

**CENTRAL ARIZONA PROJECT
2027-2032 RATE SCHEDULE
FAP COMMITTEE RECOMMENDATION**

May 21, 2026

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

Water Volume (acre-feet)	825K	825K	825K	825K	825K	825K	825K
	2026	Firm 2027	Provi- sional 2028	2029	Advisory		
					2030	2031	
Water Delivery Rate							
Fixed O&M	175	185	193	199	210	216	227
"Big R"	49	53	56	59	62	65	68
Fixed OM&R Rate ¹	\$ 224	\$ 238	\$ 249	\$ 258	\$ 272	\$ 281	\$ 295
Pumping Energy Rate ²	\$ 85	\$ 88	\$ 91	\$ 94	\$ 97	\$ 100	\$ 103
Water Delivery Rate ³	\$ 309	\$ 326	\$ 340	\$ 352	\$ 369	\$ 381	\$ 398

Capital Charge ⁴							
Full rate	\$ 67	\$ 64	\$ 65	\$ 62	\$ 60	\$ 58	\$ 56
Board applied taxes to Repayment	(11)	(6)	-	-	-	-	-
Board applied NIA capital charges	-	(6)	(13)	(10)	(8)	(6)	(4)
Net Capital Charge	\$ 56	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52

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

	2026	Firm 2027	Provi- sional 2028	2029	Advisory			2032
					2030	2031		
Underground Water Storage O&M⁵								
Phoenix AMA	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	
Tucson AMA	15	15	15	15	15	15	15	
Underground Water Storage Capital Charge⁶								
Phoenix AMA	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	
Tucson AMA	9	9	9	9	9	9	9	

RECOVERY
Units = \$/acre-foot

Recovery Rate ⁷	2026	Firm 2027	Provi- sional 2028	2029	Advisory			2032
					2030	2031		
	\$ -	\$ 400	\$ 410	\$ 420	\$ 431	\$ 442	\$ 453	

**CENTRAL ARIZONA PROJECT
2027-2032 RATE SCHEDULE
FAP COMMITTEE RECOMMENDATION**

May 21, 2026

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:
 - 2026 - 1 cent of 2024/25 property taxes is being applied to the federal repayment, resulting in a reduction of \$11/AF (BOD approved June 6, 2024).
 - 2027 - 1/2 cent of 2025/26 property taxes is being applied to the federal repayment, resulting in a reduction of \$6/AF (BOD approved June 5, 2025).
 - 2027-2036 - NIA capital charges are being applied, fixing the rate at no more than \$52.
- 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.
- 7) Paid per acre-foot recovered and is for recovery only. Separate charges for water delivery at the established water delivery rate.

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		Provi- sional			
	2027	2028	Advisory			
			<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
500,000	\$ 392	\$ 411	\$ 426	\$ 451	\$ 464	\$ 487
600,000	\$ 327	\$ 342	\$ 356	\$ 376	\$ 387	\$ 406
700,000	\$ 281	\$ 293	\$ 305	\$ 322	\$ 331	\$ 348
800,000	\$ 245	\$ 257	\$ 266	\$ 281	\$ 291	\$ 305
900,000	\$ 218	\$ 229	\$ 238	\$ 250	\$ 258	\$ 271