

**CENTRAL ARIZONA PROJECT
FINAL 2021-2026 RATE SCHEDULE**

June 4, 2020

DELIVERY RATES FOR VARIOUS CLASSES OF WATER SERVICE

Units = \$/ acre-foot

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

DCP Tier	T0	T0	T0	T0	T0	T0	
	2020	Firm 2021	Provi - sional 2022	Advisory			2026
	2020	2021	2022	2023	2024	2025	2026
Municipal and Industrial Subcontract (B+C)	\$ 155	\$ 160	\$ 165	\$ 171	\$ 182	\$ 188	\$ 191
Federal Contract (B+C)	\$ 155	\$ 160	\$ 165	\$ 171	\$ 182	\$ 188	\$ 191
Agricultural Settlement Pool (C) ¹	\$ 56	\$ 56	\$ 56	\$ 57	\$ 61	\$ 61	\$ 63
Excess (A+B+C) ²	\$ 211	\$ 213	\$ 215	\$ 240	\$ 252	\$ 256	\$ 257
Interstate (A+B+C+D)	TBD	TBD	TBD	TBD	TBD	TBD	TBD

RATE COMPONENTS

Units = \$/acre-foot

	2020	Firm 2021	Provi - sional 2022	Advisory			2026
	2020	2021	2022	2023	2024	2025	2026
Capital Charges							
(A) Municipal and Industrial - Long Term Subcontract ³	\$ 56	\$ 53	\$ 50	\$ 69	\$ 70	\$ 68	\$ 66
Delivery Charges							
Fixed O&M ⁴	75	78	80	82	89	95	96
Big "R" ⁴	24	26	29	32	32	32	32
(B) Fixed OM&R ⁴	\$ 99	\$ 104	\$ 109	\$ 114	\$ 121	\$ 127	\$ 128
(C) Pumping Energy Rate ⁵	\$ 56	\$ 56	\$ 56	\$ 57	\$ 61	\$ 61	\$ 63
(D) Property Tax Equivalency	TBD	TBD	TBD	TBD	TBD	TBD	TBD

DIRECT UNDERGROUND WATER STORAGE

Units = \$/acre-foot

	2020	Firm 2021	Provi - sional 2022	Advisory			2026
	2020	2021	2022	2023	2024	2025	2026
Underground Water Storage O&M⁶							
Phoenix AMA	\$ 13	\$ 13	\$ 13	\$ 13	\$ 14	\$ 14	\$ 15
Tucson AMA	15	15	15	15	15	15	15
Underground Water Storage Capital Charge⁷							
Phoenix AMA	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Tucson AMA	9	9	9	9	9	9	9

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NOTES:

- 1) Rate is the Pumping Energy Rate component.
- 2) Excess water is administered via Board Policy "Procedure For Distributing CAP Excess Water and Turn-Back Water for the Period of 2020 Through 2024".
- 3) For M&I subcontract 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:
 - 2021 - 1-cent of 2019/20 property taxes were approved to be applied to the federal repayment by the CAWCD Board in 2019. An additional 2- cents of property taxes are being applied to the federal repayment from the 2020/21 property taxest, resulting in a reduction of \$26/AF.
 - 2022 - 2 1/2 cents of 2020/21 property taxes are being applied to the federal repayment, resulting in a reduction of \$21/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). 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 ordered water whether delivered or not.
- 5) The pumping energy rate applies to all actual water volumes delivered as opposed to scheduled.
- 6) Underground Water Storage O&M is paid by all direct recharge customers using CAP recharge sites.
- 7) 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

-Non-Indian Ag reallocation occurs in 2021 for 2022 deliveries

FIXED OM&R RATE AT DCP TIERS (For Planning Purposes Only)

Units = \$/ acre-foot

	Provi - sional <u>2022</u>	Advisory			
		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Normal	\$ 102	\$ 107	\$ 113	\$ 119	\$ 120
Tier 0	\$ 109	\$ 114	\$ 121	\$ 127	\$ 128
Tier 1	\$ 136	\$ 143	\$ 153	\$ 161	\$ 162
Tier 2a	\$ 146	\$ 152	\$ 165	\$ 173	\$ 174
Tier 2b	\$ 152	\$ 159	\$ 172	\$ 181	\$ 182
Tier 3	\$ 164	\$ 172	\$ 186	\$ 196	\$ 197