

**CENTRAL ARIZONA PROJECT
FINAL 2017-2022 RATE SCHEDULE**

Approved
June 9, 2016

DELIVERY RATES FOR VARIOUS CLASSES OF WATER SERVICE

Units = \$/ acre-foot

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

	<u>2016</u>	Firm <u>2017</u>	Provi- sional <u>2018</u>	<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	\$ 171	\$ 178	\$ 203	\$ 221	\$ 227
Non-Subcontract (A+B+C) ²	184	195	220	tbd	tbd	tbd	tbd
Recharge (A+B+C) ³	184	195	220	tbd	tbd	tbd	tbd
<u>Federal</u> (B+C) ⁴	\$ 161	\$ 164	\$ 171	\$ 178	\$ 203	\$ 221	\$ 227
<u>Agricultural</u>							
Settlement Pool (C) ⁵	\$ 76	\$ 77	\$ 80	\$ 82	\$ 101	\$ 115	\$ 114
<u>Agricultural Incentives</u> ⁵							
Meet Settlement Pool Goals	(15)	(12)	(11)	(9)	(24)	(34)	(29)
Meet AWBA/CAGR D GSF Goals	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Meet Recovery Goals	(2)	(2)	(2)	(2)	(2)	(2)	(2)

RATE COMPONENTS

Units = \$/acre-foot

	<u>2016</u>	Firm <u>2017</u>	Provi- sional <u>2018</u>	<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	\$ 49	tbd	tbd	tbd	tbd
<u>Delivery Charges</u>							
Fixed O&M ⁷	59	59	63	67	71	73	78
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	\$ 91	\$ 96	\$ 102	\$ 106	\$ 113
(C) Pumping Energy Rate ^{1 9}	76	77	80	82	101	115	114

DIRECT UNDERGROUND WATER STORAGE

Units = \$/acre-foot

	<u>2016</u>	Firm <u>2017</u>	Provi- sional <u>2018</u>	<u>Advisory</u>			
				<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Underground Water Storage O&M</u> ¹⁰							
Phoenix AMA	\$ 10	\$ 12	\$ 13	\$ 14	\$ 15	\$ 16	\$ 16
Tucson AMA	15	15	15	15	15	15	15
<u>Underground Water Storage Capital Charge</u> ¹¹							
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. Incentives may be earned for meeting delivery goals in three areas. Any incentives earned are applied to Settlement Pool deliveries.
- 6) For M&I subcontract water, the Capital Charge is paid on full allocation regardless of amount delivered and not included in delivery rates. For 2017, the M&I subcontractors will be billed Capital Charges at \$13.50/af for the first half of the year and at a rate of \$17.50/af for the last half of the year, resulting in an average full year Capital Charge rate of \$31/af.
- 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.