028		2029		2030	
600,000	\$	299	\$ 309	\$	323	\$	329	\$	345	\$	359
700,000	\$	257	\$ 265	\$	277	\$	283	\$	296	\$	308
800,000	\$	224	\$ 232	\$	242	\$	247	\$	259	\$	270
900,000	\$	200	\$ 206	\$	215	\$	220	\$	230	\$	240
1,000,000	\$	180	\$ 186	\$	194	\$	198	\$	207	\$	216