

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

FINANCE AND BUDGET COMMITTEE

Tuesday, December 9, 2025, 9:30 AM

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

Committee Members: Kathy Mohr-Almeida, Chair; Mario Herrera, Vice Chair; and Robert Arnett, Nicholas Brown, Kevin Johnson, Sandra Kennedy, Larry Rovey, and Stephen 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 KATHY MOHR-ALMEIDA

A. Request for approval of the minutes for the meeting of November 20, 2025.

B. Request for approval of the Monthly Cash Statement for October 2025 (District and Association).

C. Request for approval of the Quarterly Cash Statement for Period Ending October 31, 2025 (Association).

2. Energy Risk Management (ERM) Update RUSSELL MUELLER

Informational presentation regarding the periodic update on ERM activities. Topics include 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.

3. Trading Limits Update RUSSELL MUELLER

Request for approval to update certain trading limits based upon evolving market conditions and business needs.

4. Review of Pricing Actions and Pricing Outlook..... BRIAN KOCH

Informational presentation regarding a summary of SRP's recent pricing actions, including prior rate adjustments, comparisons to peers, and a pricing outlook.

5. Review of the Financial Results for the Month of October 2025.....JEREMY FRY

- 6. Report on Current Events by the General Manager and Chief Executive Officer or Designees JIM PRATT
- 7. Future Agenda Topics CHAIR KATHY MOHR-ALMEIDA

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, JANUARY 22, 2026**

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

November 20, 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 10:09 a.m. on Thursday, November 20, 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. Mohr-Almeida, Chair; M. Herrera, Vice Chair; and R. Arnett, K. Johnson, S. Kennedy, L. Rovey, and S. Williams.

Committee Member absent at roll call was N. Brown.

Also present were President D. Rousseau; Vice President C. Dobson; Board Members R. Miller, K. O'Brien, M. Pace, P. Rovey, J. White Jr., and L. Williams; Council Chair R. Shelton; Council Vice Chair B. Pacey; Council Liaison G. Geiger; Council Members M. Farmer, E. Gorsegner, M. Pedersen, and C. Resch-Geretti; I. Avalos, M. Burger, A. Chabrier, G. Delizio, J. Felty, S. Glover, A. Hatch, M. Hill, L. Hobaica, J. Hubbard, R. Judd, V. Kisicki, M. Klein, B. Koch, K. Lee, M. O'Connor, B. Olsen, D. Patterson, J. Pratt, J. Riggs, B. Shoemaker, C. Sifuentes-Kohlbeck, J. Tucker, and T. Willis of SRP; Cathy Kim of Copia Power; Beck Mayberry of Cypress Creek Renewables (CC Renewables); Kelly Sarber of Epic Star Energy; Katy Wilson of TransAlta Corporation; Ben Wostoupal of Apex Clean Energy; and Anne Delmarre and Astrid Jouret of EDF Renewables.

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, November 18, 2025.

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

Consent Agenda

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

On a motion duly made by Vice Chair M. Herrera and seconded by Board Member R. Arnett, the Committee unanimously approved and adopted the following items on the Consent Agenda:

- Minutes of the Finance and Budget meeting on October 23, 2025, as presented.

Corporate Secretary J. Felty polled the Committee Members on Vice Chair M. Herrera's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members K. Mohr-Almeida, Chair; M. Herrera, Vice Chair; and R. Arnett, K. Johnson, S. Kennedy, L. Rovey, and S. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member N. Brown	(1)

Proposed Changes to SRP's Transmission Services Prices

Using a PowerPoint presentation, John Tucker, SRP Senior Director of Financial Strategy, stated that the purpose of the presentation was to request approval to 1) revise the Board approved District Open Access Transmission Tariff (OATT) to adopt the proposed Transmission Formula Rate; 2) adjust wholesale transmission prices under the OATT, effective January 1, 2026, in accordance with the proposed Transmission Formula Rate; and 3) adjust the Transmission Cost Adjustment (TCA) prices for retail customers, effective the January 2026 billing cycle, in accordance with the proposed Transmission Formula Rate.

J. Tucker presented comments from the 2025 Price Process related to future practices for transmission pricing. They discussed the need for a formula rate and explained transmission pricing for retail and wholesale customers.

J. Tucker presented the annual transmission revenue requirement (ATRR) and Point-to-Point (PTP) rate proposal. They discussed the PTP benchmarks for SRP and other regional transmission providers, ongoing schedule of the formula rate implementation protocols, and the TCA impact on retail prices. J. Tucker provided a design summary of the TCA's impact on various classes and the TCA's component prices proposal for summer, summer peak, and winter seasons.

J. Tucker concluded by requesting approval, in accordance with the terms discussed herein, to authorize the following: 1) revisions to the District's Board approved OATT to adopt the proposed Transmission Formula Rate; 2) adjustments to the wholesale transmission prices under the OATT, effective January 1, 2026, in accordance with the proposed Transmission Formula Rate; and 3) adjustments to the TCA prices for retail customers, effective with the January 2026 billing cycle (which for some customers would begin in December 2025) in accordance with the proposed Transmission Formula Rate calculation.

J. Tucker responded to questions from the Committee.

On a motion duly made by Vice Chair M. Herrera, seconded by Board Member R. Arnett, and carried, the Committee agreed to recommend Board approval, as presented.

Corporate Secretary J. Felty polled the Committee Members on Vice Chair M. Herrera's motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members K. Mohr-Almeida, Chair; M. Herrera, Vice Chair; and R. Arnett, K. Johnson, S. Kennedy, L. Rovey, and S. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member N. Brown	(1)

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

Council Members M. Farmer and M. Pedersen; and Cathy Kim of Copia Power left the meeting during the presentation. A. Rickard of SRP entered the meeting during the presentation.

Power Costs, Inc. (PCI) Software Agreement Amendment

Using a PowerPoint presentation, Tait Willis, SRP Director of OT Applications, stated that the purpose of the presentation was to request approval to execute an amendment to SRP's existing Software License and Support Agreement with PCI, which extends the agreement term through November 30, 2032 and makes other agreement updates.

T. Willis provided an overview of PCI's software, stating that it connects grid operations with market and financial processes. They reviewed the current state of the PCI software agreement and listed why change is needed.

T. Willis reviewed the proposed PCI software agreement amendment in regards to new functionality, extended term, hybrid licensing model, and continued support. They discussed the financial structure and key benefits of the agreement amendment.

T. Willis concluded by requesting approval, in accordance with the terms discussed herein, to authorize the Associate General Manager and Chief Power System Executive, President, Vice-President, or General Manager and Chief Executive Officer, to execute an amendment to the Software License and Support Agreement with PCI, which extends the agreement term through November 30, 2032 and makes other agreement updates.

T. Willis responded to questions from the Committee.

On a motion duly made by Board Member R. Arnett, seconded by Board Member S. Williams, and carried, the Committee agreed to recommend Board approval, as presented.

Corporate Secretary J. Felty polled the Committee Members on Board Member R. Arnett's motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members K. Mohr-Almeida, Chair; M. Herrera, Vice Chair; and R. Arnett, K. Johnson, S. Kennedy, L. Rovey, and S. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member N. Brown	(1)

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.

B. Koch of SRP; Beck Mayberry of CC Renewables; and Anne Delmarre and Astrid Jouret of EDF Renewables left the meeting during the presentation. K. Sandstrom of SRP entered the meeting during the presentation.

Review of SRP's Investment Portfolio of Working Capital and Debt Reserve Investments

Jason Riggs, SRP Director and Assistant Treasurer of Treasury Operations and Compliance, reminded the Committee that the SRP Investment Policy, approved by the Board of Directors, requires a periodic review by the Committee and a report on the status of the investment program. Using a PowerPoint presentation, they reviewed the Cash Management Investment Policy, authorized limits, and investment types by security type. J. Riggs provided an overview of the Investment Portfolios and yield curve as of November 4, 2025, including portfolio metrics based on liquidity, yields, and maturities. They concluded with an overview of the Investment Policy Statement of Compliance.

J. Riggs responded to questions from the Committee.

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

M. Hill and T. Willis of SRP left the meeting during the presentation.

Telecommunications and Cable TV Pole Attachment Fees Annual Review

Using a PowerPoint presentation, Karl Sandstrom, SRP Manager of Predictive Pricing, stated that the purpose of the presentation was to provide information regarding the Telecommunications and Cable TV pole attachment fees annual review.

K. Sandstrom provided background information related to Cable TV and Telecommunications pole attachment fees and how calculations are based on the Federal Communications Commission (FCC) formula. They stated that the Board approved using one price for both Cable TV and Telecom fees.

K. Sandstrom said that the current annual fee is \$25.16 for both Cable TV and Telecommunications pole attachments and SRP's recent re-calculation resulted in a Cable TV fee that differs from the current fee by -2.6% and a Telecommunications fee that differs from the current fee by 6.8%. They concluded by stating that because the lower of the two fees is within the +/- 5% dead band for adjusting the fee, Management does not propose a change to the pole attachment fees for 2026.

K. Sandstrom 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.

J. Riggs of SRP left the meeting during the presentation.

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

There was no report on current events by Jim Pratt, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chair K. Mohr-Almeida asked the Committee if there were any future agenda topics. Board Member R. Miller requested additional information concerning SRP's new rate comparison tool.

There being no further business to come before the Finance and Budget Committee, the meeting adjourned at 10:52 a.m.

John Felty
Corporate Secretary

**Statement of Cash Received and Disbursed**

October 2025

(\$000)

	<u>District</u>	<u>Association</u>	<u>Total Month</u>	<u>Year-to-Date</u>
Funds Balance Beginning of Period	\$ 958,659	\$ 2,388	\$ 961,047	\$ 1,105,562
Cash Receipts:				
Electric Revenues	475,329	---	475,329	2,617,680
Water Revenues	---	1,038	1,038	13,677
Electric Customer Deposits	4,827	---	4,827	28,717
Reimbursement on Joint Ownership Projects	9,949	---	9,949	93,511
Construction Contributions and Advances	8,419	---	8,419	181,643
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	---	---	---	204,627
Sales Tax Collected	27,831	---	27,831	199,757
Margin and Collateral Received - Net	25,782	---	25,782	3,886
Other Cash Receipts	8,787	---	8,787	81,960
Total Cash Receipts	<u>560,924</u>	<u>1,038</u>	<u>561,962</u>	<u>3,425,458</u>
Fund Transfers - Net	<u>(6,067)</u>	<u>6,067</u>	<u>---</u>	<u>---</u>
Cash Disbursements:				
Purchased Power and Fuel	158,243	---	158,243	842,512
Operations and Maintenance	152,117	3,758	155,875	660,595
Employee Payroll and Payroll Taxes	91,593	5,152	96,745	470,929
Purchased Inventory	35,985	---	35,985	193,499
Cash Segregated for -				
Bond Interest	22,697	---	22,697	133,524
Bond Principal	12,732	---	12,732	76,392
Other Debt - Principal Repayment	---	---	---	142,570
Other Debt - Interest Expense	147	---	147	1,761
Capital Expenditures	89,421	---	89,421	709,269
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	---	---	---	128,653
In Lieu and Ad Valorem Taxes	54,838	---	54,838	106,092
Sales Tax Remitted	42,777	---	42,777	204,616
Miscellaneous Cash Disbursements	4,088	---	4,088	11,147
Total Cash Disbursements	<u>664,638</u>	<u>8,910</u>	<u>673,548</u>	<u>3,681,559</u>
Funds Balance End of Period	<u>\$ 848,878</u>	<u>\$ 583</u>	<u>\$ 849,461</u>	<u>\$ 849,461</u>

**Cash Position****October 2025**

Composition of Funds Balance	(\$000)		
	District	Association	Total
Cash and Cash Equivalents	\$ 464,573	\$ 583	\$ 465,156
Other Temporary Investments	159,365	---	159,365
Other Non-Current Investments	224,940	---	224,940
General Fund	848,878	583	849,461
Segregated Funds			
Electric System Debt Reserve Fund	80,758	---	80,758
Debt Service Fund	207,328	---	207,328
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	799,407	---	799,407
Post-Retirement Benefits Fund	1,503,815	---	1,503,815
Construction Fund	---	---	---
RHCP Fund	14,039	---	14,039
HHCP Fund	10,108	---	10,108
SPRHCP Fund	3,877	---	3,877
Four Corners Mine Reclamation Trust	16,443	---	16,443
Other Special Funds	9,996	---	9,996
Total Segregated Funds	\$ 2,645,771	\$ ---	\$ 2,645,771

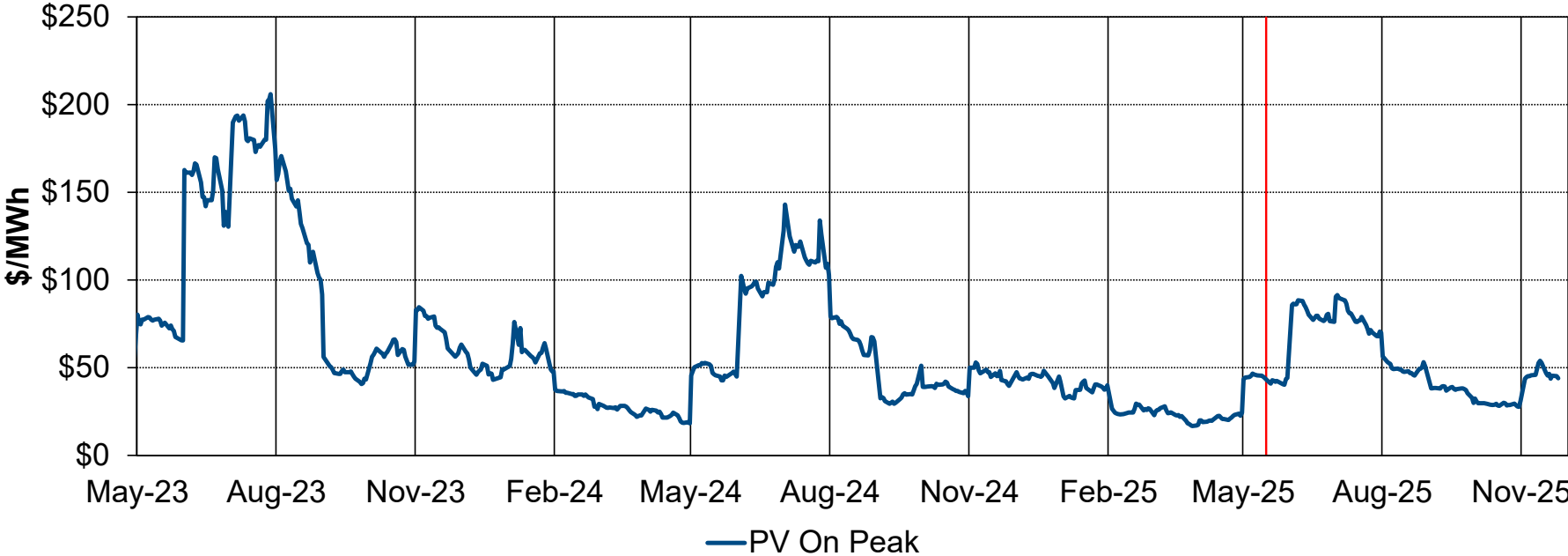
Energy Risk Management Update

Finance & Budget Committee

Russell Mueller | December 09, 2025

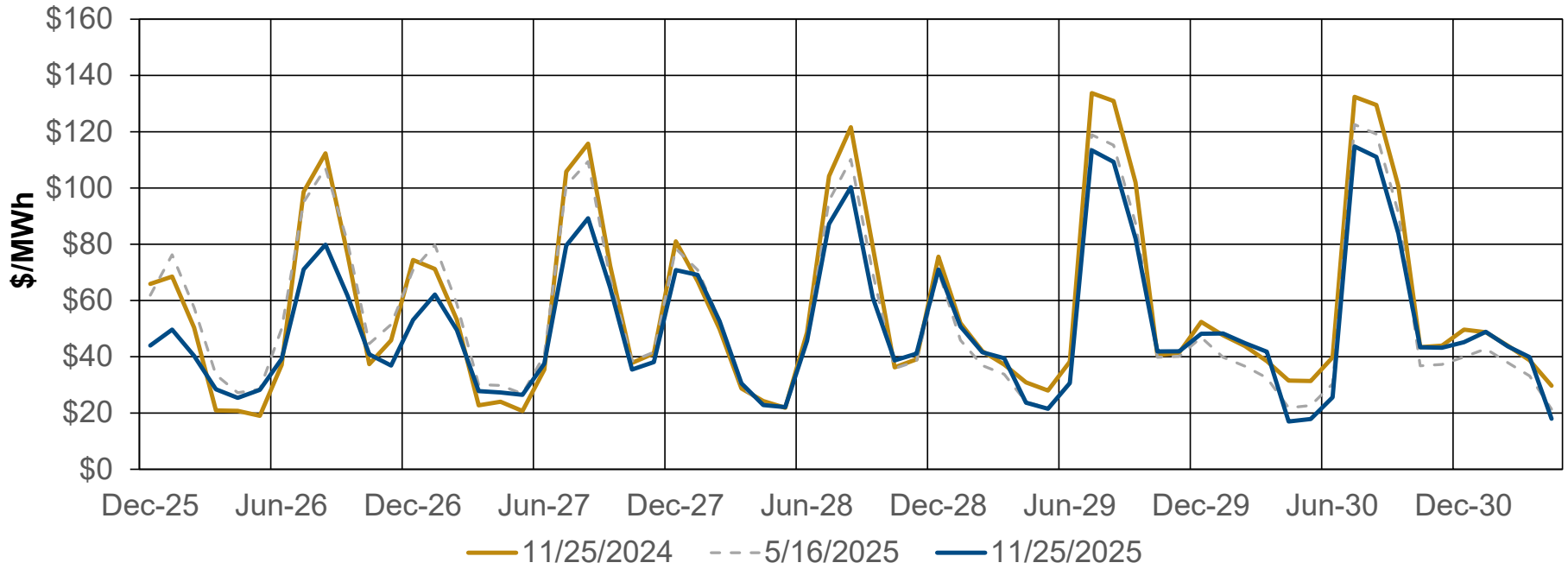
Electricity Prices

Front Month Palo Verde On-Peak



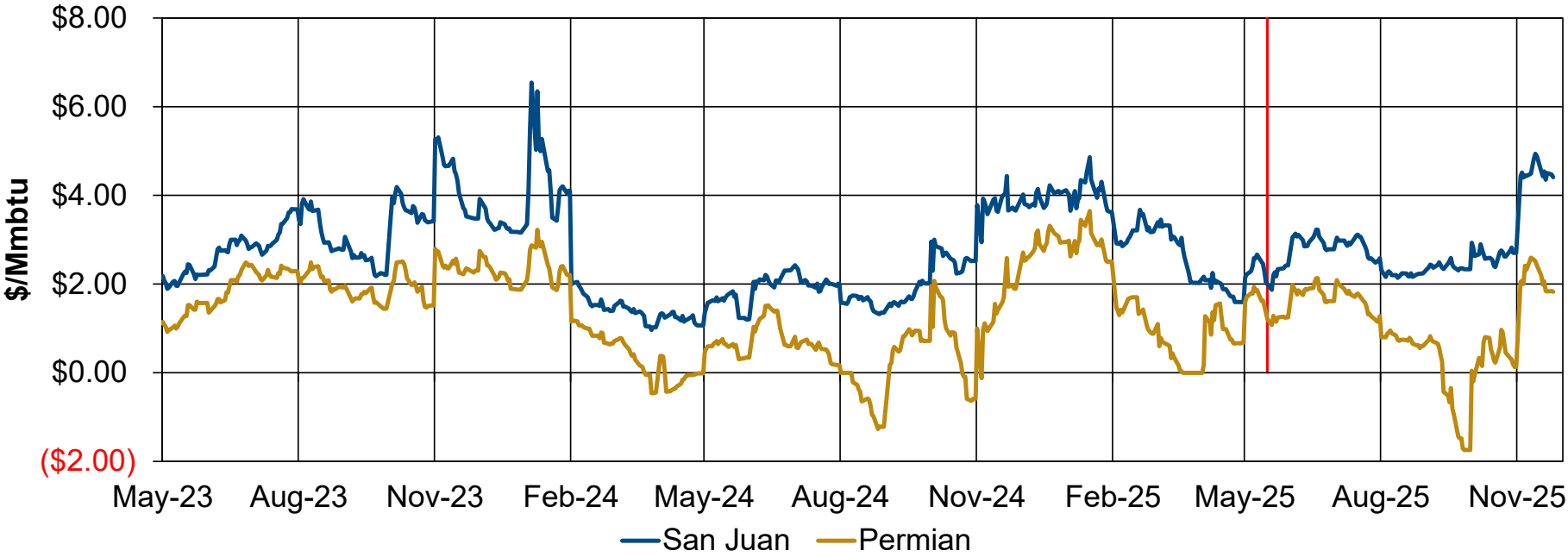
Power Forward Curve

Change In ICE Palo Verde On-Peak Prices Since 2024



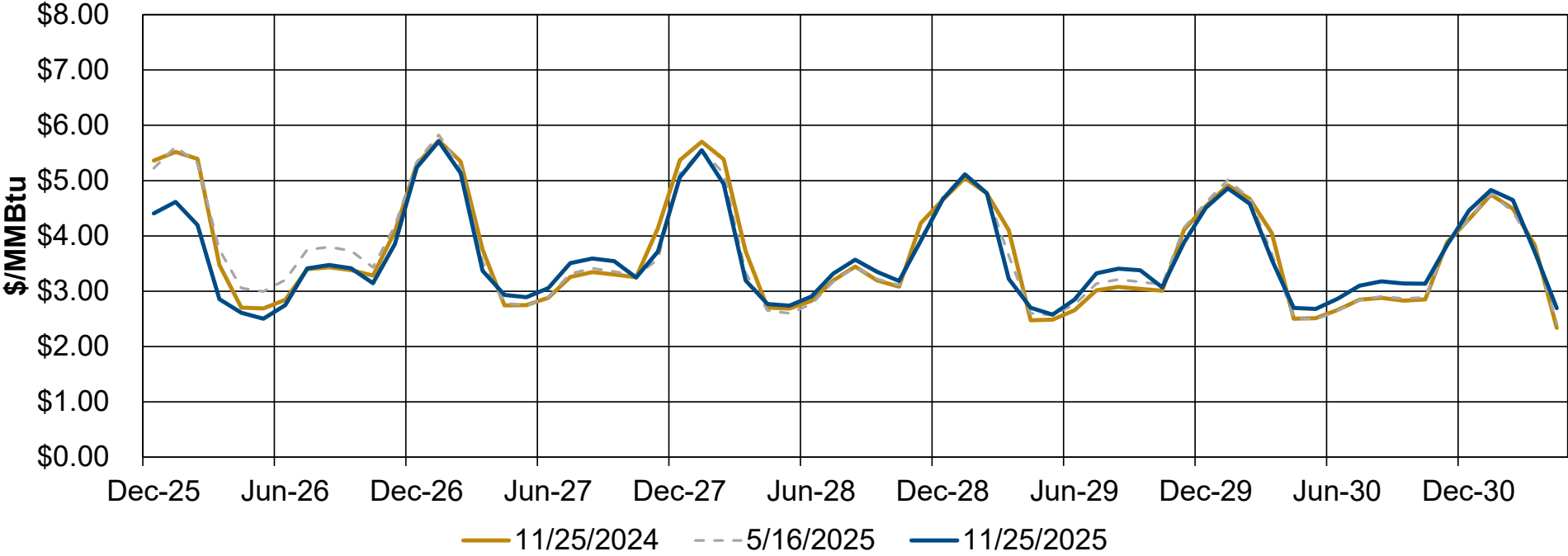
Natural Gas Prices

Front Month Permian & San Juan Basins

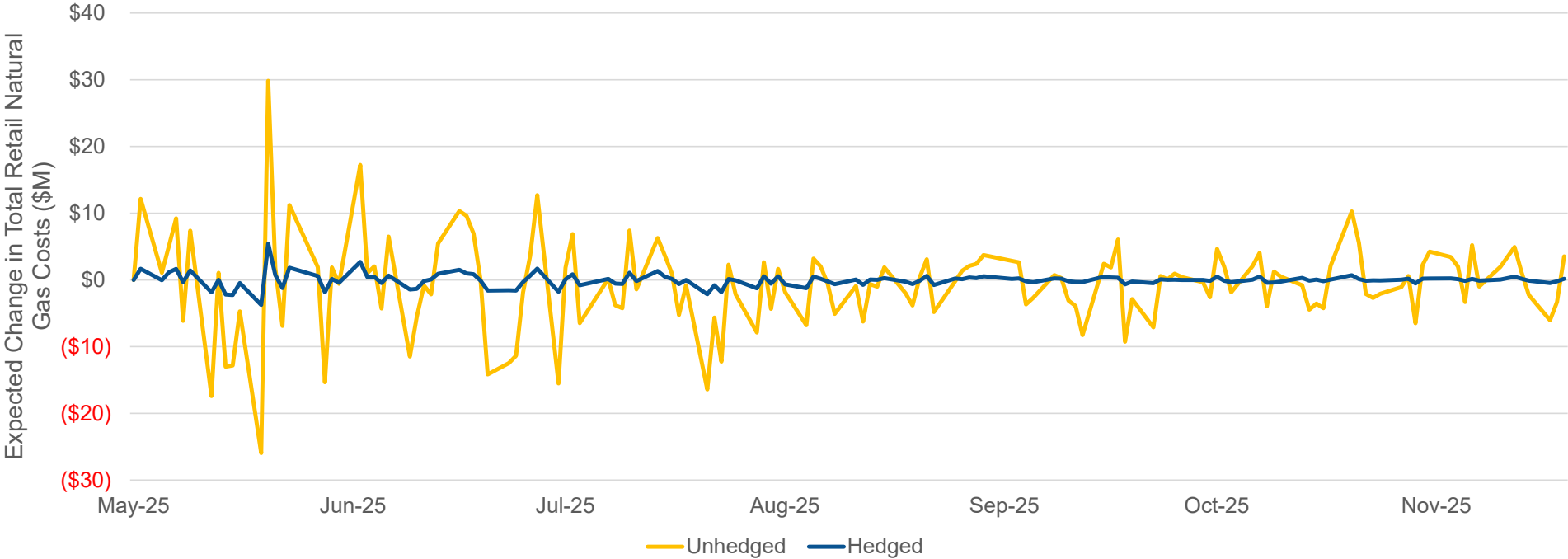


Natural Gas Forward Curve

Change in San Juan Basin Prices Since 2024

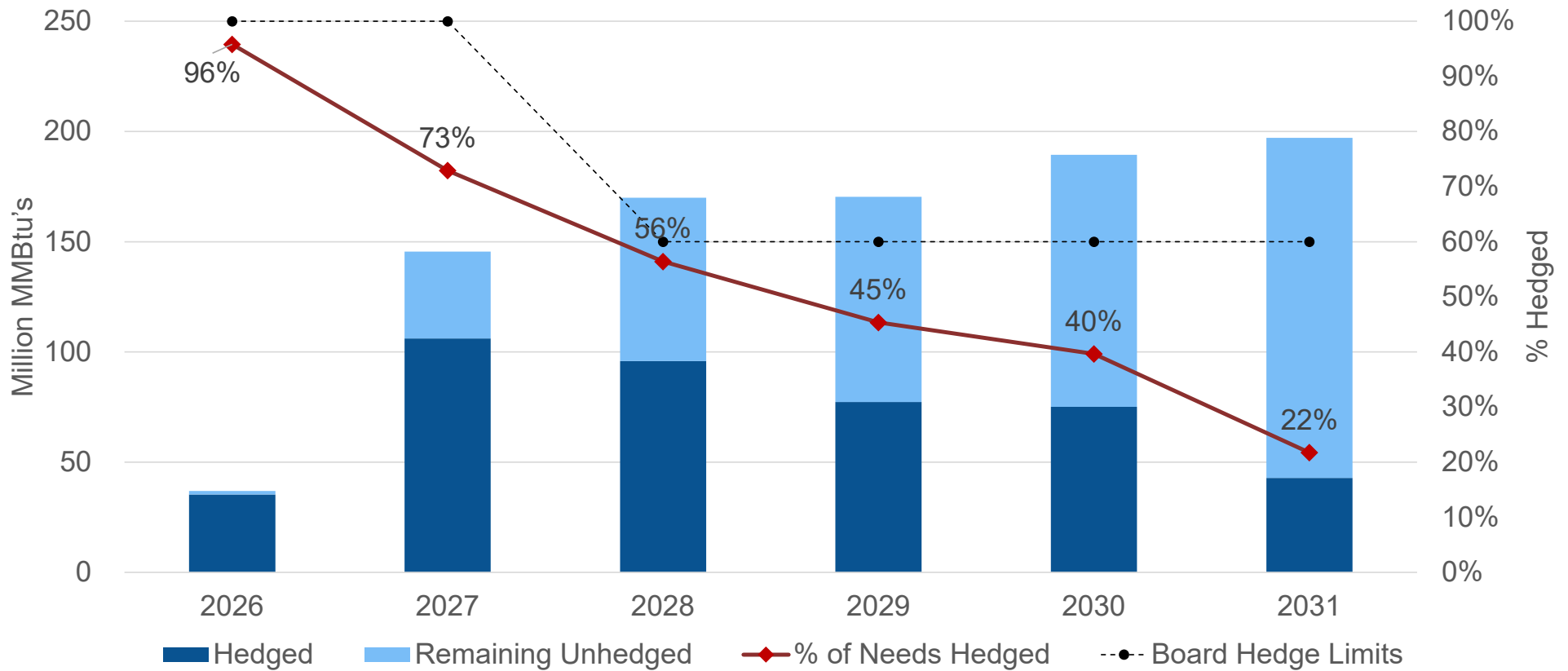


FY26 Expected Retail Natural Gas Variance to Budget



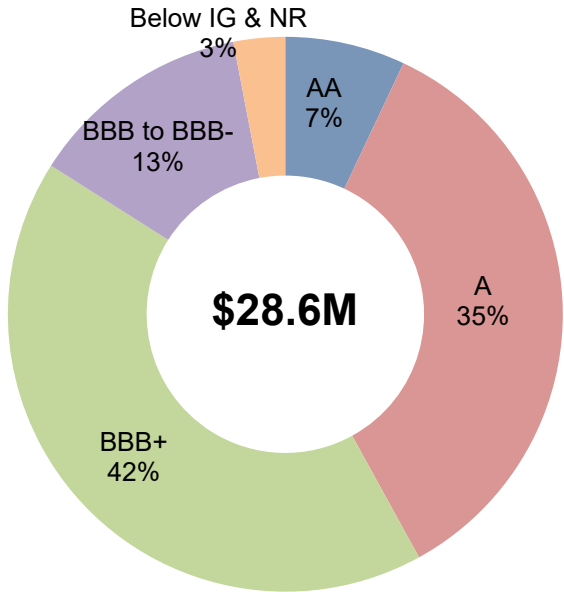
Retail Natural Gas Hedging

Expected Requirements and Hedge Levels (FP26)

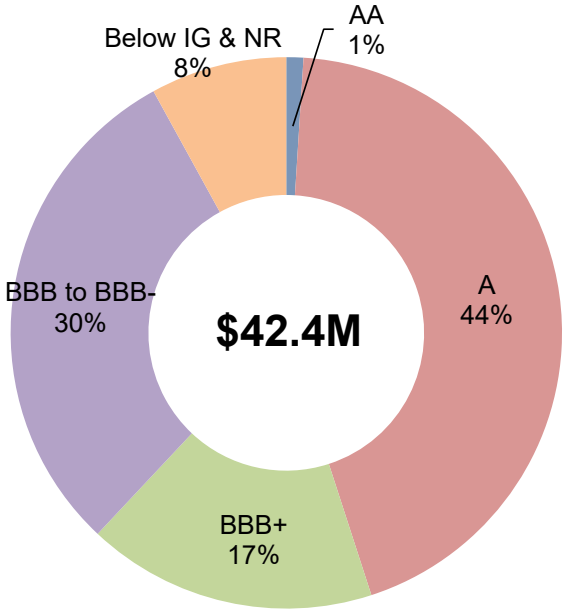


Credit Exposure by Rating

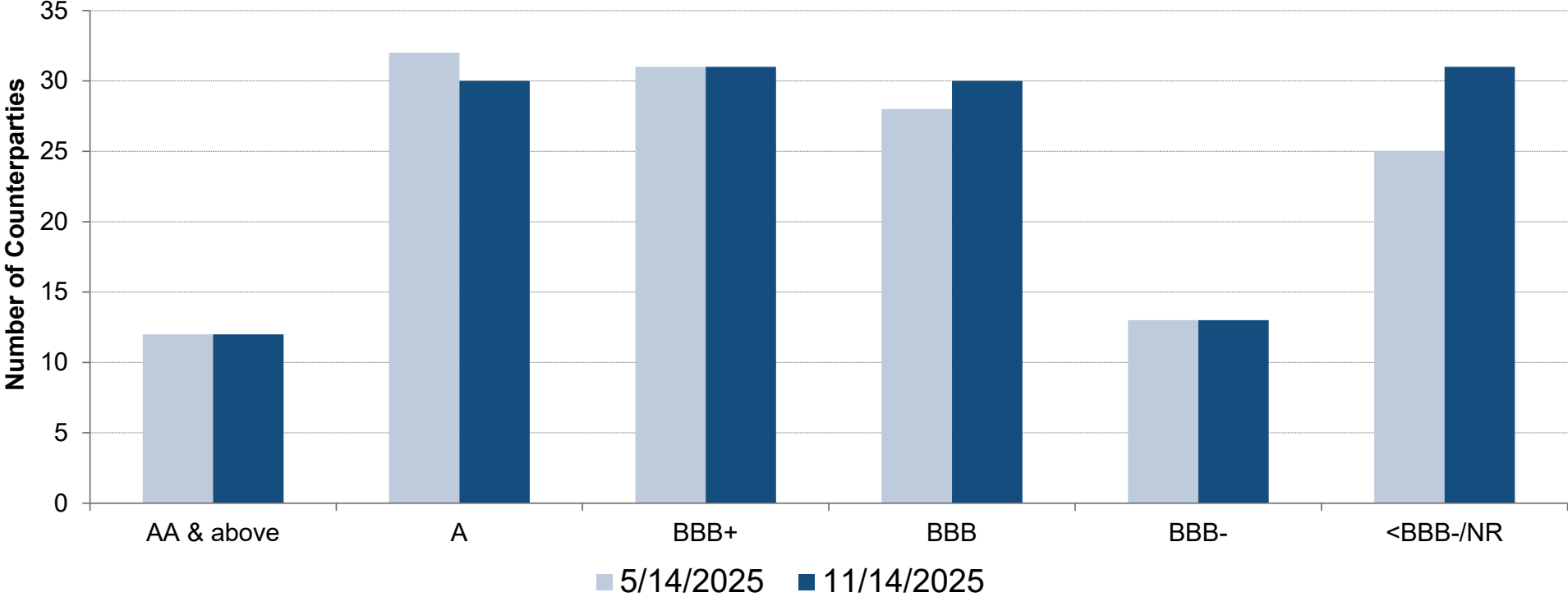
5/14/25



11/14/25



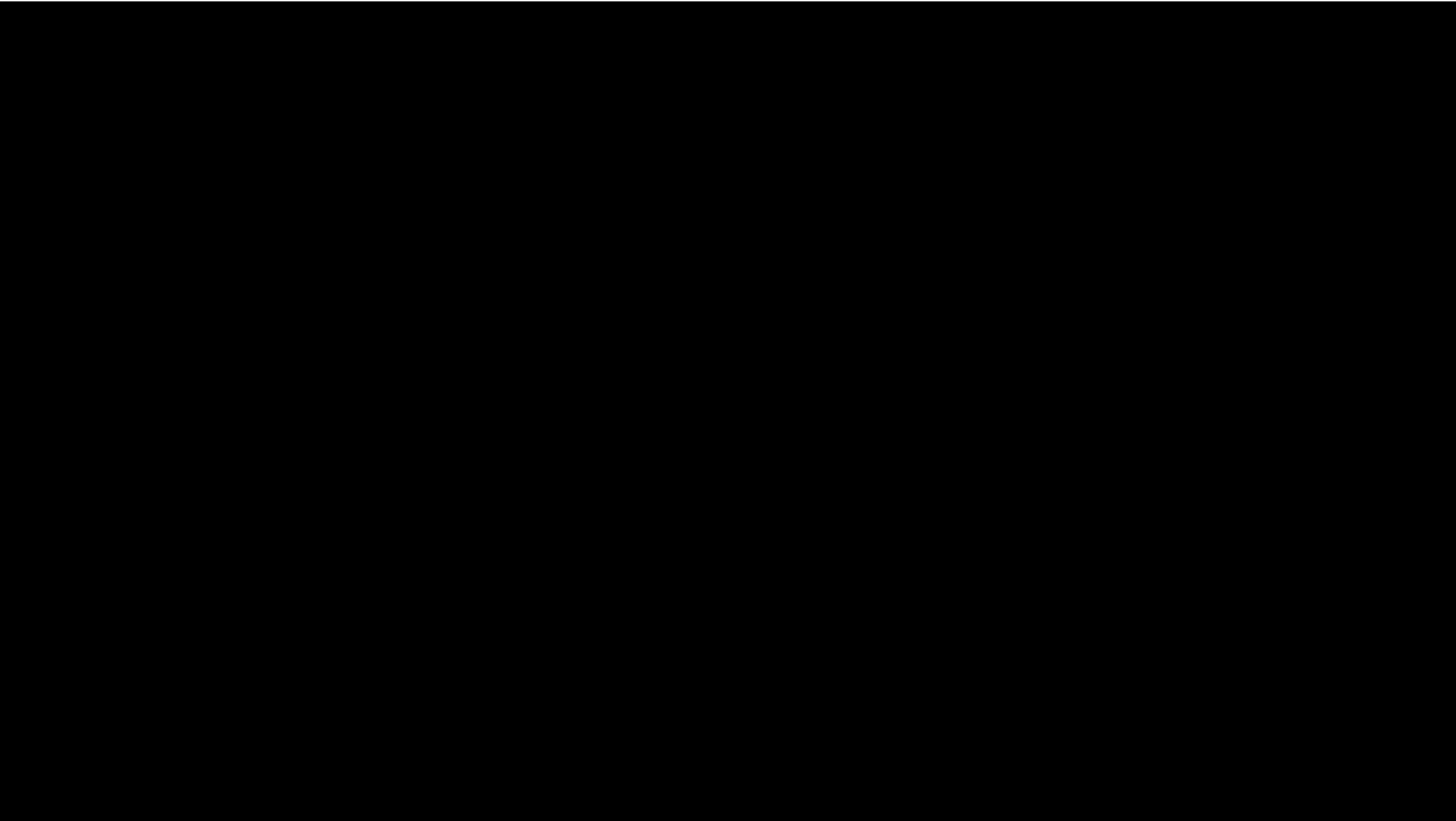
Counterparties by Credit Rating



Aggregate Financial Limits

Commodity	Limit	Current Position	% of Limit
Electricity	\$150M	\$20M	13%
	3M MWh	519K MWh	17%
Natural Gas	\$2B	\$1.54B	77%
	750M MMBtu	444M MMBtu	60%
Unleaded Gas	\$2.6M/FY	\$0.0M	0%
	900k gal/FY	0k gal	0%
Diesel	\$75M	\$3.9M	5%
	25M gal	1.1M gal	4%
Greenhouse Gas and Emissions Compliance Instruments	\$40M	\$5.8M	15%
	1.8M allowances	198K allowances	11%

thank you!



Request to Update Trading Limits

Finance & Budget Committee

Russell Mueller | December 09, 2025

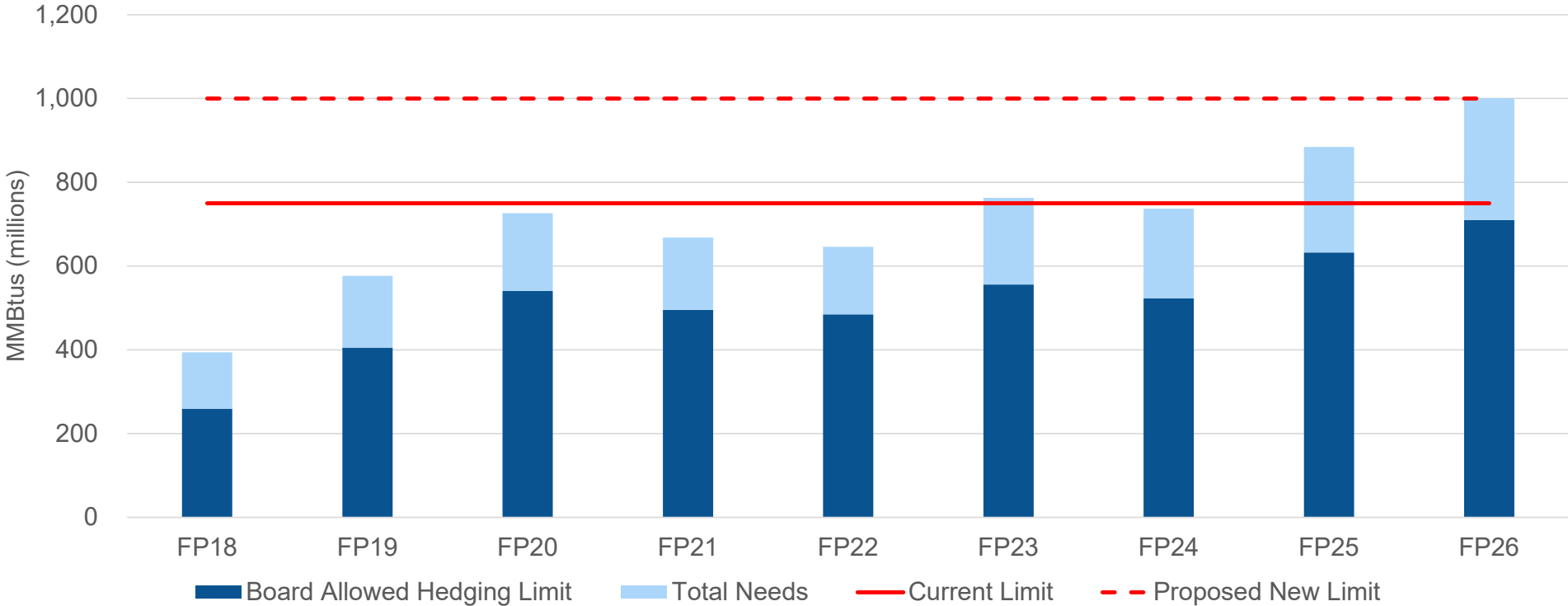
Overview

- ERM and S&T regularly review existing transaction and aggregate financial limits for all commodities.
- Based on evolving market conditions and business needs, ERM is recommending the following modifications to existing limits:
 - Increased transaction limits for financial natural gas and physical transmission.
 - Increased aggregate financial limits for natural gas.
- All transactions are reviewed regularly for compliance with risk policies, including transaction and aggregate financial limits.

Current Aggregate Financial Limits

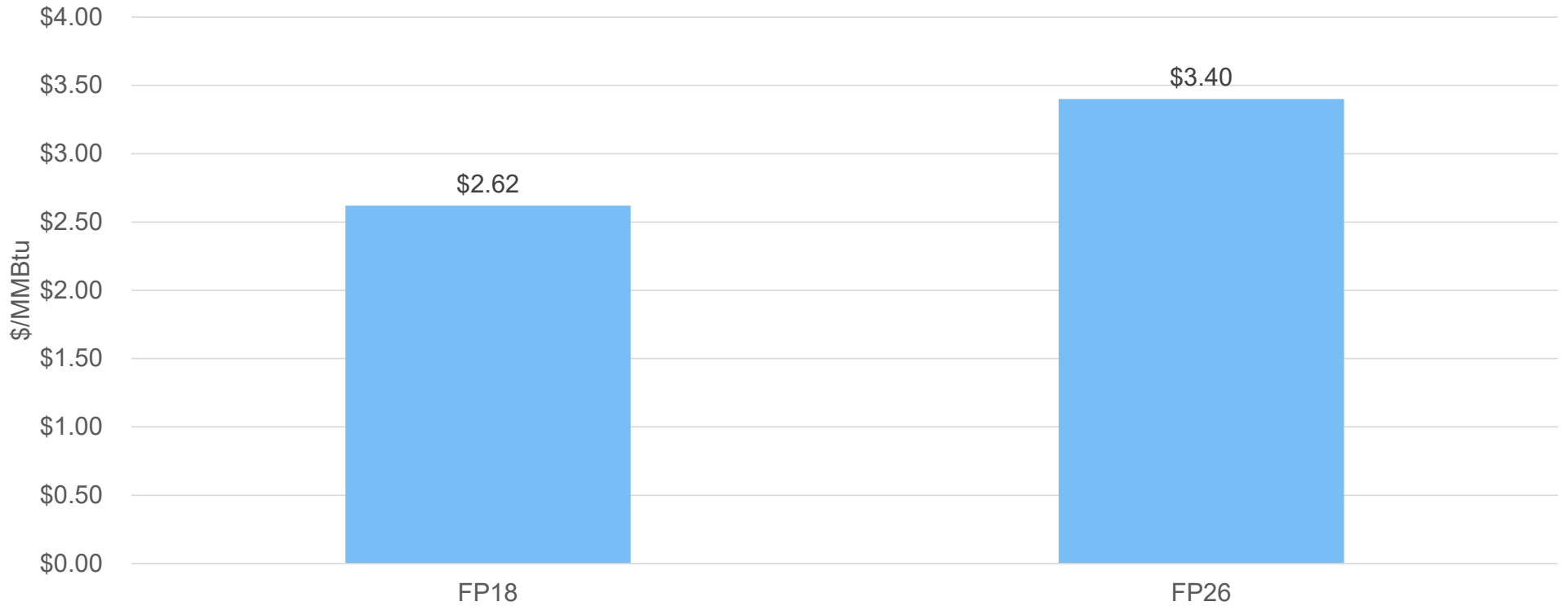
Commodity	Limit	Current Position	% of Limit
Electricity	\$150M	\$17.1M	11%
	3M MWh	0.4M MWh	13%
Natural Gas	\$2B	\$1.5B	75%
	750M MMBtu	443M mmbtu	59%
Unleaded Gas	\$2.6M/FY	\$0.0M	0%
	900k gal/FY	0k gal	0%
Diesel	\$75M	\$4.4M	6%
	25M gal	1.2M gal	5%
Greenhouse Gas and Emissions Compliance Instruments	\$40M	\$5.1M	13%
	1.8M allowances	176k allowances	10%

Historical and Projected Retail Gas Hedging Requirements vs. Aggregate Financial Limits



Average Forward Natural Gas Cost

Average Market Cost per MMBtu for Years 4-6 of Each Financial Plan



Proposed Changes to Aggregate Financial Limits

Commodity	Current Limit	Proposed Limit	Current Position	% of Proposed Limit
Natural Gas	\$2B	\$3.5B	\$1.5B	43%
	750M MMBtu	1B MMBtu	443M MMBtu	44%

Basics of Transaction Limits

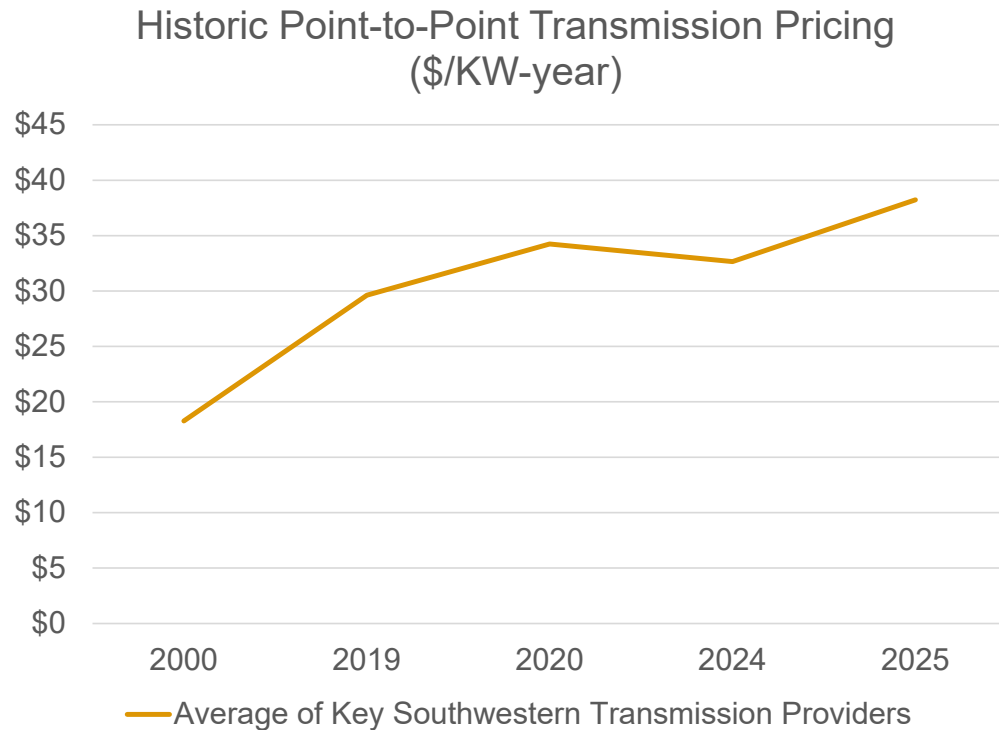
- Transaction Limits are set to govern two key aspects of every commodity trade under Risk Oversight Committee (ROC) oversight:
 - Notional value (quantity X volume)
 - Transaction term/tenor (duration of transaction)
- Broad limits are set by the Board for each commodity at three levels of trading authority: ROC, Executive Management, and Staff.
- Transaction Limits are intended to allow transactional autonomy commensurate with job function.

Proposed Changes to Financial Natural Gas Transaction Limits

Authorization Level	Current Notional Limit	Current Term Limit	Proposed Notional Limit	Proposed Term Limit
ROC	\$50M	6 years (retail)/6 years*	No change	No changes
Executive Management	\$30M	6 years (retail)/3 years*	\$40M	
Staff	\$15M	6 years (retail)/2 years*	\$25M	

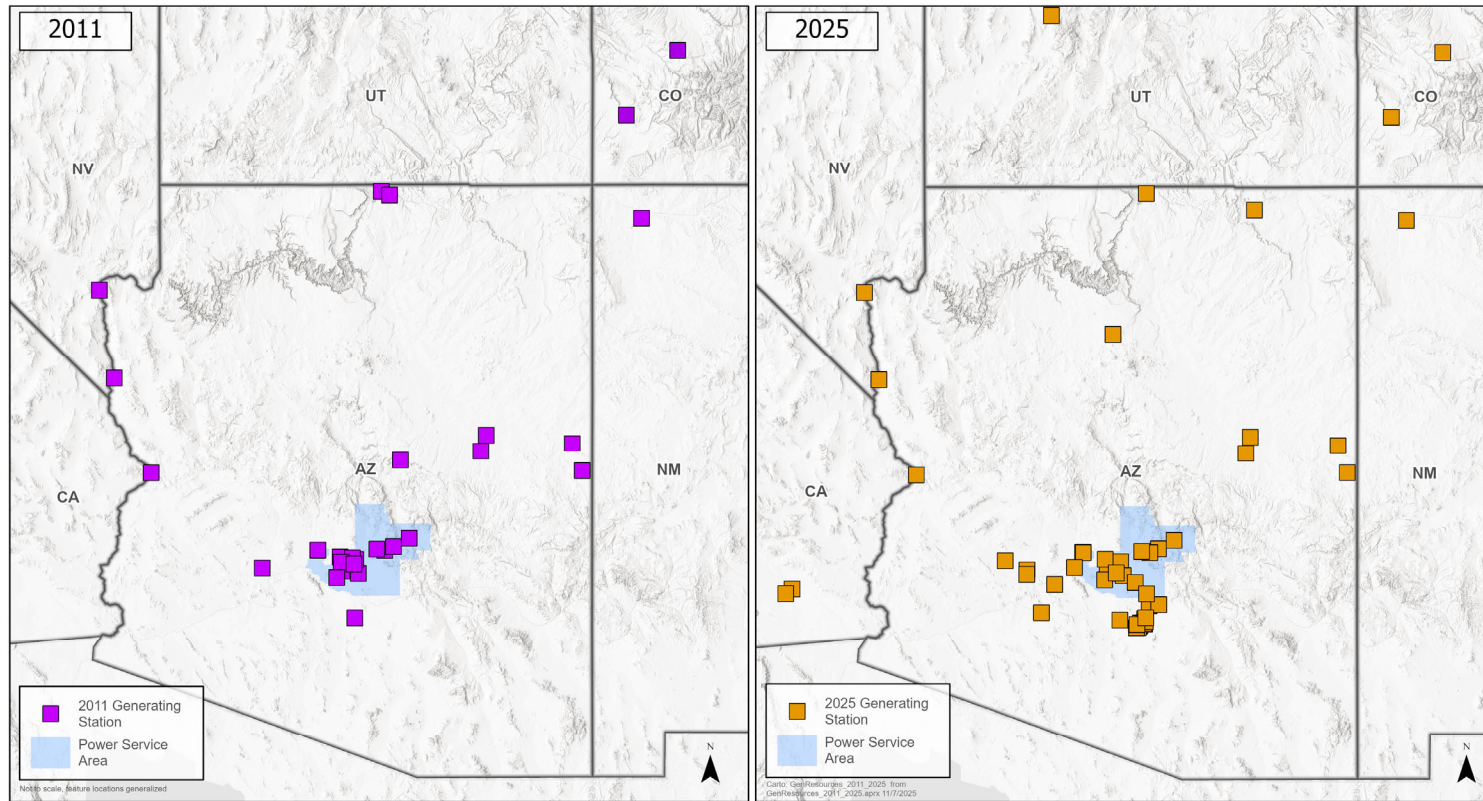
** Trade limits for retail natural gas hedges are for 6 year/current six-year financial plan; limits for other financial natural gas transactions are as shown.*

Physical Transmission with External Counterparty



- Transaction Limits have not been adjusted since 2000.
- Regional transmission tariff prices continue to increase.
- Expected transmission needs continue to increase as well.
- Current notional limits need to be increased.

Transmission Needs Have Expanded



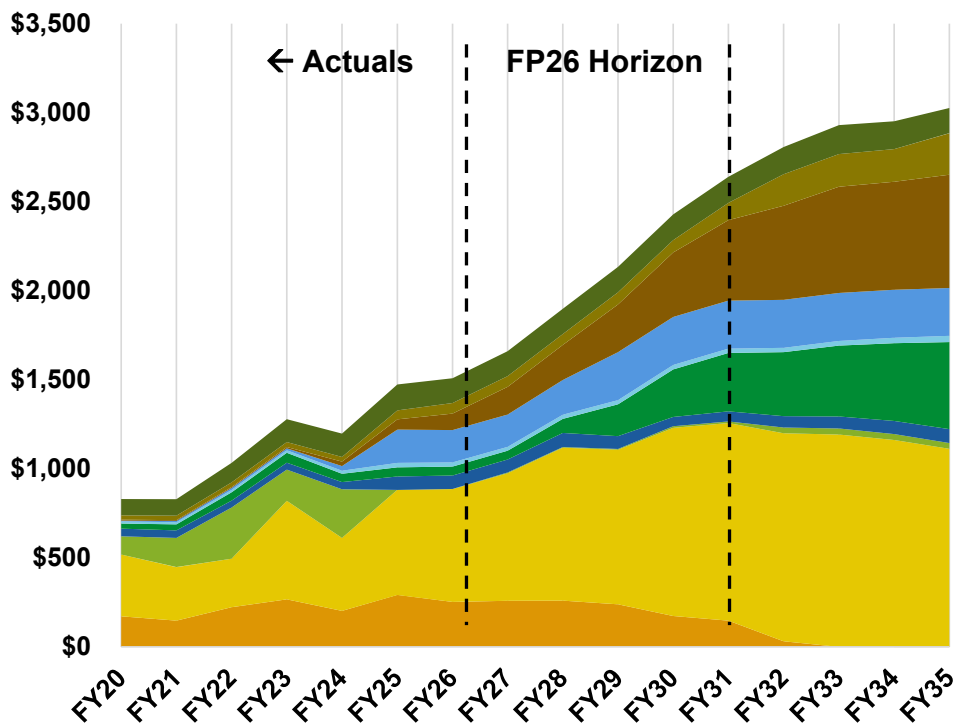
Proposed Changes to Physical Transmission Transaction Limits

Authorization Level	Current Notional Limit	Current Term Limit	Proposed Notional Limit	Proposed Term Limit
ROC	\$30M	15 years	\$75M	No changes
Executive Management	\$20M	10 years	\$50M	
Staff	\$15M	8 years	\$25M	

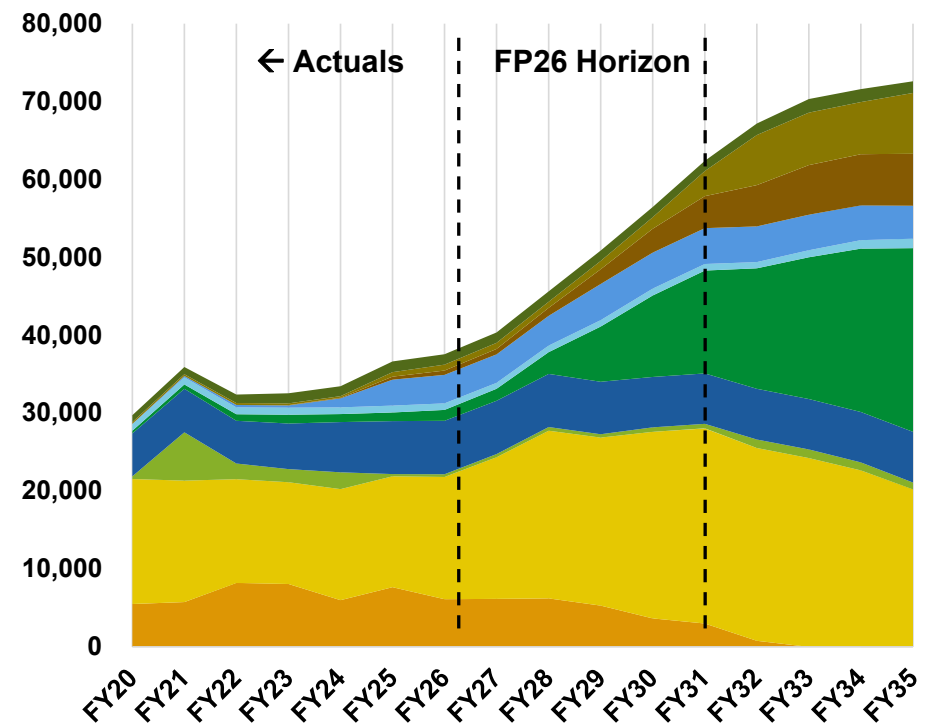
Retail Fuel & Purchased Power Generation

Long term growth met with diversified resource mix; 50% carbon free by FY30 & 72% carbon free by FY35

Actuals & FP26 (\$M)



Actuals & FP26 (GWh)



■ Coal
 ■ Gas
 ■ Market Purchases
 ■ Nuclear
 ■ Solar
 ■ Hydro
 ■ Solar + Battery
 ■ Battery
 ■ Wind
 ■ Geo/Bio

Recommendation

- In accordance with the terms discussed herein, request that the Committee recommend that the Board authorize the following limit increases:

- Increase Natural Gas Transaction Limits as follows:

Authorization Level	Current Notional Limit	Current Term Limit	Proposed Notional Limit	Proposed Term Limit
ROC	\$50M	6 years (retail)/6 years	<i>No change</i>	<i>No changes</i>
Executive Management	\$30M	6 years (retail)/3 years	\$40M	
Staff	\$15M	6 years (retail)/2 years	\$25M	

- Increase Physical Transmission Transaction Limits as follows:

Authorization Level	Current Notional Limit	Current Term Limit	Proposed Notional Limit	Proposed Term Limit
ROC	\$30M	15 years	\$75M	<i>No changes</i>
Executive Management	\$20M	10 years	\$50M	
Staff	\$15M	8 years	\$25M	

- Increase Aggregate Financial Limits for Natural Gas from 750M MMBtu to 1B MMBtu and from \$2B to \$3.5B.

thank you!





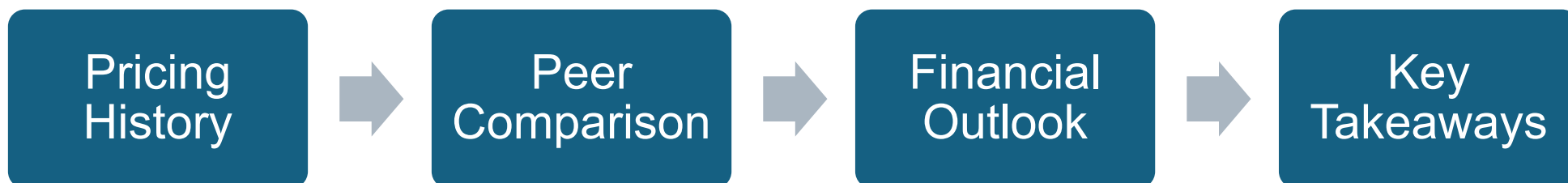
Delivering water and power®

PRICING HISTORY & OUTLOOK

Finance & Budget Committee - Brian Koch | December 9, 2025

PRICING HISTORY & OUTLOOK

AGENDA



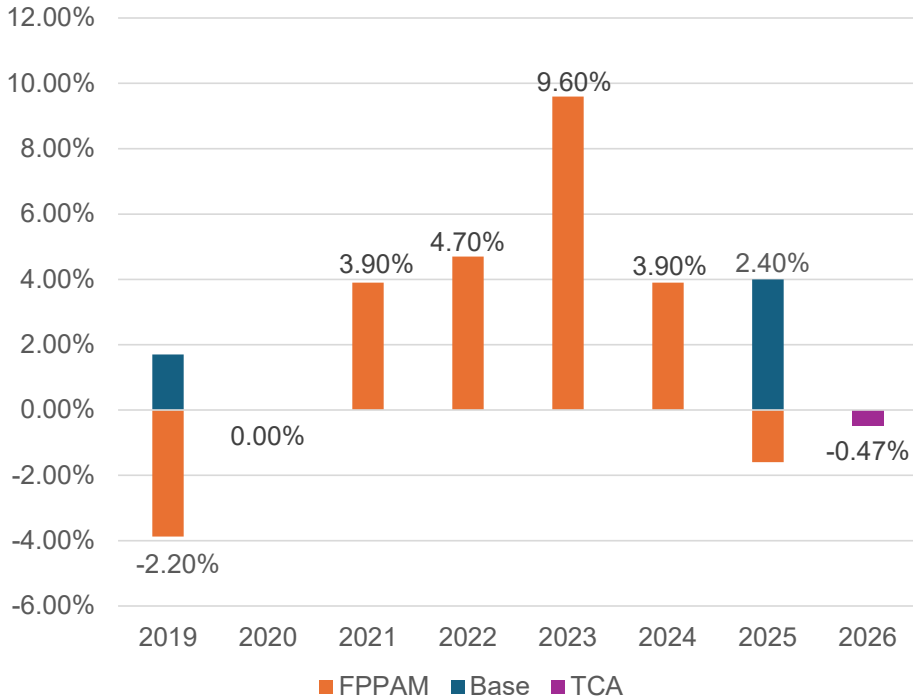
SRP PRICING HISTORY

PRICING HISTORY & OUTLOOK

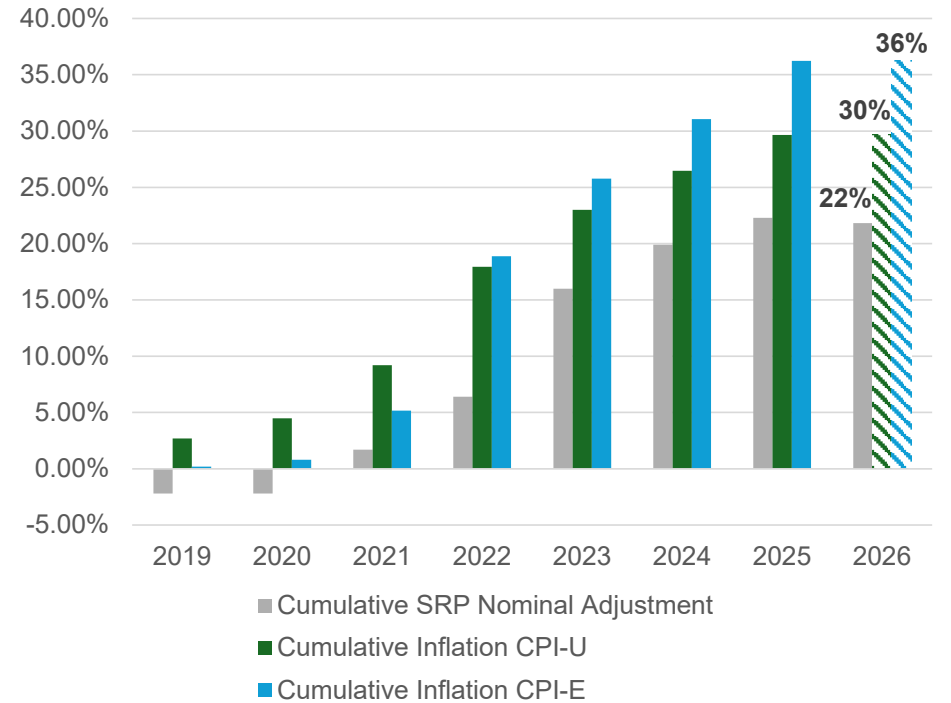
PUBLICLY ANNOUNCED RATE ADJUSTMENTS

Nominal increases since last two base price processes

Nominal Rate Adjustments



Cumulative Inflation vs. Rate Adjustments



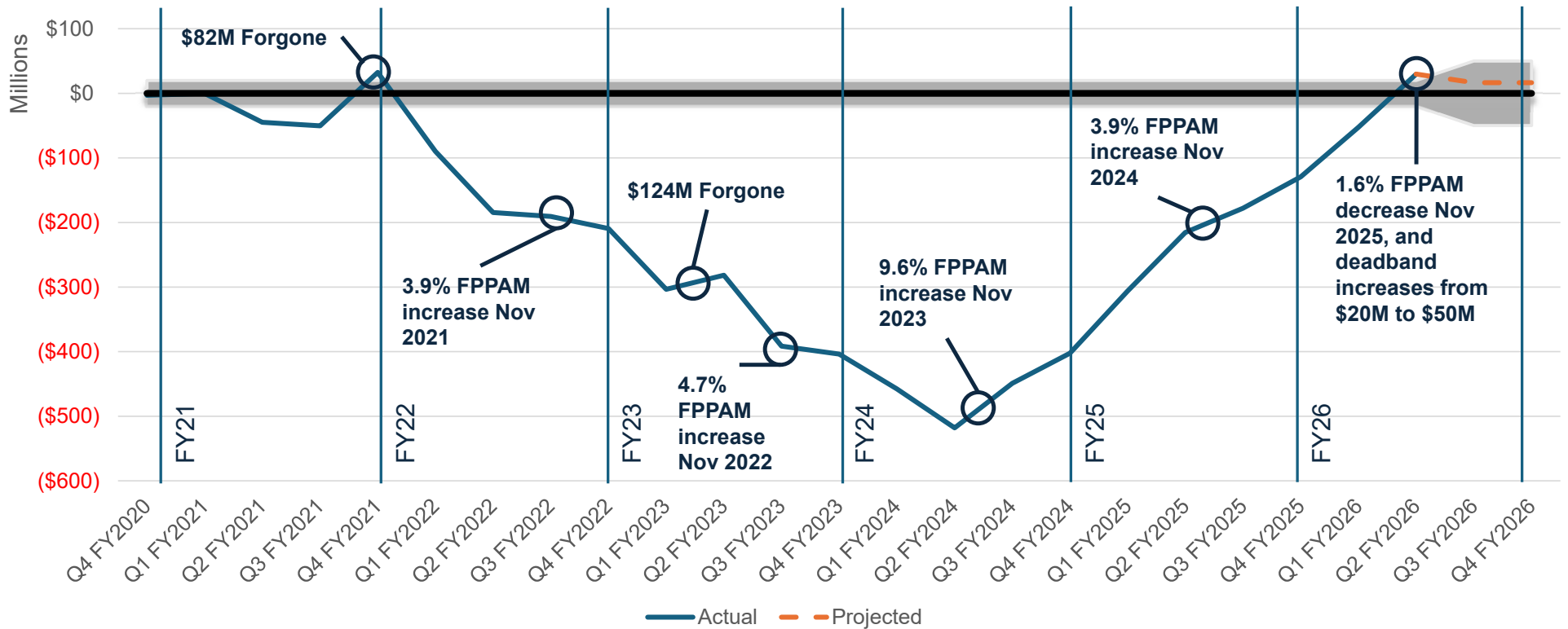
Explanatory Note: % adjustments shown are net; assumed no inflation in 2026

Source: Data from Federal Reserve Economic Data (FRED) updated as of August 2025

PRICING HISTORY & OUTLOOK

FUEL & PURCHASED POWER ADJUSTMENT MECHANISM (FPPAM) HISTORY

FPPAM seeks to recover the appropriate fuel & purchased power costs over time

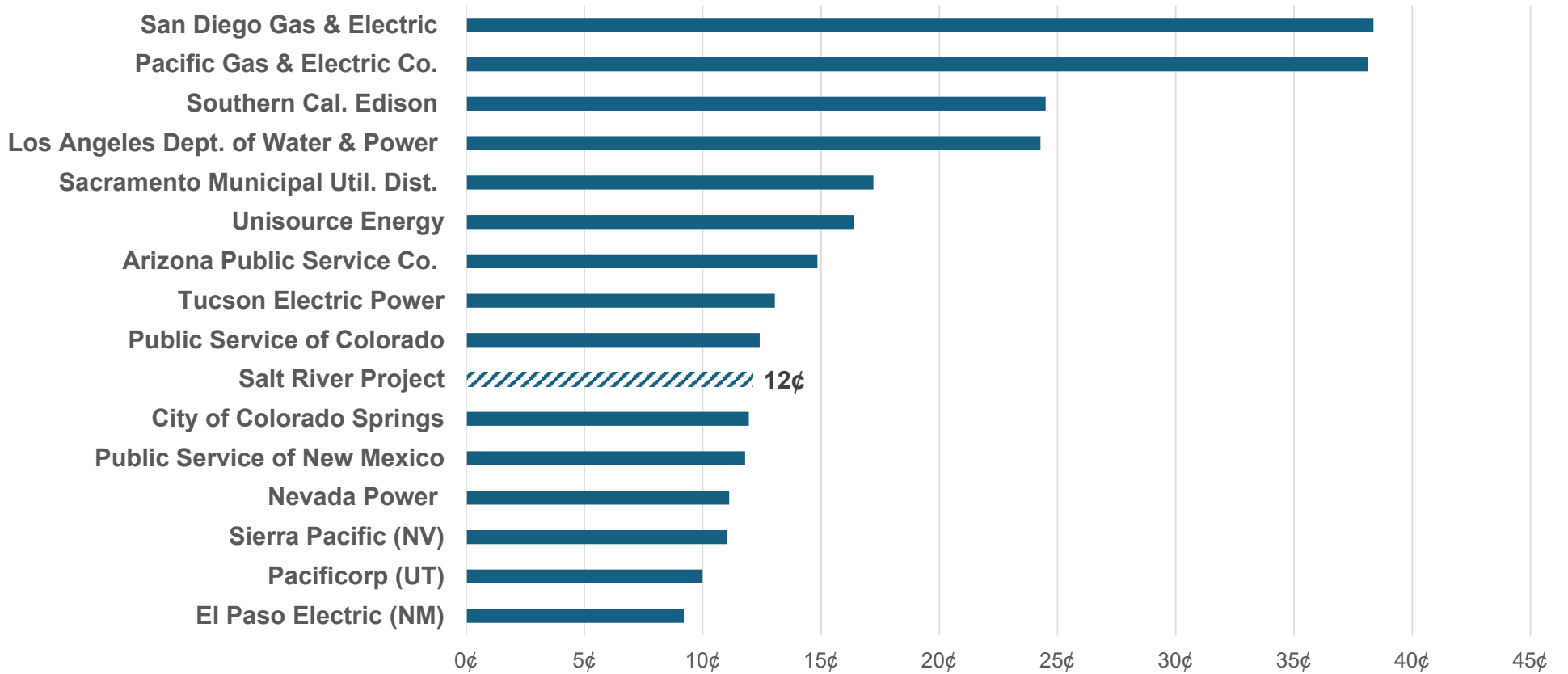


PEER COMPARISON

PRICING HISTORY & OUTLOOK

PRICE COMPARISON BY REGIONAL PEER

Group of regional peers, including SRP, with values expressed as ¢/kWh



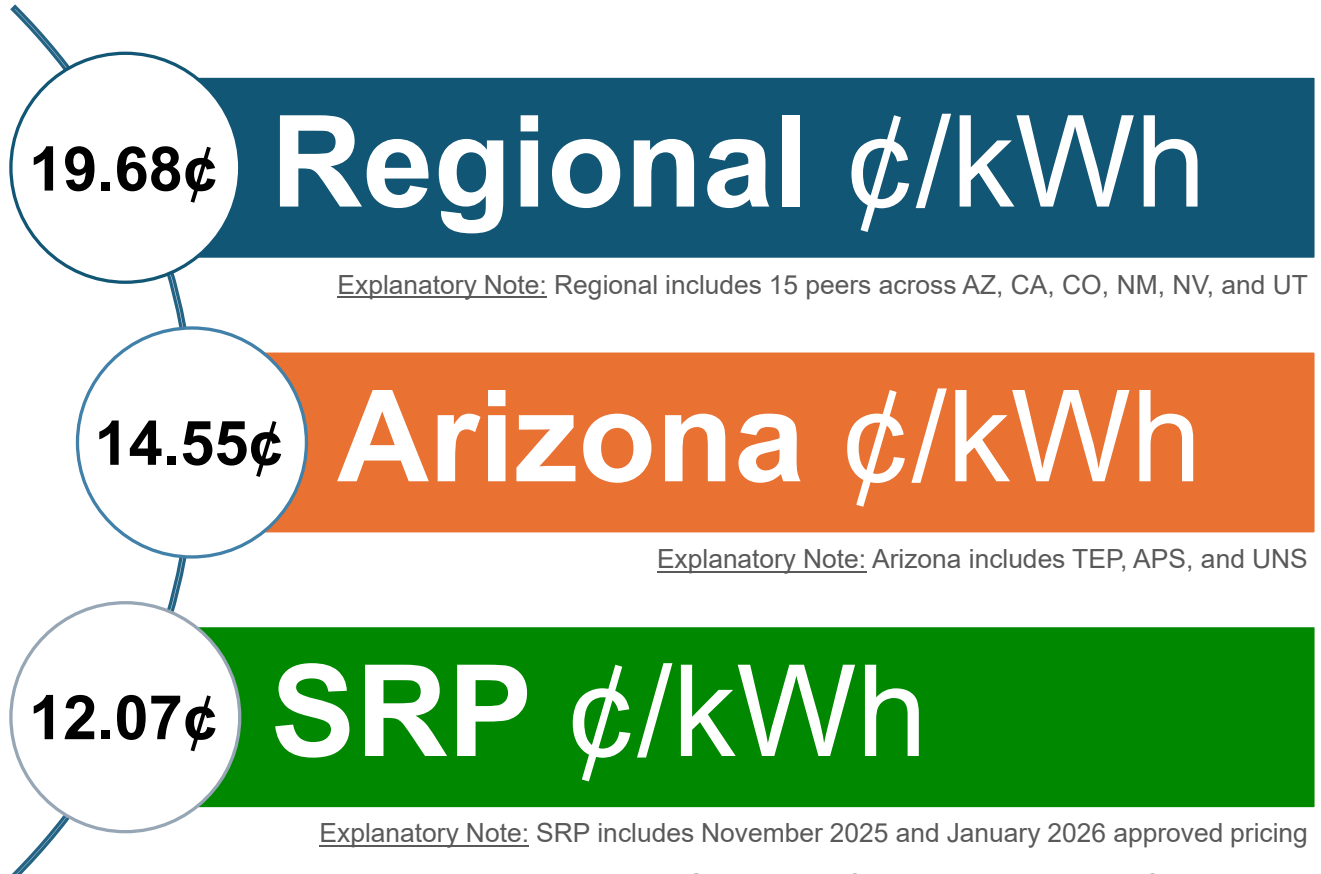
Source: Department of Energy EIA-826 Report for 12 months ending August 2025; SRP based on November 2025/January 2026 approved pricing

PRICING HISTORY & OUTLOOK

REGIONAL ENERGY COSTS

SRP ¢/kWh

- **39% less** than the weighted average Regional rate
- **17% less** than the weighted average Arizona rate
- TEP and APS have pending ACC rate cases



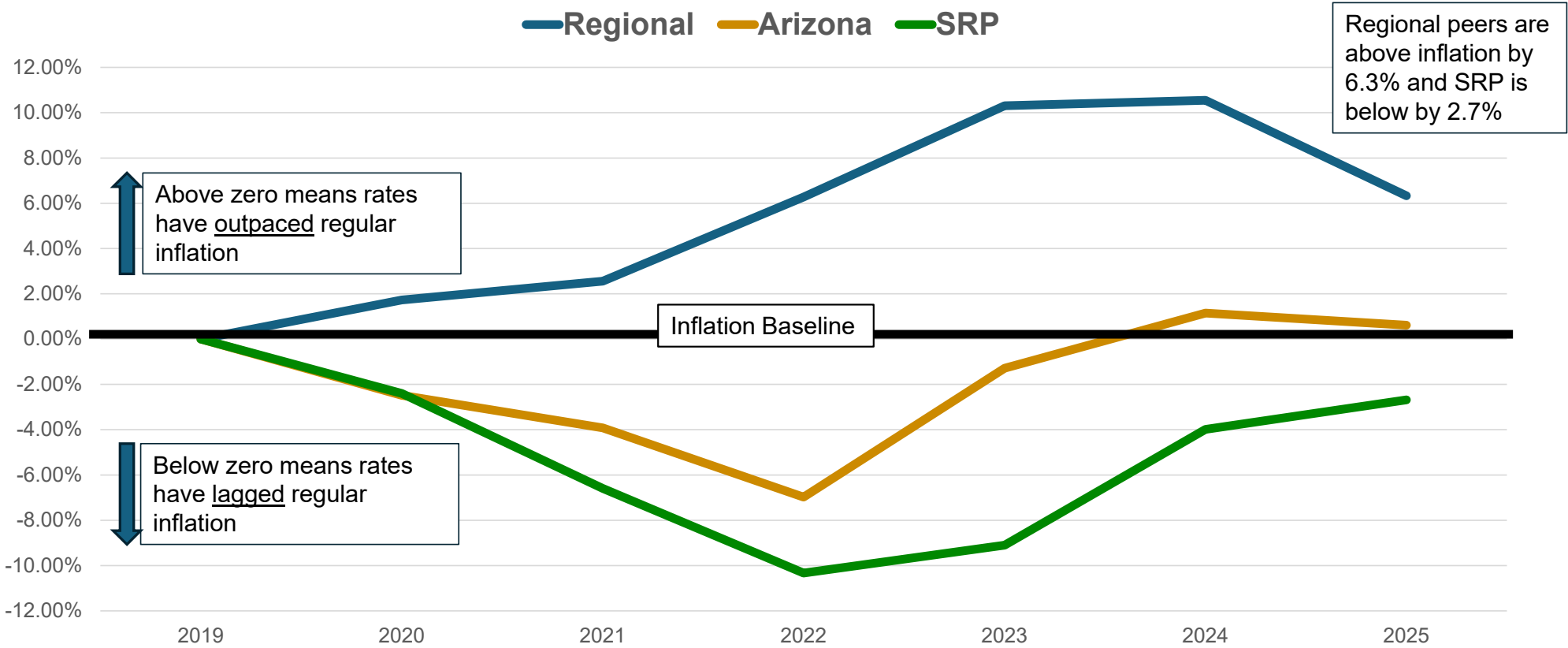
Source: Data from EIA Report-826 as of August 2025

PRICING HISTORY & OUTLOOK

RATE CHANGES RELATIVE TO INFLATION (ALL)

SRP's rates have cumulatively remained below general inflation since COVID, while regional peers have increased rates faster than inflation

—Regional —Arizona —SRP



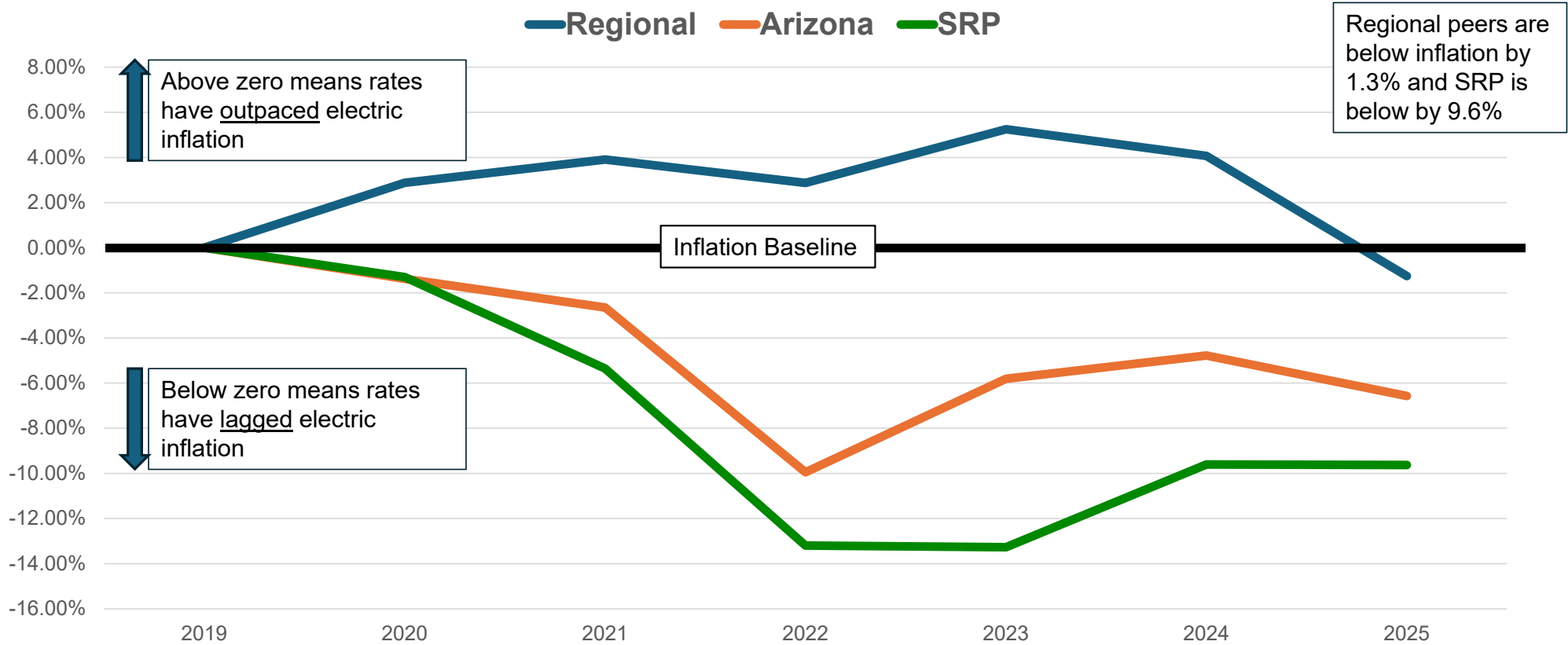
Explanatory Note: Regional and Arizona do not include SRP

Source: Dept. of Energy EIA-826 Report and Federal Reserve Economic Data Consumer Price Index - Urban (CPI-U) as of Aug 2025

PRICING HISTORY & OUTLOOK

RATE CHANGES RELATIVE TO INFLATION (ELECTRIC)

SRP's rates have cumulatively remained below electricity inflation since COVID



Explanatory Note: Regional and Arizona do not include SRP

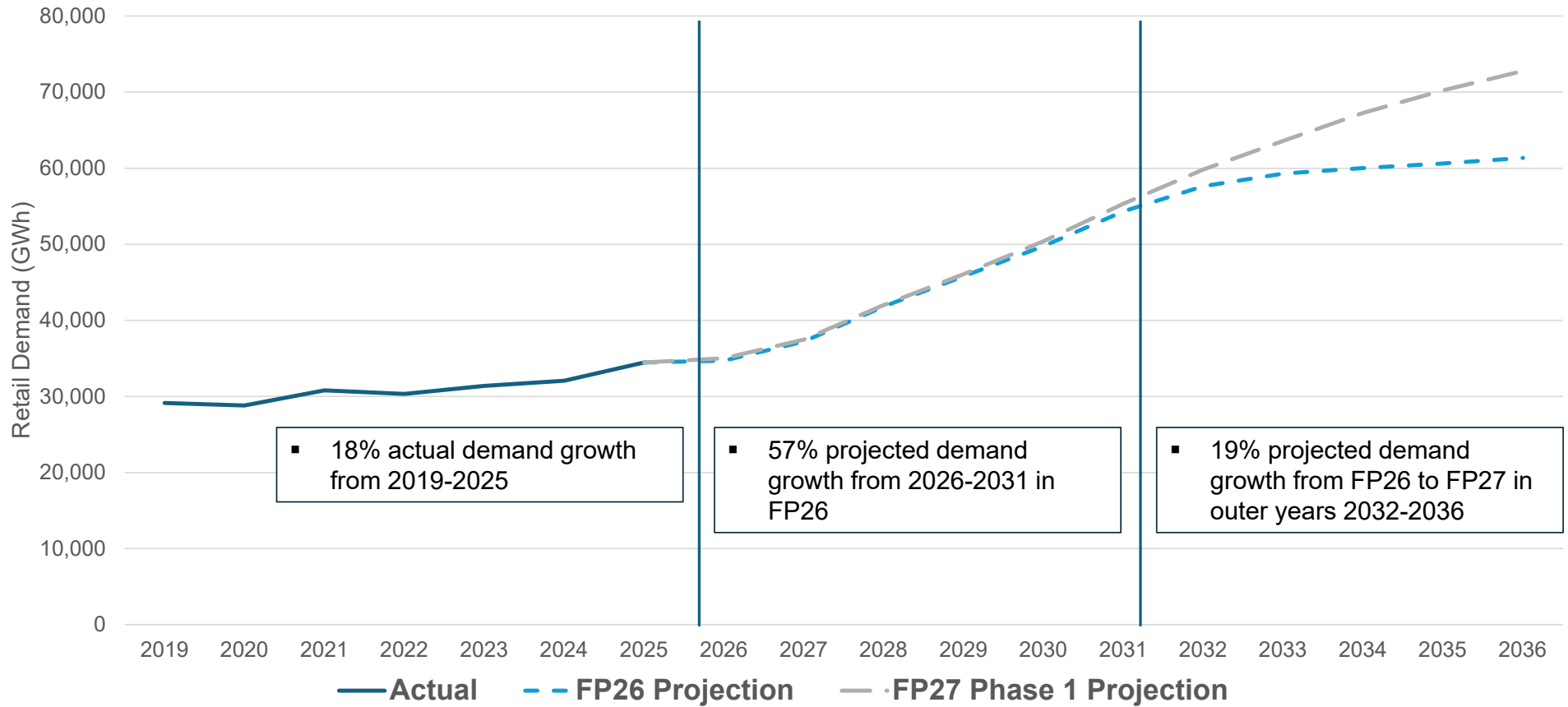
Source: Dept. of Energy EIA-826 Report and Federal Reserve Economic Data Consumer Price Index - Electricity (CPI-E) as of Aug 2025

FINANCIAL OUTLOOK

PRICING HISTORY & OUTLOOK

RETAIL DEMAND

High levels of demand projected as residential growth remains steady and industrial sector expands

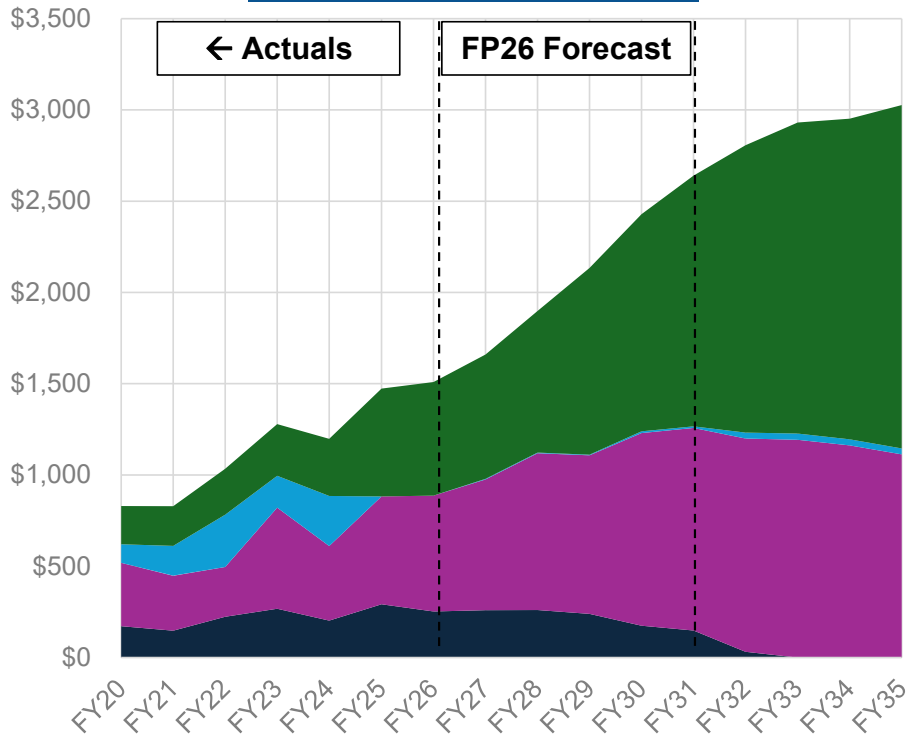


PRICING HISTORY & OUTLOOK

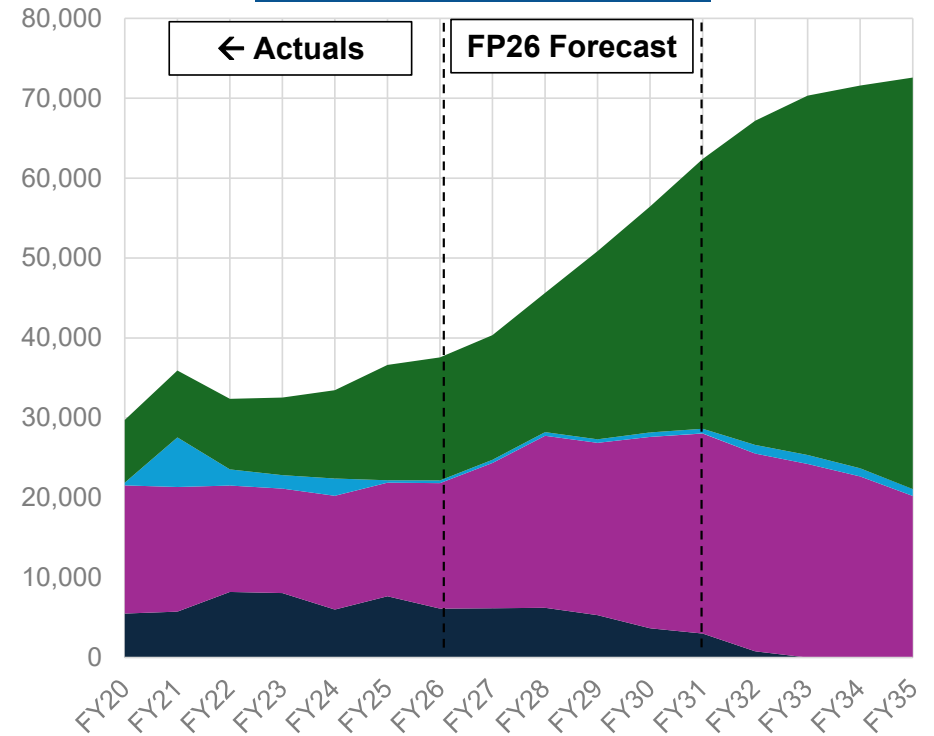
RETAIL FUEL & PURCHASED POWER GENERATION

Long-term load growth met from renewable & hydro production; thermal generation forecasted to decline

Actuals & FP26 (\$000)



Actuals & FP26 (GWh)



■ Coal ■ Natural Gas ■ Market Purchases ■ Carbon-Free

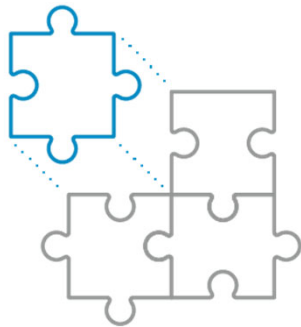
PRICING HISTORY & OUTLOOK

KEY TAKEAWAYS

Increased forecasted energy demand, combined with generation transition and rising costs, has significant financial implications

HEALTHY PRICING POSITION AND STRATEGY

- Rates below inflation since COVID
- Competitive retail rates
 - 39% below Regional peers
 - 17% below Arizona peers



CHALLENGES EXIST AND MORE ARE APPROACHING

- Retail demand expected to increase 57% in SRP's service territory over the next 6-years
- Rising costs for all electric infrastructure
- Need to balance base price increases and borrowing levels
- FP27 FPPAM impacts will be higher than FP26 due to:
 - Increasing renewable costs
 - Inflation
 - Load growth
 - Supply chain constraints
 - Tariffs on significant components
 - Investment tax credit changes
 - Purchased power agreements vs. capital expense

WELL POSITIONED TO HANDLE CHANGING ENVIRONMENT

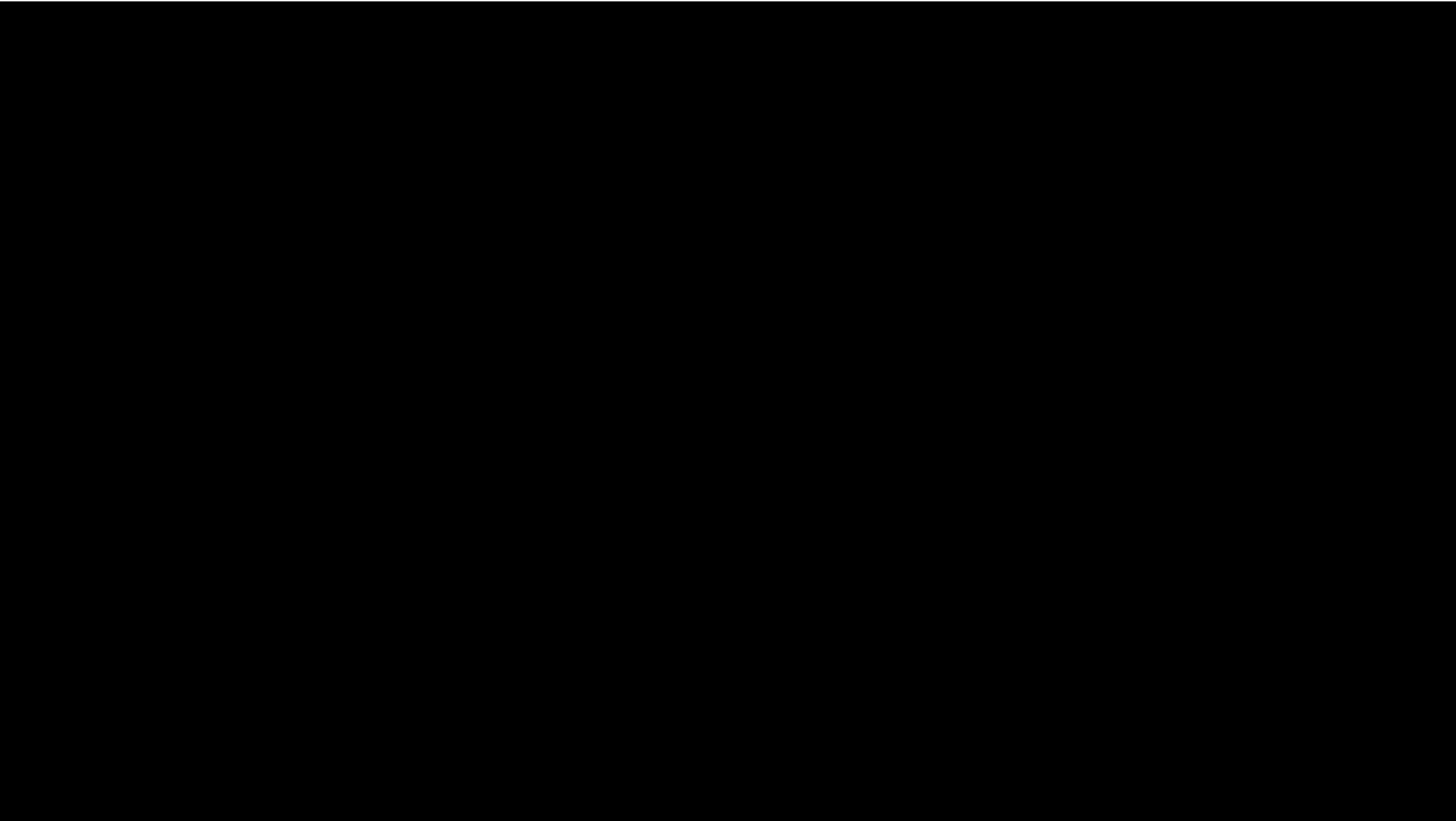
- Customers - diverse customer base, no major concentration risk
- Customer centric pricing principles
- Proven track record – consistently affordable relative to peers
- Reliability – efficient, diverse resource mix, and improving environmental profile
- Board autonomy – rate setting authority



Delivering water and power®

THANK YOU





SRP PRICING HISTORY & OUTLOOK

Executive Summary

Salt River Project (SRP) maintains a strong financial position, supported by industry leading credit ratings that enable low borrowing costs and signal prudent governance. SRP's electric rates remain among the most competitive in Arizona and well below regional peers, despite recent inflationary pressures. This strong position, coupled with disciplined cost management and effective oversight, ensures long-term stability, reliability, and positions SRP to meet future challenges while delivering value for customers.

Electric Rate Competitiveness

- Rates consistently lower than Arizona and regional peers
- Remaining below inflation since COVID, while others rose significantly

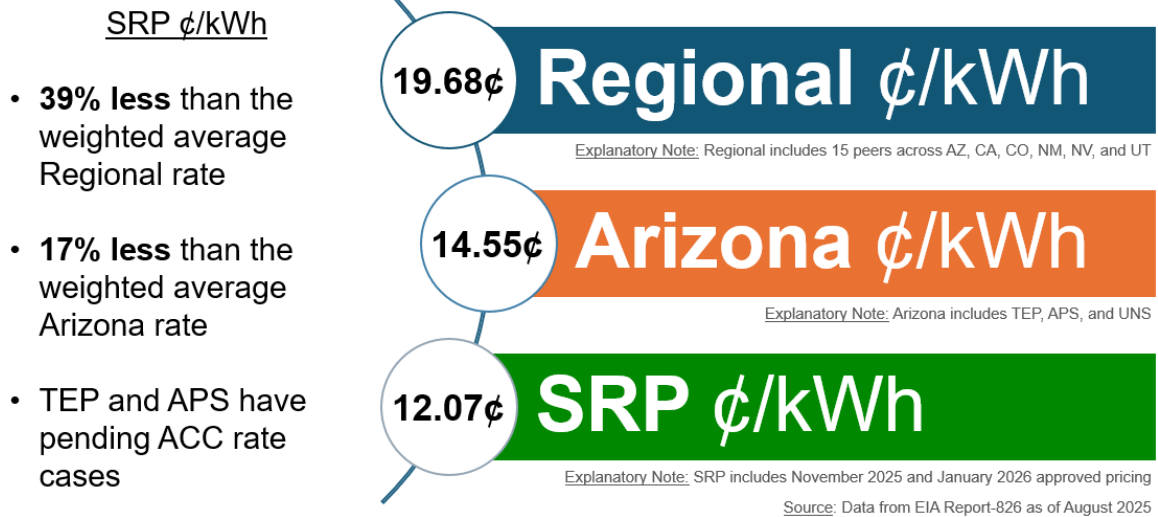
Challenges Ahead

- Demand is increasing due to steady residential growth and industrial sector expansion
- Costs are rising because of inflation, supply chain constraints, increased generation costs, and efforts to meet demand
 - Requires additional cost controlling, debt issuance, and price adjustments

Delivering Customer Value

- Disciplined approach ensures reliable, affordable service and long-term value for customers
- Financial strength supports the ability to meet future challenges and opportunities

REGIONAL ENERGY COSTS

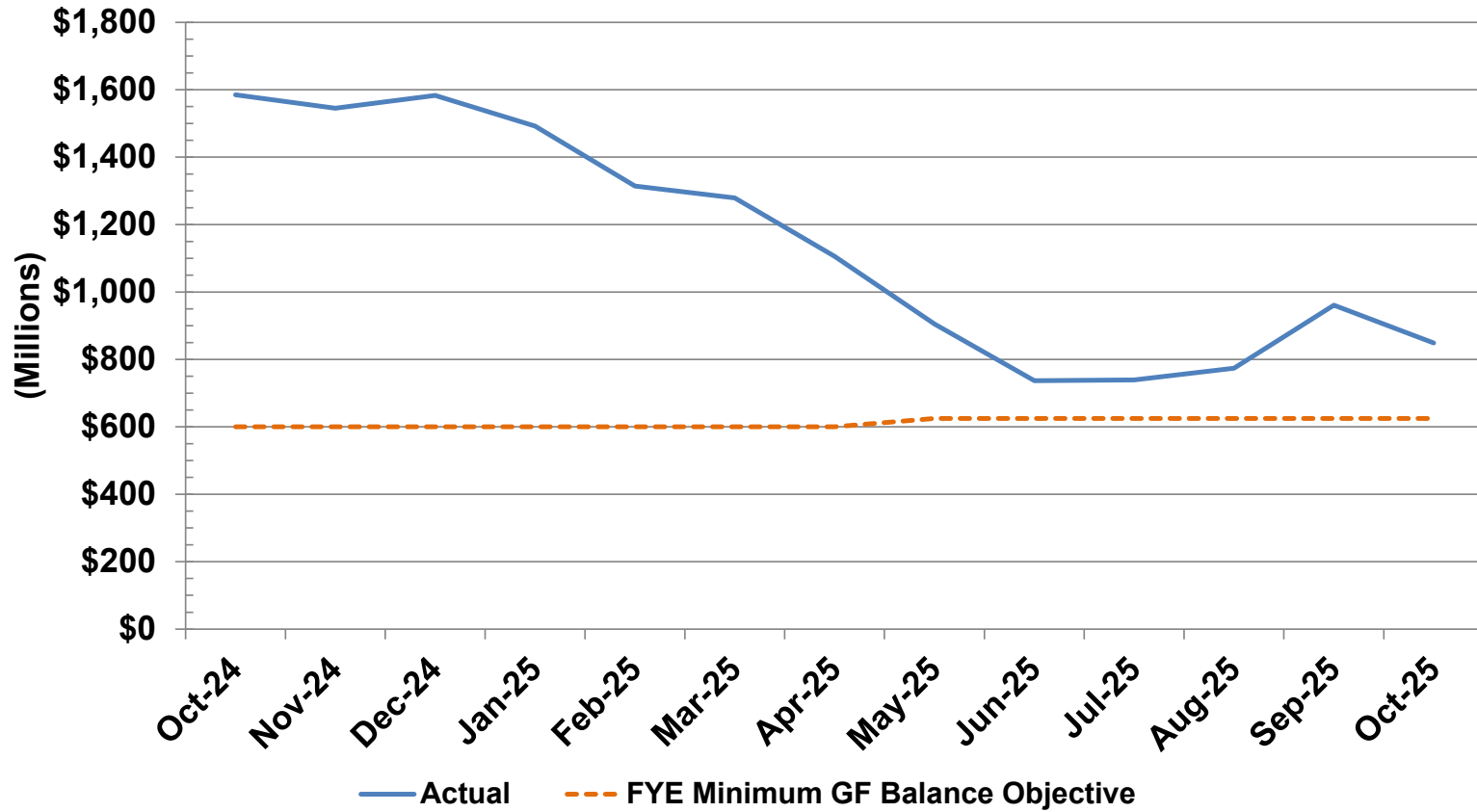


Delivering water and power®

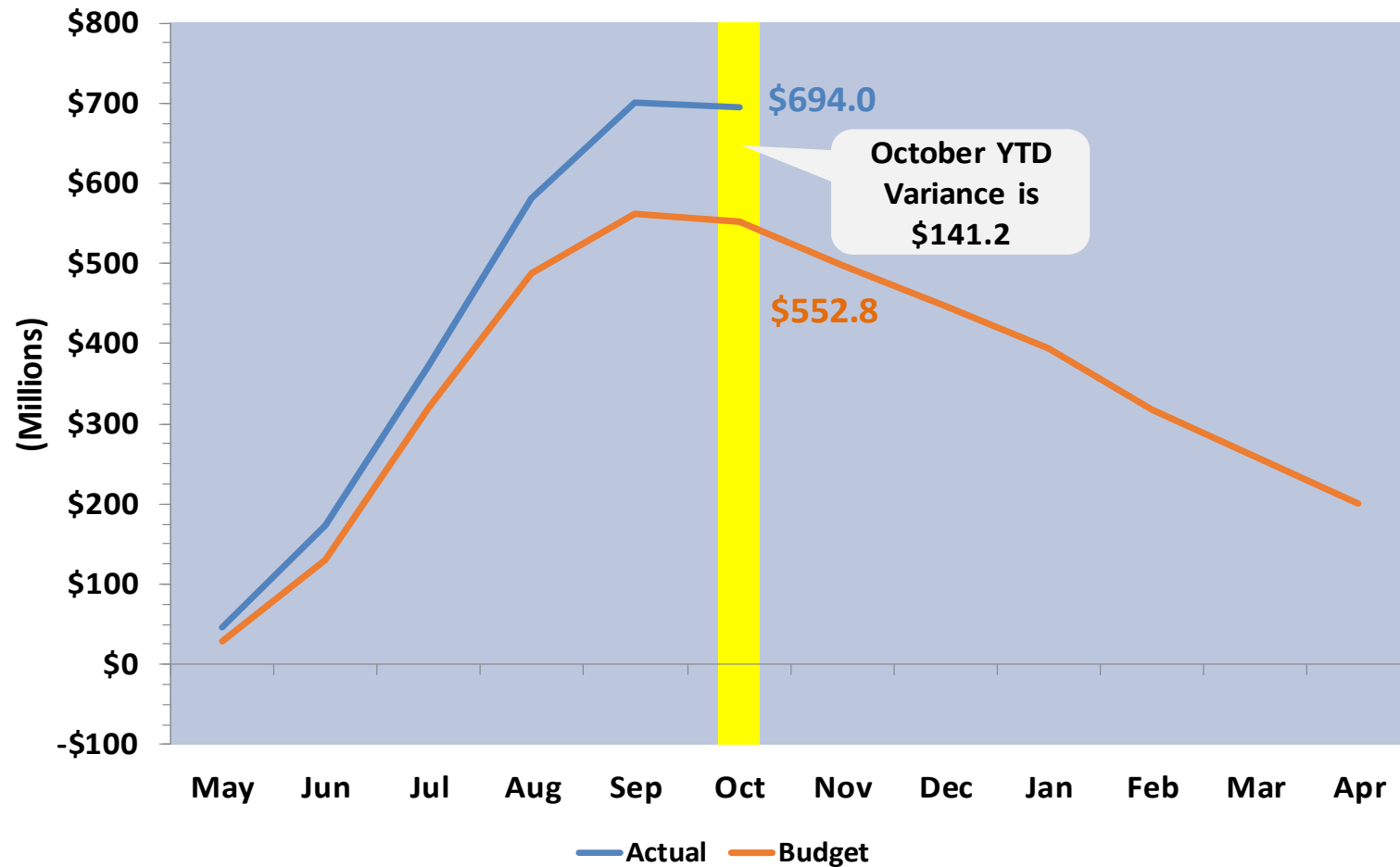
Monthly Financial Report October 2025

Finance & Budget Committee Meeting
Jeremy T. Fry | December 9, 2025

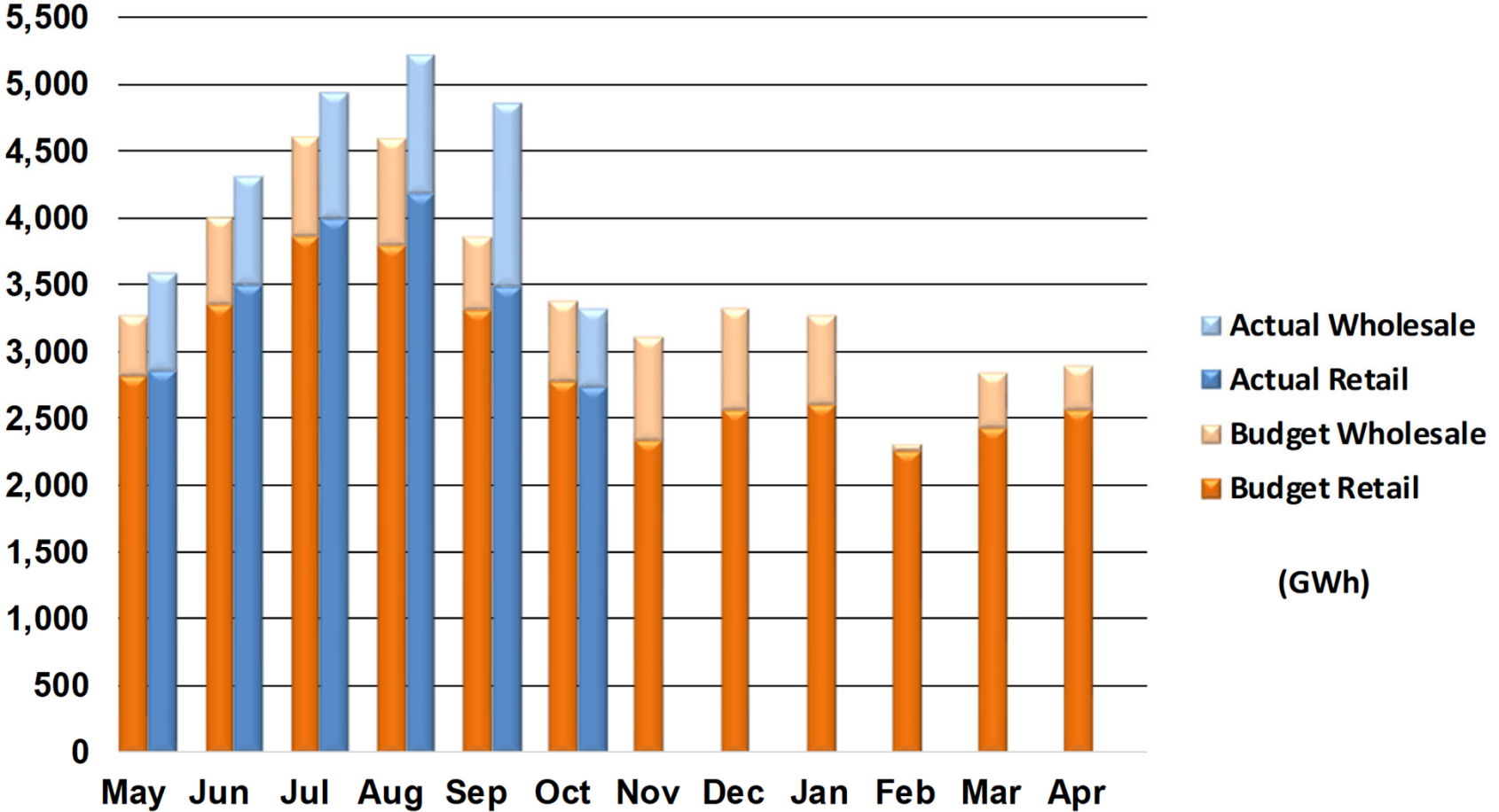
General Fund Balance



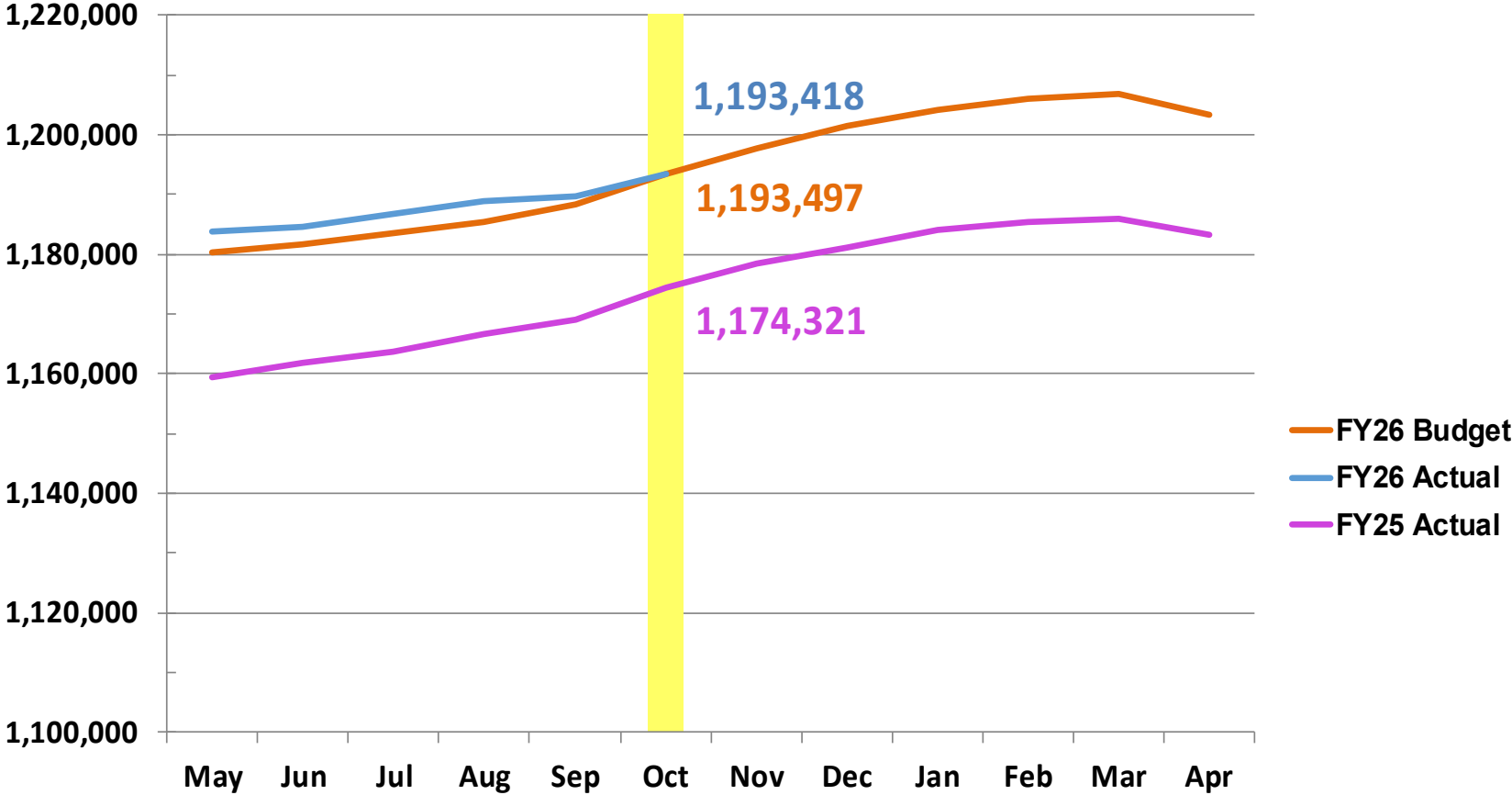
YTD Combined Net Revenue



System Sales



Customer Accounts



Financial Summary - October 2025

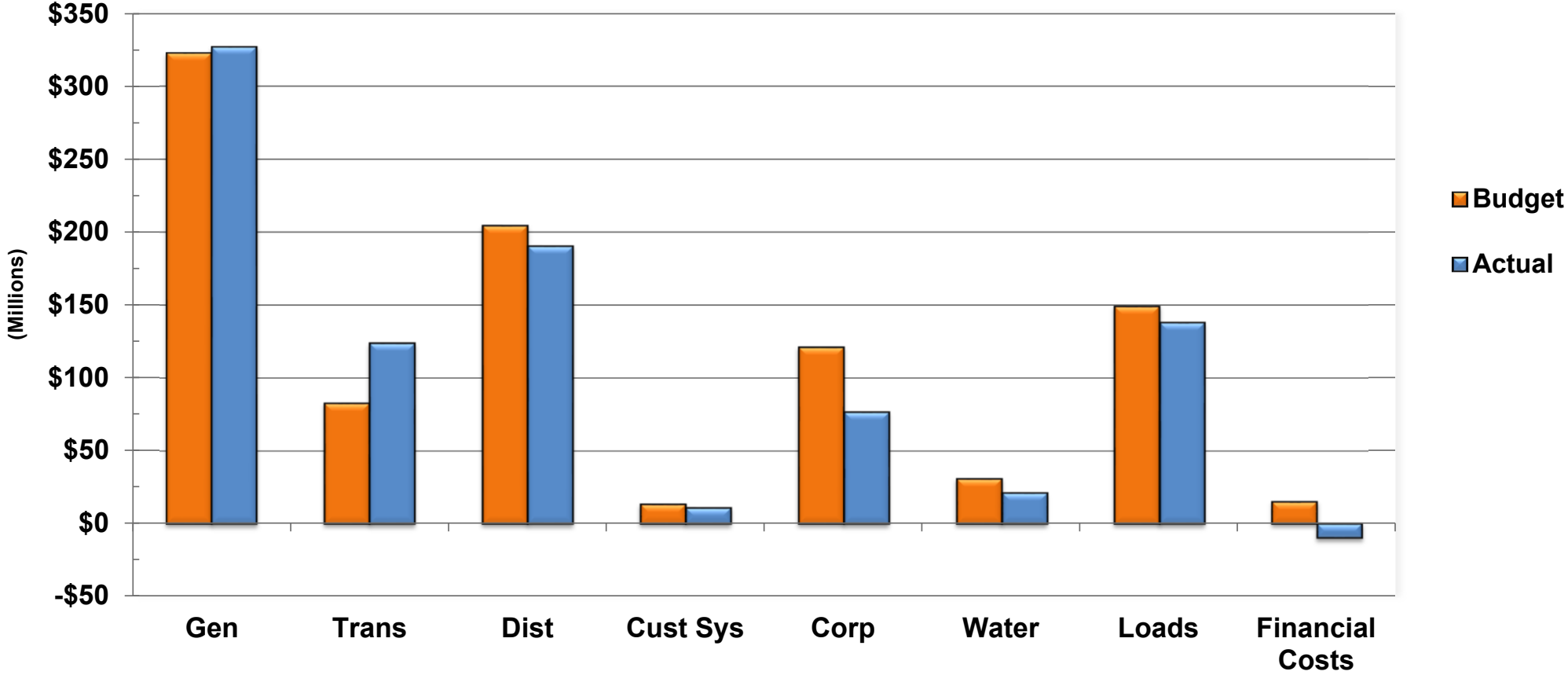
(Thousands)	Actual	Budget	Variance
Operating Revenues	\$ 345,577	\$ 353,114	\$ (7,537)
Operating Expenses			
Fuel	129,419	135,103	(5,684)
O&M	145,759	144,457	1,302
Depr & Tax	73,078	72,920	158
Total Operating Expenses	348,256	352,480	(4,224)
Net Financing Costs	15,737	15,560	177
Other, Net	11,340	6,395	4,945
Combined Net Revenues	\$ (7,076)	\$ (8,531)	\$ 1,455

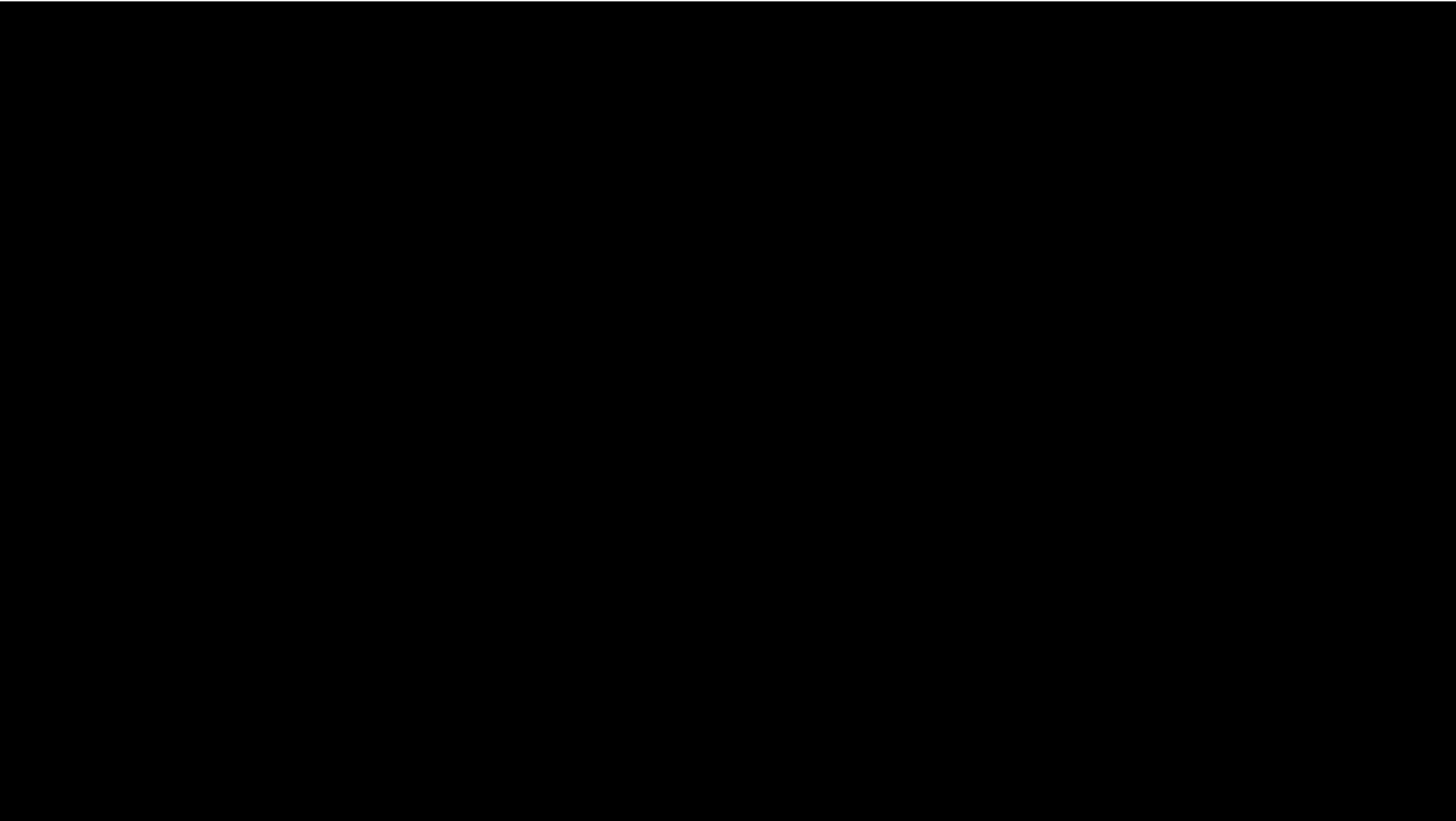
Key Financial Indicators - YTD October 2025

(Thousands)	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Funds Available	\$ 952,527	\$ 805,403	\$ 147,124
Total Debt Service Coverage Ratio	5.90	5.51	0.39
Debt Ratio*	46.3	47.9	(1.6)
Capital Expenditures	\$ 878,682	\$ 940,642	\$ (61,960)

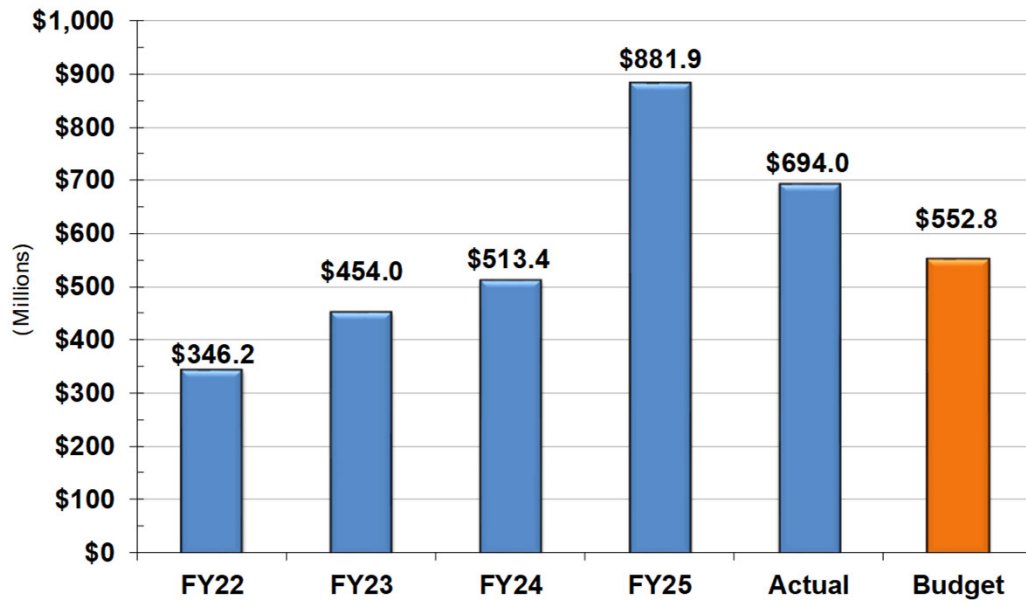
***Debt Ratio represents Projected Actual compared to Annual Budget**

Capital Expenditures - YTD October 2025





CNR without Fair Value Adjustments - YTD October 2025

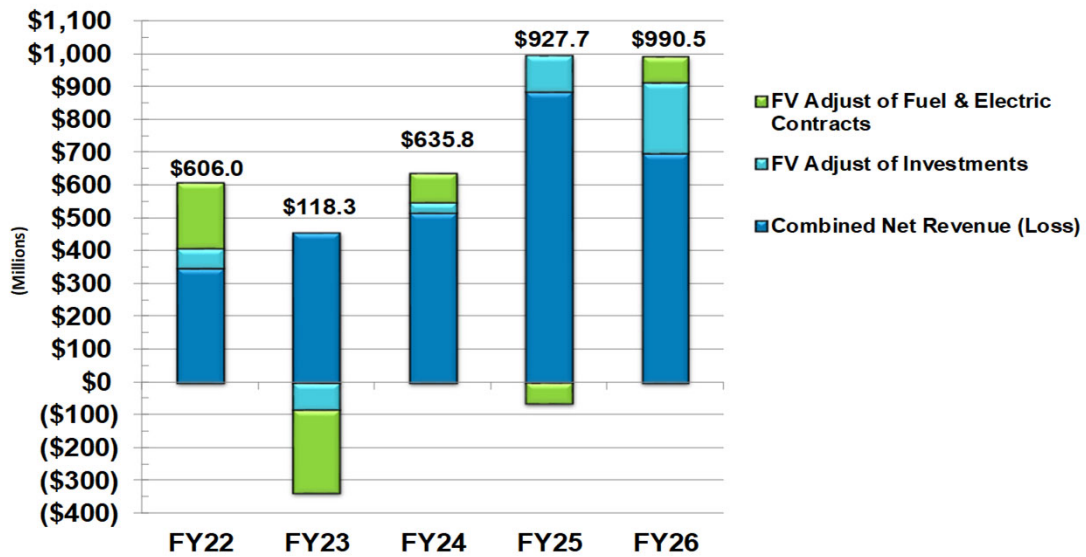


12/09/2025 Finance & Budget Committee Meeting, J. T. Fry

(Non-GAAP, Unaudited) 1

1

CNR with Fair Value Adjustments - YTD October 2025

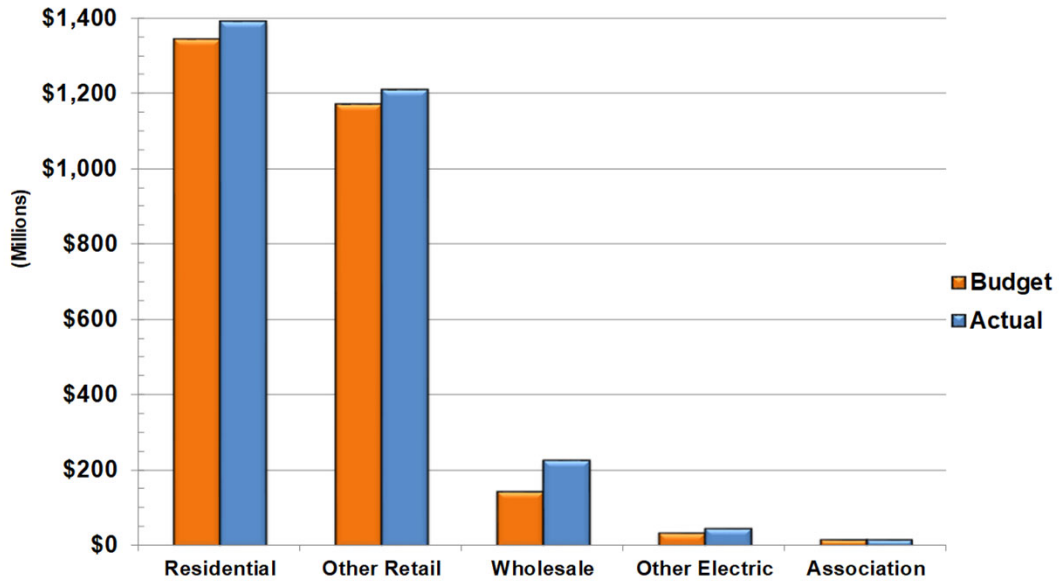


12/09/2025 Finance & Budget Committee Meeting, J. T. Fry

(Non-GAAP, Unaudited) 2

2

Combined Operating Revenues - YTD October 2025

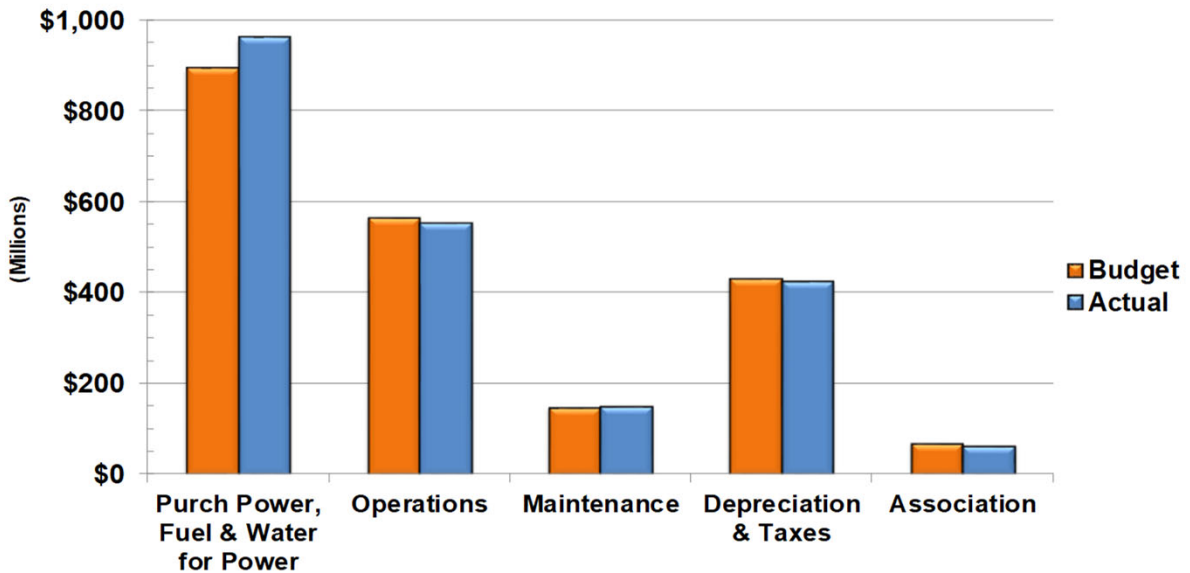


12/09/2025 Finance & Budget Committee Meeting, J. T. Fry

(Non-GAAP, Unaudited) 3

3

Combined Expenses - YTD October 2025

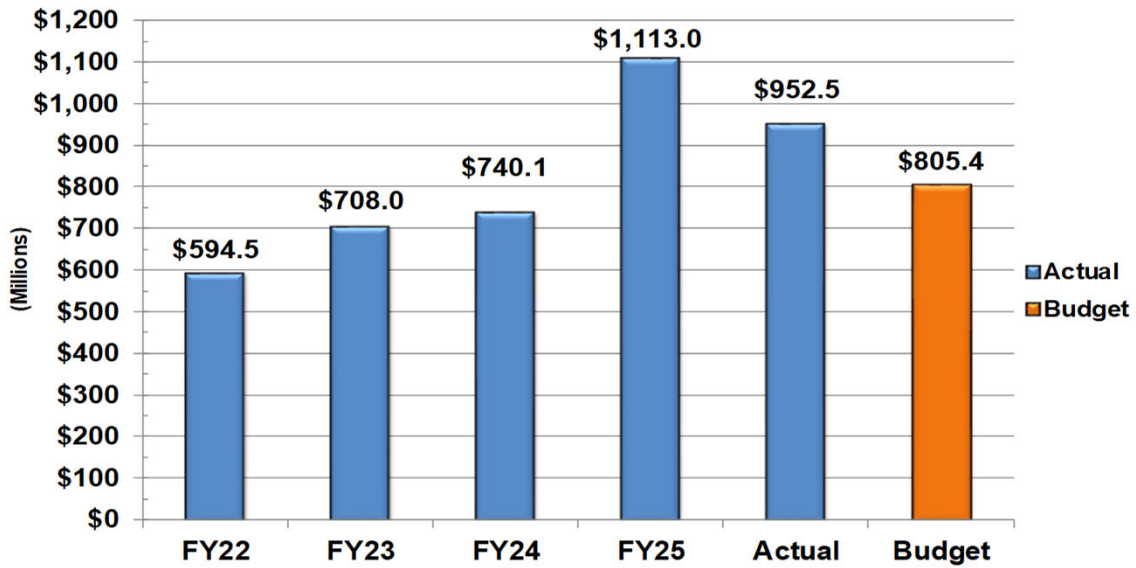


12/09/2025 Finance & Budget Committee Meeting, J. T. Fry

(Non-GAAP, Unaudited) 4

4

Funds Available - YTD October 2025

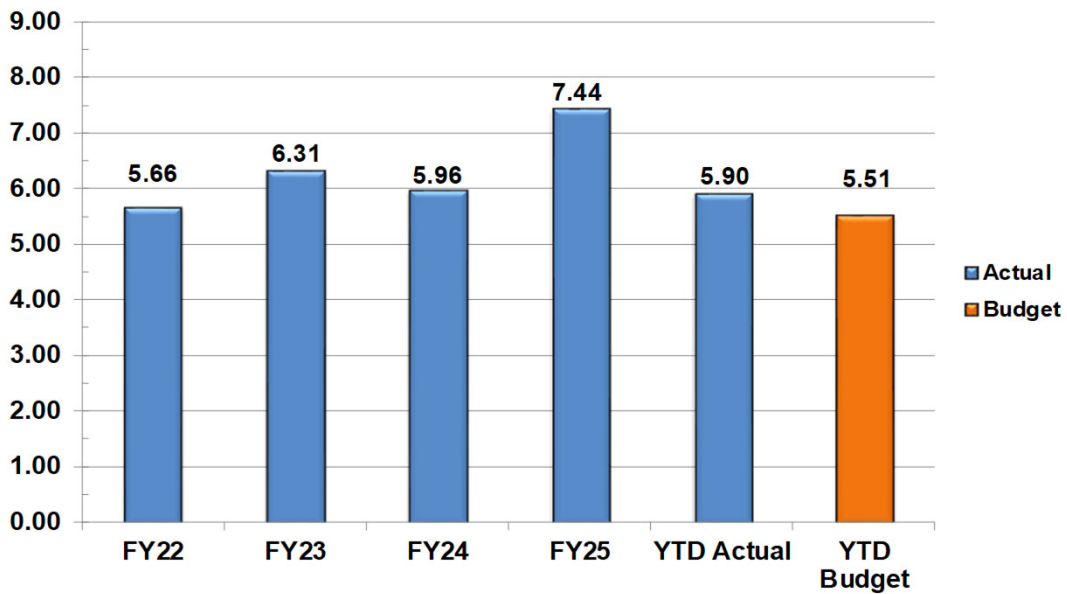


12/09/2025 Finance & Budget Committee Meeting, J. T. Fry

(Non-GAAP, Unaudited) 5

5

Total Debt Service Coverage Ratio - YTD October 2025

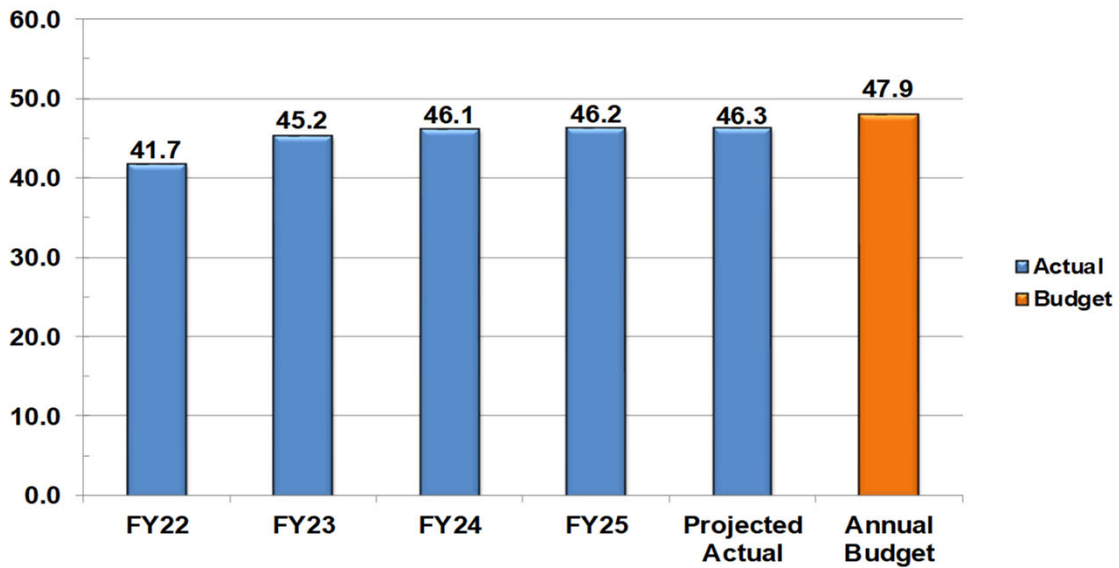


12/09/2025 Finance & Budget Committee Meeting, J. T. Fry

(Non-GAAP, Unaudited) 6

6

Debt Ratio - YTD October 2025



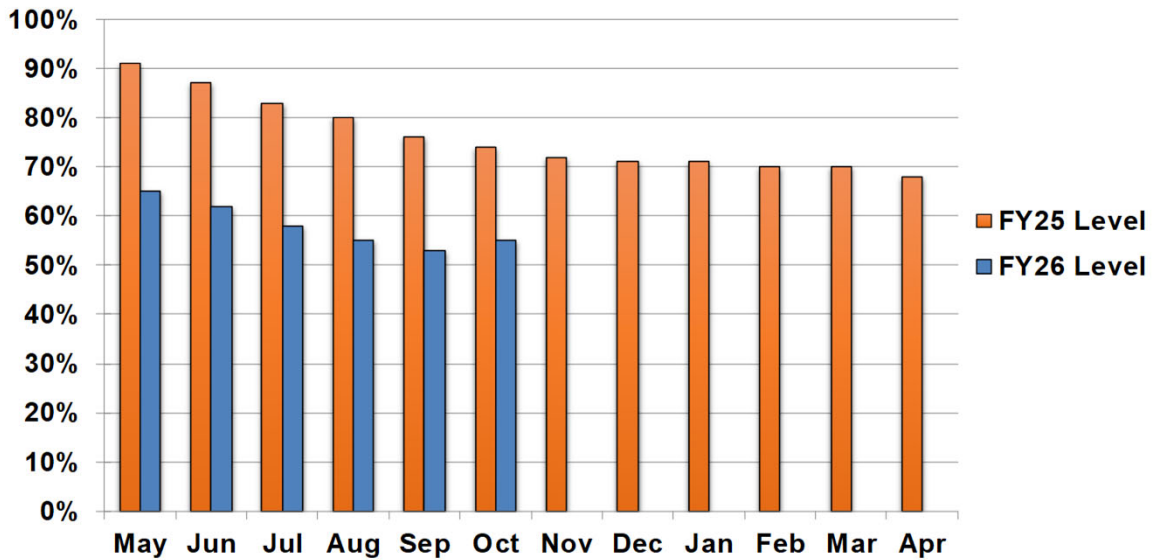
Note: Prior Years and Budget are Fiscal Year-End Ratios

12/09/2025 Finance & Budget Committee Meeting, J. T. Fry

(Non-GAAP, Unaudited) 7

7

Water Storage Levels



12/09/2025 Finance & Budget Committee Meeting, J. T. Fry

(Non-GAAP, Unaudited) 8

8

