

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

FINANCE AND BUDGET COMMITTEE Thursday, January 22, 2026, No Sooner Than 9:45 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 December 9, 2025.
 - B. Request for approval of the Annual Cash Statement for Period Ending December 2025 (District).
 - C. Request for approval of the Monthly Cash Statement for December 2025 (District and Association).
2. Fiscal Year 2027 (FY27) Financial Plan and Operating Budget Initial Assumptions..... DANIELLE JACKSON

Informational presentation to review the initial assumptions shaping the FY27 Financial Plan and Operating Budget.
3. Overview of the Fuel and Purchased Power Adjustment Mechanism (FPPAM)
.....BRANDON SHOEMAKER

Informational presentation regarding an overview of SRP's FPPAM.
4. SRP's Price Plan Comparison Display..... VANESSA KISICKI

Informational presentation regarding the new Price Plan Comparison Display.
5. Review of the Financial Results for the Month of December 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, FEBRUARY 19, 2026**

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

December 9, 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 09:30 a.m. on Tuesday, December 9, 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; and R. Arnett, N. Brown, K. Johnson, S. Kennedy, L. Rovey, and S. Williams.

Committee Member absent at roll call was M. Herrera, Vice Chair.

Also present were Vice President C. Dobson; Board Members R. Miller, M. Pace, P. Rovey, J. White Jr., and L. Williams; Council Chair R. Shelton; Council Vice Chair B. Paceley; Council Liaison G. Geiger; and A. Almodova, I. Avalos, M. Burger, J. Felty, J. Fry, L. Hobaica, J. Hubbard, R. Judd, B. Koch, A. Laurence, J. Leavitt, K. Lee, L. Meyers, R. Mueller, N. Mullins, M. O'Connor, B. Olsen, S. Perkinson, J. Pratt, M. Purnell, J. Schuricht, C. Sifuentes-Kohlbeck, R. Taylor, and J. Tucker of SRP.

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 Friday, December 5, 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 Board Member R. Arnett and seconded by Board Member S. Williams, the Committee unanimously approved and adopted the following items on the Consent Agenda:

- A. Minutes of the Finance and Budget Committee meeting on November 20, 2025, as presented.
- B. Approval of the District and Association Monthly Cash Statement for October 2025.

C. Approval of the Association Quarterly Cash Statement for Period Ending October 31, 2025.

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

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

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

Energy Risk Management (ERM) Update

Using a PowerPoint presentation, Russell Mueller, SRP Director of Energy Risk Management, 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.

R. Mueller reviewed the on-peak electricity prices for Palo Verde from May 2023 to November 2025 and changes in Intercontinental Exchange (ICE) 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 November 2025. R. Mueller discussed changes in the forward curve chart for natural gas prices in the San Juan Basin since 2024.

R. Mueller presented a chart of the expected variances in the retail natural gas to budget for fiscal year 2026 (FY26) and reviewed the expected requirements and hedge levels of retail natural gas for Financial Plan 2026 (FP26). They discussed credit exposure by rating and exposure to counterparties by credit rating. R. Mueller concluded with a discussion of aggregate financial limits for electricity, natural gas, unleaded gas, diesel, and greenhouse gas and emissions compliance instruments.

R. Mueller 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.

President D. Rousseau; and C. Burke, K. Heth, and V. Kisicki of SRP entered the meeting during the presentation.

Trading Limits Update

Using a PowerPoint presentation, R. Mueller stated that the purpose of the presentation was to request approval to update certain trading limits based upon evolving market conditions and business needs.

R. Mueller reviewed the current aggregate financial limits for electricity, natural gas, unleaded gas, diesel, and greenhouse gas and emissions compliance instruments. They discussed the historical and projected retail gas hedging requirements versus aggregate financial limits from FP18 through FP26. R. Muller presented a graph of the average market cost per Million British Thermal Units (MMBtu) for FP18 and FP26.

R. Muller presented the proposed changes to the aggregate financial limits for natural gas. They discussed the basics of transaction limits and proposed changes to the financial natural gas transaction limits. R. Muller provided a graph outlining the average historic Point-to-Point transmission pricing of key Southwestern Transmission Providers from 2000 to 2025.

R. Muller stated that transmission needs have expanded and presented the proposed notional limit changes to physical transmission transactions limits. They also reviewed the retail fuel and purchase power generation with respect to coal, gas, market purchases, nuclear, solar, hydro, solar plus battery, battery, wind, geothermal, and biomass forecasts from FY20 to FY35.

R. Mueller concluded by requesting approval, in accordance with the terms discussed, to increase the natural gas transactions limits with no changes to the term limits, as follows: 1) no change to the notional limit approved by the Risk Oversight Committee (ROC); 2) increase the notional limit approved by Executive Management from \$30 million to \$40 million; and 3) increase the notional limit approved by staff from \$15 million to \$25 million. They also requested approval to increase the physical transmission transaction limits with no changes to the term limits, as follows: 1) increase the notional limit approved by the ROC from \$30 million to \$75 million; 2) increase the notional limit approved by Executive Management from \$20 million to \$50 million; and 3) increase the notional limit approved by staff from \$15 million to \$25 million. Lastly, R. Mueller also requested approval to increase the aggregate financial quantity limit for natural gas from 750 million MMBtu to 1 billion MMBtu and the aggregate financial dollar limit from \$2 billion to \$3.5 billion.

Mr. R.T. Mueller 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; and R. Arnett, N. Brown, K. Johnson, S. Kennedy, L. Rovey, and S. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member M. Herrera, Vice Chair	(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.

Board Member K. O'Brien entered the meeting during the presentation.

Review of Pricing Actions and Pricing Outlook

Using a PowerPoint presentation, Jim Pratt, SRP General Manager and Chief Executive Officer, stated that the purpose of the presentation was to provide information regarding a summary of SRP's recent pricing actions, including prior adjustments, comparisons to peers, and pricing outlook. They introduced Brian Koch, SRP Associate General Manager and Chief Financial Executive.

B. Koch reviewed SRP's pricing history and the publicly announced rate adjustments. They compared the nominal rate adjustments with the cumulative inflation versus rate adjustments. B. Koch discussed the fuel and purchase power adjustment mechanism (FPPAM) history stating that FPPAM seeks to recover the appropriate fuel and purchase power cost over time.

B. Koch provided price comparison by regional peer and stated that the energy costs are as follows: 1) regionally – 19.68 cents per kilowatt-hour (ϕ /kWh); 2) Arizona – 14.55 ϕ /kWh; and 3) SRP – 12.07 ϕ /kWh. They discussed overall rates and electric rate changes relative to inflation for regional, Arizona and SRP prices.

B. Koch reviewed the financial outlook and presented a graph comparing the actual to projected retail demand from 2019 through 2036. They also discussed the actual versus forecasted FP26 retail fuel and purchase power generation with respect to coal, natural gas, market purchases, and carbon free resources from FY20 to FY35.

B. Koch discussed key takeaways stating that increased forecasted energy demand, combined with generation transition and rising costs, has significant financial implications.

B. Koch 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.

R. Mueller of SRP left the meeting during the presentation.

Review of the Financial Results for the Month of October 2025

Jeremy Fry, SRP Director of Financial Reporting, referenced the financial handout distributed to the Members relative to the combined highlights of operations of the District and Association for the month of October 2025. Using a PowerPoint presentation, they compared the actual versus budgeted figures for categories such as general fund balance, year-to-date (YTD) Combined Net Revenue (CNR), system sales, and customer accounts. J. Fry concluded by reviewing the financial summary, key financial indicators, and capital expenditures for the month of October 2025.

J. Fry responded to questions from the Committee.

Copies of the handout distributed and 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. The financial information in the handouts and PowerPoint slides is unaudited and non-GAAP.

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

J. Pratt reported on a variety of federal, state, and local topics of interest to the Committee.

Future Agenda Topics

Chair K. Mohr-Almeida asked the Committee if there were any future agenda topics. Board Member R. Miller requested a status of their initial request for 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 11:27 a.m.

John Felty
Corporate Secretary

2025 District Cash Statement

GROUP INDICATORS PLANT & PARTICIPATION ACCOUNTING DIVISION JOINT OWNERSHIP DIVISION	
Balances at December 31, 2025	
NAVAJO GENERATING STATION	
OPERATING FUND - 1050850	694,213.72
INVESTMENT ACCOUNT - 1080125	1,860,000.00
TOTAL NAVAJO CASH	\$ 2,554,213.72
MEAD-PHX	
OPERATING FUND - 1050150	1,941,472.87
TOTAL MEAD-PHX CASH	\$ 1,941,472.87
ANPP SWITCHYARD	
OPERATING FUND - 1050600	76,725,465.97
OPERATING INVESTMENTS	0.00
CONSTRUCTION INVESTMENTS	0.00
TOTAL ANPP SWITCH CASH	\$ 76,725,465.97
ANPP TRANSMISSION	
OPERATING FUND - 1050650	723,274.28
OPERATING INVESTMENTS	0.00
CONSTRUCTION FUND	0.00
TOTAL ANPP TRANS. CASH	\$ 723,274.28
SOUTHEAST VALLEY TRANSMISSION	
OPERATING FUND - 1050800	\$ 25,576,350.20
TOTAL SOUTHEAST VALLEY CASH	\$ 25,576,350.20
GRAND TOTAL	\$ 107,520,777.04
<p>Approved by: <u>Maritza A Espanda</u> Date: <u>1/12/26</u></p>	

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

CASH STATEMENT FOR CALENDAR YEAR 2025 Page 1

(IN THOUSANDS)

FUNDS BALANCE - JANUARY 1, 2025 \$ 1,581,116

CASH RECEIPTS:

Electric Revenues	4,381,115
Electric Customer Deposits	54,377
Reimbursement on Joint Venture Projects	182,784
Construction Contributions and Advances	299,844
Proceeds from Bond Sales	0
Proceeds-Other Borrowings	0
Transfers from Segregated Funds	915,497
Sales Tax Collected	308,594
Margin and Collateral Received- Net	38,326
Other Receipts and Adjustments	180,999
TOTAL CASH RECEIPTS	6,361,536

CASH DISBURSEMENTS:

Purchased Power & Fuel	1,526,624
Operations & Maintenance	1,339,317
Purchased Inventory	355,850
Net Paychecks and Deductions Paid to Others, Expensed to Operations	830,198
Payments to Trustee for -	0
Bond Interest	288,202
Bond Principal	160,346
Other Debt - Principal Repayment	325,000
Other Debt - Interest Expense	5,686
Capital Expenditures -	1,403,302
Construction	0
Advances and Transfers to Affiliated Companies (Net)	52,264
Advances on Joint Venture Projects	0
Transfers To Segregated Funds	372,419
In Lieu and Ad Valorem Taxes	107,338
Sales Tax Remitted	327,523
Margin and Collateral Disbursed- Net	89,541
Miscellaneous Cash Disbursements	20,928
TOTAL CASH DISBURSED - (NOTE 1)	7,204,538

FUNDS BALANCE - DECEMBER 31, 2025 738,114

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

CASH STATEMENT FOR CALENDAR YEAR 2025 - Page 2

STATUS OF FUNDS AS OF DECEMBER 31, 2025

(IN THOUSANDS)

CASH AND
INVESTMENTS

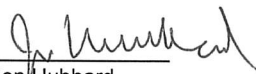
FUNDS BALANCE: REVENUE , GENERAL, IMPREST AND
CERTAIN SEGREGATED FUNDS (NOTE 2) \$ 738,114

Notes: (1) Disbursements shown include amounts paid for and on behalf of the Salt River Valley Water Users' Association and subsequently charged to it.

(2) Additionally, Salt River Project Agricultural Improvement and Power District, as Operating Agent of Navajo Generating Station, as Operating Agent of Palo Verde Switchyard and Transmission System, as Project Manager of the Mead-Phoenix Project, and Southeast Valley Transmission has custody of certain funds of the Project participants. At December 31, 2025 the balance in these funds was \$ 107,520,777.04 which are utilized in the financing of these projects.

TREASURER'S VERIFICATION

I, Jon Hubbard, Corporate Treasurer of Salt River Project Agricultural Improvement and Power District, do solemnly swear that the foregoing is a true and correct statement, subject to audit, of the amount in each of the stated funds on December 31, 2025 and of the amount of cash receipts and disbursements during the calendar year of 2025.


Jon Hubbard

Corporate Treasurer

Subscribed and sworn to before me
this 13th day of January, 2026


Notary Public



**Statement of Cash Received and Disbursed**

December 2025

(\$000)

	<u>District</u>	<u>Association</u>	<u>Total Month</u>	<u>Year-to-Date</u>
Funds Balance Beginning of Period	\$ 789,590	\$ 267	\$ 789,857	\$ 1,105,562
Cash Receipts:				
Electric Revenues	336,327	---	336,327	3,273,987
Water Revenues	---	14,077	14,077	29,628
Electric Customer Deposits	4,698	---	4,698	37,209
Reimbursement on Joint Ownership Projects	30,685	---	30,685	139,692
Construction Contributions and Advances	9,863	---	9,863	196,436
Proceeds from Bond Sales	---	---	---	---
Proceeds from Other Borrowings	---	---	---	---
Transfers from Segregated Funds	97,757	---	97,757	367,895
Sales Tax Collected	20,632	---	20,632	238,295
Other Cash Receipts	9,654	---	9,654	103,168
Total Cash Receipts	<u>509,616</u>	<u>14,077</u>	<u>523,693</u>	<u>4,386,310</u>
Fund Transfers - Net	<u>6,050</u>	<u>(6,050)</u>	<u>---</u>	<u>---</u>
Cash Disbursements:				
Purchased Power and Fuel	116,238	---	116,238	1,066,192
Operations and Maintenance	95,367	2,613	97,980	858,373
Employee Payroll and Payroll Taxes	63,034	4,532	67,566	606,666
Purchased Inventory	26,587	---	26,587	262,345
Cash Segregated for -				
Bond Interest	50,854	---	50,854	210,045
Bond Principal	25,895	---	25,895	115,019
Other Debt - Principal Repayment	---	---	---	142,570
Other Debt - Interest Expense	335	---	335	2,096
Capital Expenditures	118,810	---	118,810	939,341
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	3,081	---	3,081	135,606
In Lieu and Ad Valorem Taxes	11	---	11	106,669
Sales Tax Remitted	18,189	---	18,189	252,970
Margin and Collateral Disbursed - Net	47,024	---	47,024	39,922
Miscellaneous Cash Disbursements	1,717	---	1,717	14,795
Total Cash Disbursements	<u>567,142</u>	<u>7,145</u>	<u>574,287</u>	<u>4,752,609</u>
Funds Balance End of Period	<u>\$ 738,114</u>	<u>\$ 1,149</u>	<u>\$ 739,263</u>	<u>\$ 739,263</u>

Cash Position

December 2025

Composition of Funds Balance	(\$000)		
	District	Association	Total
Cash and Cash Equivalents	\$ 383,809	\$ 1,149	\$ 384,958
Other Temporary Investments	150,410	---	150,410
Other Non-Current Investments	<u>203,895</u>	<u>---</u>	<u>203,895</u>
General Fund	<u>738,114</u>	<u>1,149</u>	<u>739,263</u>
Segregated Funds			
Electric System Debt Reserve Fund	80,762	---	80,762
Debt Service Fund	322,477	---	322,477
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	818,327	---	818,327
Post-Retirement Benefits Fund	1,502,697	---	1,502,697
Construction Fund	626,839	---	626,839
RHCP Fund	13,910	---	13,910
HHCP Fund	10,100	---	10,100
SPRHCP Fund	3,538	---	3,538
Four Corners Mine Reclamation Trust	16,734	---	16,734
Other Special Funds	<u>2,933</u>	<u>---</u>	<u>2,933</u>
Total Segregated Funds	<u>\$ 3,398,317</u>	<u>\$ ---</u>	<u>\$ 3,398,317</u>

FP27 Preliminary Financial Plan

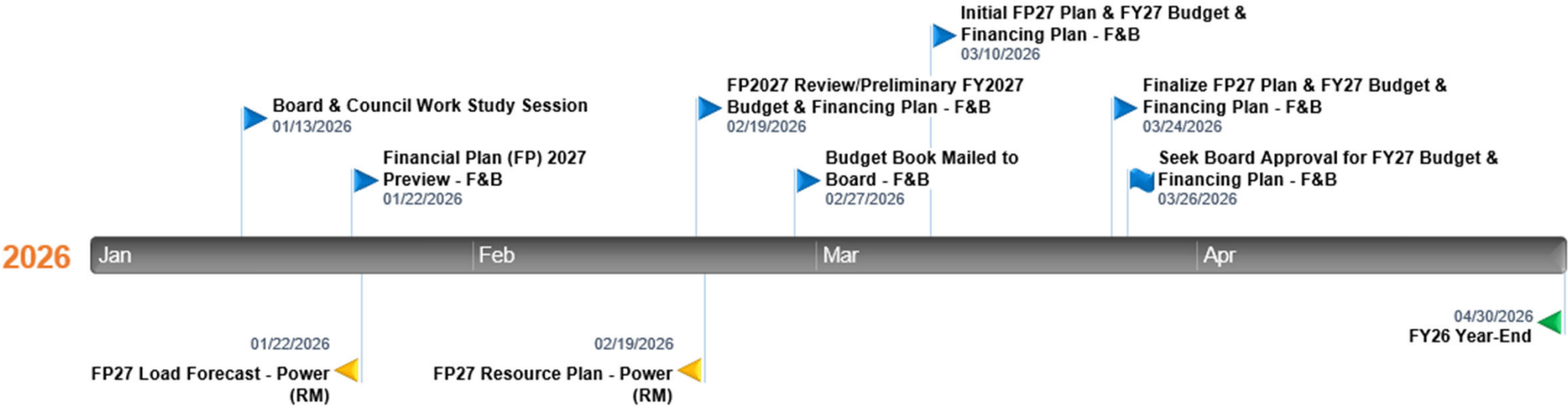
Finance and Budget Committee

Danielle Jackson

January 22, 2026

FP27 Financial Plan & FY27 Operating Budget

FP&A will return in February and March with final financial plan and operating budget results



FP27 Goals

Continue maintaining financial health and flexibility



2035 Corporate Affordability Goal: Maintain a strong yet flexible financial position as measured by SRP's key financial indicators and credit ratings

FP27 Goals:

- Ensure plan keeps metrics consistent with AA+/Aa1 ratings
- Prudently manage controllable O&M expenses below pace of sales growth
 - Manage growth in employee workforce
- Optimize capital costs to ensure SRP meets growth projections while maintaining reliability
- Balance cost management, borrowing, and pricing adjustments
- Keep pricing adjustments below pace of inflation

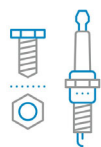
FP27 Summary

Prudent management of expenses ensuring financial flexibility



Higher peak demand forecast

- FY32 Peak: 12,197 MW
- 9.6% annual energy growth



Prudent management of controllable expenses

- Minimize impact of higher costs of electrical infrastructure
- Maintain controllable O&M growth below pace of sales
- Requires base price adjustments in line with FP26



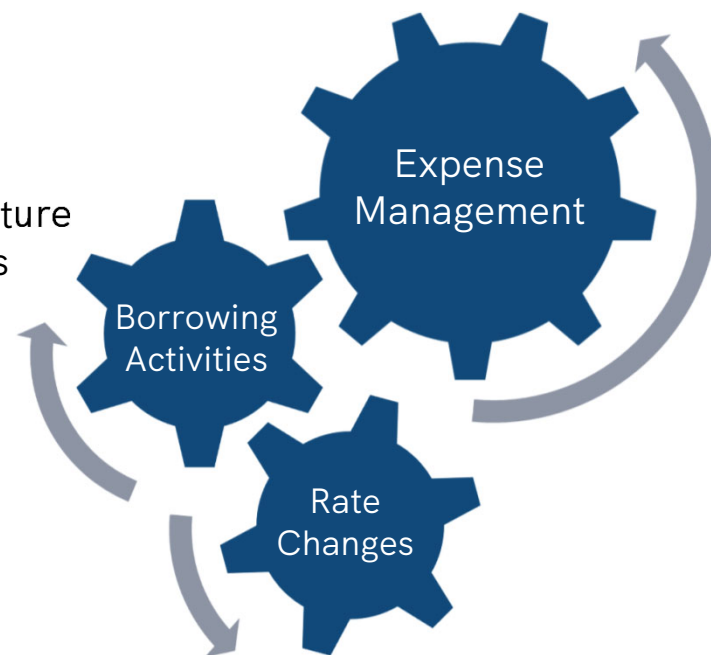
Higher retail fuel and purchased power expense

- Up \$5B vs FP26
- Requires additional FPPAM adjustments



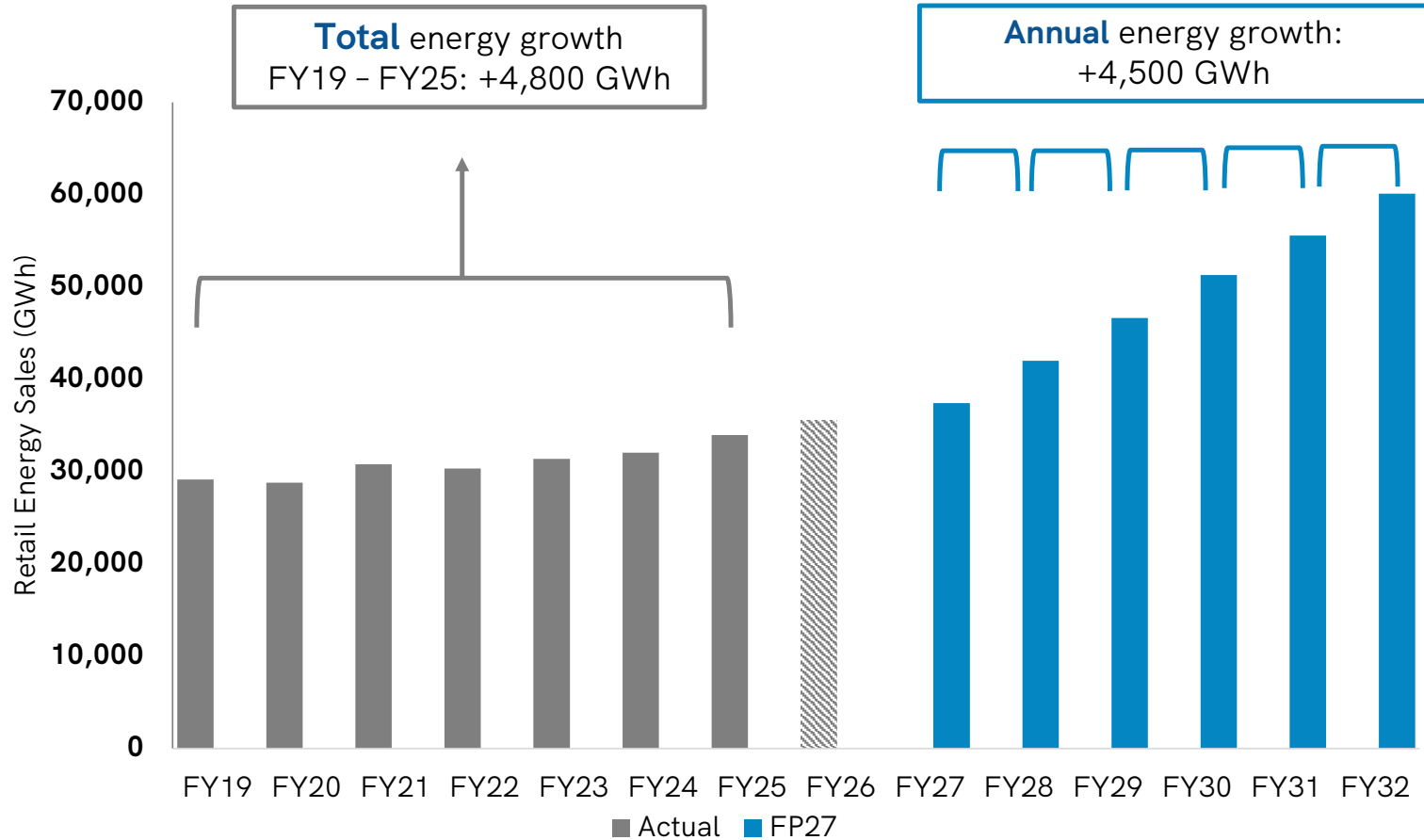
Capital Investments Increase

- \$16B capital plan
- Requires annual debt issuances



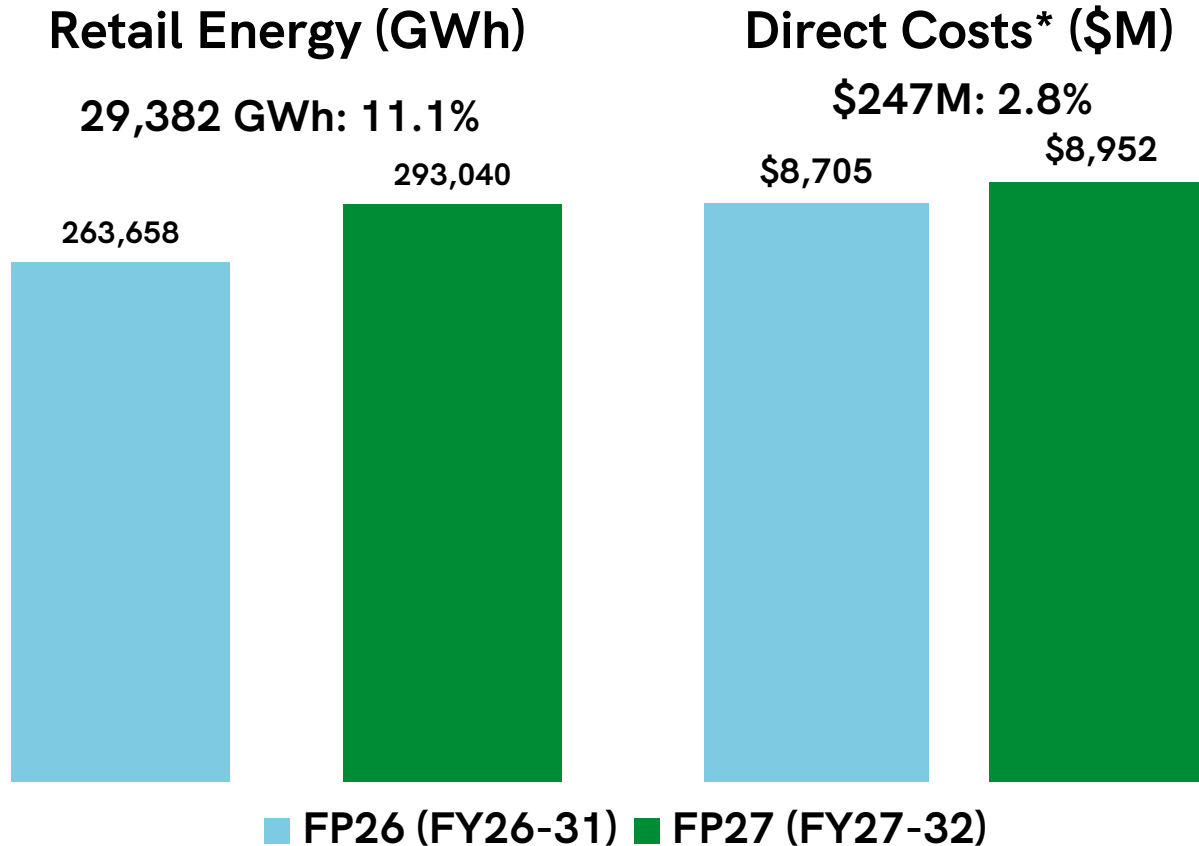
Historical Retail Energy Growth Plus FP27 Forecast

Annual growth in line with historical total growth from FY19 to FY25



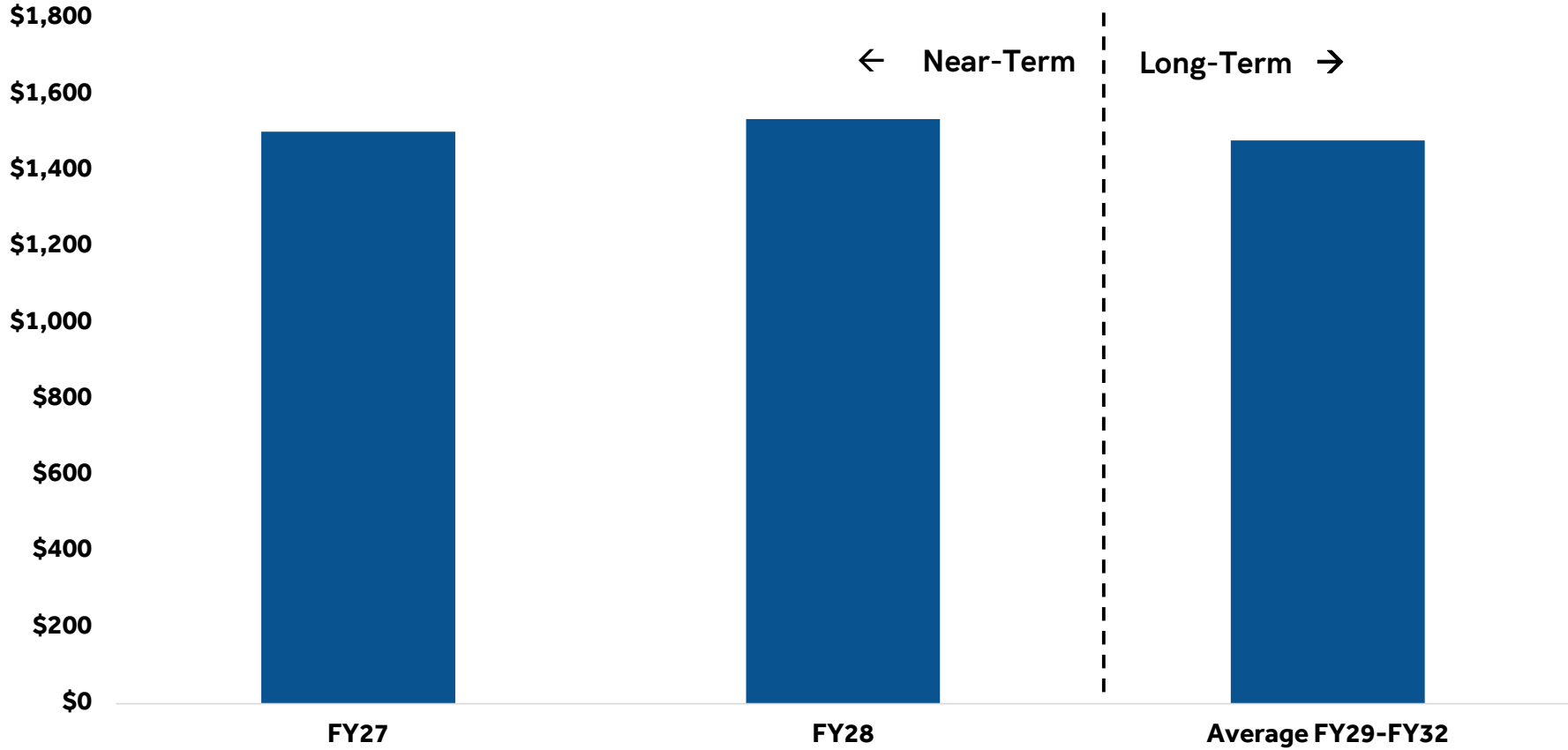
FP27 Outlook (Retail Energy Growth & Direct Costs)

Prudent management results in controllable expenses growing at a slower pace than energy sales



Direct Costs (\$M)

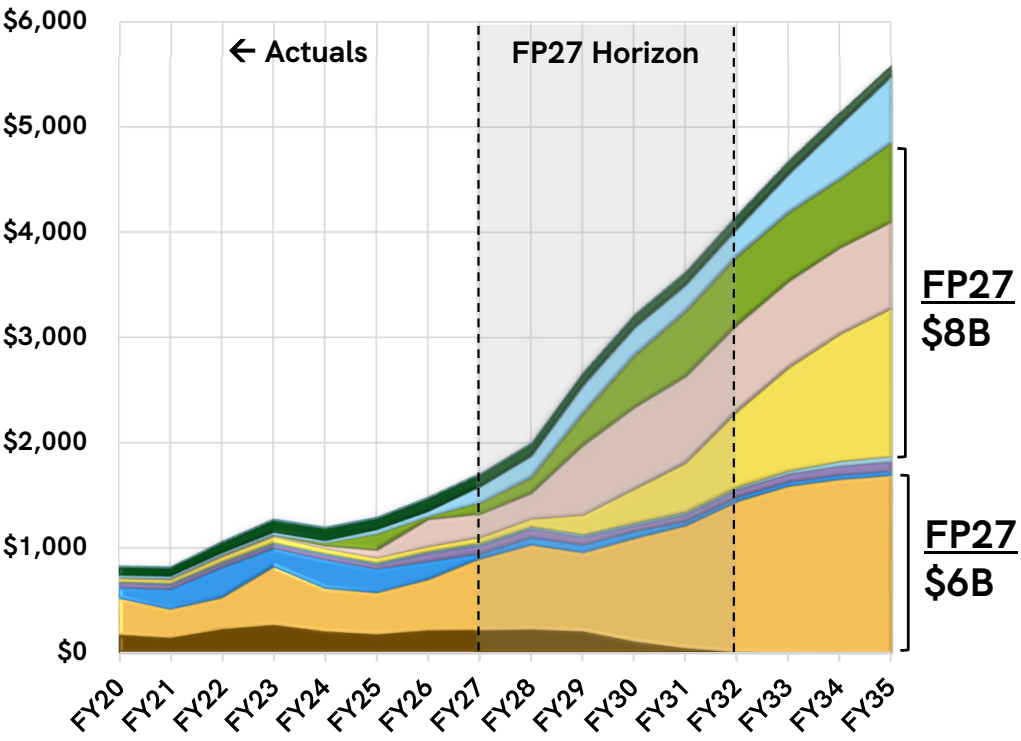
Controllable expenses remain relatively flat over 6-year horizon



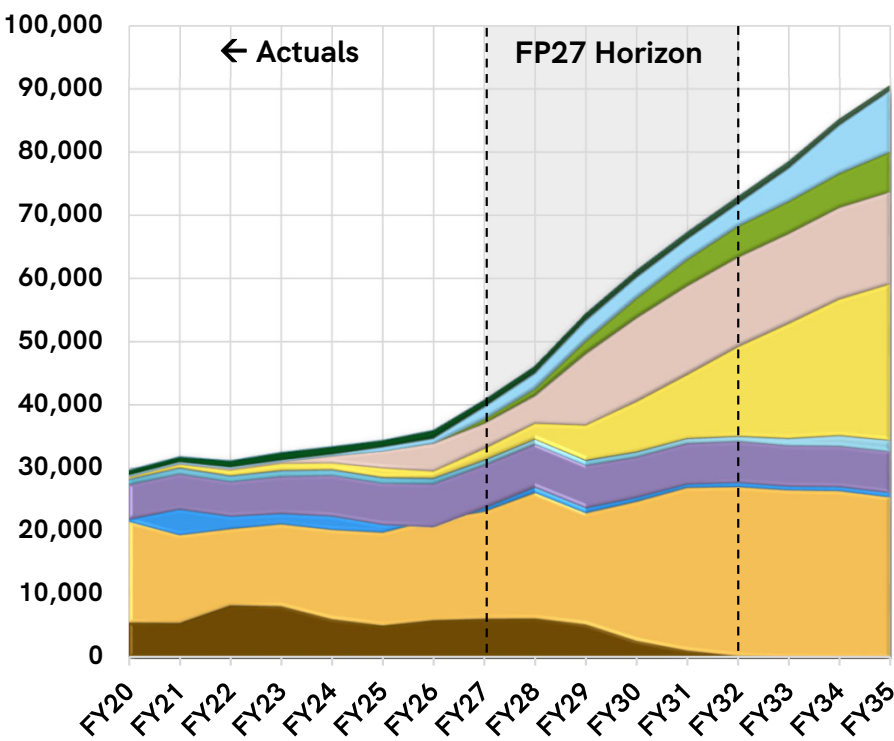
Retail Fuel & Purchased Power Generation

Retail expense climbs from \$1.7B to \$4.2B by FY32, Gas, Solar, Battery, & Solar + Battery drive growth

Actuals & Prelim FP27 (\$M)



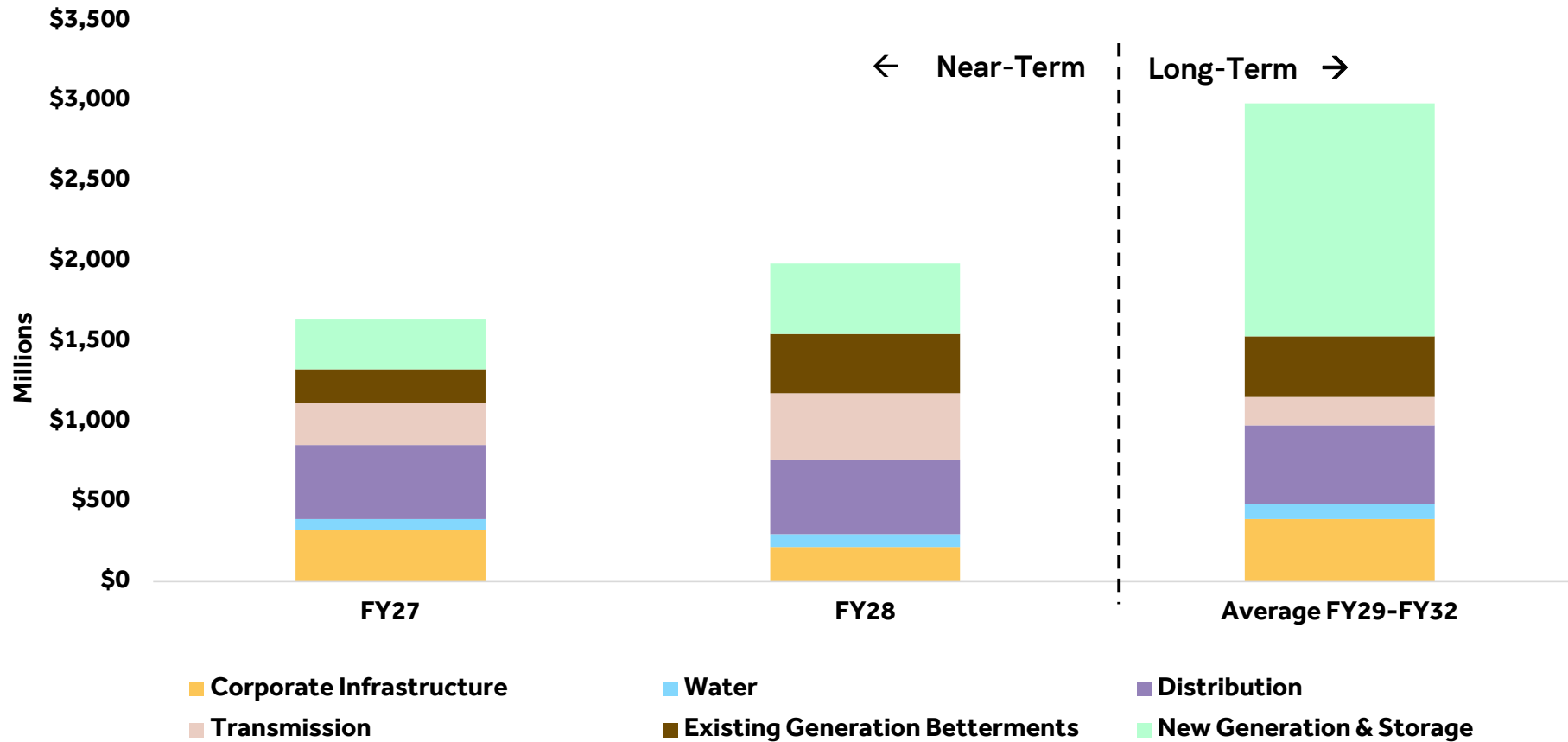
Actuals & FP27 Prelim (GWh)



■ Coal
 ■ Gas
 ■ Market Purchases
 ■ Nuclear
 ■ Hydro
 ■ Solar
 ■ Solar + Battery
 ■ Battery
 ■ Wind
 ■ Geothermal
 ■ Biomass

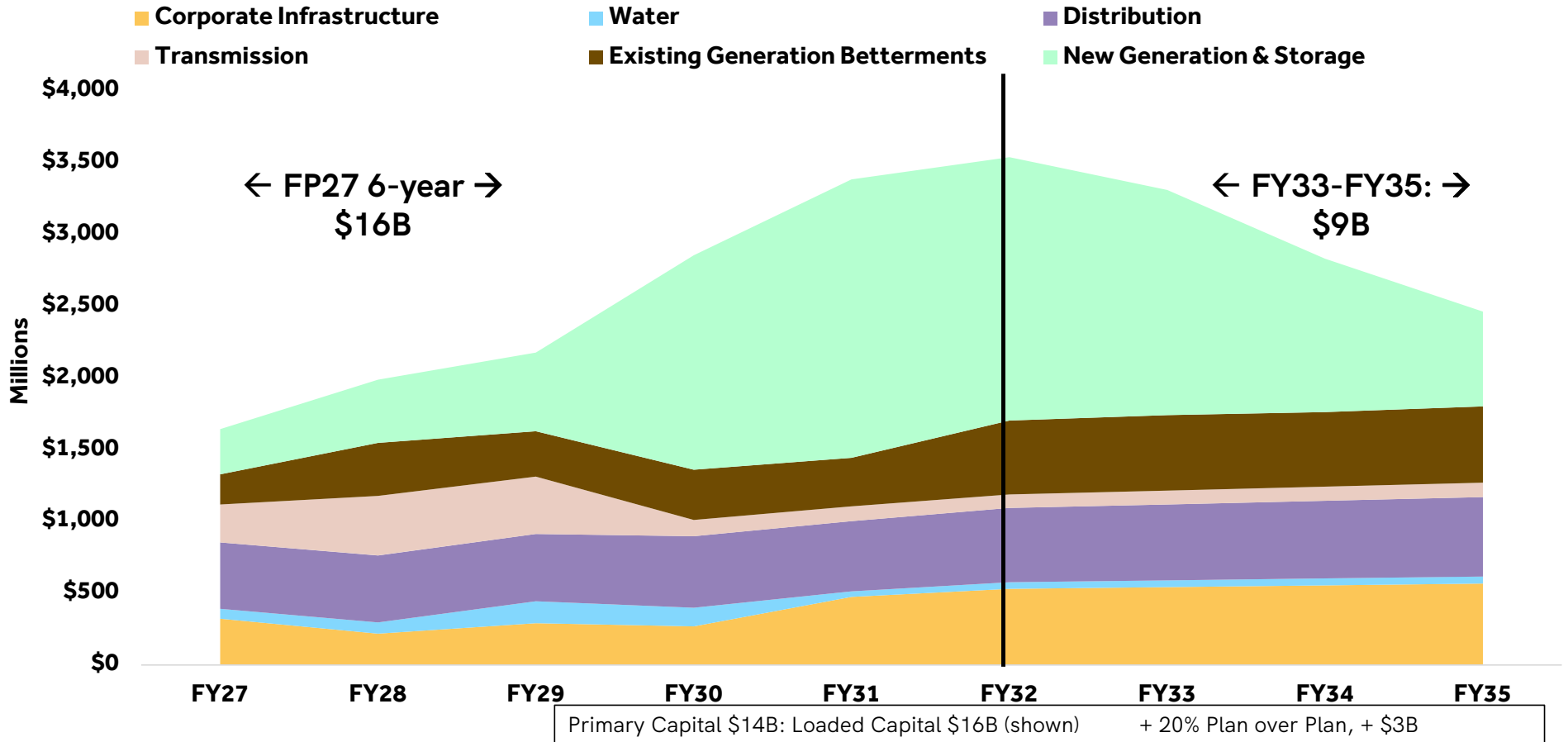
Capital Spending by Segment (\$M)

New generation spending in outer years reflects current growth projections



Capital Spending by Segment (\$M) – 2035 View

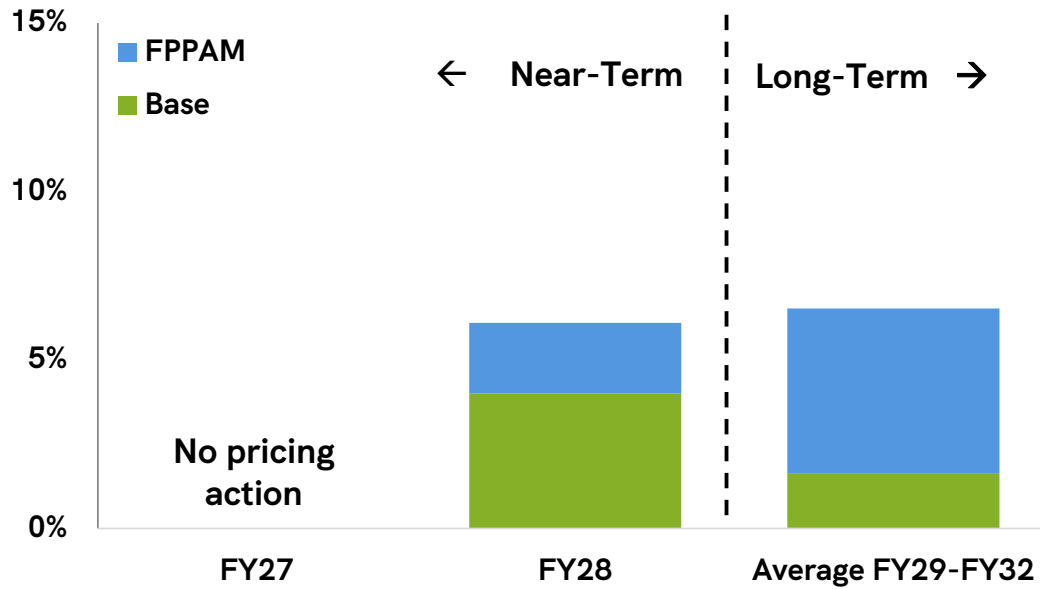
Capital program optimized to meet growth projections and maintain reliability



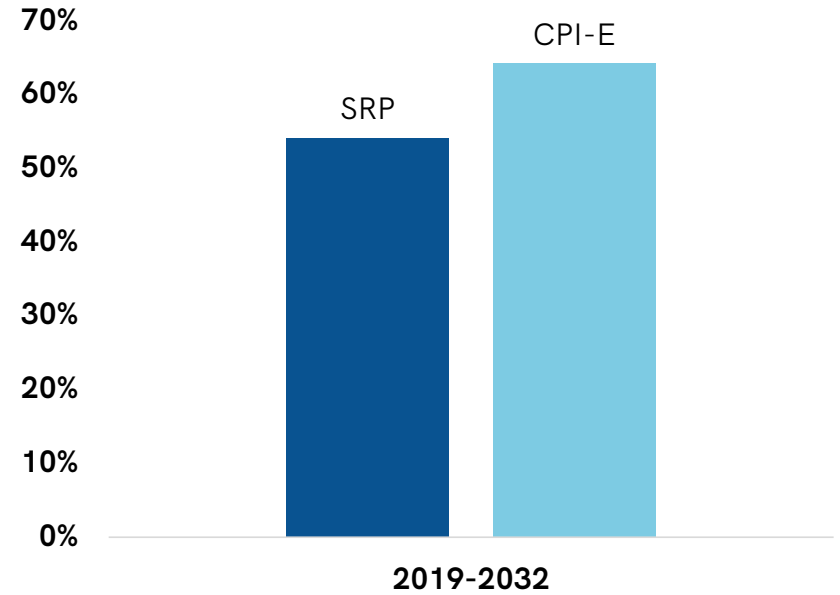
Price Modeling Assumptions

Long-term price adjustments higher due to fuel and purchased power yet still below inflation

Preliminary FP27: Near-Term vs Long-Term



Historical + Preliminary FP27

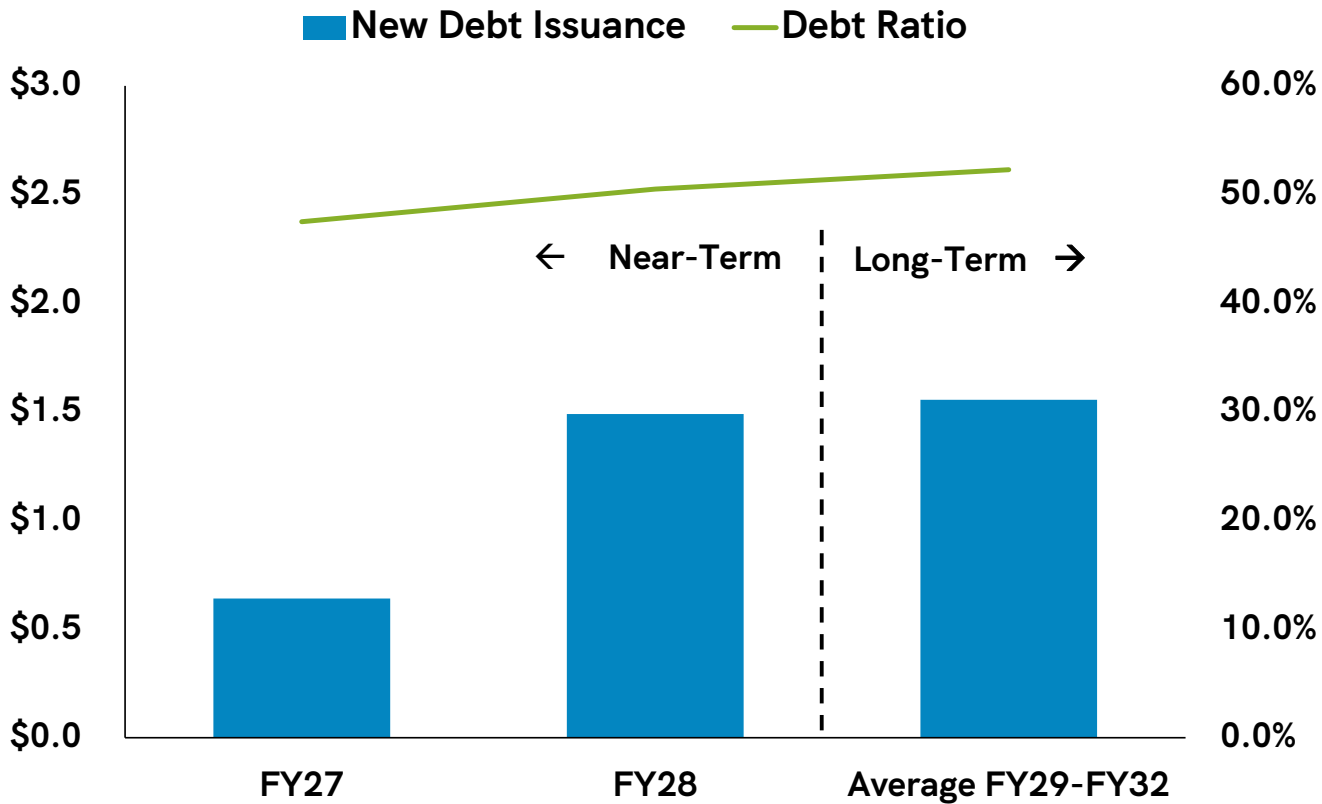


Source: Federal Reserve Economic Data
Consumer Price Index – Electricity (CPI-E) as of Aug '25

Borrowing Outlook (\$B)

Debt issuances expected annually; debt ratio consistent with AA+/Aa1 ratings

New Debt Issuance & Debt Ratio



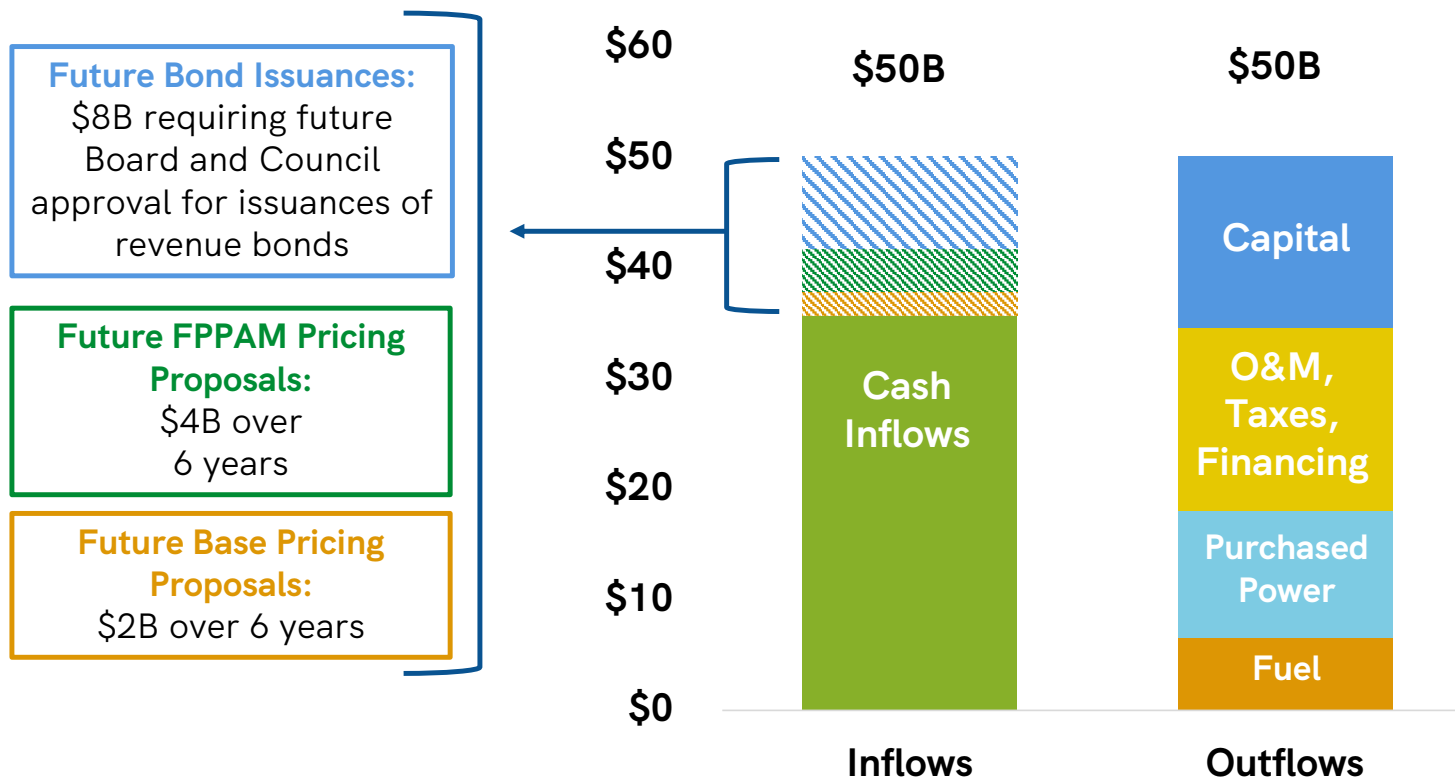
New Debt Issuance



6-Year Total Cash Inflows and Outflows (\$B)

After management of controllable expenses, shortfall met with balance of borrowing and pricing adjustments

FP27 (FY27-32)



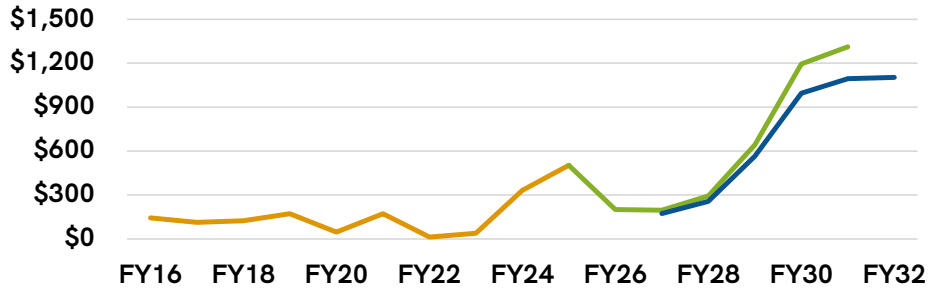
FP27 Preliminary Financial Indicators

Financial indicators preserve financial strength, flexibility, and current AA+/Aa1 ratings

Combined Net Revenues (\$M)

SRP's "bottom line"; similar to Net Income

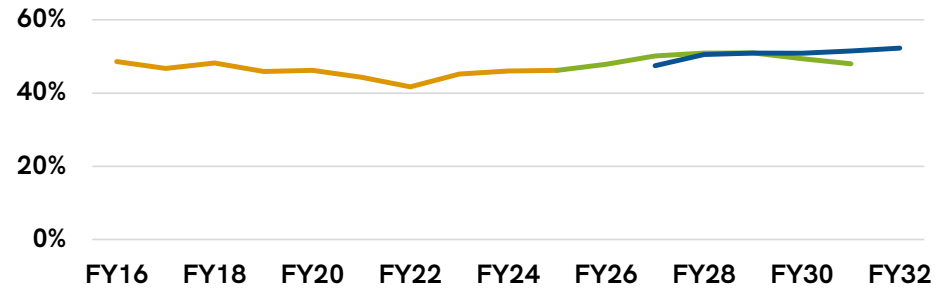
— Actual — FP26 — Prelim FP27



Debt Ratio

Percentage of long-life assets paid for with debt

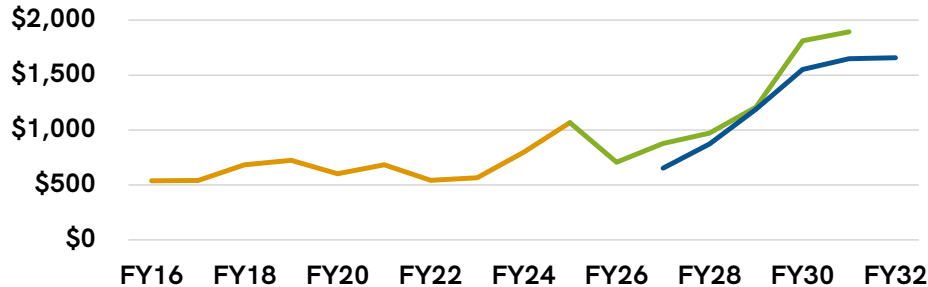
— Actual — FP26 — Prelim FP27



Funds Available (\$M)

Cash generated from the business to pay for capital expenditures

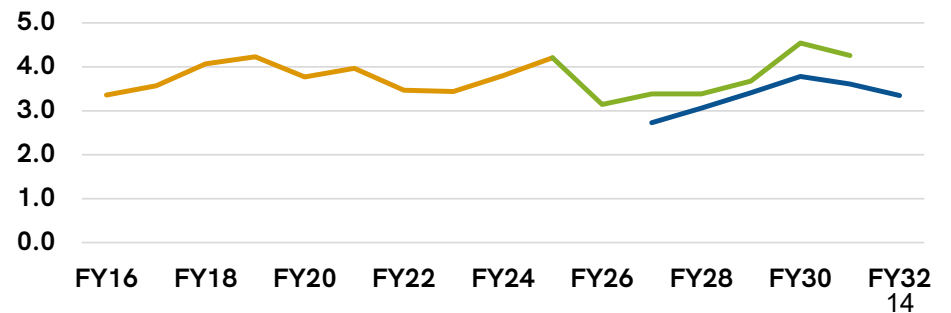
— Actual — FP26 — Prelim FP27



Debt Service Coverage Ratio

Ratio of net cash inflows versus annual principal and interest payments

— Actual — FP26 — Prelim FP27



Key Takeaways

FP27 plan on track to achieve financial goals while preparing for significant growth

Preliminary plan achieves financial goals

- Maintains healthy financial metrics and current AA+/Aa1 ratings
- Balances expense management, borrowing, and pricing

Finalize FP27 6-year and FY27 Operating Budget

- Finalize FP27 & FY27 while continuing to achieve financial goals
- Incorporate updated energy forecast, revenues, and expenses

Final Financial Plan & Request for Budget Approval

- February - Final FP27 Financial Plan
- Early March - FY27 Budget Informational Meeting
- Late March - Request for FY27 Budget Approval

thank you!



Overview of the Fuel and Purchased Power Adjustment Mechanism

Finance and Budget Committee

Brandon Shoemaker

January 22, 2026

FPPAM Overview

Mechanism allows SRP to adapt to moving fuel and purchased power expenses and adjust the FPPAM price outside of a formal pricing process

- In place since 2004
- Provides transparency to Board and stakeholders
- Allows for timely recovery of costs
- Recovers exact costs incurred, nothing more or less
- Facilitates gradualism in price changes
- Recognized as key component of financial strength by rating agencies & investors
- Allows for price adjustments as new or modified PPA contracts are signed
- Consistent with peers

FPPAM Administration

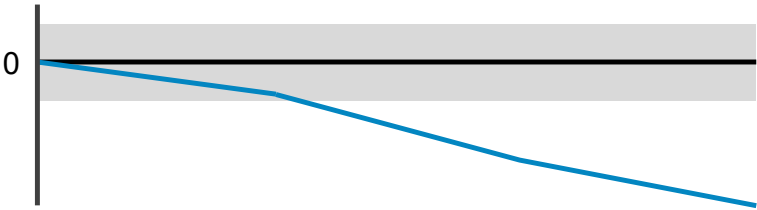
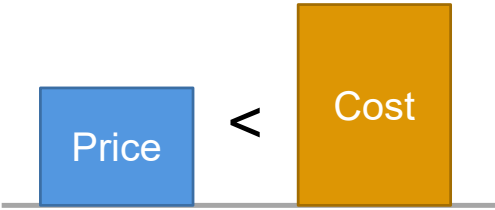
- FPPAM revenues, expenses, cumulative balance, and projected fiscal year end balance are reported to the Board on a monthly basis
- Management may recommend adjustments to the FPPAM prices twice per year (May and November)
- If the cumulative FPPAM balance exceeds a deadband of \$50M (positive or negative), management may recommend a change to the FPPAM price, no more often than quarterly
- In evaluating/approving adjustments, consideration may be given to fuel and purchased power projections for a period not exceeding 24 months
- FPPAM price adjustments require Board approval

FPPAM Balance Mechanics

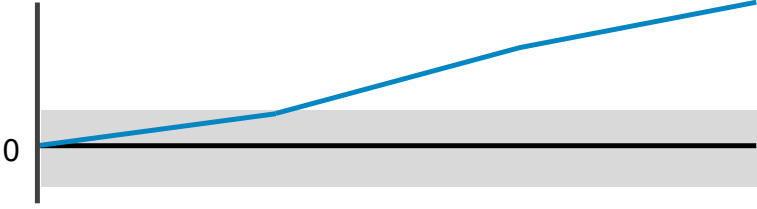
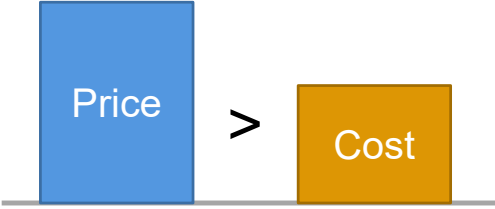
Balanced



Deficit



Surplus



Rating Agency Support of FPPAM

S&P Global Ratings

- *Availability of FPPAM for responding to changes in costs is a major contributor to SRP's financial flexibility to meet future challenges*

Moody's Ratings

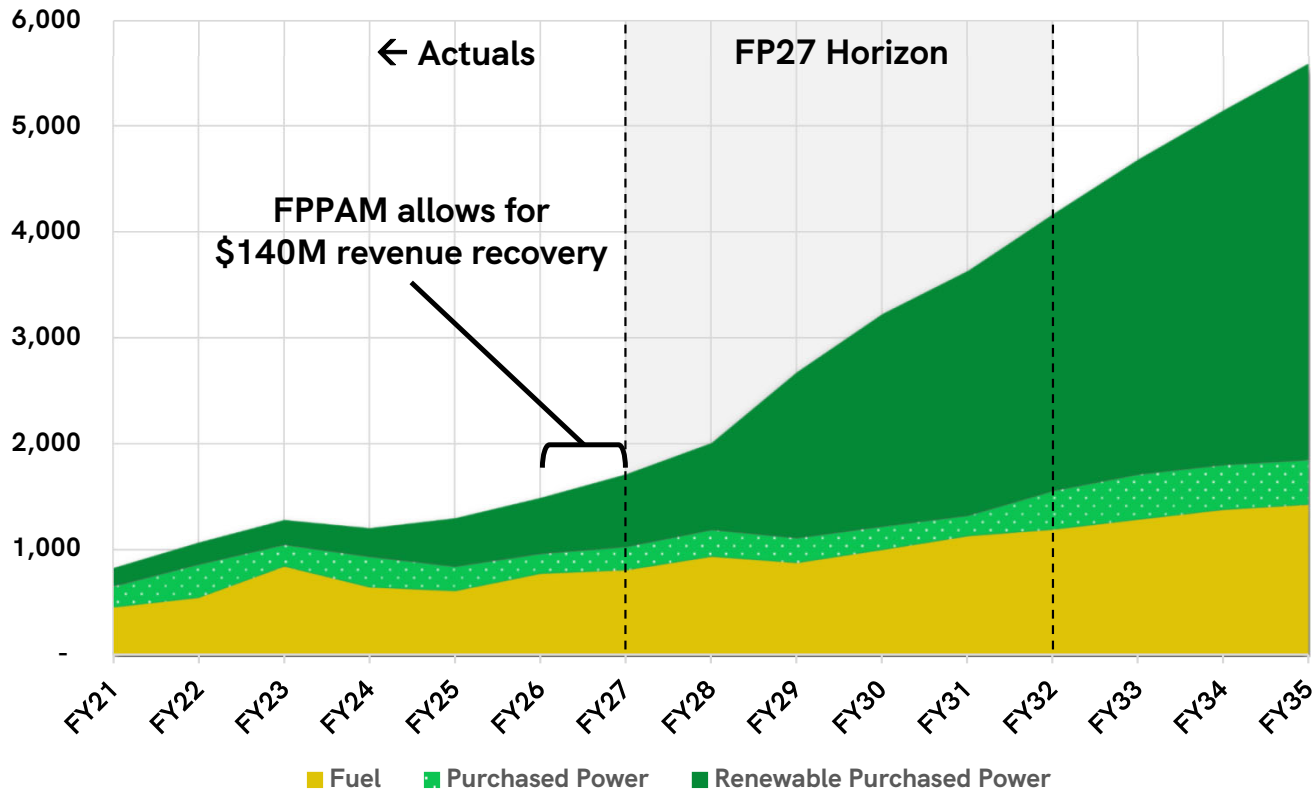
- *Use of FPPAM reflects proactive management of its cost recovery that is critical to maintaining its credit metrics*

EPCAF History

- SRP's Board approved the creation of the Environmental Programs Cost Adjustment Factor (EPCAF) effective November 2009, which moved a portion then all of the following costs out of FPPAM and Base and into EPCAF:
 - Renewable energy costs, including PPA costs
 - Program costs, including energy efficiency
- Functioned similar to FPPAM: Board approval required to change prices; \$20M deadband
- As part of the 2019 Pricing Process, the Board approved the elimination of the EPCAF, moving the costs to FPPAM and Base.

Retail Fuel & Purchased Power Generation

Actuals & Prelim FP27 (\$M)



1. Prudent cost recovery is important: renewables represent larger share of overall expenditures
2. FPPAM reduces regulatory lag
 e.g., FPPAM allows for cost recovery of \$140M from FY26 – FY27

Signed PPA Uncertainty and Price Volatility

Number of approved renewable PPAs since 2019

26

Number of Board approved PPA price increases since 2022

9

Average price increase for solar PPAs with amendments

33%

Project delay from original expected operation date

53 - 1,309 days

Peer Comparison

Peer utilities include renewable PPAs in their adjusters

Use Adjusters for PPA Costs



Use Adjusters for PPA Costs, then Later Move to Base



FPPAM in Summary

- In place for over 20 years
- Provides transparency to Board and stakeholders
- Reduces regulatory lag and allows full cost recovery
- Facilitates gradualism in price changes
- Recognized by rating agencies and investors as critical component of:
 - Financial flexibility
 - Strong credit rating
- Allows for price adjustments as new or modified PPA contracts are signed
- Consistent with peers

thank you!



Informational Presentation on SRP's Price Plan Comparison Display

Vanessa Kisicki | 01/22/2026

Today's Discussion

Purpose: Address inquiries raised by Board members about the Price Plan Comparison Display (PPCD).

Background

- Re-launched on November 1, 2025
- Replaced the prior price plan comparison display with a like-for-like solution
- Accessed through the customer's My Account page
- Customers see the display if their account is eligible
 - Customers with more than 12 months of usage history
 - Customers not on grandfathered solar plans

Board Inquiries

- Does the PPCD include the Monthly Service Charge?
 - No, Monthly Service Charge and other fees are not included.
- For customers that do not have access to the PPCD, is there a way we can inform them of why?
 - Effective 12/23/2025, ineligible customers see a message explaining this feature isn't available to them.
- Why are 12 months of historical data needed to use the PPCD?
 - 12 months of history is required to ensure seasonal variations in usage are included.

Board Inquiries (cont'd)

- Does the new display allow a customer to compare their plan to all price plans?
 - Yes, a customer will receive estimates for every rate they are eligible for.
- How can customers who are losing their grandfather period know which of the new plans is the most economical for them?
 - SRP proactively reaches out to these customers to walk them through transitioning to another plan before their grandfather period expires.

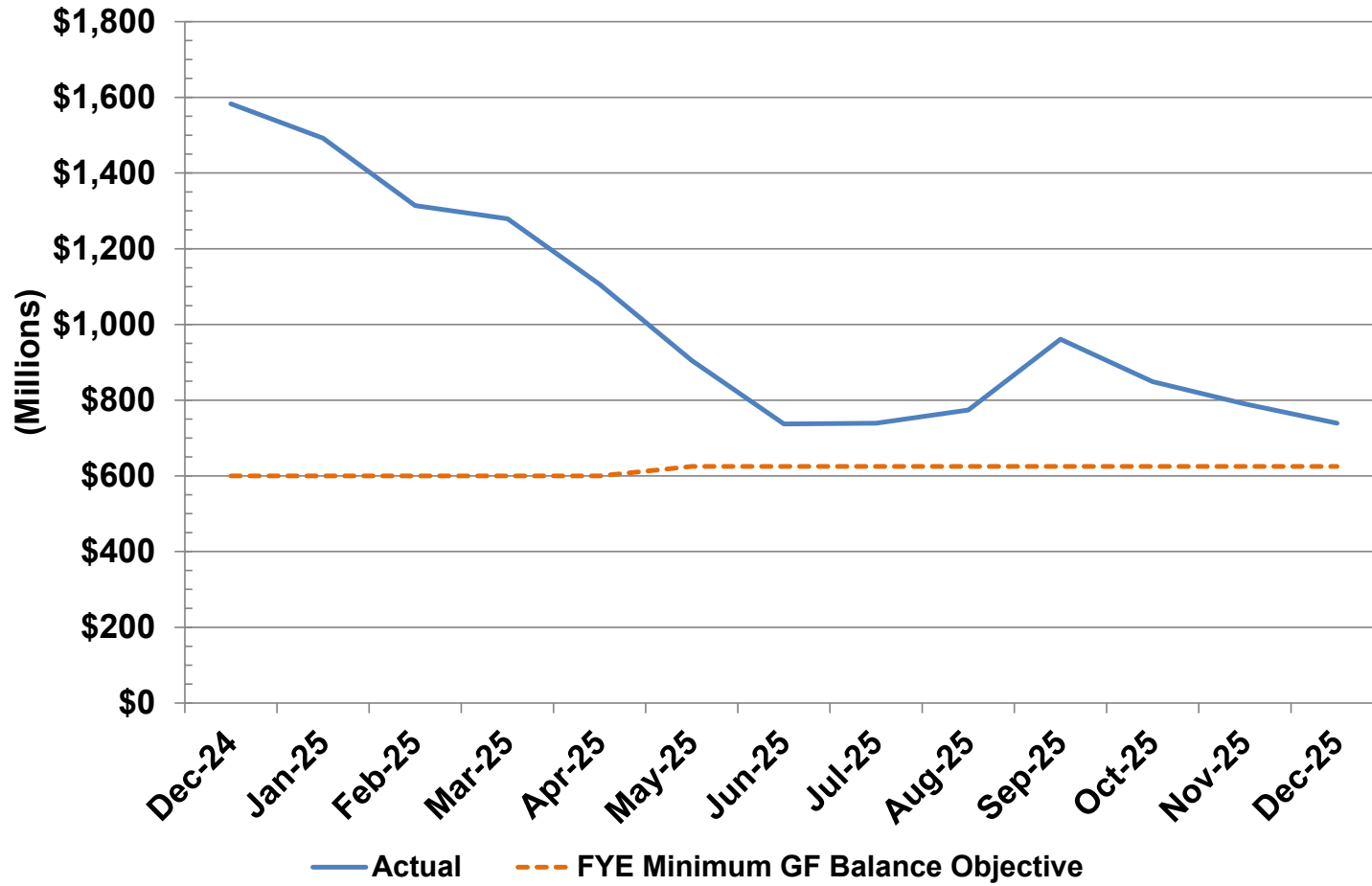
thank you!



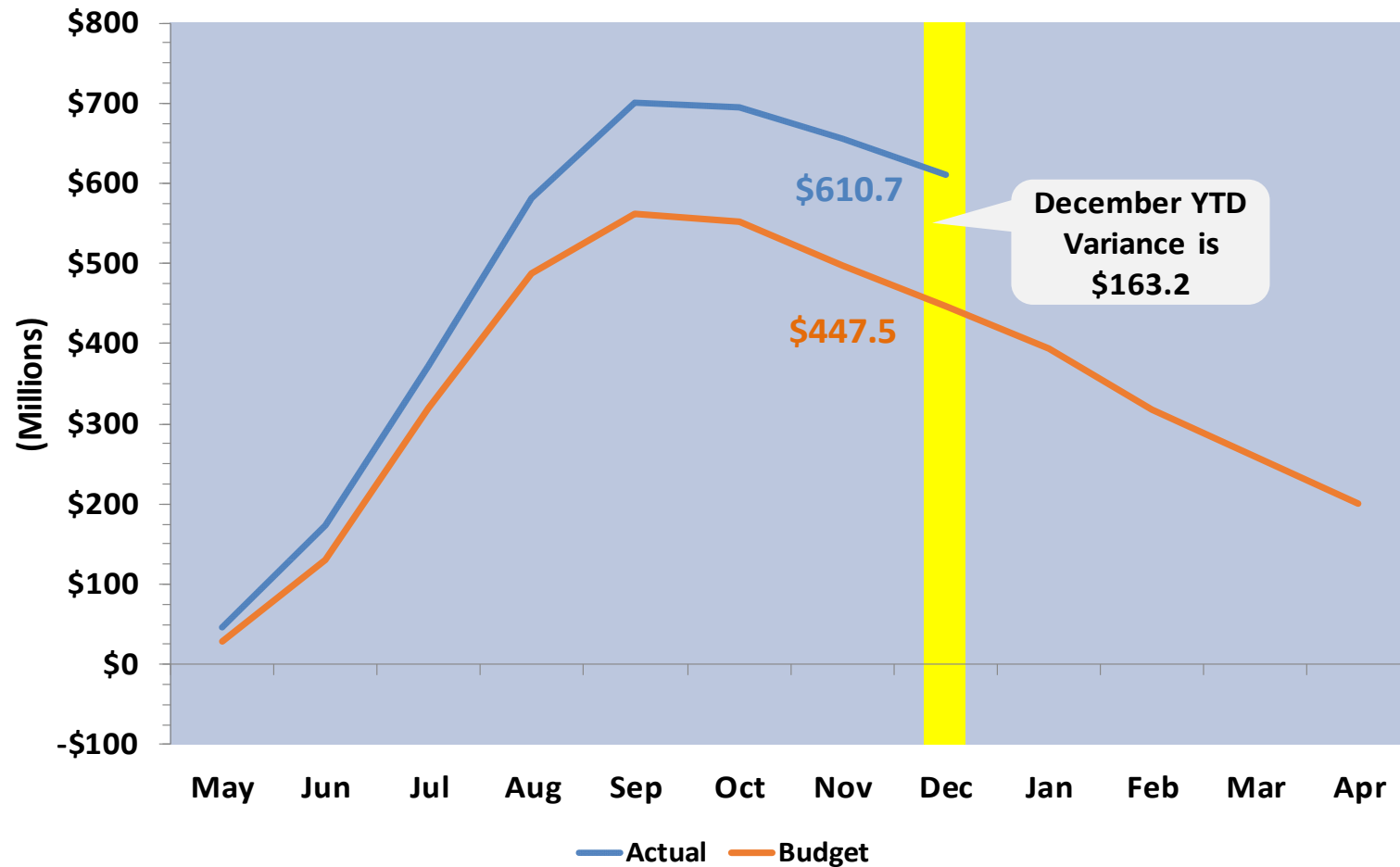
Monthly Financial Report December 2025

Finance & Budget Committee Meeting
Jeremy T. Fry | January 22, 2026

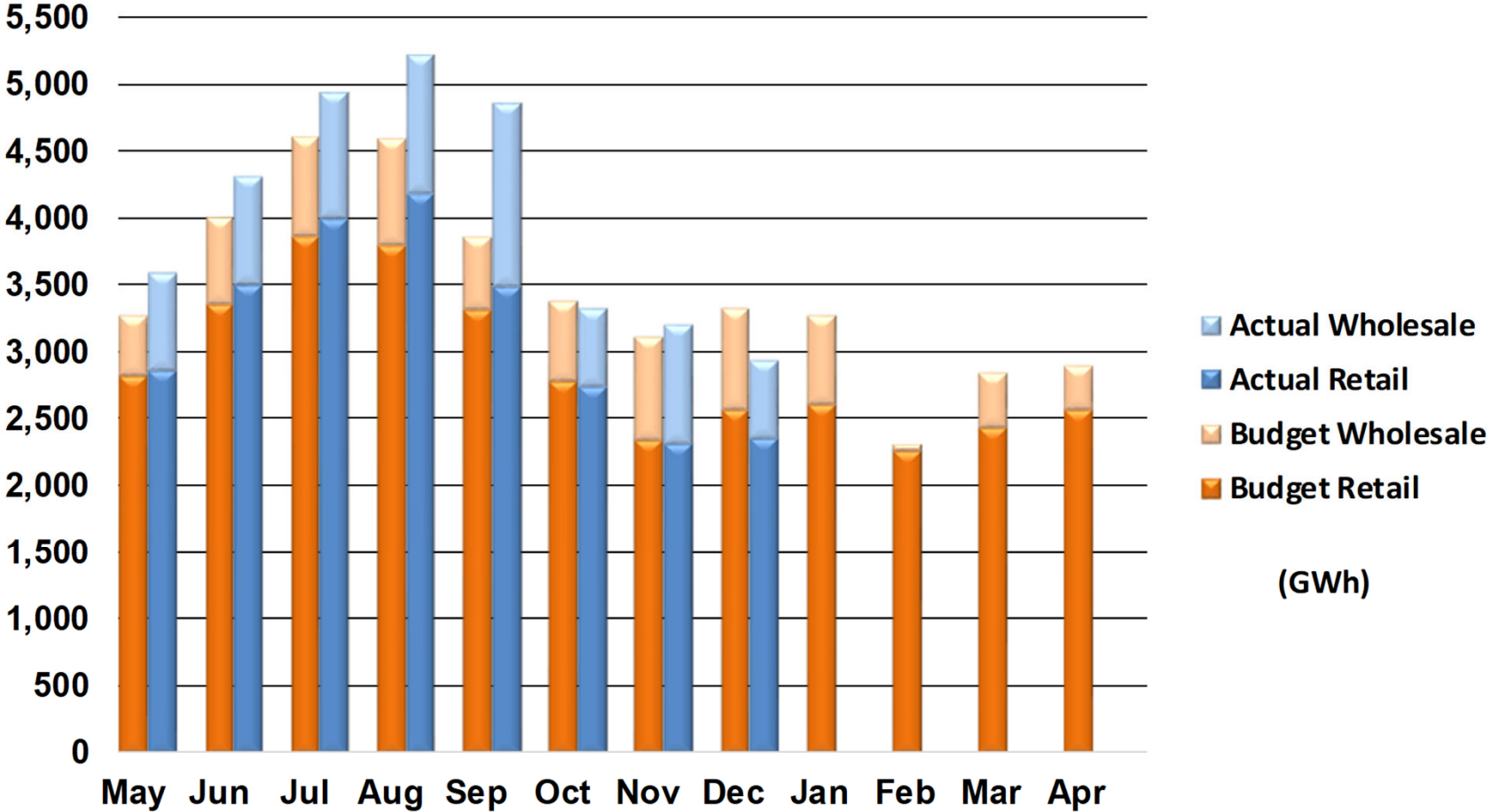
General Fund Balance



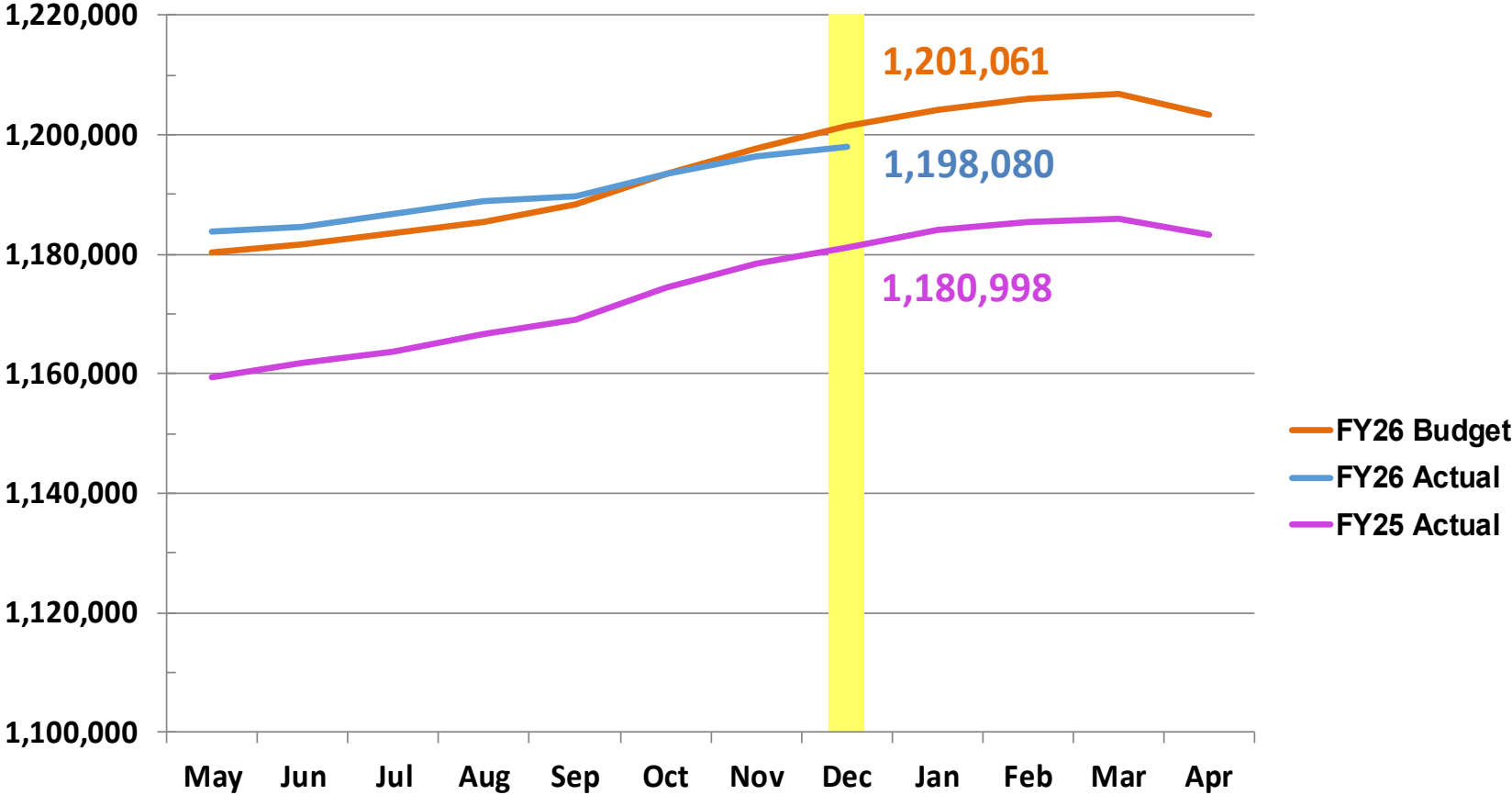
YTD Combined Net Revenue



System Sales



Customer Accounts



Financial Summary - December 2025

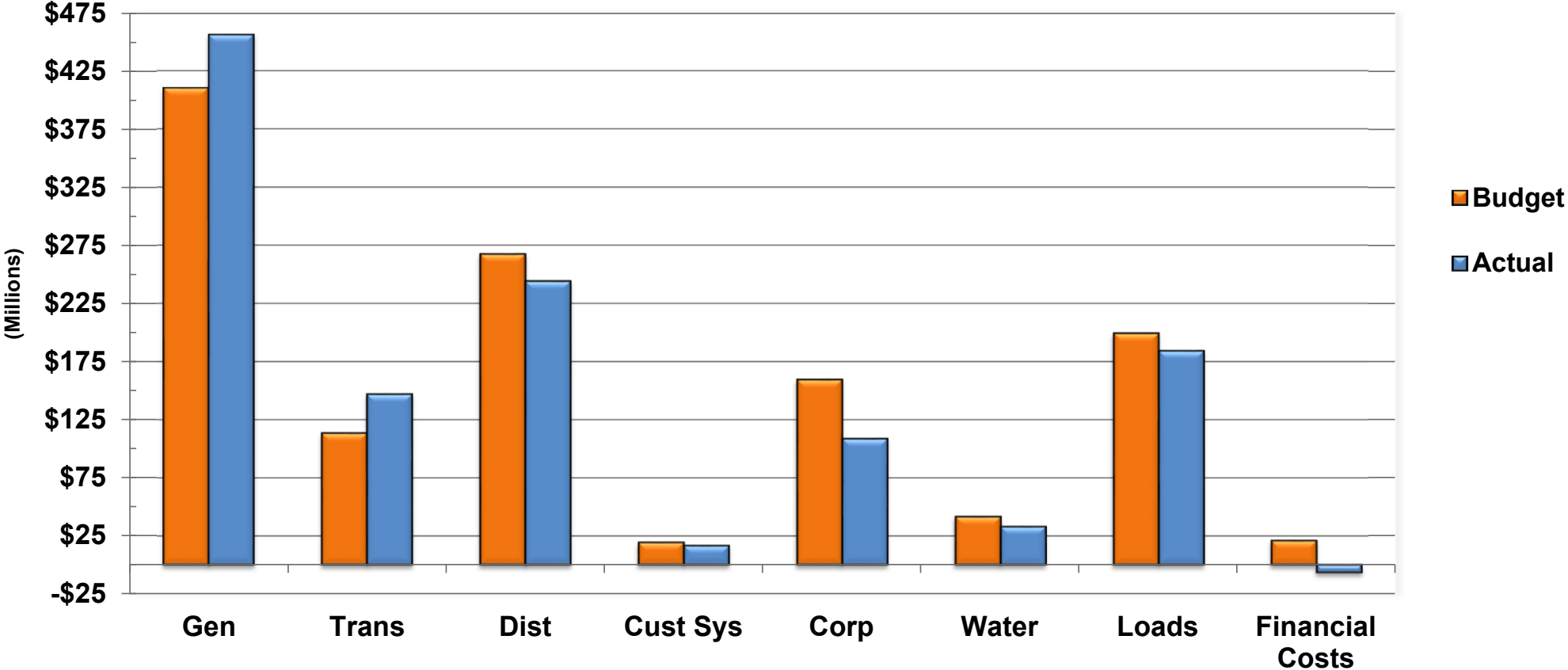
(Thousands)	Actual	Budget	Variance
Operating Revenues	\$ 294,881	\$ 320,782	\$ (25,901)
Operating Expenses			
Fuel	125,134	149,410	(24,276)
O&M	132,615	135,112	(2,497)
Depr & Tax	72,936	74,316	(1,380)
Total Operating Expenses	330,685	358,838	(28,153)
Net Financing Costs	19,442	18,729	713
Other, Net	9,771	7,494	2,277
Combined Net Revenues	\$ (45,475)	\$ (49,291)	\$ 3,816

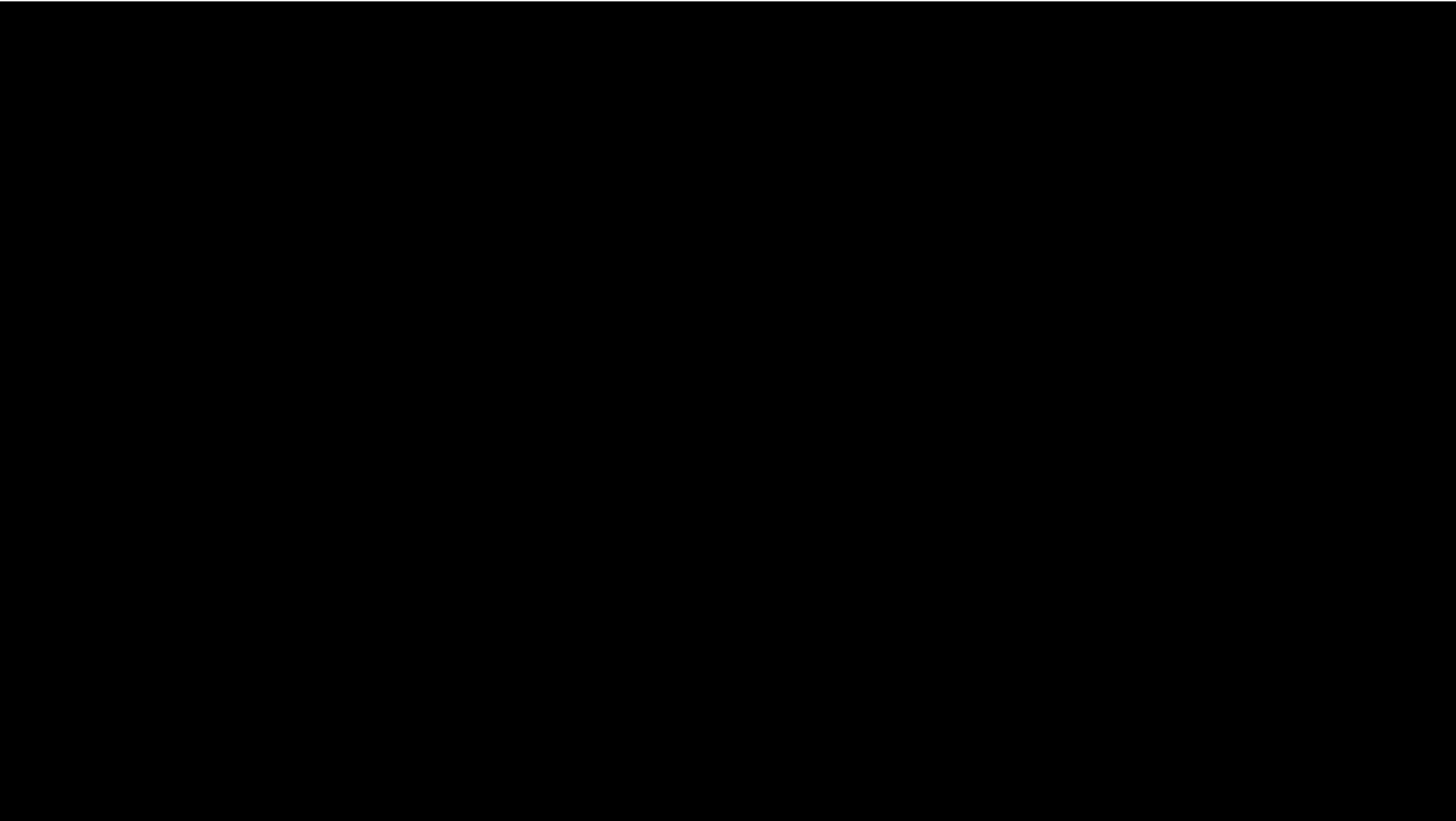
Key Financial Indicators - YTD December 2025

(Thousands)	Actual	Budget	Variance
Funds Available	\$ 952,015	\$ 784,424	\$ 167,591
Total Debt Service Coverage Ratio	4.66	4.32	0.34
Debt Ratio*	46.7	47.9	(1.2)
Capital Expenditures	\$ 1,182,558	\$ 1,230,458	\$ (47,900)

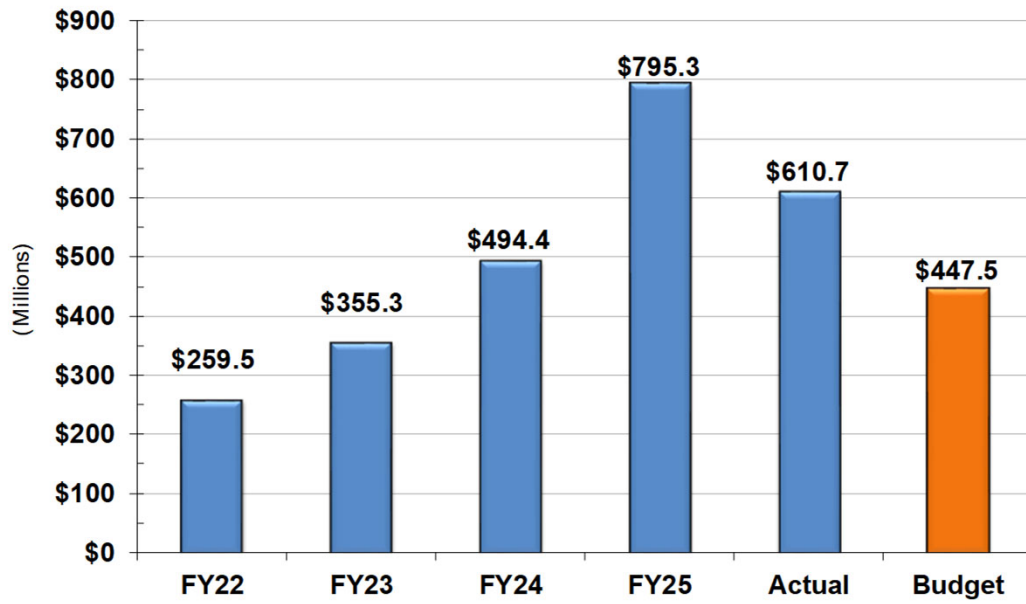
***Debt Ratio represents Projected Actual compared to Annual Budget**

Capital Expenditures - YTD December 2025





CNR without Fair Value Adjustments - YTD December 2025

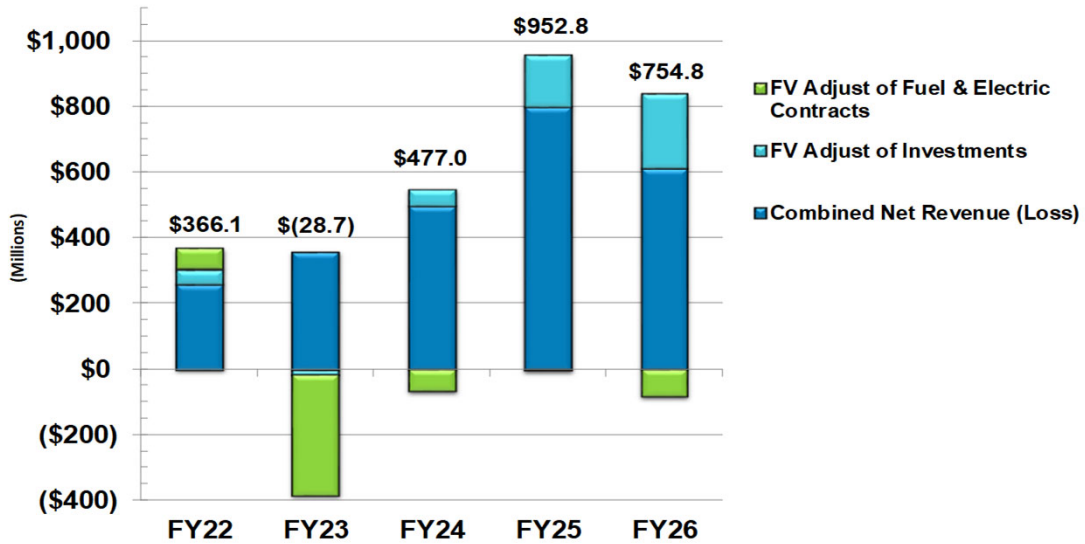


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(Non-GAAP, Unaudited) 1

1

CNR with Fair Value Adjustments - YTD December 2025

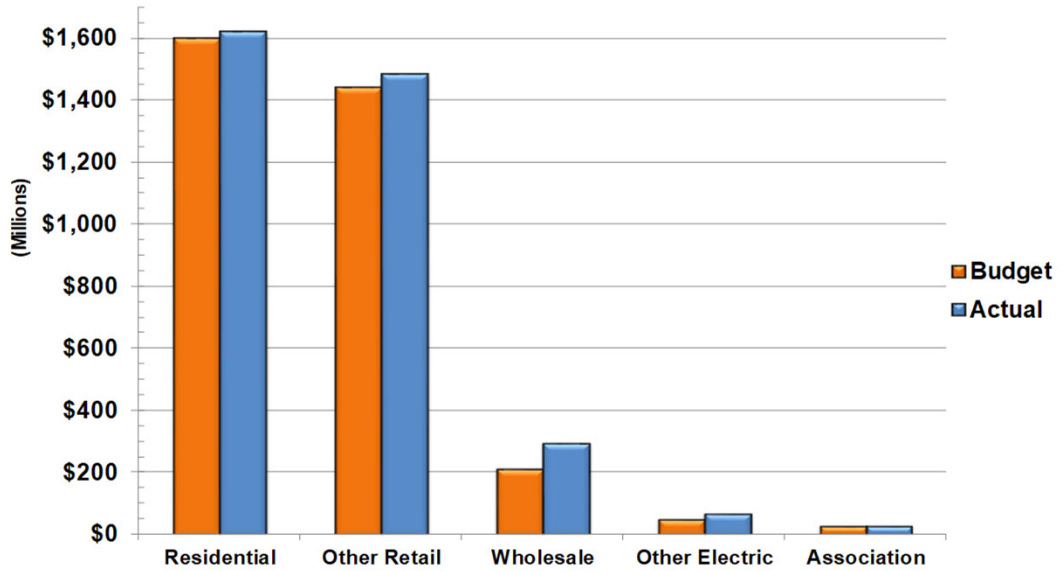


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Combined Operating Revenues - YTD December 2025

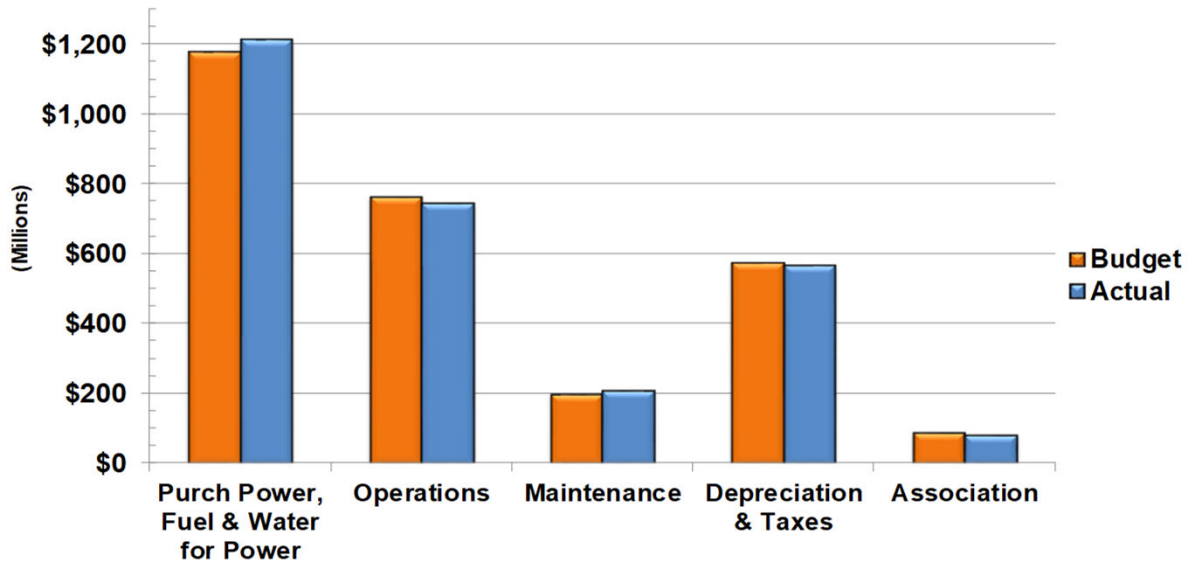


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3

Combined Expenses - YTD December 2025

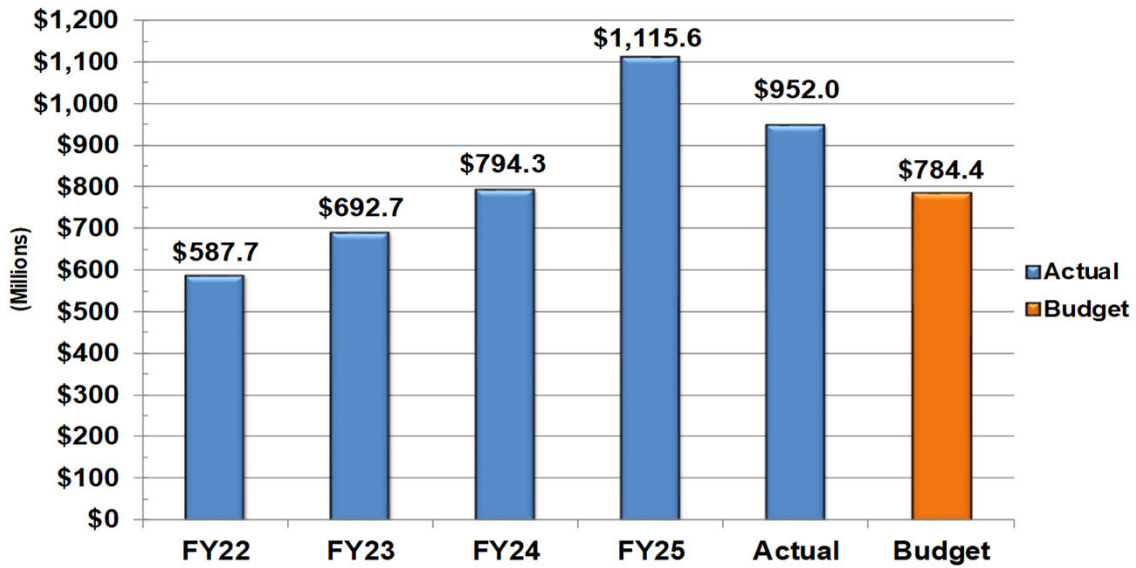


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Funds Available - YTD December 2025

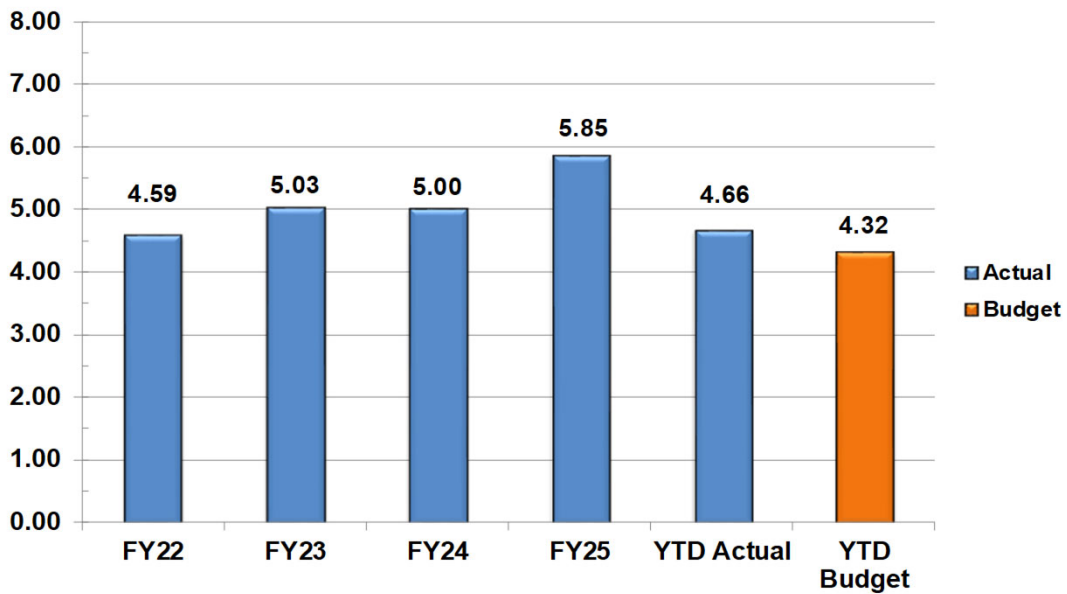


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Total Debt Service Coverage Ratio - YTD December 2025

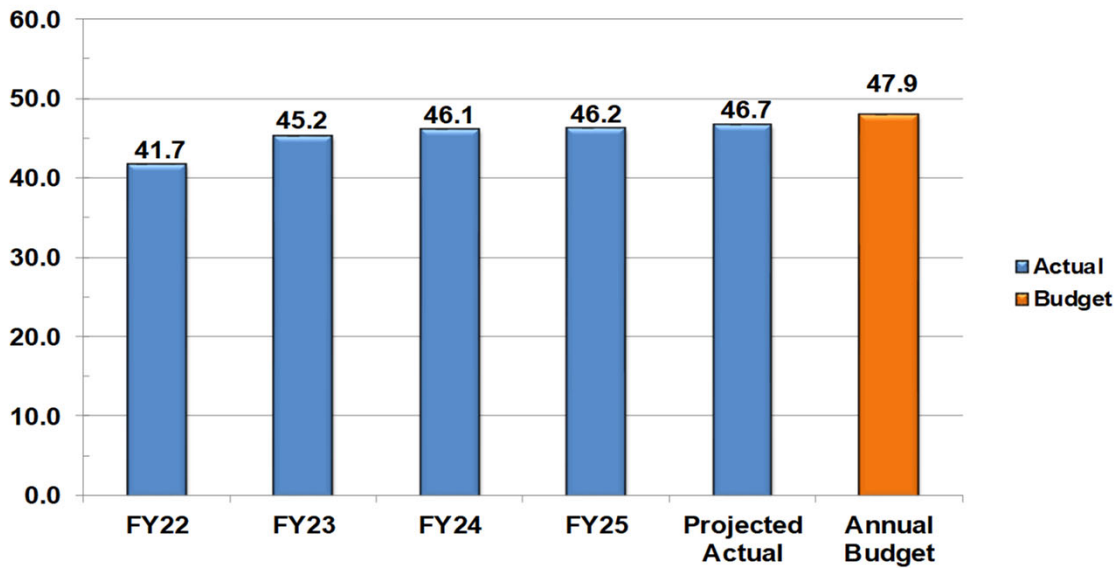


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(Non-GAAP, Unaudited) 6

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Debt Ratio - YTD December 2025



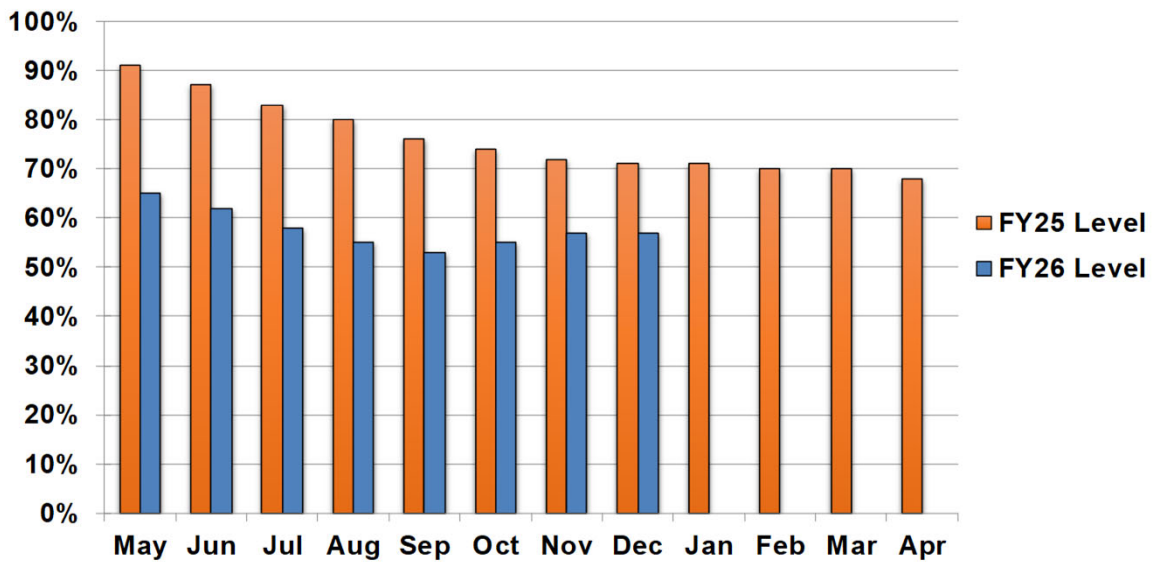
Note: Prior Years and Budget are Fiscal Year-End Ratios

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(Non-GAAP, Unaudited) 7

7

Water Storage Levels



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(Non-GAAP, Unaudited) 8

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