

# 2025 | ANNUAL REPORT

INCLUDING FIVE-YEAR OPERATIONAL AND  
STATISTICAL REVIEW AND FINANCIAL SUMMARY



Delivering water and power®

---

# Contents

---

1	From the President and General Manager & CEO
5	Reviewing Financial Results
7	SRP Boards and Councils
8	SRP Officers and Executives
9	Five-Year Operational and Statistical Review

## CORPORATE HEADQUARTERS

### STREET ADDRESS

SRP | 1500 N. MILL AVE. | TEMPE, AZ 85288-1252

### MAILING ADDRESS

SRP | P.O. BOX 52025 | PHOENIX, AZ 85072-2025

## CONNECT

 [facebook.com/srpconnect](https://facebook.com/srpconnect)

 [x.com/srpconnect](https://x.com/srpconnect)

 [youtube.com/srpconnect](https://youtube.com/srpconnect)

 [instagram.com/srpconnect](https://instagram.com/srpconnect)

**[srp.net](https://srp.net)**

---

## About SRP

---

SRP has delivered on its commitment to provide reliable and affordable water and energy to the people living in central Arizona this past year and for more than a century. By providing these essential resources, we have helped the Phoenix metropolitan area develop and thrive.

We act in the best interest of the people we serve and strive to help build a better future for Arizona. In the years ahead, we will continue to lead the way by applying our forward-thinking approach and new technology to address water and energy supply challenges.

---

## From the President and General Manager & CEO

---

SRP delivered a solid performance in fiscal year 2025 (FY25) as we continued to fulfill our mission to serve our customers and the community. The commitment of SRP employees and their ability to consistently handle constant change at a level and a pace that our industry has never experienced has enabled SRP to tackle the many challenges of our business resulting in outstanding achievements over the past year.

### CUSTOMER SERVICE

SRP provided industry-leading customer service throughout FY25 and again ranked first in customer satisfaction for the West Large segment and among all large utilities in the 2024 J.D. Power Residential Customer Satisfaction Study. This is the 25th time (and the 23rd consecutive year) SRP has ranked first in the West Large segment.

### PREPAY PROGRAM IMPROVEMENTS

In FY25, SRP implemented a robust enhancement of the system that drives our highly successful SRP M-Power® prepay program. It continues to be one of our customers' highest-rated programs because they like the real-time indication of

energy usage as well as the control it gives them. The Central Prepay Project was completed in June 2024 and delivered a cloud-based, meter-agnostic solution scalable for the future growth of the program. In the new prepay platform, the program's 154,000 participating customers use an app to manage all prepay transactions. This has transformed interactions and streamlined operations by phasing out outdated technologies, such as in-home displays, specialized meters and purchase cards. These changes will reduce annual operating costs by approximately \$7 million. The new platform also allows SRP to offer the program to additional customers, as there are no longer constraints related to equipment availability.

### FINANCIAL RESULTS

FY25 was another strong year financially for SRP. The company surpassed the combined net revenue expectations, primarily due to higher retail and wholesale margins resulting from record-breaking summer weather and lower retail fuel/purchased power expenses. It is important to remember that as a not-for-profit entity, all of SRP's net revenue is put right back into the business to support a combination of rate

increase reductions and reduced borrowing needs. The general fund ended the year at \$1.1 billion, above the established corporate objective of \$600 million. Our strong financial position allows us to continue investing in the grid to ensure the reliability our customers and communities expect.

In an effort to maintain a strong yet flexible financial position as measured by SRP's key financial indicators and credit ratings, SRP completed a public pricing process to update SRP's base electric prices. The open and transparent process included presentations at public Board meetings, public open houses, meetings with customers and stakeholder groups, and written responses to nearly 500 questions.

On Feb. 27, the District Board approved a revised and amended management proposal. The approved changes include: 1) a net 2.4% revenue increase, composed of a 4% base rate increase and a 1.6% Fuel and Purchased Power Adjustment Mechanism reduction; 2) a tiered residential monthly service charge; 3) increased assistance for limited-income customers; 4) a simplified residential price plan portfolio; 5) an improved experience for residential solar customers without reintroducing cost shifts; 6) time-of-use hour changes that better align prices with costs; 7) cost protection for existing customers from large-load customer growth; 8) an expansion to the transmission cost adjustment to allow for more timely recovery of costs; and 9) a more equitable allocation of transmission costs to better reflect the cost to serve customers who take service at 115 kilovolts and above. The changes will take effect with the November 2025 billing cycle.

In September 2024, SRP successfully secured Arizona Corporation Commission authorization to issue an additional \$6.4 billion in revenue bonds over time to support operations. In October, the company issued \$700 million par value of new money bonds to support SRP's FY25 capital

projects. During March, SRP successfully refinanced \$695 million in existing debt, saving customers \$112 million in gross interest expense. S&P affirmed SRP's AA+ credit rating and Moody's affirmed SRP's Aa1 credit rating for both bond issuances.

## RELIABILITY AND RESILIENCY

SRP's electric grid continues to experience unprecedented growth. This is highlighted by new customer-dedicated substations, record levels of interconnection requests, an increase in both generation and transmission capacity needs, and high numbers of planned grid outages and switching activities to accommodate new construction.

SRP has a goal to remain in the top 10 for reliability in the U.S. power industry. Despite the challenges posed by rapid growth as well as another record-hot summer in Arizona, SRP achieved that goal and maintained exceptional reliability through FY25. In addition, SRP expanded its grid resiliency program, which is designed to reduce the magnitude and duration of extreme disruptive events through prevention, response and recovery initiatives.

## CUSTOMER SAFETY

Heat resiliency was a primary focus during FY25 as the Valley endured another summer of record-breaking temperatures. The health and safety of our customers is a priority, and we enhanced our heat resiliency efforts within the community, including supporting nonprofits through corporate contributions, strategic partnerships, in-kind donations and volunteer efforts. A few notable accomplishments include the following:

- Established the Healthy Homes Emergency HVAC Program with an existing partner, Foundation for Senior Living, to address faulty or absent air conditioning — a primary factor in heat-related injuries and death.
- Increased collaboration with expert organizations in the community to provide



hydration stations, refuge locations, respite kits and water throughout the Valley. These are activated during heat emergencies May through September.

- Increased support to several agencies that support heat relief efforts, such as cooling centers, capital campaigns for shelters and transitional homes, and increased shade tree initiatives in low-income areas.
- Enhanced our work with Trees Matter, Shining Light Foundation and Arizona Sustainability Alliance to fund and plant 244 trees to help increase canopy in low-income areas, saving energy and reducing heat.
- Funded the Urban Heat Leadership Academy in partnership with The Nature Conservancy Healthy Cities Program. The academy launched this year to equip residents from the Phoenix metro area with the knowledge, resources and skills needed to advocate for sustainable solutions in their communities.

## VERDE RESERVOIRS SEDIMENT MITIGATION PROJECT

The Verde Reservoirs Sediment Mitigation Project achieved important milestones during FY25. This initiative with the Bureau of Reclamation (BOR) aims to recapture lost reservoir capacity on the Verde River system while also looking for opportunities to enhance water supplies for the region.

The federal feasibility study for the project continued, which will include the public National Environmental Policy Act process anticipated to begin in July of 2025. The project is looking at various solutions to help protect the water supply and restore water storage capacity lost to sedimentation, including construction of a new Bartlett Dam and expanding the reservoir's capacity. The expansion would more than double the current capacity on the Verde system by adding approximately 323,000 acre-feet of storage. This added capacity would be available

to SRP's 23 regional partners, including cities, tribal nations and irrigation districts, to help mitigate the impacts of Colorado River and groundwater supply challenges in central Arizona.

## SRP-CAP INTERCONNECTION FACILITY

SRP, the Central Arizona Water Conservation District and the BOR are moving forward with plans for a proposed interconnection facility that could increase the use of existing infrastructure and provide additional flexibility for coordinated operations between two of the largest water providers in the state. SRP was awarded a \$154 million construction grant from the Bipartisan Infrastructure Law for the SRP-CAP Interconnection Facility (SCIF) project. The SCIF would allow non-SRP shareholder water stored in SRP reservoirs and underground storage facilities to be transported to water users that have water treatment plants outside of SRP's water service territory. The parties signed an agreement in January, starting the five-year clock for using the federal funding for the construction of SCIF.

## FUTURE RESOURCES

In addition to unprecedented growth, the power system is undergoing a massive transformation to meet decarbonization goals and enable more customer choices. In the coming years, thousands of megawatts (MW) of capacity must be added to the system. SRP is working hard to balance our resource mix to achieve our mission to provide reliable, affordable and sustainable water and energy.

Throughout FY25, SRP continued to implement robust improvements to ensure the system can continue to meet customers' needs today and into the future. These efforts include a program to enable customers to adopt behind-the-meter resources while also maintaining the integrity of the distribution grid. As part of this initiative, SRP implemented an Advanced Distribution Management System, allowing the company to operate a more flexible and reliable distribution grid.

This includes more accurate outage information for customers, advanced sensing and fault location, and centralized automatic power restoration.

SRP's Future System Assets team made substantial strides in developing roadmaps and initiating strategic steps regarding potential long-lead strategic energy resources. This includes issuing a request for proposals to pursue additional long-duration storage pilot projects that will be key to diversification of risk across SRP's future resource and capacity portfolio.

The team also made progress toward establishing roadmaps and an early site permitting (ESP) strategy for potential new nuclear facilities in partnership with APS and Tucson Electric Power. This work resulted in an application to the Department of Energy for funds to develop an early site permit, a public announcement of the three utilities partnering to evaluate the ESP, and a Board work study session.

Plans for the proposed 1,000–2,000 MW pumped storage project near Roosevelt Dam on the Salt River moved forward in FY25. The project would expand the current hydroelectric generation capacity of SRP's Salt River reservoir system to help meet customer demand during on-peak hours when renewable resources are ramping down. Congress passed legislation withdrawing 17,000 acres of U.S. Forest Service land to be used for future development of the project.


Finally, the Supply and Trading team made meaningful advancements in enabling SRP to be well positioned to seek approval to participate in gas pipeline expansions to support future resource needs.

## LOOKING AHEAD

FY25 was a year of strong performance, strategic progress and meaningful impact. From delivering exceptional customer service and advancing our

modernization efforts to strengthening community partnerships and achieving solid financial results, SRP continues to demonstrate resilience and leadership in a rapidly evolving landscape.

As we look to FY26 and beyond, our focus remains on delivering reliable, affordable and sustainable water and energy while preparing for the future needs of our customers and the communities we serve. Our dedicated and talented workforce has SRP well positioned for continued success as we navigate the challenges and take advantage of the opportunities ahead.



David Rousseau,  
President



Jim Pratt,  
General Manager &  
Chief Executive Officer

---

# Reviewing Financial Results

---

## RESULTS OF OPERATIONS

Operating revenues were \$4.6 billion for fiscal year 2025 (FY25) and \$4.1 billion for fiscal year 2024 (FY24), an increase of \$413.8 million, or 10.0%. The increase in operating revenues was due to higher retail electric revenues, partially offset by a decrease in wholesale revenues. FY25 retail electric revenues increased \$490.7 million, or 14.05%, to \$4.0 billion, primarily due to higher volumes sold driven by higher average temperatures in FY25 compared to FY24 as well as a Fuel and Purchased Power Adjustment Mechanism (FPPAM) price increase effective Nov. 1, 2024. Wholesale revenues decreased \$73.0 million, or 13.4%, to \$470.9 million compared to FY24. FY25 wholesale revenues included fair value gains of \$7.1 million compared to a \$21.4 million fair value gain in FY24. Excluding the fair value adjustments, FY25 wholesale revenues would have been \$463.8 million compared to \$522.4 million in FY24, a decrease of \$58.7 million, or 11.2%. The decrease is primarily due to lower average sales prices compared to FY24. The total number of customer accounts was 1,183,163 as of April 30, 2025, a 2.1% increase from the previous year.

Operating expenses were \$4.0 billion for FY25 and \$3.8 billion for FY24, an increase of \$178.6 million, or 4.7%. The increase in operating expenses was primarily due to increased purchased power related to more renewable energy contracts, as well as a general increase in maintenance due to planned and unplanned plant outages. Fuel used in electric generation includes adjustments for the fair value of certain fuel contracts. Excluding the fair value losses of \$28.4 million and \$79.1 million in FY25 and FY24,

respectively, fuel used in electric generation expense would have decreased \$101.9 million, or 11.2%.

Investment income, net was \$184.4 million for FY25 compared to net income of \$174.3 million for FY24. Investment income, net includes fair value gains of \$122.1 million and \$130.9 million for FY25 and FY24, respectively.

Net financing costs were \$191.1 million and \$162.4 million in FY25 and FY24, respectively. The increase is primarily due to the issuance of new revenue bonds.

Net revenues for FY25 were \$604.0 million compared to net revenues of \$405.6 million for FY24. Excluding the effects of the changes in the fair value of fuel and purchased-power contracts, wholesale positions and investments, net revenues would have been \$503.2 million and \$331.9 million for FY25 and FY24, respectively.

## ENERGY RISK MANAGEMENT PROGRAM

The District's mission to serve its retail customers is the cornerstone of its risk management approach. SRP builds or acquires resources to serve retail customers, not the wholesale market. However, as a summer-peaking utility, there are times during the year when the District's resources and/or reserves are in excess of its retail load, thus giving rise to wholesale activity. The District has an Energy Risk Management Program to limit exposure to risks inherent in retail and wholesale energy business operations by identifying, measuring, reporting and managing exposure to market, credit and operational risks. To meet the goals of the Energy Risk Management Program, SRP uses various

physical and financial instruments, including forward contracts, futures, swaps and options. Certain of these transactions are accounted for under Accounting Standards Codification (ASC) 815, "Derivatives and Hedging." For a detailed explanation of the effects of ASC 815 on SRP's financial results, see Note 7 in the notes to the Combined Financial Statements (available at [srpnet.com/about/reports](http://srpnet.com/about/reports)).

The Energy Risk Management Program is managed according to a policy approved by the District's Board of Directors (Board) and overseen by a Risk Oversight Committee. The policy covers market, credit and operational risks and includes portfolio strategies, authorizations, value-at-risk limits, stop-loss limits, and notional and duration limits. The Risk Oversight Committee is composed of senior executives. The District maintains an Energy Risk Management Department, separate from the energy marketing area, which regularly reports to the Risk Oversight Committee. SRP believes that its existing risk management structure is appropriate and that risks are properly measured, reported and managed.

## ELECTRICITY PRICING

The District has a diversified customer base, with no single retail customer providing more than 4% of its retail electric revenues. The District has implemented projects and programs geared toward enhancing customer satisfaction by offering customers a range of pricing and service options. Moreover, SRP is one of the low-price leaders in the Southwest.

The District is a summer-peaking utility, and it has made an effort to balance the summer-winter load relationships through seasonal price differentials. In addition, SRP offers prices on a time-of-use basis for residential, commercial and industrial customers.

The District's price plans include a base price component and FPPAM. Base prices recover costs for generation, transmission, distribution, customer services, metering, meter reading, billing and collections, and system benefits charges that are not otherwise recovered through the FPPAM. The FPPAM was implemented in May 2002 to adjust for increases and decreases in fuel and purchased power costs, including renewable purchased power agreements.

On Sept. 9, 2024, the Board voted to approve a 3.9% increase to FPPAM prices effective Nov. 1, 2024. On Dec. 2, 2024, SRP opened a public pricing process seeking changes to standard electric price plans. On Feb. 27, 2025, the Board voted to approve a 4.0% increase to base prices and a 1.6% decrease to FPPAM prices, for a net overall increase of 2.4% effective Nov. 1, 2025.

## CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program is driven by the need to sustain the generation, transmission and distribution systems of the District to meet customer electricity needs and to maintain a satisfactory level of service reliability.

FY25 capital spending levels were above original expectations. Generation projects accounted for 38% of the year's expenditures. These projects included the Coolidge Expansion Project and Copper Crossing Research & Energy Center, as well as plant modification costs for Palo Verde, Gila River and Kyrene.

Expansion of the electrical distribution system to meet future growth and to replace aging underground cable accounted for 30% of FY25 capital expenditures. Almost half of the distribution system spending was for New Business projects. The addition of new transmission facilities made up 11% of FY25 capital expenditures. These projects included customer-driven work and land acquisitions as well as transmission line and station additions.



---

# SRP Boards and Councils

---

## Association President and Vice President

David Rousseau,  
President

Christopher Dobson,  
Vice President

## District President and Vice President

David Rousseau,  
President

Christopher Dobson,  
Vice President

## The Association Board

### District 1:

Larry D. Rovey

### District 6:

Jack M. White Jr.

### District 2:

Paul E. Rovey

### District 7:

Nicholas R. Brown

### District 3:

Mario J. Herrera

### District 8:

Randy Miller

### District 4:

Leslie C. Williams

### District 9:

Robert C. Arnett

### District 5:

Stephen H. Williams

### District 10:

Mark V. Pace

## The District Board

### Division 1:

Kevin J. Johnson

### Division 6:

Jack M. White Jr.

### Division 2:

Paul E. Rovey

### Division 7:

Nicholas R. Brown

### Division 3:

Mario J. Herrera

### Division 8:

Randy Miller

### Division 4:

Leslie C. Williams

### Division 9:

Robert C. Arnett

### Division 5:

Stephen H. Williams

### Division 10:

Mark V. Pace

## Directors at-large

### Seat 11:

Casey Clowes

### Seat 12:

Krista H. O'Brien

### Seat 13:

Sandra D. Kennedy

### Seat 14:

Kathy L. Mohr-Almeida

---

## The Association Council

### District 1:

Tyler M. Francis,  
Ronald S. Kolb,  
Clifford M. Leatherwood

### District 6:

Jacqueline L. Miller,  
Nicholas J. Vanderwey,  
Michael A. Warren

### District 2:

Jerry E. Geiger,  
T. Suzanne Naylor,  
William W. Sheely

### District 7:

Eric L. Gorseigner,  
Barry E. Pacely,  
Colleen Resch-Geretti

### District 3:

Aaron M. Herrera,  
Richard W. Swier,  
Paul A. Van Hofwegen

### District 8:

Mark Mulligan,  
Mark L. Farmer,  
Mark C. Pedersen

### District 4:

Ian Rakow,  
M. Brandon Brooks,  
Michael G. Rakow

### District 9:

A. Allen Freeman,  
Mark A. Freeman,  
Adam S. Hatley

### District 5:

John R. Augustine,  
J. Weston Lines,  
John R. Shelton

### District 10:

Dave B. Lamoreaux,  
William P. Schrader Jr.,  
William P. Schrader III

## The District Council

### Division 1:

Tyler M. Francis,  
Ronald S. Kolb,  
Clifford M. Leatherwood

### Division 6:

Jacqueline L. Miller,  
Nicholas J. Vanderwey,  
Michael A. Warren

### Division 2:

Jerry E. Geiger,  
T. Suzanne Naylor,  
William W. Sheely

### Division 7:

Eric L. Gorseigner,  
Barry E. Pacely,  
Colleen Resch-Geretti

### Division 3:

Aaron M. Herrera,  
Richard W. Swier,  
Paul A. Van Hofwegen

### Division 8:

Mark Mulligan,  
Mark L. Farmer,  
Mark C. Pedersen

### Division 4:

Ian Rakow,  
M. Brandon Brooks,  
Michael G. Rakow

### Division 9:

A. Allen Freeman,  
Adam S. Hatley

### Division 5:

John R. Augustine,  
J. Weston Lines,  
John R. Shelton

### Division 10:

Dave B. Lamoreaux,  
William P. Schrader Jr.,  
William P. Schrader III

---

# SRP Officers and Executives

---

## Corporate Officers

David Rousseau,  
President

Christopher Dobson,  
Vice President

John M. Felty,  
Corporate Secretary

Jon W. Hubbard,  
Treasurer

---

## Executive Management

Jim Pratt,  
General Manager &  
Chief Executive Officer

Alaina Chabrier,  
Associate General  
Manager & Chief  
Communications Executive

John Coggins,  
Associate General  
Manager & Chief  
Power System Executive

Vanessa Kisicki,  
Associate General Manager  
& Chief Customer Executive

Brian J. Koch,  
Associate General Manager  
& Chief Financial Executive

Leslie Meyers,  
Associate General Manager  
& Chief Water Resources  
and Services Executive

Geri Mingura,  
Associate General Manager  
& Chief Human Resources  
Executive

Michael O'Connor,  
Associate General Manager  
& Chief Legal Executive

Bobby Olsen,  
Associate General Manager  
& Chief Planning, Strategy  
and Sustainability Executive

Rob Taylor,  
Associate General  
Manager & Chief Public  
Affairs and Corporate  
Services Executive

# Five-Year Operational and Statistical Review

FINANCIAL DATA (\$000)	2025	2024	2023	2022	2021
Total operating revenues	\$ 4,559,691	\$ 4,145,895	\$ 4,021,546	\$ 3,565,341	\$ 3,475,507
Retail electric revenues	3,983,609	3,492,861	3,211,366	2,993,392	2,989,995
Water revenues	33,668	25,491	24,019	25,805	22,189
Other revenues	542,414	627,543	786,161	546,144	463,323
Total operating expenses	3,982,082	3,803,454	4,313,633	2,978,467	3,045,280
Total other income (expense), net	217,413	225,494	62,412	(61,629)	283,510
Net financing costs	191,054	162,378	131,855	130,638	136,685
Net revenues (expenses) for the year	603,968	405,557	(361,530)	394,607	577,052
Taxes and tax equivalents	174,352	166,397	165,514	177,971	170,610
Utility plant, gross	20,415,553	19,275,834	18,621,890	17,854,035	17,305,702
Long-term debt	6,010,377	5,470,941	4,950,900	4,560,487	4,744,294
Electric revenue contributions to support water operations	63,171	66,633	60,730	56,290	65,202

For comparative purposes, certain prior-year amounts have been reclassified to conform with the current-year presentation.

SELECTED DATA	2025	2024	2023	2022	2021
Total debt service coverage ratio	4.2	3.8	3.4	3.5	4.0
Debt ratio	46.2	46.1	45.2	41.7	44.3
Total electric sales (million kWh)	43,999	41,523	37,401	37,963	41,254
Peak SRP retail customers (kW)	8,219,000	8,163,000	7,620,000	7,571,000	7,615,000
Water deliveries (acre-feet) (1)	-	762,934	765,028	756,780	792,505
Runoff (acre-feet) (1)	-	567,933	1,927,635	575,223	483,055
Employees at year-end	5,747	5,365	5,132	4,844	4,846
Customers at year-end	1,183,163	1,158,912	1,135,988	1,112,683	1,093,263

(1) Water data is by calendar year, all other data is by fiscal year ending April 30.

## FINANCIAL INQUIRIES

**JON W. HUBBARD**

TREASURER & SENIOR DIRECTOR, FINANCIAL SERVICES  
(602) 236-5510

## BONDHOLDER INFORMATION

SRP TREASURY DEPARTMENT  
(602) 236-2222