

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

FINANCE AND BUDGET COMMITTEE Tuesday, June 24, 2025, No Sooner Than 9:50 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Committee Members: Mark Pace, Chair; Kathy Mohr-Almeida, Vice Chair; and Casey Clowes,
Randy Miller, Paul Rovey, Jack White Jr., and Leslie C. Williams

Call to Order

Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item CHAIR MARK PACE
 - A. Request for approval of the minutes for the meeting of May 22, 2025.
 - B. Request for approval of the Monthly Cash Statements for April and May 2025 (District and Association).
 - C. Request for approval of the Quarterly Cash Statement for Period Ending April 30, 2025 (Association).
2. Report on the Results of the Shareholder Compensation Program for 2023 per the Rules and Regulations JON HUBBARD
3. Request for Approval to Initiate the Shareholder Compensation Program for Calendar Year 2024 per the Rules and Regulations JON HUBBARD
4. Review of the Financial Results for the Month of April 2025 and Fiscal Year 2025 Audit Results VARIOUS
5. Report on Current Events by the General Manager and Chief Executive Officer and Designees JIM PRATT
6. Future Agenda Topics CHAIR MARK PACE

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



THE NEXT FINANCE AND BUDGET COMMITTEE MEETING
IS SCHEDULED FOR THURSDAY, AUGUST 21, 2025

06/17/2025

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

May 22, 2025

A meeting of the Finance and Budget Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 11:23 a.m. on Thursday, May 22, 2025, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call were K.L. Mohr-Almeida, Vice Chair; and R.J. Miller, P.E. Rovey, J.M. White Jr, and L.C. Williams.

Committee Members absent at roll call were M.V. Pace, Chair; and C. Clowes.

Also present were President D. Rousseau; Board Members R.C. Arnett, N.R. Brown, K.J. Johnson, S.D. Kennedy K.H. O'Brien, L.D. Rovey, and S.H. Williams; Council Chair J.R. Shelton; Council Vice Chair B.E. Paceley; Council Liaison R.W. Swier; Council Members G.E. Geiger, E.L. Gorseger, J.W. Lines, M.R. Mulligan, and C. Resch-Geretti; I.R. Avalos, M.J. Burger, A.P. Chabrier, J.M. Felty, L.F. Hobaica, J.W. Hubbard, V.P. Kisicki, B.J. Koch, K.J. Lee, L.A. Meyers, D.B. Mitchell, M.J. O'Connor, B.A. Olsen, B.G. Patchett, J.M. Pratt, C.M. Sifuentes-Kohlbeck, and R.R. Taylor of SRP; Murphy Bannerman of Western Resource Advocates (WRA); and Donald Erpenbeck of Stantec.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Finance and Budget Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, May 20, 2025.

Vice Chair K.L. Mohr-Almeida called the meeting to order.

Consent Agenda

Vice Chair K.L. Mohr-Almeida requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member L.C. Williams and seconded by Board Member J.M. White Jr, the Committee unanimously approved and adopted the following items on the Consent Agenda:

- Minutes of the Finance and Budget Committee meetings on April 24, 2025, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member L.C. Williams' motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members K.L. Mohr-Almeida, Vice Chair; and R.J. Miller, P.E. Rovey, J.M. White Jr, and L.C. Williams	(5)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members M.V. Pace, Chair; and C. Clowes	(2)

Uncollectible Customer Accounts

Using a PowerPoint presentation, Vanessa P. Kisicki, SRP Associate General Manager and Chief Customer Executive, stated that the purpose of the presentation was to provide information, in response to a Board Member inquiry, regarding an overview and history of uncollectible customer accounts.

V.P. Kisicki provided an uncollectible expense overview and stated that the uncollectible customer accounts are the amount SRP determines it is unlikely to ever collect from retail customers. They discussed the factors impacting the uncollectible expense as follows: 1) revenue; 2) historical collection rate; 3) disconnect moratoriums; 4) assistance availability; 5) inflation; 6) seasonality/population growth; 7) unusual credit activity or fiscal events; and 8) political factors.

V.P. Kisicki presented a graph depicting the uncollectible expense history from Fiscal Year 2015 (FY15) through FY25 highlighting the long COVID disconnect moratorium and the extended two-month moratoriums. They concluded with a discussion of write off as a percentage of retail electric revenues from FY15 through FY25.

V.P. Kisicki responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Board Member R.C. Arnett; Council Member G.E. Geiger; B.G. Patchett of SRP; and Murphy Bannerman of WRA left the meeting during the presentation. B.B. Davis and A. Rickard of SRP entered the meeting during the presentation.

Energy Risk Management (ERM) Update

Using a PowerPoint presentation, Jon W. Hubbard, SRP Treasurer and Senior Director of Financial Operations and Compliance, stated that the purpose of the presentation was to provide information regarding the periodic update on ERM activities, including the following topics: an overview of commodity prices (natural gas/electricity); a summary of retail natural gas hedging requirements and current hedge levels; current gas transportation under contract and expected incremental needs; the wholesale credit

exposure summary; and Board-approved aggregate financial limits and existing financial positions.

J.W. Hubbard reviewed the on-peak electricity prices for Palo Verde from May 2023 to May 2025 and changes in Palo Verde on-peak prices since 2024. They provided an overview of natural gas prices for the Permian and San Juan Basins from May 2023 to May 2025. J.W. Hubbard discussed changes in the forward curve chart for natural gas prices in the San Juan Basin since 2024.

J.W. Hubbard reviewed the expected requirements and hedge levels of retail natural gas for Financial Plan 2026 (FP26). They discussed credit by rating and exposure to counterparties by credit rating. J.W. Hubbard concluded with a discussion of aggregate financial limits for electricity, natural gas, unleaded gas, diesel, and greenhouse gas and emissions compliance instruments.

J.W. Hubbard responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

Jim M. Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Vice Chair K.L. Mohr-Almeida asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Finance and Budget Committee, the meeting adjourned at 11:52 a.m.

John M. Felty
Corporate Secretary



Statement of Cash Received and Disbursed

April 2025

(\$000)

	District	Association	Total Month	Year-to-Date
Funds Balance Beginning of Period	\$ 1,278,021	\$ 512	\$ 1,278,533	\$ 785,829
Cash Receipts:				
Electric Revenues	276,097	---	276,097	4,294,245
Water Revenues	---	1,192	1,192	23,705
Electric Customer Deposits	5,302	---	5,302	51,276
Reimbursement on Joint Ownership Projects	5,897	---	5,897	146,843
Construction Contributions and Advances	40,270	---	40,270	325,629
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	50,934	---	50,934	1,450,628
Sales Tax Collected	18,313	---	18,313	302,521
Other Cash Receipts	15,696	---	15,696	203,158
Total Cash Receipts	412,509	1,192	413,701	6,798,005
Fund Transfers - Net	(5,863)	5,863	---	---
Cash Disbursements:				
Purchased Power and Fuel	114,709	---	114,709	1,414,087
Operations and Maintenance	113,387	2,125	115,512	1,328,514
Employee Payroll and Payroll Taxes	77,661	5,226	82,887	812,919
Purchased Inventory	33,634	---	33,634	303,669
Cash Segregated for -				
Bond Interest	12,802	---	12,802	239,050
Bond Principal	12,732	---	12,732	124,511
Other Debt - Principal Repayment	77,630	---	77,630	182,430
Other Debt - Interest Expense	12	---	12	14,955
Capital Expenditures	147,841	---	147,841	1,214,736
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	---	---	---	376,455
In Lieu and Ad Valorem Taxes	650	---	650	111,101
Sales Tax Remitted	16,541	---	16,541	315,927
Margin and Collateral Disbursed - Net	(29,547)	---	(29,547)	4,364
Miscellaneous Cash Disbursements	1,269	---	1,269	35,554
Total Cash Disbursements	579,321	7,351	586,672	6,478,272
Funds Balance End of Period	\$ 1,105,346	\$ 216	\$ 1,105,562	\$ 1,105,562

Cash Position

April 2025

Composition of Funds Balance	(\$000)		
	District	Association	Total
Cash and Cash Equivalents	\$ 677,396	\$ 216	\$ 677,612
Other Temporary Investments	163,570	---	163,570
Other Non-Current Investments	264,380	---	264,380
General Fund	1,105,346	216	1,105,562
Segregated Funds			
Electric System Debt Reserve Fund	80,615	---	80,615
Debt Service Fund	126,066	---	126,066
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	702,714	---	702,714
Post-Retirement Benefits Fund	1,309,469	---	1,309,469
Construction Fund	54,306	---	54,306
RHCP Fund	12,686	---	12,686
HHCP Fund	9,017	---	9,017
SPRHCP Fund	3,552	---	3,552
Four Corners Mine Reclamation Trust	16,172	---	16,172
Other Special Funds	2,703	---	2,703
Total Segregated Funds	\$ 2,317,300	\$ ---	\$ 2,317,300

Statement of Cash Received and Disbursed

May 2025

(\$000)

	District	Association	Total Month	Year-to-Date
Funds Balance Beginning of Period	\$ 1,105,346	\$ 216	\$ 1,105,562	\$ 1,105,562
Cash Receipts:				
Electric Revenues	289,571	---	289,571	289,571
Water Revenues	---	6,524	6,524	6,524
Electric Customer Deposits	3,392	---	3,392	3,392
Reimbursement on Joint Ownership Projects	10,834	---	10,834	10,834
Construction Contributions and Advances	73,853	---	73,853	73,853
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	4,064	---	4,064	4,064
Sales Tax Collected	23,132	---	23,132	23,132
Margin and Collateral Received - Net	4,931	---	4,931	4,931
Other Cash Receipts	9,522	---	9,522	9,522
Total Cash Receipts	419,299	6,524	425,823	425,823
Fund Transfers - Net	195	(195)	---	---
Cash Disbursements:				
Purchased Power and Fuel	103,701	---	103,701	103,701
Operations and Maintenance	117,679	1,970	119,649	119,649
Employee Payroll and Payroll Taxes	62,608	3,402	66,010	66,010
Purchased Inventory	26,683	---	26,683	26,683
Cash Segregated for -				
Bond Interest	21,368	---	21,368	21,368
Bond Principal	12,732	---	12,732	12,732
Other Debt - Principal Repayment	40,400	---	40,400	40,400
Other Debt - Interest Expense	7	---	7	7
Capital Expenditures	159,989	---	159,989	159,989
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	4,064	---	4,064	4,064
In Lieu and Ad Valorem Taxes	50,277	---	50,277	50,277
Sales Tax Remitted	20,278	---	20,278	20,278
Miscellaneous Cash Disbursements	906	---	906	906
Total Cash Disbursements	620,692	5,372	626,064	626,064
Funds Balance End of Period	\$ 904,148	\$ 1,173	\$ 905,321	\$ 905,321

Cash Position

May 2025

	(\$000)		
	District	Association	Total
Composition of Funds Balance			
Cash and Cash Equivalents	\$ 468,698	\$ 1,173	\$ 469,871
Other Temporary Investments	151,070	---	151,070
Other Non-Current Investments	284,380	---	284,380
General Fund	904,148	1,173	905,321
Segregated Funds			
Electric System Debt Reserve Fund	80,615	---	80,615
Debt Service Fund	156,102	---	156,102
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	702,714	---	702,714
Post-Retirement Benefits Fund	1,309,469	---	1,309,469
Construction Fund	54,591	---	54,591
RHCP Fund	12,375	---	12,375
HHCP Fund	8,873	---	8,873
SPRHCP Fund	3,422	---	3,422
Four Corners Mine Reclamation Trust	16,172	---	16,172
Other Special Funds	2,703	---	2,703
Total Segregated Funds	\$ 2,347,036	\$ ---	\$ 2,347,036

SALT RIVER VALLEY WATER USERS' ASSOCIATION

STATEMENT OF CASH RECEIVED AND DISBURSED

Final For Fiscal Quarter Ended April 30, 2025

(In Thousands)

Funds Balance at January 31, 2025 **\$ 1,437**

Cash Received:

Water revenues **\$ 4,119**

Other cash receipts **\$ -**

Total cash received **\$ 4,119**

Operating Funds from SRPAI&PD - Net **\$ 19,474**

Total Funds Received **\$ 23,593**

Cash Disbursed:

Operating and maintenance expense **\$ 11,527**

Construction in progress **\$ -**

Net paychecks and deductions paid to others **\$ 13,287**

Other **\$ -**

Total Cash Disbursed **\$ 24,814**

FINAL

Funds Balance at April 30, 2025 **\$ 216**



Jason Riggs
Assistant Corporate Treasurer



Report on the Shareholder Compensation Program for 2023

Jon W Hubbard | F&B Committee June 24, 2025



Brief Program Background

Implemented in 1928 under CALAPCO agreement

- Stewart Mountain Dam financing
- Association Articles amended to create the “15% area”
- Compensates a qualified shareholder who paid a “substantial” difference for electricity
- “Substantial” later defined as “15% or more”
- Program continues to this day

Shareholder Compensation 2023 Program

Direct Mailing of Program Letters	69,497
Applications Processed	8,412
- Paper (929; ~11%)	
- Electronic (7,483; ~89%)	
Applications Paid	6,940
Compensation	\$2,900,989
Administrative Costs	<u>\$638,911</u>
Total Program Costs	\$3,539,900

Applications Rejected 2023 Program

Duplicate	544
Less than 15% Difference	388
Insufficient Information – Shareholder	343
Not a Resident	102
Not a Shareholder	67
Not APS Customer of record	32
Amount less than fee	22
Not Rent Free	18
Not in the 15% Area	12
Not a Family Member	11
Insufficient Information – APS Customer	6
Ineligible APS Rate	4
Not in Claim Period	2
Late	2

thank you!



MEMORANDUM



June 11, 2025

TO: SRP Board & Council Members

FROM: Jason I. Riggs

SUBJECT: Report on the Shareholder Compensation Program for 2023

The Rules and Regulations approved by the Board for the 2023 Program require management to report to the Board the conduct of the 2023 Program upon its completion.

DISCUSSION

The application period for the 2023 Program was from June 4, 2024 to September 2, 2024. Applications were sent by first-class mail to 69,497 residents of the 15% Area based on analysis of their electric bills. In addition, four advertisements were published in the Arizona Republic during the application period.

8,412 applications for compensation were received and processed. 6,940 applications were paid, while 1,553 were either rejected for not meeting eligibility rules or the billing differential between APS and SRP was less than 15%. \$2,900,989 was paid to applicants for an average compensation of \$418.01. The largest compensation amount was \$3,260.18. The smallest was \$1.36.

Applications were not paid for the following reasons:

Duplicate application	544
Rate difference less than 15%	388
No Information to verify shareholder	343
Applicant not resident at property	102
Applicant not a shareholder	67
Applicant not APS customer of record	32
Amount less than administrative fee	22
Not rent free by family member	18
Residence not in 15% area	12
Applicant not family member	11
No information to verify APS customer	6
Service under ineligible APS rate	4
Application for other time period	2
Late application	2

Thank you,

Jason I. Riggs

Cc: D. Rousseau, C. Dobson, J. Pratt, G.M. Staff J. Felty, L. Hobaica, R. Judd, S. Glover,
J. Hubbard



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Shareholder Compensation Program for 2024

Jon W Hubbard | F&B Committee June 24, 2025



Residential Rate Comparison

SRP vs. APS

Calendar Year 2024

- Reviewed six patterns of typical residential usage
- All six patterns showed APS's R-1, Large Tier 3 rates were at least 15% greater than SRP rates

2024 Shareholder Compensation Program

- Reserved approximately \$3.8 million for payments and administrative costs
- Administrative fee will be \$50.00, as previously approved by the District's Board of Directors
- Application period: June 25, 2025 – September 23, 2025

Recommendation

Request that the Committee recommend that the Board authorize the initiation of the Shareholder Compensation Program for 2024

thank you!



MEMORANDUM



June 11, 2025

TO: SRP Board of Directors

FROM: Jason I. Riggs

SUBJECT: Approval of Shareholder Compensation Program for 2024

Request for approval to initiate the Shareholder Compensation Program for calendar year 2024 according to the Rules and Regulations.

EXECUTIVE SUMMARY

The Articles of Incorporation of the Salt River Valley Water Users' Association (the Association) and the Association's By-Laws require that Association shareholders living in the 15% Area are to be notified and compensated if the annual cost difference between Arizona Public Service Company (APS) and Salt River Project Agricultural Improvement and Power District (SRP) residential electric service is 15% or more.

Management has reviewed electric rates for six patterns of typical residential usage and found that in all six patterns, APS Residential rates are at least 15% greater than what SRP would have charged. Thus, a 15% Area Shareholder Compensation Program for 2024 should be implemented. Fixed Energy Charge Plan (R-1, Large Tier 3) is the most common APS residential rate in the 15% Area.

BACKGROUND AND DISCUSSION

In recent years, SRP residential electric rates have typically been substantially below those of APS. As such, the District has been required to run annual Shareholder Compensation Programs.

The following table shows a comparison of 2024 bills under APS and SRP residential electric rates (APS R-1, Large, Tier 3, SRP E-23):

**Comparison of Residential Customer Bills for 2024
APS and SRP Rates**

<u>Customer Pattern</u>	<u>Average kWh/Month</u>	<u>Percent of Customers Represented</u>	<u>Percent Difference APS>SRP</u>	<u>Average Annual Compensation</u>
1	254	33.7%	19.8%	\$115
2	495	14.3%	28.4%	\$266
3	744	16.2%	31.7%	\$413
4	1,012	15.7%	33.6%	\$570
5	1,391	14.0%	34.9%	\$787
6	2,235	6.1%	36.0%	\$1,263

The 2024 Rules and Regulations have been changed from 2023 to reflect the dates for the 2024 program. The Administrative Fee for the 2024 program, as approved by the District's Board of Director, is \$50. Those areas of the Rules and Regulations required by the Hitt Litigation are italicized and explained in the related end notes.

Management again recommends a ninety-day application period for the 2024 program, which is expected to begin June 25, 2025, and end September 23, 2025. All potential applicants will be notified at the start of the program by first-class mail, and newspaper advertisements will be run four times during the application period.

BUDGET AND FINANCIAL CONSIDERATIONS

The 2023 program paid out \$2,900,989 in compensation to 6,490 shareholders. In addition, \$638,911 was spent on administering the 2023 program. The District's financial statements contain a reserve of approximately \$3.8 million for the 2024 program.

CONCLUSION

Management recommends that the Board approve implementation of the 2024 Shareholder Compensation Program.

Thank you,

Jason I. Riggs

Cc: D. Rousseau, C. Dobson, J. Pratt, G.M. Staff J. Felty, L. Hobaica, R. Judd, S. Glover,
J. Hubbard



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EXECUTIVE/STAFF SUMMARY

TITLE OF ITEM

SHAREHOLDER COMPENSATION PROGRAM FOR 2024

BOARD ACTION RECOMMENDED

Approval to initiate a Shareholder Compensation Program for calendar year 2024 according to the attached Rules and Regulations.

EXECUTIVE SUMMARY

The Articles of Incorporation of the Salt River Valley Water Users' Association (the Association) and the Association's By-Laws require that Association shareholders living in the 15% Area are to be notified and compensated if the annual cost difference between Arizona Public Service Company (APS) and Salt River Project Agricultural Improvement and Power District (SRP) residential electric service is 15% or more.

Management has reviewed electric rates for six patterns of typical residential usage and found that in all six patterns, APS Residential rates are at least 15% greater than what SRP would have charged. Thus, a 15% Area Shareholder Compensation Program for 2024 should be implemented. Fixed Energy Charge Plan (R-1, Large Tier 3) is the most common APS residential rate in the 15% Area.

BACKGROUND AND DISCUSSION

In recent years, SRP residential electric rates have typically been substantially below those of APS. As such, the District has been required to run annual Shareholder Compensation Programs.

The following table shows a comparison of 2024 bills under APS and SRP residential electric rates (APS R-1, Large, Tier 3, SRP E-23):

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5	1,391	14.0%	34.9%	\$787
6	2,235	6.1%	36.0%	\$1,263

The actual rate schedules are shown in Exhibit A.

The 2024 Rules and Regulations have been changed from 2023 to reflect the dates for the 2024 program and with an administrative charge of \$50 as approved by the Board. Those areas of the Rules and Regulations required by the Hitt Litigation are italicized and explained in the end notes.

Management again recommends a ninety-day application period for the 2024 program, which is expected to begin June 25, 2025, and end September 23, 2025. All potential applicants will be notified at the start of the program by first-class mail, and newspaper advertisements will be run four times during the application period.

BUDGET AND FINANCIAL CONSIDERATIONS

The 2023 program paid out \$2,900,989 in compensation to 6,940 shareholders. In addition, \$638,911 was spent on administering the 2023 program. The District's financial statements contain a reserve of approximately \$3.8 million for the 2024 program.

CONCLUSION

Management recommends that the Board approve implementation of the 2024 Shareholder Compensation Program.

Exhibit A

Summary of Certain Rates in Effect for 2024 For Salt River Project and Arizona Public Service Company

SALT RIVER PROJECT (E-23)

	<u>Summer (May 1 – Oct 31)</u>	<u>Summer Peak (July1– Aug 31)</u>
Customer Charge	\$ 20.00	\$ 20.00
First 0-2000 kWh	\$0.1267	\$0.1333
Next 2001+ kWh	\$0.1310	\$0.1446
	<u>Winter (Jan 1 – Apr 30)</u>	<u>Winter (Nov 1 – Dec 31)</u>
Customer Charge	\$ 20.00	
All kWh	\$0.0976	
Customer Charge		\$20.00
All kWh		\$0.1046

ARIZONA PUBLIC SERVICE (R-1, LARGE TIER 3)

	<u>Summer (May 1 – Oct 31)</u>	
Customer Charge	\$0.458 per day	
All kWh	\$0.15418	
	<u>Winter (Jan 1 – Mar 7)</u>	<u>Winter (Nov 1 – Dec 30)</u>
Customer Charge	\$0.400 per day	
All kWh	\$0.13478	
	<u>Winter (Eff. Mar 8)</u>	
Customer Charge	\$0.458 per day	\$0.458 per day
All kWh	\$0.15418	\$0.15418

ARIZONA PUBLIC SERVICE (ADJUSTMENT SCHEDULES)

	<u>Jan 1 – Dec 31</u>
PSA-1 Forward Adjustor (Jan – Mar 7, 2024)	\$(0.005527) per kWh
PSA-1 Forward Adjustor (Eff. Mar 8 – Dec 2024)	\$(0.012624) per kWh
PSA-1 Historical (Jan – Dec 2024)	\$0.013071 per kWh
PSA-1 Transition (Jan – Dec 2024)	\$0.011530 per kWh
REAC-1 (Jan - Dec 2024)	\$0.007100 per kWh
EIS (Jan – Mar 7, 2024)	\$0.000137 per kWh
EIS (Cancelled - Eff. Mar 8, 2024)	\$0.000000 per kWh
TCA-1 (Jan – May 2024)	\$0.000370 per kWh
TCA-1 (Eff. Jun 1 - Dec 2024)	\$0.001060 per kWh
DSMAC (Jan – Mar 7, 2024)	\$0.001726 per kWh
DSMAC (Eff. Mar 8 – Dec 2024)	\$0.002393 per kWh
LFCR (Jan – Mar 7, 2024)	\$0.00263 per kWh
LFCR (Eff. Mar 8 - Apr 2024)	\$0.00142 per kWh
LFCR (Eff. May 1 - Dec 2024)	\$0.00180 per kWh
CRS-1 (Jan – Mar 7, 2024)	\$0.00175 per kWh
CRS-1 (Eff. Mar 8 – Dec 2024)	\$0.001480 per kWh
SRB-1 (Eff Mar 8 - Dec 2024)	\$0.00000 per kWh
TEAM Phase I (Jan - Dec 2024)	\$(0.000000) per kWh
TEAM Phase II (Jan - Dec 2024)	\$0.000000 per kWh
TEAM Phase III (Jan - Dec 2024)	\$(0.000000) per kWh



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RULES & REGULATIONS

SHAREHOLDER COMPENSATION PROGRAM FOR 2024

I. GENERAL

Pursuant to the District's contract with the Salt River Valley Water Users' Association, the Board of Directors of the Salt River Project Agricultural Improvement and Power District hereby adopts and promulgates the following rules and regulations setting forth the procedures for administration of claims for compensation of past and present Shareholders, as defined below, who received and paid for residential electric service from Arizona Public Service Company during 2024.

II. DEFINITIONS

- A. "Administrative Fee" – An administrative fee shall be deducted from each successful application for compensation. The Administrative Fee for the 2024 program, as approved by the District's Board of Directors, is \$50.00.
- B. "Annual Cost of Electric Service"
 - 1. For Qualifying Shareholders on APS' kilowatt-hour-only rate E12 or R-1 (Small Tier 1, Medium Tier 2, or Large Tier 3), the amount determined by totaling each bill incurred during the Compensation Period (including fuel adjustments and temporary rate increases subsequently made permanent, but not including sales taxes, or regulatory taxes).

2. For Qualifying Shareholders on APS' RTOUE47, R3-47, R- 2, R-EV, ET-1, ET-2, ECT-2, or ECT-1R rates, the amount determined by totaling each APS bill incurred during the Compensation Period or, if lower, what would have been charged for the billed amount of electricity under the lowest APS kilowatt-hour-only rate available to the Shareholder (including, in either case, fuel adjustments and temporary rate increases subsequently made permanent but not including sales, or regulatory taxes). It shall be assumed that the R-1 (Small Tier 1, Medium Tier 2, or Large Tier 3) kilowatt-hour-only rate is the only kilowatt-hour-only rate available to RTOUE47, R3-47, R- 2, R-EV, ET-1, ET-2, ECT-2, or ECT-1R, customers after January 1, 2024.
- C. "Applicant" – A person or entity submitting an application prior to 5:00 p.m., September 23, 2025.
- D. "Application" – The form used to request compensation for 2024, substantially in the form of Exhibit A attached hereto, together with additional information supplied by the Applicant.
- E. "APS" – Arizona Public Service Company: the public service corporation serving Shareholders in 2024
- F. "Association" – The Salt River Valley Water Users' Association.
- G. "Compensation Period" – The period from January 1, 2024 through December 31, 2024.
- H. "District" – The Salt River Project Agricultural Improvement and Power District.
- I. "District's Comparable Charge" – The amount chargeable on the District's E-23 standard electric rate for the same kilowatt hour usage which was used to determine a Qualifying Shareholder's Annual Cost of Electric Service.

- J. "Eligible Property" – Land upon which the Association is entitled to levy an assessment and to which APS provides residential electric service (generally including areas, excluding town site lands, within or adjacent to the corporate limits of the Cities of Chandler, Gilbert, Glendale, Peoria, Phoenix, Scottsdale, and Tempe), as shown on the maps attached hereto as Exhibit B.
- K. "Qualifying Differential" – 1.15.¹
- L. "Qualifying Rate" – Any of the following *APS residential service electric rate: E-12, R-1 (Small Tier 1, Medium Tier 2, or Large Tier 3), RTOUE47, R3-47, R-2, R-EV, ET-1, ET-2, ECT-2, and ECT-1R.*²
- M. "Qualifying Shareholder" – A Residential Customer who occupied and owned an Eligible Property during the Compensation Period. Qualifying Shareholders may include individuals, trustees, partnerships, corporations, and Religious Institutions (as defined herein) if the same meet all other qualifications. *No Shareholder shall be disqualified from compensation because he or she is a trustor under a deed of trust used as security for financing purposes in securing a debt to the beneficiary.*³
- N. "Religious Institution" – Ecclesiastical or monastic order, nonprofit corporation or other non-profit organization which was formed for the purpose of maintaining or propagating a system of spiritual beliefs or to implement spiritual practices.
- O. "Residential Customer" – A person or entity who was billed for residential electric service by APS under a Qualifying Rate during the Compensation Period.
- P. "Shareholder(s)" – Any person owning land that is within the Salt River Reservoir District and recognized as member land by the Secretary of the Association. A map attached hereto as Exhibit C identifies member land.

III. NOTICE

- A. The District shall publish four advertisements in newspapers of general circulation in Maricopa County, intended to notify all Qualifying Shareholders that they may be entitled to compensation for all or a portion of the Compensation Period. Such notices shall also contain information pertaining to the period during which Applications must be filed, and instructions for obtaining an Application.
- B. *In addition, the District shall send an Application form to any person eligible to receive compensation and having at least a 15% difference between their APS annual bill for residential electric service and the bill they would have received if they had received domestic electricity on the District's residential standard kilowatt-hour-only rate. In using data obtained from the Public Service Corporation to determine eligibility for such compensation, the District shall use due diligence to ensure that the exclusion of any person from eligibility is based on reliable criteria. The Application shall be sent by first-class mail to the address of the Eligible Property or such person's last known address. Included with the Application shall be a statement of the last compensation year's average compensation payment.*⁴ In lieu of mailing the Application, the District may send, by first-class mail, instructions for completing the Application online or requesting a paper Application. The District will mail a paper Application to any person that requests it.
- C. All other notifications specified by these rules shall be made in writing and sent by first class mail to the Applicant's last known address, or if elected by the Applicant, by electronic mail. All notifications required or permitted to be delivered by the District under these rules shall be deemed effective and received (i) two days after being deposited in the mail, if sent by mail, or (ii) on the date of transmission, if sent by email.

IV. APPLICATION PERIOD

- A. The District shall accept Applications online, or by mail to the address specified in the Application, until 5:00 p.m., September 23, 2025.
- B. An Application shall be deemed submitted only upon receipt by the District.
- C. Failure to submit an Application electronically, or have an Application postmarked, prior to 5:00 p.m., September 23, 2025, shall be deemed a waiver of any claims or rights to compensation for all or any portion of the Compensation period. An Application with a metered postmark must be received prior to 5:00 p.m., September 23, 2025, to comply with this provision.

V. APPLICATIONS FOR COMPENSATION

- A. Any person or entity desiring to receive compensation for all, or part of the Compensation Period must complete and submit an Application for the 2024 program, either online or by mail. The online application is available at srp.net/apply-compensation.
- B. The Applicant must complete the Application to the best of the Applicant's knowledge and belief. The Applicant's signature on an Application constitutes the Applicant's representation that all information supplied by the Applicant therein is made and supplied fully and truly to the best of the Applicant's knowledge and belief.
- C. A separate Application is required for each Eligible Property owned and occupied by a Qualifying Shareholder during the Compensation Period.
- D. The District shall confirm receipt of each Application by sending a confirmation letter to the Applicant, in the form of Exhibit D attached hereto, showing the date the District input the Application and the reference number assigned to it.

VI. DETERMINATION OF QUALIFYING SHAREHOLDER

- A. As soon as practicable following receipt of an Application, the District shall undertake to determine whether the Applicant was a Qualifying Shareholder during the Compensation Period, in accordance with the following provisions.
- B. Is the Application submitted with respect to Eligible Property?
 - 1. The District shall determine from plat maps maintained by the Secretary of the Association or from legal descriptions of those areas within the Salt River Reservoir District served electricity by APS whether the property for which an Application is submitted is an Eligible Property.
 - 2. If the District determines that property for which an Application is submitted is not an Eligible Property, the District shall notify the Applicant, in writing, of its determination.
 - 3. If the District is unable to determine whether the property for which an Application is submitted is an Eligible Property, the District may so notify the Applicant and may require the Applicant to submit evidence showing that the property for which the Application is submitted is an Eligible Property. The Applicant has thirty (30) days from the date the District delivers the notification, or until the last day of the Application Period, whichever is later, to submit the proper information. If the District does not receive the information within the period set forth above, the Applicant shall be deemed not to have submitted a valid Application within the Application Period.
- C. Was the Eligible Property owned by the Applicant?
 - 1. The District shall initially determine from property records maintained by or available to the Secretary of the Association whether and for what periods during the Compensation Period the Applicant owned the Eligible Property for which an

Application is submitted. The Applicant shall be considered a Qualifying Shareholder only during the periods of ownership so identified.

2. If the District determines that an Applicant did not, during the Compensation Period, own the Eligible Property for which an Application is submitted, the District shall notify the Applicant, in writing, of its determination.
 3. If the District is unable to determine whether or for which periods during the Compensation Period the Applicant owned the Eligible Property for which an Application is submitted, the District may so notify the Applicant and may require the Applicant to submit evidence showing the periods in which the Applicant owned said property during the Compensation Period. The Applicant has thirty (30) days from the date the District delivers the notification, or until the last day of the Application Period, whichever is later, to submit the proper information. If the District does not receive the information within the period set forth above, the Applicant shall be deemed not to have submitted a valid Application within the Application Period.
- D. If owned by the Applicant, did the Applicant, occupy the Eligible Property at any time during the Compensation Period?
1. The District shall obtain billing information from APS for every Eligible Property that receives residential electric service under a Qualifying Rate.
 2. The District shall determine from utility bills submitted by the Applicant or from the customer billing information provided by APS whether and for what billing periods during the Compensation Period the Applicant occupied the Eligible Property he/she owned.
 - a. *Occupancy by a Shareholder shall include the provision of electricity to the Shareholder or the Shareholder's "relatives" of the first degree of consanguinity (parents and/or children) or affinity (spouse, stepparents,*

*stepchildren), so long as the "relatives" who reside in the Shareholder's Property do so without payment of rent. Under this circumstance, the Shareholder shall not be disqualified from compensation if the Public Service Corporation customer is either the Shareholder or the Shareholder's "relatives."*⁵

- b. *Occupancy by a Shareholder which is a non-profit Religious Institution shall be established where APS provides electricity under a Qualifying Rate to full-time employees of the Religious Institution who are provided a residence in the Eligible Property free of charge as part of the employee's compensation. Under this circumstance, the Shareholder shall not be disqualified if the Residential Customer is either the Religious Institution or the employee.*⁶
- c. *Occupancy by a Shareholder which is a Religious Institution shall be established where APS provides electricity under a Qualifying Rate to members of an ecclesiastical or monastic order who devote themselves full-time to the activities of the order and are provided a residence in the Eligible Property free of charge. Under this circumstance, the Shareholder shall not be disqualified if the Residential Customer is either the Religious Institution or the member.*⁷
- d. *Occupancy by a Shareholder/trustee to whom a trustor has transferred fee title to an Eligible Property for substantially less than fair market value shall be established where APS provides electricity under a Qualifying Rate to the trustor or the trustor's "relatives" of the first degree of consanguinity (parents and/or children) or affinity (spouse, stepparents, stepchildren) who reside in the Eligible Property. Under this circumstance, the*

*Shareholder shall not be disqualified if the Residential Customer is either the trustee, trustor or one of their "relatives."*⁸

3. If the District determines that the Applicant did not occupy the Eligible Property, he/she owned, the District shall notify the Applicant in writing of its determination.
4. If the District is unable to determine whether and for what billing periods an Applicant occupied the Eligible Property he/she owned, the District may so notify the Applicant and may require the Applicant to submit evidence showing when the Applicant occupied said property during the Compensation Period. The Applicant has thirty (30) days from the date the District delivers the notification, or until the last day of the Application Period, whichever is later, to submit the proper information. If the District does not receive the information within the period set forth above, the Applicant shall be deemed not to have submitted a valid Application within the Application period.

VII. DETERMINATION OF DIFFERENTIAL

- A. If the District determines that the Applicant was Qualifying Shareholder during the Compensation Period, the District shall then determine whether the Qualifying Shareholder paid APS substantially more for residential electricity during the Compensation Period, in accordance with the following provisions.
- B. Was the Qualifying Shareholder charged for residential electric service to the Eligible Property under a Qualifying Rate?
 1. The District shall determine from APS bills submitted by the Applicant or from billing information provided by APS those periods of time during the Compensation Period when the Qualifying Shareholder was charged under a Qualifying Rate for residential electric service delivered to the Eligible Property for which an Application is submitted.

2. If the District determines that a Qualifying Shareholder was not charged under a Qualifying Rate for residential electric service delivered to the Eligible Property, the District shall notify the Applicant, in writing, of its determination.
 3. If the District is unable to determine whether the Qualifying Shareholder was charged under a Qualifying Rate for residential electric service delivered to the Eligible Property, the District may so notify the Applicant and may require the Applicant to submit evidence showing that the Qualifying Shareholder was charged under a Qualifying Rate for residential electric service delivered to the Eligible Property. The Applicant has thirty (30) days from the date the District delivers the notification, or until the last day of the Application Period, whichever is later, to submit the proper information. If the District does not receive the information within the period set forth above, the Applicant shall be deemed not to have submitted a valid Application within the Application Period.
- C. Did the Qualifying Shareholder pay substantially more for APS residential electric service than he/she would have paid the District?
1. For residential electric service provided to a Qualifying Shareholder's Eligible Property under a Qualifying Rate, the District shall determine the Qualifying Shareholder's Annual Cost of Electric Service from APS billing information submitted by the Qualifying Shareholder or from information provided by APS.
 2. The District shall then calculate the District's Comparable Charge to the Qualifying Shareholder.
 3. The District shall then divide the Qualifying Shareholder's Annual Cost of Electric Service by the District's Comparable Charge to determine if the difference equals or exceeds the Qualifying Differential.

VIII. PAYMENT OF COMPENSATION

- A. If the amount of the Qualifying Shareholder's Annual Cost of Electric Service divided by the District's Comparable Charge equals or exceeds the Qualifying Differential, the District shall pay the Qualifying Shareholder the amount by which the Annual Cost of Electric Service exceeded the District's Comparative Charge, minus the Administrative Charge. The Administrative Charge shall not be prorated if compensation is calculated based on a period of less than a calendar year.
- B. The District shall notify each Qualifying Shareholder of the amount of compensation determined to be due as soon as practicable.

IX. VERIFICATION OF APPLICATIONS, AUDIT OF PROGRAMS, REQUESTS FOR RECONSIDERATION, AND FINAL DECISIONS

- A. District management shall undertake such actions as it deems appropriate to verify the information or evidence submitted by Applicants in their Applications, or in support thereof. Such actions may be undertaken with respect to every Application or may be done only with respect to certain Applications.
- B. District management may institute such internal audit procedures of the compensation program as it deems appropriate.
- C. The notices specified by sections VI(B)(2), VI(C)(2), VI(D)(3), VII(B)(2), and VIII(B) shall constitute the District's initial decision on an Application. The District initial decision shall become final 40 days after it is delivered by the District, unless a timely request for reconsideration is filed under IX (D) below. When an Application is deemed invalid under section VI(B)(3), VI(C)(3), VI(D)(4) or VII(B)(3) of these rules, that shall be deemed a final decision as of the last day specified for providing information in such section, and no request for reconsideration may be filed.

D. Any Applicant dissatisfied with an initial decision may submit a request for reconsideration within 40 days after the District delivers the initial decision. All requests for reconsideration must be in writing and must state the reasons the Applicant believes reconsideration to be appropriate. Failure to submit a timely request for reconsideration shall be deemed a waiver of all objections to the initial decision. If an Applicant files a timely request for reconsideration, the District's decision on that request shall constitute its final decision.

X. ANNUAL REPORT

At least once a year management shall at an open meeting provide the District's Board of Directors a report upon the conduct of the prior year's compensation program, including a report on the number of Applications sent out to the public service corporation's customers, number of Applications filed, number of Applications paid, number of Applications rejected for each reason stated in a rejection letter and the total amount of compensation paid. If no compensation program is conducted for the prior year, management shall at an open meeting, provide the Board of Directors a report explaining why any Shareholder whose APS billing record shows a 115% differential would not be entitled to compensation. Two weeks prior to said meeting notice shall be published in two newspapers of general circulation within the Salt River Reservoir District informing the Shareholders that a report on the prior year's 15% area compensation program, or, the fact that no program was conducted shall be presented to the Board of Directors. The report shall be made public and available upon request upon payment of copying costs.⁹

¹ Paragraph I.F of the Settlement Agreement, pg. 3, defines "substantially more" as being "15% or more." This term captures that definition.

- ² Paragraph I.C(2) of the Settlement Agreement, pg. 3, provides that compensation shall be available for "all residential rates, whether implemented or created in the future, including APS E-10, E-12, ECT-1, ET-1, and EC-1, except any experimental rate." This listing of Qualifying Rates cannot be used to exclude any residential, non-experimental rate that APS uses. So long as this listing includes all eligible rates, the enumeration is valid.
- ³ This language is required by paragraph II.F of the Settlement Agreement, pg. 7.
- ⁴ This language is required by paragraph II.G of the Settlement Agreement, as modified by Judge Moroney's Order signed August 6, 1996.
- ⁵ This paragraph is required by Judge Moroney's Order signed August 6, 1996.
- ⁶ This paragraph is required by section I.F of the Settlement Agreement, pg. 4, regarding employees of a Religious Organization. The rules use the phrase "Religious Institution" rather than the phrase "Religious Organization" which was used in the Settlement Agreement. Paragraph II.N of the rules defines religious institution.
- ⁷ This paragraph is required by section I.G of the Settlement Agreement, pg. 4, regarding members of a Religious Organization. The rules use the phrase "Religious Institution" rather than the phrase "Religious Organization" which was used in the Settlement Agreement. Paragraph II.N of the rules defines religious institution.
- ⁸ This paragraph is required by paragraph I.H of the Settlement Agreement, pg. 4.
- ⁹ This paragraph is required by paragraph II.H of the Settlement Agreement, pg. 7-8.



2024 SRP Shareholder Compensation Application

This completed Shareholder Compensation Application must be submitted to Salt River Project Agricultural Improvement and Power District (SRP) to apply for compensation under the Salt River Valley Water Users' Association's shareholder compensation program. SRP will rely on the information in this application to determine the amount of any compensation to which the Applicant may be entitled. **To complete the application online, go to srp.net/apply-compensation.**

INSTRUCTIONS

1. Please print or type.
2. This application must be completed and signed by the owner of the eligible land. If the owner is a trust, it must be signed by the trustee.
3. Submit completed application by mail to **SRP, Shareholder Compensation, P.O. Box 29077, Phoenix, AZ 85038-9077**.
4. Mailed applications must be postmarked by Sept. 23, 2025. **NO LATE APPLICATIONS WILL BE ACCEPTED.** (Metered postmarks received after Sept. 23, 2025, are unacceptable.)
5. If you have any questions or need assistance in completing this application, please call **(602) 236-8888** Monday through Friday, 8 a.m. to 5 p.m. *Si quiere usted contestación a sus preguntas en español, llame a La Línea, (602) 236-1111, de lunes a viernes, de 8 a.m. a 5 p.m.*

SECTION I – APPLICANT AND PROPERTY INFORMATION

IF THE OWNER IS A TRUST, WHAT IS THE TRUST'S NAME?

APPLICANT'S FIRST NAME	MIDDLE NAME	LAST NAME
SPOUSE/CO-APPLICANT'S FIRST NAME	MIDDLE NAME	LAST NAME
APPLICANT'S PHONE NUMBERS: HOME	MOBILE	WORK EXT.

APPLICANT'S EMAIL ADDRESS

Residential address on the eligible land for which this Application for Compensation is made (the "Residence"):

SERVICE ADDRESS (INCLUDE UNIT NUMBER IF APPLICABLE) CITY STATE ZIP CODE +4

Is Applicant's mailing address different from the property address? ☐ Yes ☐ No

MAILING ADDRESS (INCLUDE UNIT NUMBER IF APPLICABLE) CITY STATE ZIP CODE +4 COUNTRY

TAX PARCEL ID NUMBER (PER **SERVICE ADDRESS**)

ARIZONA PUBLIC SERVICE CO. (APS) ACCOUNT NUMBER (PER **SERVICE ADDRESS**)

SECTION II – OWNERSHIP AND OCCUPANCY INFORMATION

In the year 2024, Applicant **OWNED**

the eligible land from

_____/_____/2024 to _____/_____/2024
MONTH DAY YEAR MONTH DAY YEAR

During Applicant's period of ownership, the Residence was (check and complete all that apply - at least one answer must be selected):

☐ Occupied by Applicant from _____/_____/2024 to _____/_____/2024
MONTH DAY YEAR MONTH DAY YEAR

☐ Occupied by a relative of Owner from _____/_____/2024 to _____/_____/2024
MONTH DAY YEAR MONTH DAY YEAR
Relationship to Owner _____

☐ Occupied by a tenant from _____/_____/2024 to _____/_____/2024
MONTH DAY YEAR MONTH DAY YEAR

☐ Unoccupied from _____/_____/2024 to _____/_____/2024
MONTH DAY YEAR MONTH DAY YEAR

Have you transferred ownership of this Residence? ☐ Yes ☐ No Date of Transfer _____

SECTION III – VERIFICATION

By signing below, I certify that I have answered the questions contained in this application fully and truly to the best of my knowledge. For purposes of processing this application, I consent to APS releasing account information (past or current) with respect to the Residence. I further consent and agree to any reasonable request by SRP intended to verify the information contained herein or submitted by me in support of this application. I avow that the information provided is true under penalties for false statements as provided by Arizona Revised Statutes §13-2704.

☐ By checking this box, I consent to the electronic delivery, using the email address set forth above, of all documents, communications, and notices that SRP elects to deliver to me in connection with this application.

DATE SIGNATURE OF APPLICANT/TRUSTEE

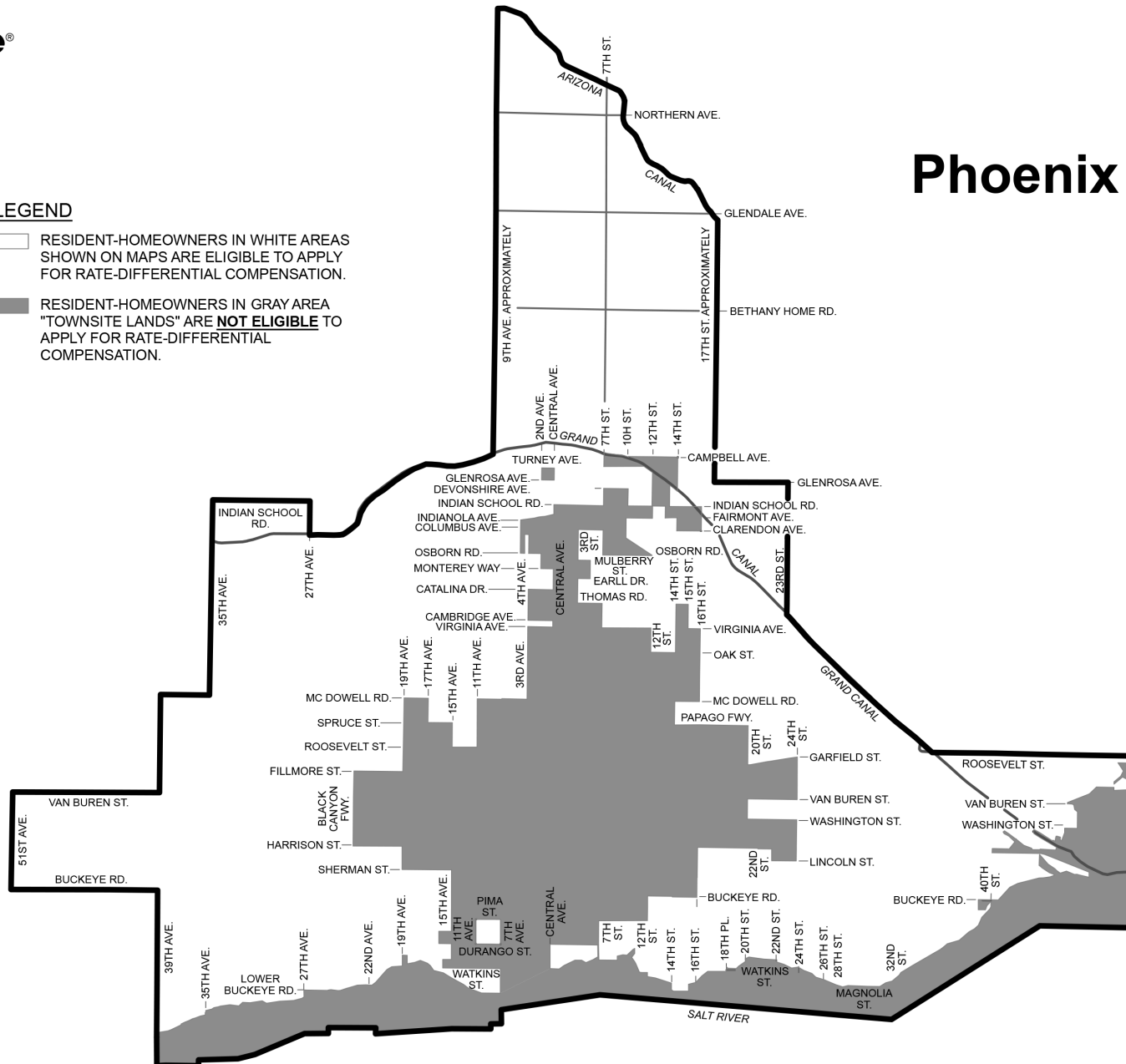
***NOTE:** If property is held in a trust, Applicant must submit to SRP trust documents identifying the trustor, trustee and successor trustee(s), and the page that is signed and notarized.

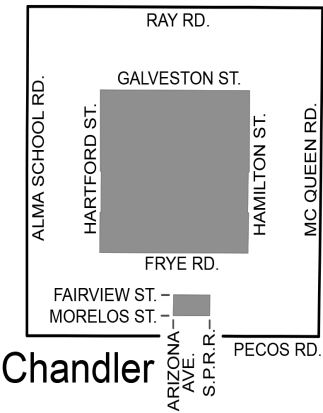


Phoenix

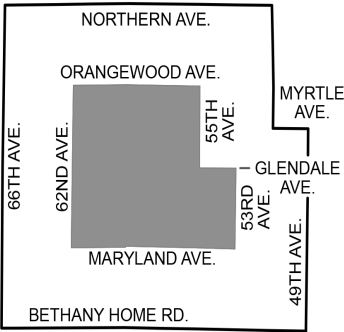
LEGEND

- RESIDENT-HOMEOWNERS IN WHITE AREAS SHOWN ON MAPS ARE ELIGIBLE TO APPLY FOR RATE-DIFFERENTIAL COMPENSATION.
- RESIDENT-HOMEOWNERS IN GRAY AREA "TOWNSITE LANDS" ARE **NOT ELIGIBLE** TO APPLY FOR RATE-DIFFERENTIAL COMPENSATION.

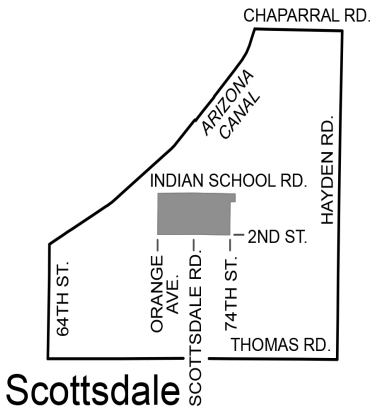




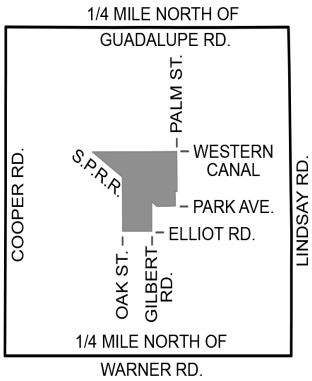
Chandler



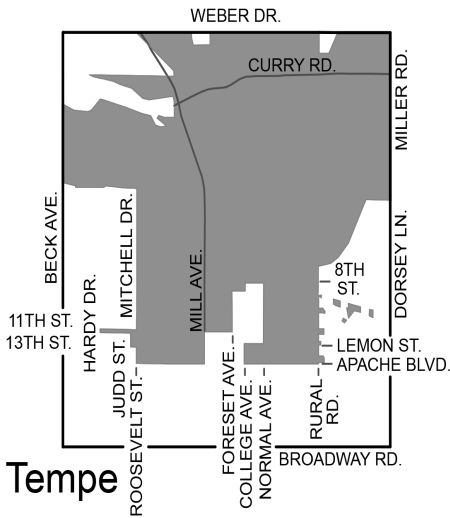
Glendale



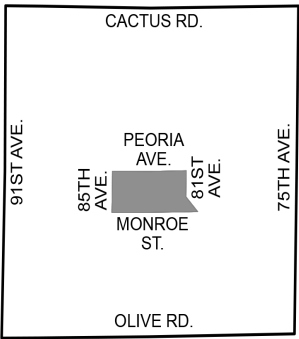
Scottsdale



Gilbert



Tempe



Peoria

LEGEND

- RESIDENT-HOMEOWNERS IN WHITE AREAS SHOWN ON MAPS ARE ELIGIBLE TO APPLY FOR RATE-DIFFERENTIAL COMPENSATION.
- RESIDENT-HOMEOWNERS IN GRAY AREA "TOWNSITE LANDS" ARE **NOT ELIGIBLE** TO APPLY FOR RATE-DIFFERENTIAL COMPENSATION.

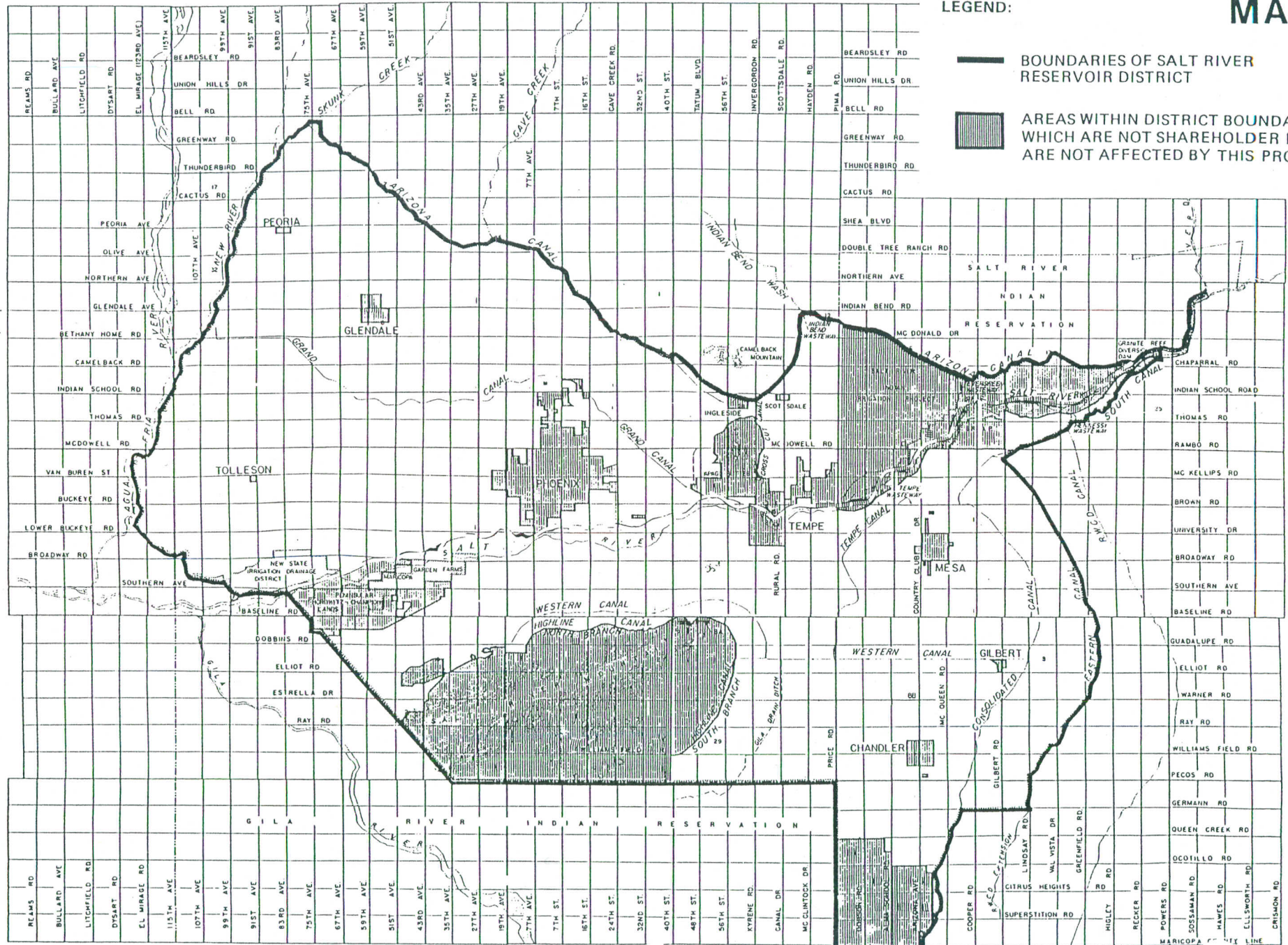


MAP A

LEGEND:

— BOUNDARIES OF SALT RIVER RESERVOIR DISTRICT

▨ AREAS WITHIN DISTRICT BOUNDARIES WHICH ARE NOT SHAREHOLDER LAND AND ARE NOT AFFECTED BY THIS PROGRAM.





Shareholder Compensation
P.O. Box 29077
Phoenix, AZ 85038-9077

xx-xx-2025

Reference Number & Address

JOHN SMITH
1234 E MAIN ST
ANYWHERE, AZ 85015

24-xxxxx
1234 E MAIN ST
ANYWHERE, AZ 85015

Your 2024 Application for Compensation has been received by the Shareholder Compensation Office at SRP. It will be processed to determine eligibility and you will be notified of the disposition by mail. If you have any questions, please call 602-236-8888.

Above is the reference number assigned to your application and the date it was input. Please refer to this reference number on any correspondence to this office. Please notify our office in writing if you have a change of address.

Claims are processed in the order they are received. Normal processing takes six months.

Si quiere usted contestación a sus preguntas en español, llame a La Línea, 602-236-1111, de lunes a viernes, de 8:00 a.m. a 5:00 p.m.

Sincerely,

SRP Shareholder Compensation

Monthly Financial Report

April 2025

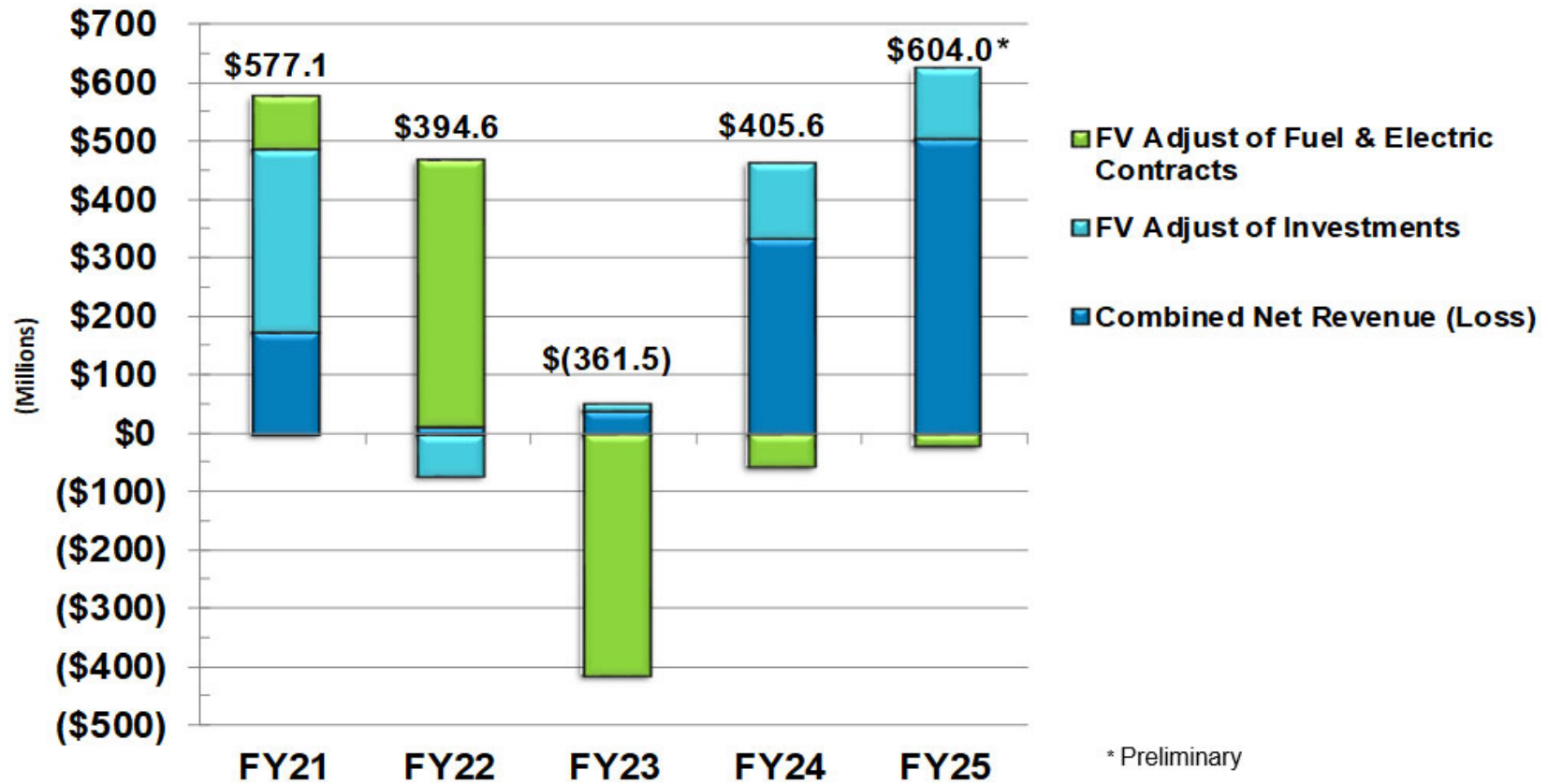
Finance & Budget Committee Meeting
Sue Ann Perkinson | June 24, 2025

Preliminary FY25 Combined Net Revenues (CNR) (\$ millions)

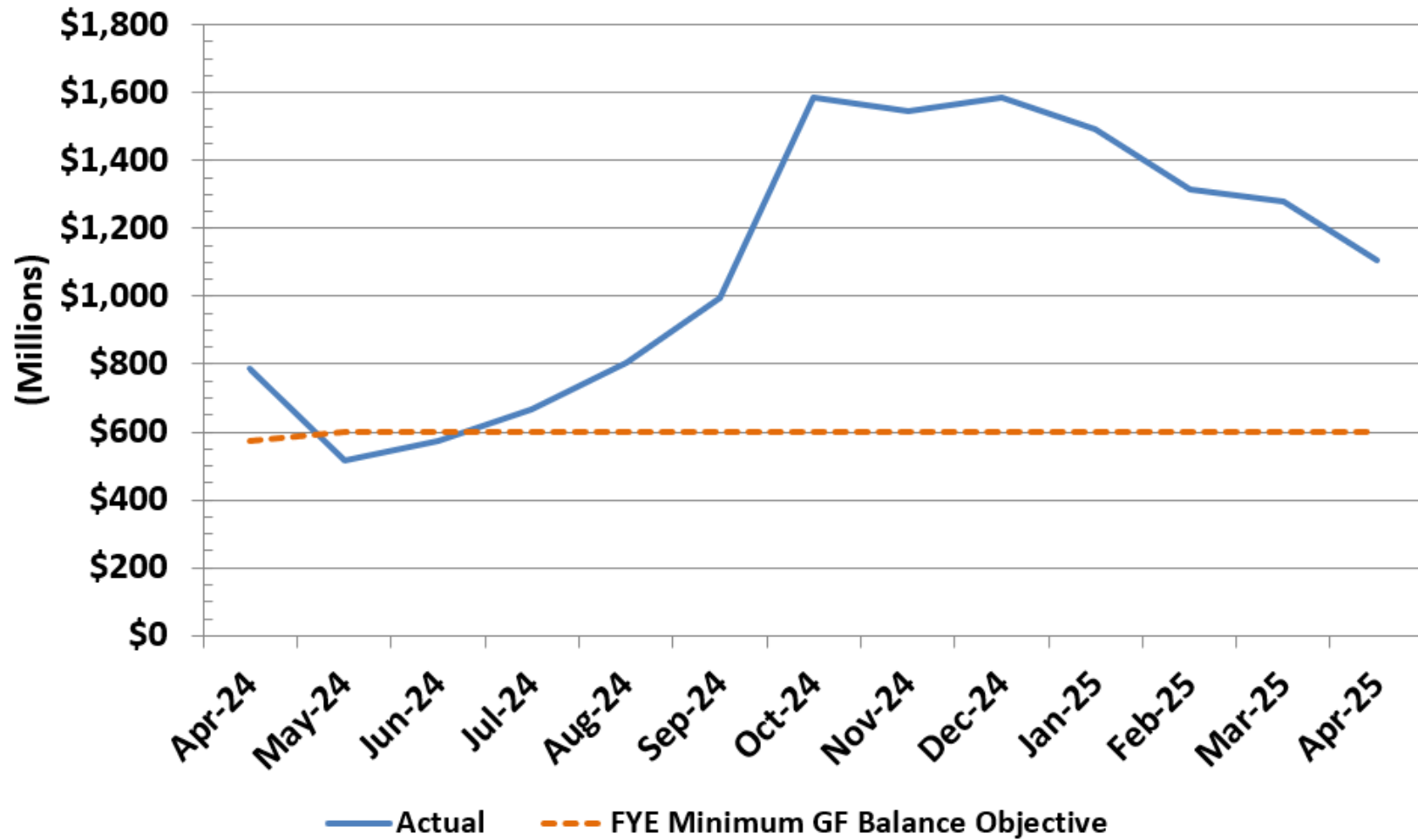
	\$ in Millions
Preliminary CNR before EPIC accrual & audit adjustments	\$560.7
Year-end/Audit adjustments	<u>???</u>
CNR after audit adjustments	\$560.7
EPIC accrual (a)	<u>(\$57.5)</u>
CNR before FMV	\$503.2
Fair Market Value (FMV) adjustment	<u>\$100.8</u>
Final audited CNR	\$604.0

(a) Subject to final combined audit results and Corporate Audit Services review

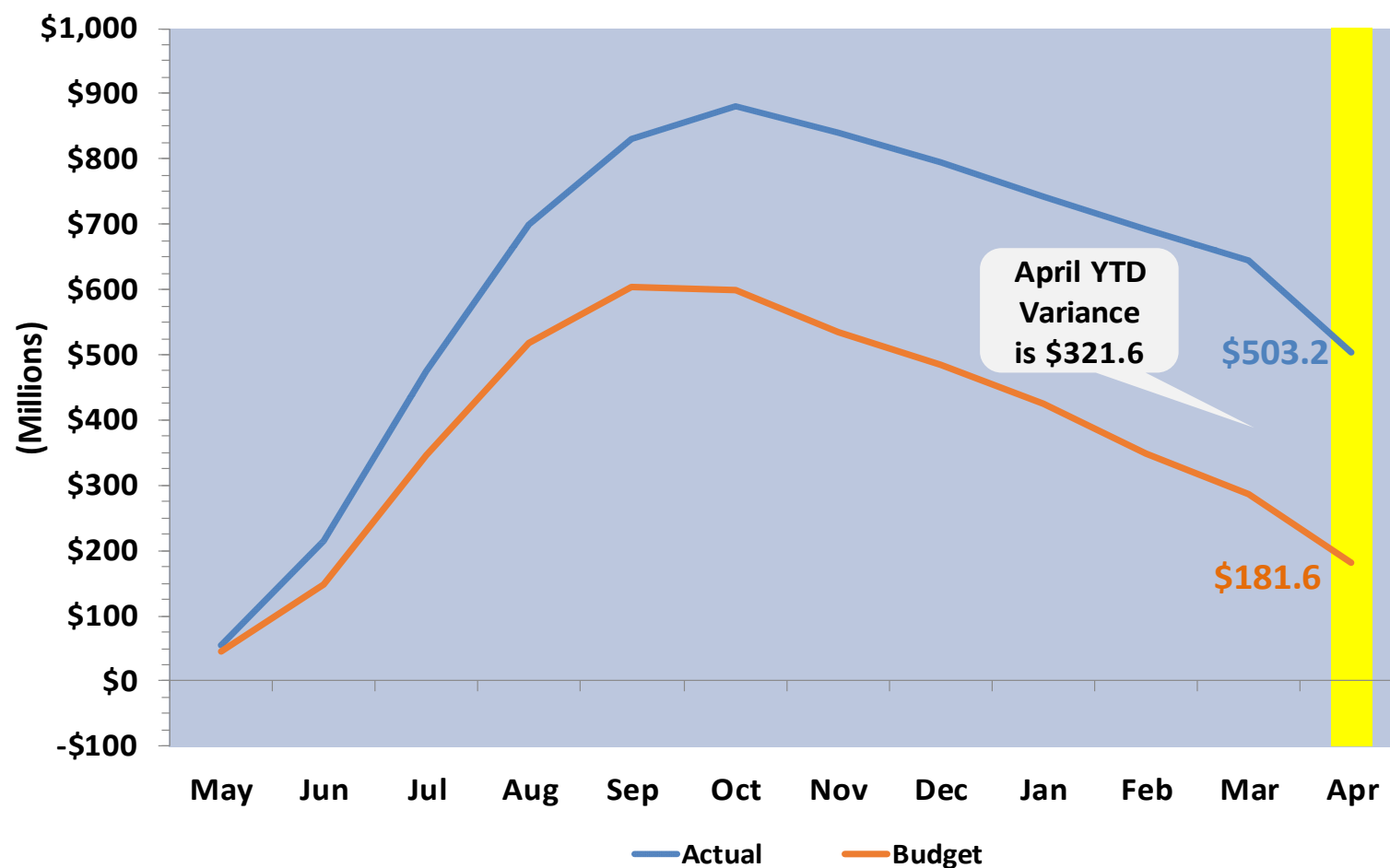
CNR with Fair Value Adjustments - YTD April 2025



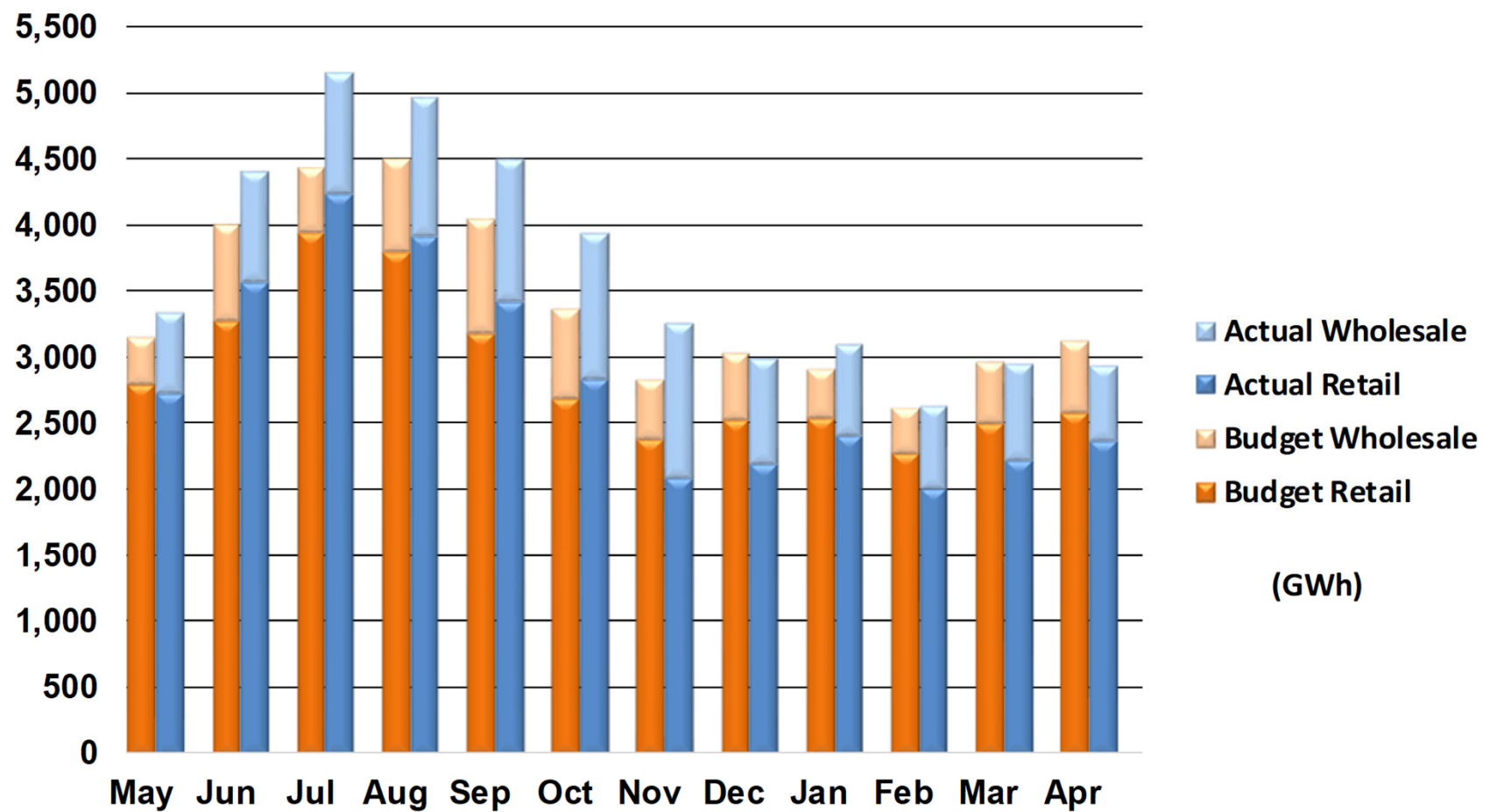
General Fund Balance



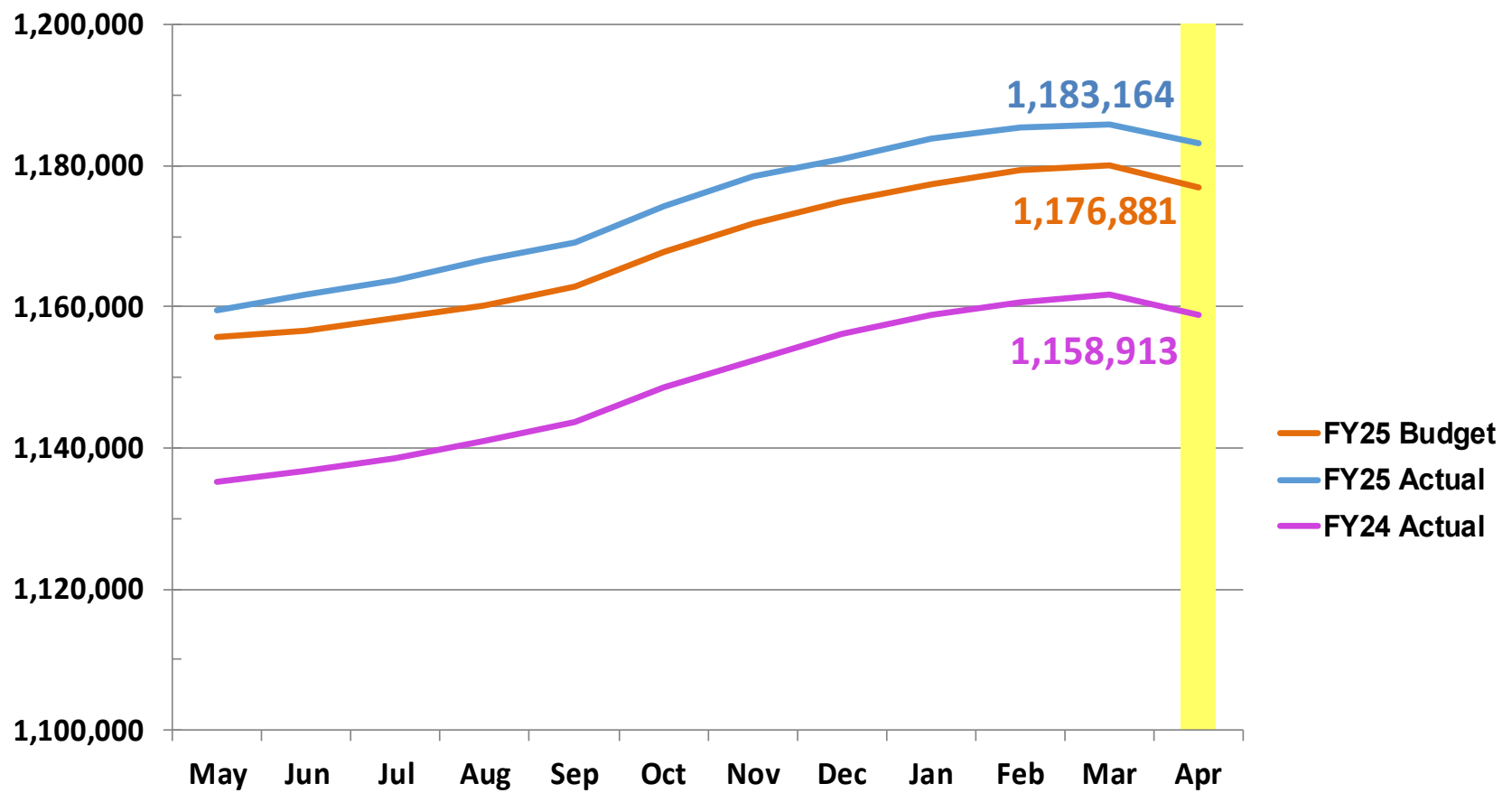
Preliminary YTD Combined Net Revenue



System Sales



Customer Accounts



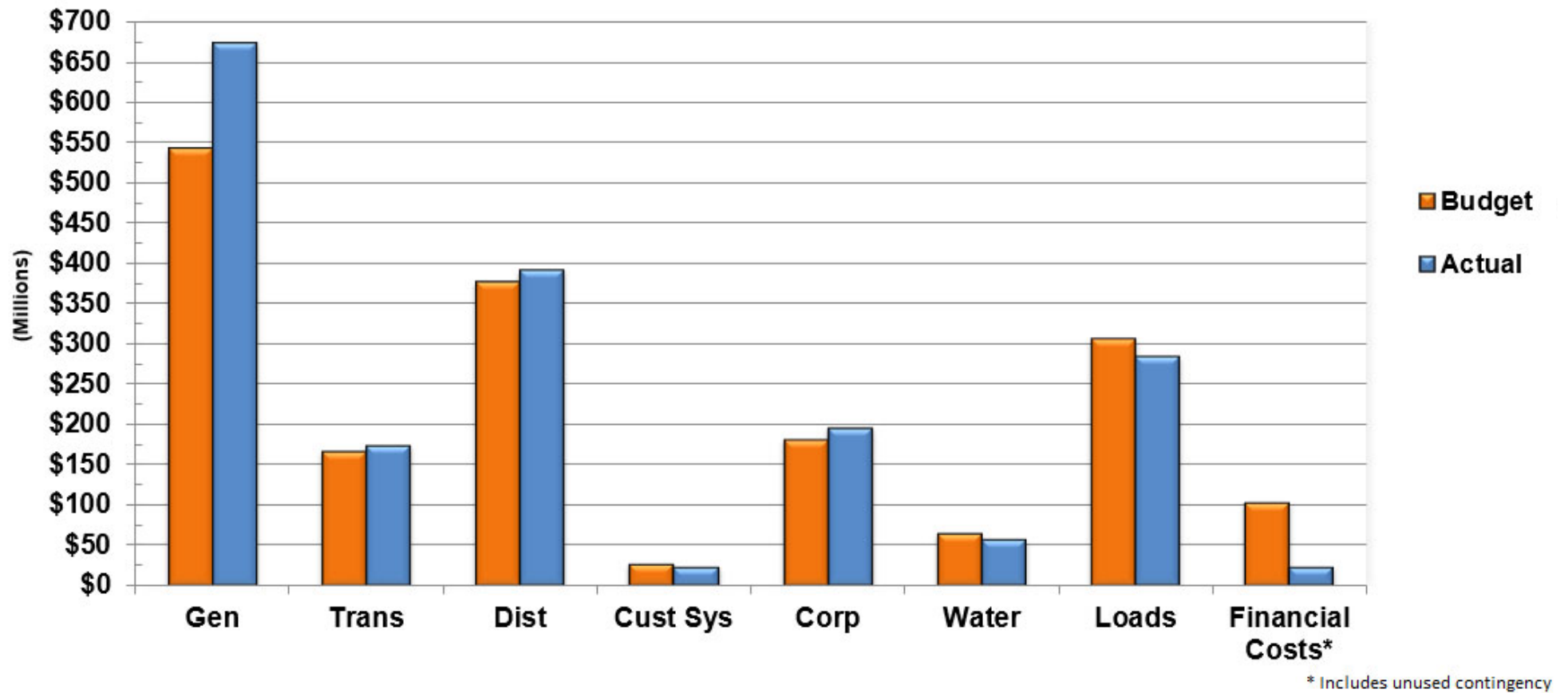
Financial Summary - Preliminary YTD April 2025

(Thousands)	Actual	Budget	Variance
Operating Revenues	\$ 4,565,486	\$ 4,280,491	\$ 284,995
Operating Expenses			
Fuel	1,614,698	1,660,775	(46,077)
O&M	1,528,917	1,508,347	20,570
Depr & Tax	815,644	832,313	(16,669)
Total Operating Expenses	3,959,259	4,001,435	(42,176)
Net Financing Costs	191,054	180,616	10,438
Other, Net	87,998	83,082	4,916
Combined Net Revenues	\$ 503,171	\$ 181,522	\$ 321,649

Key Financial Indicators - Preliminary YTD April 2025

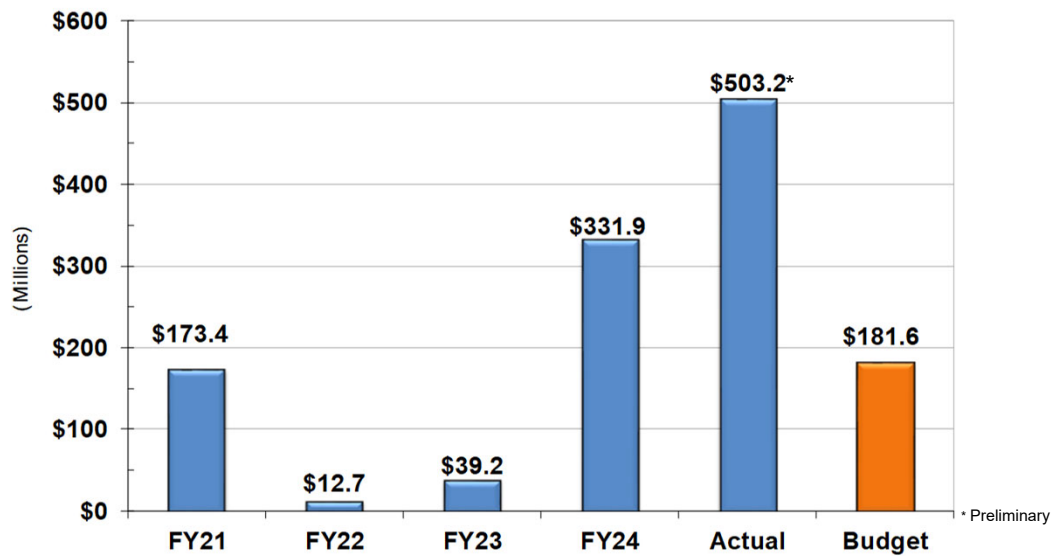
(Thousands)	Actual	Budget	Variance
Funds Available	\$ 1,067,547	\$ 645,408	\$ 422,139
Total Debt Service Coverage Ratio	4.21	3.20	1.01
Debt Ratio	46.2	47.4	(1.2)
Capital Expenditures	\$ 1,813,553	\$ 1,757,342	\$ 56,211

Capital Expenditures - Preliminary YTD April 2025





CNR without Fair Value Adjustments - YTD April 2025

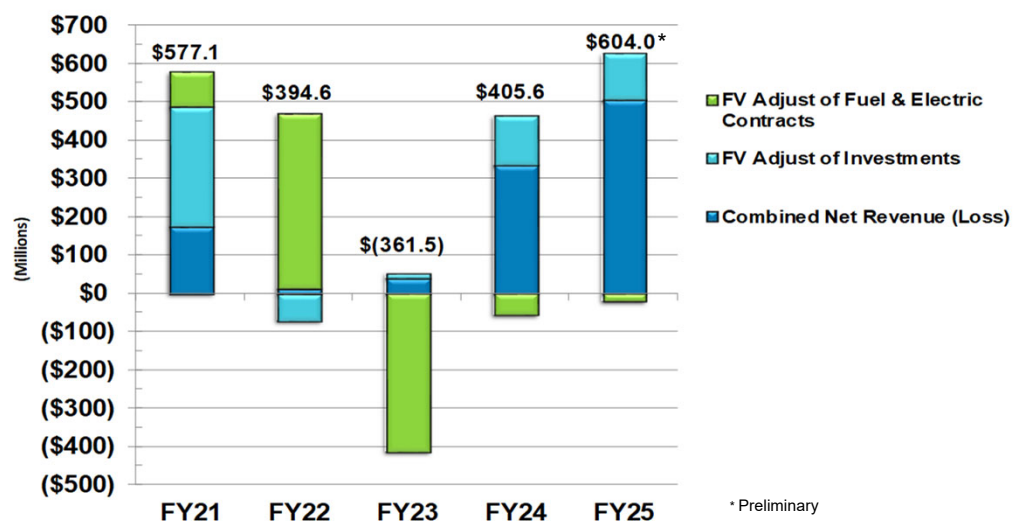


06/24/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 1

1

CNR with Fair Value Adjustments - YTD April 2025

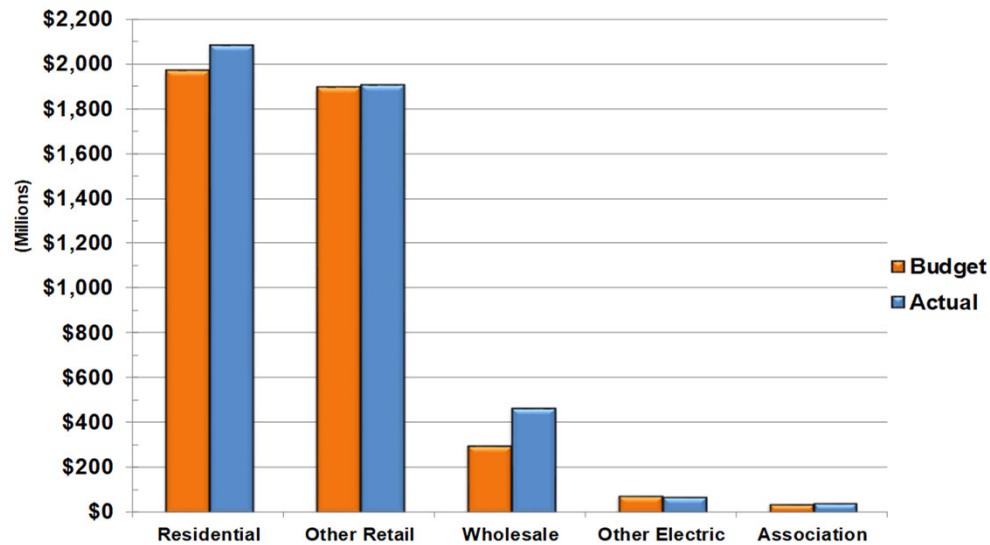


06/24/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 2

2

Combined Operating Revenues - Preliminary YTD April 2025

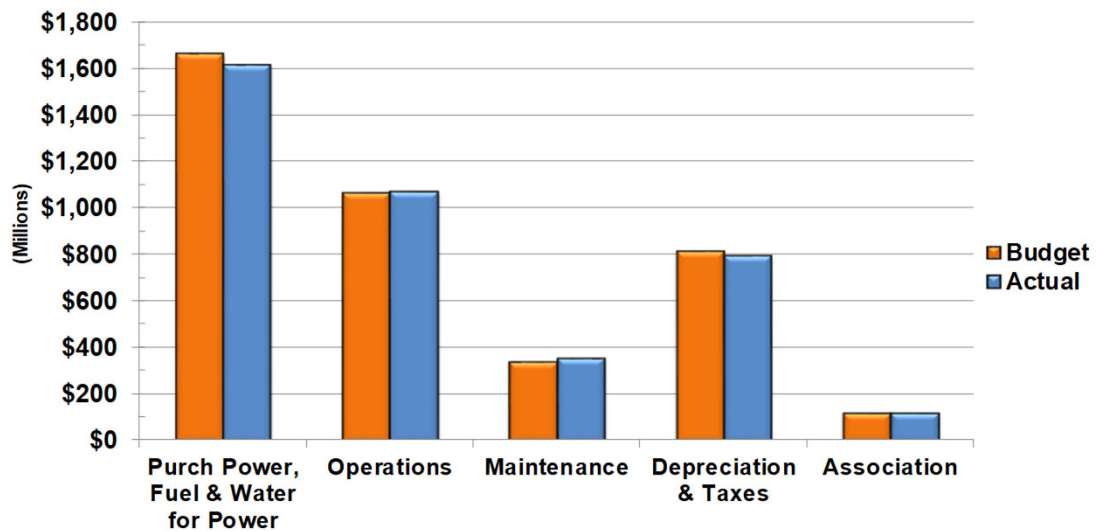


06/24/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 3

3

Combined Expenses - Preliminary YTD April 2025

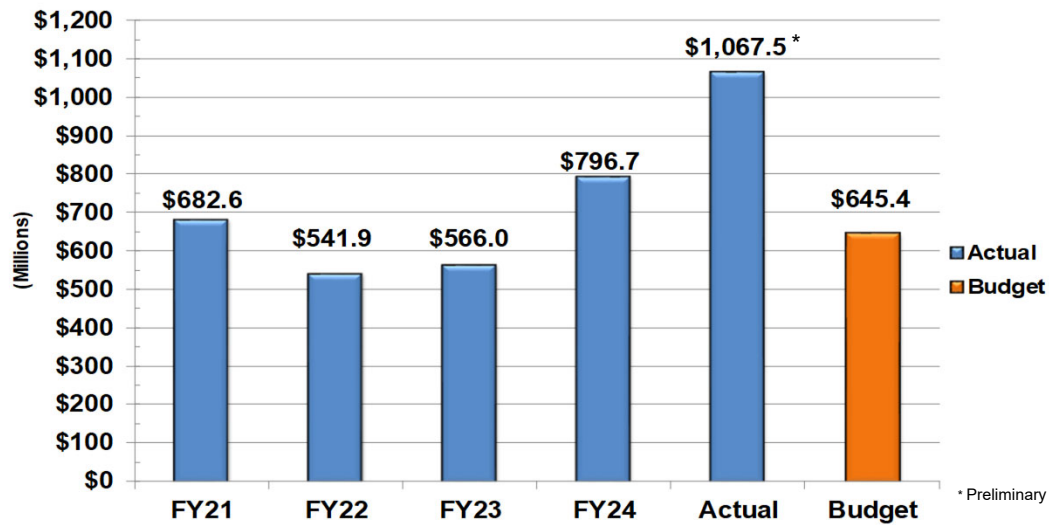


06/24/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 4

4

Funds Available - YTD April 2025

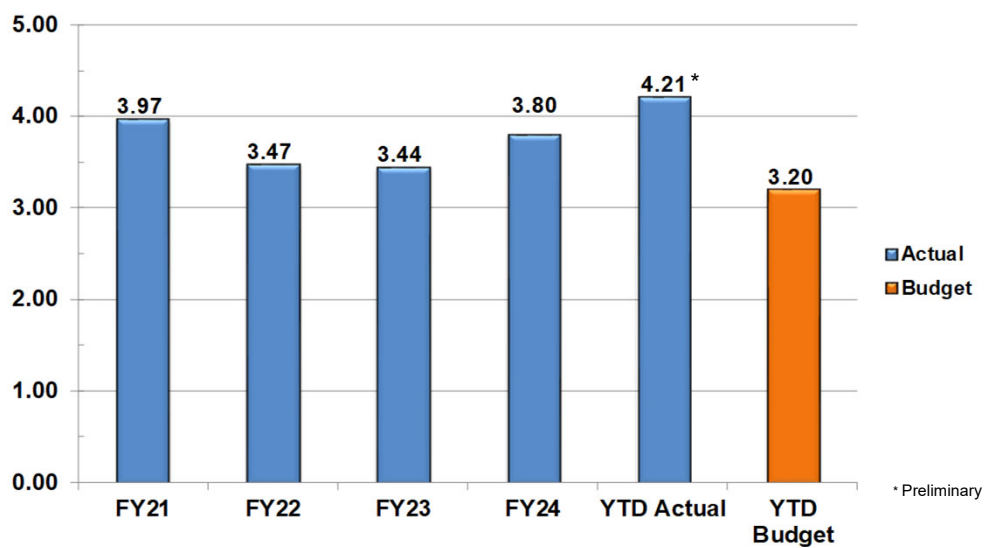


06/24/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 5

5

Total Debt Service Coverage Ratio - YTD April 2025

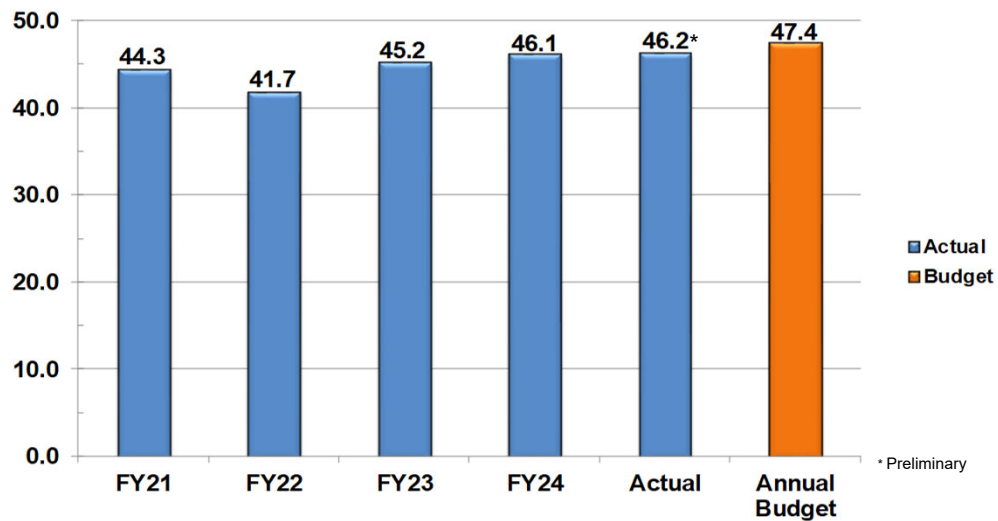


06/24/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 6

6

Debt Ratio - YTD April 2025

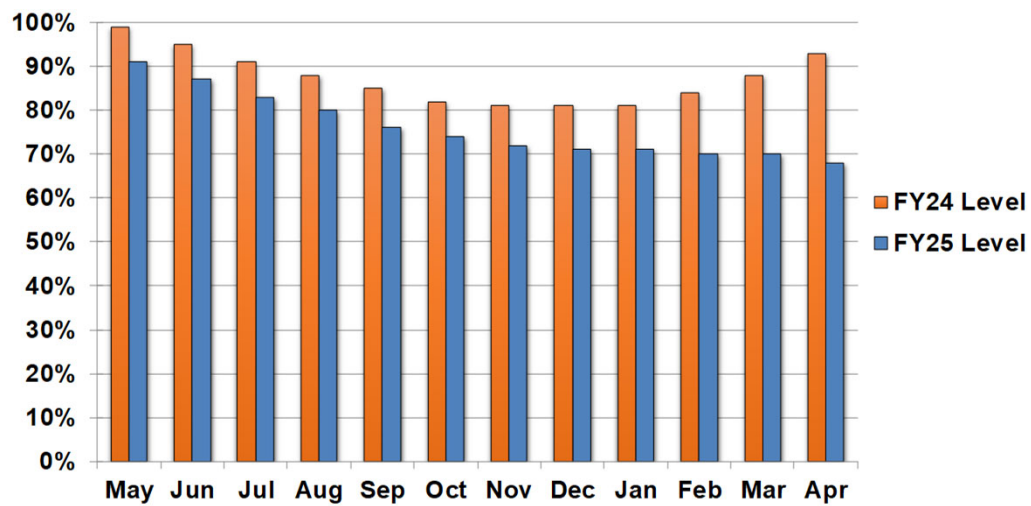


06/24/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 7

7

Water Storage Levels



06/24/2025 F&B Committee Meeting, S.A. Perkinson

(Non-GAAP, Unaudited) 8

8