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

FINANCE AND BUDGET COMMITTEE

Tuesday, October 20, 2026, No Sooner Than 9:45 AM

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

Committee Members: Mario Herrera, Chair; Casey Clowes, Vice Chair; and Lupe Conchas
Thomas Galvin, Sandra Kennedy, Mark Pace, Paul Rovey, and Leslie 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 MARIO HERRERA

   A. Request for approval of the minutes for the meeting of September 22, 2026.

   B. Request for approval of the Monthly Cash Statement for September 2026 (District and Association).

2. Prepaid Commodity Transactions .....JON HUBBARD

   Request for approval to enter into one or more long-term, prepaid commodity transactions on or before October 31, 2027 (see proposed resolution).

3. Transmission Rates.....BRANDON SHOEMAKER

   Informational presentation regarding the Formula Rate for transmission pricing and the forthcoming annual update to the Annual Transmission Revenue Requirement.

4. Review of the Financial Results for the Month of September 2026
   .....JEREMY FRY

5. Report on Current Events by the General Manager and Chief Executive Officer or Designees .....JIM PRATT

6. Future Agenda Topics ..... CHAIR MARIO HERRERA

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 TUESDAY, NOVEMBER 17, 2026

10/13/2026

MINUTES
FINANCE AND BUDGET COMMITTEE

DRAFT

September 22, 2026

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 11:20 a.m. on Tuesday, September 22, 2026, 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 M. Herrera, Chair; C. Clowes, Vice Chair; and T. Galvin, S. Kennedy, M. Pace, P. Rovey, and L. Williams.

Committee Member absent at roll call was L. Conchas.

Also present were Vice President B. Paceley; Board Members R. Arnett, K. Clark, M. Harlan, K. Johnson, K. O'Brien, L. Rovey, and S. Williams; Council Chair R. Shelton; Council Vice Chair S. Naylor; Council Liaison R. Miller; Council Members N. Brown, A. Freeman, E. Gorsegner, N. Haddad, C. Resch-Geretti, R. Swier, and J. Travise; I. Avalos, M. Burger, D. Dreiling, J. Felty, J. Guerrero, K. Heth, L. Hobaica, J. Hovis, J. Hubbard, R. Judd, M. Klein, B. Koch, K. Lee, A. Lucas, M. O'Connor, J. Oh, B. Olsen, J. Pratt, M. Purnell, J. Schuricht, E. Scott, R. Taylor, and J. Tucker of SRP; Nick Arnold of Western Resource Advocates (WRA); Kate Bowman of Vote Solar; and Nick Walden of TransAlta Corp.

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, September 18, 2026.

Chair M. Herrera called the meeting to order.

Consent Agenda

Chair M. Herrera requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member T. Galvin and seconded by Board Member M. Pace, the Committee unanimously approved and adopted the following items on the Consent Agenda:

A. Minutes of the Finance and Budget Committee meetings on August 20, 2026, as presented.

B. Approval of the District and Association Monthly Cash Statements for August 2026.

Corporate Secretary J. Felty polled the Committee Members on Board Member T. Galvin's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members M. Herrera, Chair; C. Clowes, Vice Chair; and T. Galvin, S. Kennedy, M. Pace, P. Rovey, and L. Williams	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Member L. Conchas	(1)

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

Review of the Financial Results for the Month of August 2026

Brian Koch, SRP Associate General Manager and Chief Financial Executive, stated that the purpose of the presentation was to review the financial results for the month of August 2026. They introduced Jeremy Fry, SRP Controller and Senior Director of Corporate Accounting Services.

Continuing, J. Fry referenced the financial handout distributed to the Members relative to the combined highlights of operations of the District and Association for the month of August 2026. Using a PowerPoint presentation, they presented liquidity funds balance and compared the actual versus budgeted figures for categories such as 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 August 2026.

B. Koch and 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-Generally Accepted Accounting Principles (GAAP).

Energy Risk Management (ERM) Update

Using a PowerPoint presentation, Jay Guerrero, SRP Director of ERM, 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. Guerrero reviewed the on-peak electricity prices for Palo Verde from May 2024 to date and changes in the forward curve chart for Intercontinental Exchange (ICE) Palo Verde on-peak power prices since 2025. They provided an overview of natural gas prices for the Permian and San Juan Basins from May 2024 to date. J. Guerrero discussed changes in the forward curve chart for San Juan Basin natural gas prices since 2025.

J. Guerrero reviewed the budgeted requirements and hedge levels of retail natural gas for Financial Plan 2027 (FP27) and presented a chart of the volatility reduction via the retail gas hedging program for Fiscal Year 2027 (FY27). They reviewed the credit exposure by rating and counterparties by credit rating on August 31, 2026 compared to November 14, 2025. J. Guerrero concluded with a discussion of aggregate financial limits for electricity, natural gas, unleaded gas, diesel, and greenhouse gas and emissions compliance instruments.

J. Guerrero 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 L. Conchas entered the meeting during the agenda item. J. Tucker of SRP left the meeting during the agenda item.

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.

Board Member S. Kennedy left the meeting during the agenda item.

Future Agenda Topics

Chair M. Herrera 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 11:37 a.m.

John Felty
Corporate Secretary

Statement of Cash Received and Disbursed

September 2026

($000)

	District	Association	Total Month	Year-to-Date
Funds Balance Beginning of Period	$ 875,255	$ 519	$ 875,774	$ 725,462
Cash Receipts:				
Electric Revenues	602,450	---	602,450	2,274,937
Water Revenues	---	890	890	6,310
Electric Customer Deposits	4,395	---	4,395	24,662
Reimbursement on Joint Ownership Projects	16,615	---	16,615	112,190
Construction Contributions and Advances	8,036	---	8,036	143,286
Transfers from Segregated Funds	7,695	---	7,695	167,857
Sales Tax Collected	40,777	---	40,777	182,652
Margin and Collateral Received - Net	3,848	---	3,848	162,361
Other Cash Receipts	11,180	---	11,180	66,836
Total Cash Receipts	694,996	890	695,886	3,141,091
Fund Transfers - Net	(8,170)	8,170	---	---
Cash Disbursements:				
Purchased Power and Fuel	169,624	---	169,624	685,519
Operations and Maintenance	106,709	3,165	109,874	572,922
Employee Payroll and Payroll Taxes	82,742	5,381	88,123	411,665
Purchased Inventory	29,672	---	29,672	149,986
Cash Segregated for -				
Bond Interest	25,187	---	25,187	113,282
Bond Principal	13,163	---	13,163	78,469
Other Debt - Principal Repayment	---	---	---	---
Other Debt - Interest Expense	383	---	383	922
Capital Expenditures	142,995	---	142,995	508,730
Advances on Joint Ownership Projects	---	---	---	---
Transfers to Segregated Funds	---	---	---	151,773
In Lieu and Ad Valorem Taxes	1	---	1	54,287
Sales Tax Remitted	48,237	---	48,237	167,210
Miscellaneous Cash Disbursements	3,547	---	3,547	30,934
Total Cash Disbursements	622,260	8,546	630,806	2,925,699
Funds Balance End of Period	$ 939,821	$ 1,033	$ 940,854	$ 940,854

Cash Position

September 2026

Composition of Funds Balance	($000) District	Association	Total
Cash and Cash Equivalents	$ 657,881	$ 1,033	$ 658,914
Other Temporary Investments	134,940	---	134,940
Other Non-Current Investments	147,000	---	147,000
General Fund	939,821	1,033	940,854
Segregated Funds			
Electric System Debt Reserve Fund	80,672	---	80,672
Debt Service Fund	195,668	---	195,668
Rate Stabilization Fund	---	---	---
Nuclear Decommissioning Fund	896,550	---	896,550
Post-Retirement Benefits Fund	1,531,840	---	1,531,840
Construction Fund	---	---	---
RHCP Fund	14,686	---	14,686
HHCP Fund	10,830	---	10,830
SPRHCP Fund	3,633	---	3,633
Four Corners Mine Reclamation Trust	17,829	---	17,829
Other Special Funds	17,337	---	17,337
Total Segregated Funds	$ 2,769,045	$ ---	$ 2,769,045

Prepaid Commodity Transactions

Finance & Budget Committee Meeting

Jon Hubbard | October 20, 2026

Agenda

Seek parameter approval for prepaid commodity transactions that would generate savings for retail customers

- Prepaid Commodity Transaction Overview
- Historical Perspective on Prior Prepays
- Prepay Transaction Opportunities
- Next Steps
- Approval Request

What Is a Prepaid Commodity Transaction

Provides customer savings without adding debt repayment obligations or altering Resource Plan

- Financing structure applied to physical commodity purchases already in SRP's plan
- Prepays complement, and do not affect or alter, SRP's Resource Plan
- Prepaid transactions provide the ability to switch commodities (e.g., electricity to natural gas)
- Financing structure that provides SRP the ability to benefit from lower tax-exempt rates
- SRP is not responsible for debt repayment (only required to pay for commodities received)
- Does not affect SRP's balance sheet or credit metrics
- Per IRS regulations, prepaid commodities must be sold to retail customers for qualifying use

Historical Perspective

Prepaid energy lowers fuel and electricity costs, with savings flowing directly to customers

FINANCED SINCE 2021
$118.5B
Established public energy financing market

TRANSACTIONS
177
Across multiple public authorities

STATES
13
Broad geographic reach

INITIAL-TERM SAVINGS
$4.5B
$1.9B electric + $2.6B gas

NATURAL GAS
$69.8B
59% of financed volume

ELECTRIC
$48.7B
41% of financed volume

30-YEAR POTENTIAL
$16.7B
Assumes comparable renewals

FEDERAL FRAMEWORK
2003 / 2005
More than 20 years of precedent

Source: LPPC Prepayment Transactions Fact Sheet | Last updated September 2026

- SRP has executed seven prepay transactions, generating $232 million in savings to date and approximately $35 million annually. The existing transactions could generate up to $1 billion or more in total lifetime savings, inclusive of savings realized to date.

SRP Prepaid Transaction History

Seven prepay transactions executed to date

- Salt Verde Financial Corporation (SVFC)
  - The 2007 prepaid natural gas transaction financed $1.2 billion through tax-exempt debt
  - Savings to date: $204 million
  - Generating $12 million in annual savings, with $135 million in projected remaining savings
- Newer prepay structures simplify the process for SRP:
  - No need for separate entity like SVFC; and resource flexibility
- SRP has successfully completed six prepay deals under this structure after Parameter approval from the Board (four natural gas and two electricity transactions)
  - Savings to date: $28 million
  - Saving customers $23 million annually with projected savings of ~$700 million over life of contracts

Opportunities: Renewable PPA Focus

Prepaid transactions allow for switching between commodities

Focus: Renewable PPAs

- SRP has executed two prepaid electricity transactions
- Energy is sourced from existing or future MWh portfolio of PPAs. (28 PPAs available)
- Current market discount: 7-10%
- Prepaid transactions provide the ability to switch from electricity to natural gas

Natural Gas: Switching Alternative

- SRP has executed five prepaid natural gas transactions
- Energy is sourced from existing and/or future MMBtu usage or tolls
- Current market discount: 7-10%
- Prepaid transactions provide the ability to switch from natural gas to electricity

Estimated Annual Savings Example

Prepays complement Resource Plan and provide flexibility to switch between commodities

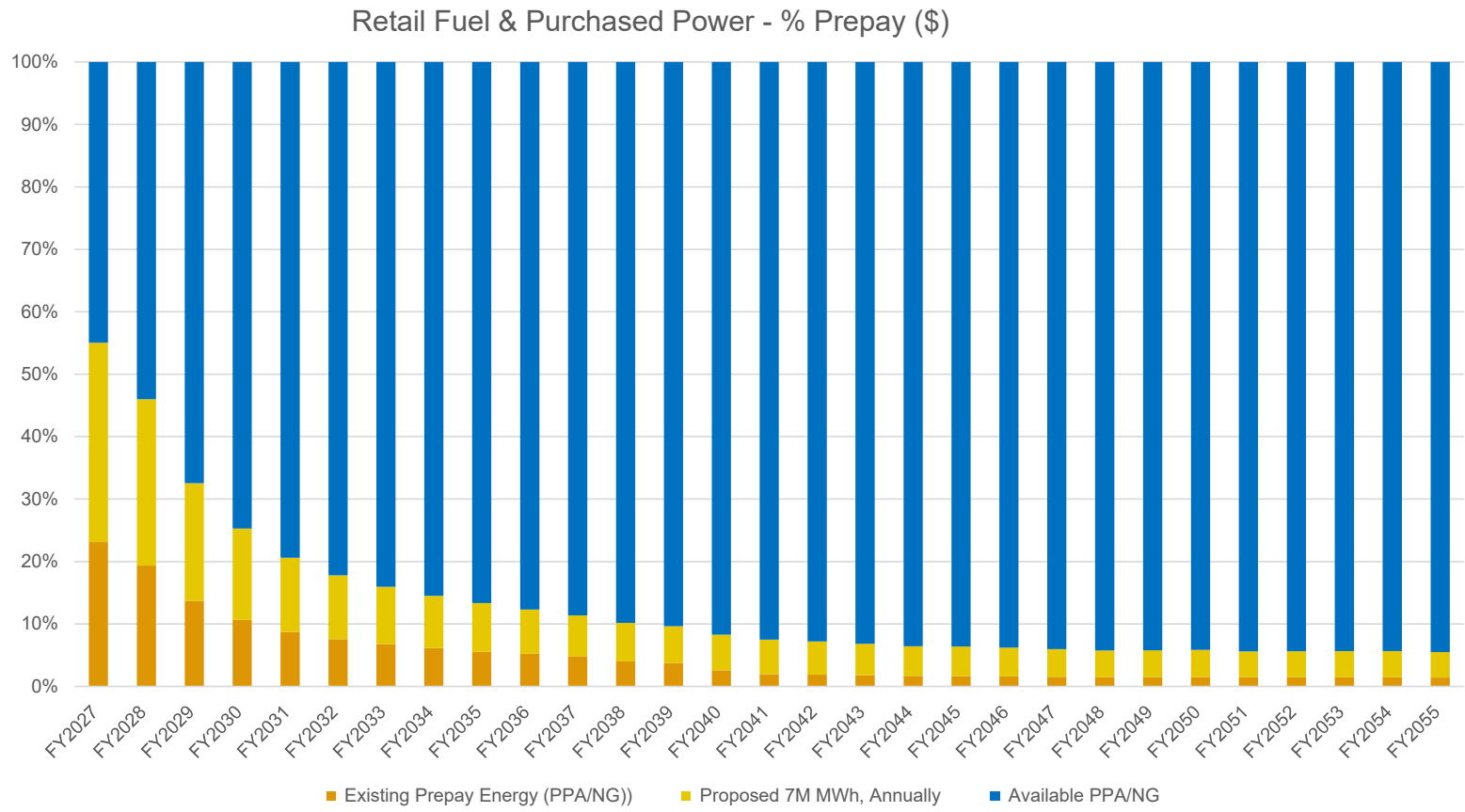
$75 million Annual PPA Spend

Illustrative Example

		Discount Rate	Annual Savings	Total Period Savings
Initial Period	7 years	7% (estimated)	$5.25M	$36.75M
Subsequent Periods	23 years	4% (minimum)	$3.00M	$69.00M
Total Estimated Savings				**$105.75M**

Prepay Opportunity as a Percent of Retail Needs

Projected load growth could generate future prepay opportunities



Proposed Transaction Parameters

Previously executed six transactions under similar Board-approved parameters

- Execution Timing:
  - On or before October 31, 2027
- Annual Volume:
  - One or more transactions not to exceed a total of 7 million MWh annually (or, if applicable, the equivalent amount of natural gas)
- Minimum Savings
  - Discount of at least 4%
- Maximum Term
  - Not to exceed 30 years

Prepaid Transaction: Next Steps

Seeking November full Board approval

- If recommended by the Committee, seek full Board approval
- Select a supplier and investment bank partner
- Execute Assignment and Assumption Agreements
- Select a municipal issuer
- Prepare and negotiate necessary agreements
- Monitor market-based savings rates

Approval Request

- Request that the Committee recommend that the Board authorize the President, Vice President, General Manager & Chief Executive Officer, Associate General Manager & Chief Planning, Strategy and Sustainability Executive, or Associate General Manager & Chief Financial Executive, to execute:
- (a) One or more long-term, prepaid commodity transactions (each, a “Transaction”), each entered into on or before October 31, 2027, subject to the following conditions and limitations, as further set forth in the proposed form of resolution provided to the Board for adoption:

1. Prepaid volumes under all Transactions will not exceed 7 million MWh per year or, if applicable, the equivalent amount of MMBtu.
2. The maximum term of any Transaction will not exceed 30 years; and
3. Any Transactions must provide a minimum discount of at least 4% for both energy and gas transactions.

- (b) In furtherance of the Transactions, one or more assignment and assumption agreements with respect to the purchase agreements for the underlying commodity transactions.

thank you!

RESOLUTION OF THE SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AUTHORIZING THE PURCHASE OF ENERGY AND/OR NATURAL GAS UNDER ONE OR MORE PREPAID TRANSACTIONS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE COMMODITY SUPPLY CONTRACTS AND ASSIGNMENT AGREEMENTS RELATING TO SAID PURCHASES

WHEREAS, Salt River Project Agricultural Improvement and Power District (the "District") has an ongoing need for power supplies to serve its growing customer base; and

WHEREAS, one or more entities (each, an "Issuer") (i) will acquire, obtain financing, and manage secure and economically priced supplies of electric energy and/or natural gas (the "Commodities") for sale to municipalities and other governmental entities, and (ii) has planned to acquire those long-term Commodity supplies from certain supplier(s) (each, a “Supplier”) on a prepaid discount basis, using the proceeds of certain tax-exempt bonds issued by such Issuer (the "Bonds"); and

WHEREAS, Issuer has caused or will cause to be prepared one or more Commodity Supply Contracts (each, a "Commodity Supply Contract"), providing for the purchase of Commodities by the District from Issuer, and Issuer will pledge its interests in the Commodity Supply Contract(s) to support its obligations with respect to the Bonds; and

WHEREAS, the District will pay for Commodities delivered pursuant to a Commodity Supply Contract only if and as such Commodity is delivered and will have no responsibility or liability respecting debt service on any Bonds; and

WHEREAS, the District previously entered into one or more agreements to procure Commodities (each, a “Commodity Agreement”) with third-party developers and suppliers (each, a “Counterparty”) pursuant to which the District purchases contractual quantities of Commodities from such Counterparty; and

WHEREAS, the District has or may have an opportunity to pay discounted prices for such Commodities by entering into one or more limited assignment and assumption agreements with the Supplier(s) and Counterparty(ies) with respect to one or more Commodity Agreements (each, an “Assignment Agreement”) under which (i) the District will assign, and the Supplier will assume, the District’s rights to take delivery of, and the District’s obligation to pay for, the Commodities under the applicable Commodity Agreement, (ii) Supplier will cause the Commodities to be delivered to Issuer, and (iii) Issuer will sell and deliver the

Commodities to the District, under the Commodity Supply Contract, at a discount relative to the annual notional value or baseline quantity, as applicable, that would have been originally paid by the District pursuant to the underlying Commodity Agreement; and

WHEREAS, the District will have the right, at its discretion and in order to maintain operational flexibility, to switch to discounted market-based energy or natural gas purchases under each Commodity Supply Contract; and

WHEREAS, pursuant to Arizona Revised Statutes, § 48-2301 et seq. (the "Act"), the Board of Directors of the District (the "Board") may enter into, execute, acknowledge, deliver and perform all contracts or agreements that it finds are in the best interest of the District to carry out or accomplish any of the purposes under the Act; and

WHEREAS, the Board has determined that it is desirable and in the best financial interest of the District that the District purchase Commodities from Issuer under the terms of one or more Commodity Supply Contracts, each entered into on or before October 31, 2027, providing in the aggregate for the purchase of no more than 7,000,000 MWh/calendar year (or, if applicable, the equivalent amount of natural gas), each for a term not exceeding 30 years, and each providing a minimum discount of at least four percent (4%) relative to the annual notional value that would have been originally paid by the District on a calendar year basis pursuant to the underlying Commodity Agreement related to the purchase of electric energy (or, if applicable, an equivalent discount per MMBtu with respect to the purchase of natural gas or an equivalent discount per megawatt hour with respect to the purchase of market-based energy) (collectively, the "Purchase Criteria"); and

WHEREAS, the Board has determined that, to facilitate the Commodity Supply Contracts, it is desirable and in the best financial interest of the District that the District enter into one or more Assignment Agreements; and

WHEREAS, the Board desires to authorize the proper officers of the District to take all necessary steps to finalize and enter into (i) Commodity Supply Contracts meeting the Purchase Criteria, and otherwise under terms and conditions approved by an Authorized Officer (as hereinafter defined) (“Qualifying Commodity Contracts”), and (ii) Assignment Agreements related to the Qualifying Commodity Contracts, each with respect to a Commodity Agreement selected by an Authorized Officer, for a term not exceeding that of the applicable Qualifying Commodity Contract, and otherwise under terms and conditions approved by an Authorized Officer (“Selected Assignment Agreements”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AS FOLLOWS:

SECTION 1. Authorization of Transaction. The Board hereby finds and determines that it is desirable and in the best interest of the District and is in furtherance of one or more purposes authorized or permitted under the Act, to enter into one or more Qualifying Commodity Contracts and Selected Assignment Agreements. The Board hereby authorizes and approves the purchase of the Commodities and the consummation of all transactions contemplated by any Qualifying Commodity Contract, and the assignment of the Commodity Agreements that are the subject of the Selected Assignment Agreements.

SECTION 2. Execution of Documents. The President, Vice President, General Manager & Chief Executive Officer, and Associate General Manager & Chief Financial Executive (each, an "Authorized Officer") are, and each of them hereby is, authorized to execute and deliver the Qualifying Commodity Contracts and Selected Assignment Agreement (each in such form as may be approved by the Authorized Officer(s)), and all documents, certificates and any other deliverables related thereto, with such changes, additions, and deletions as are approved by such Authorized Officer executing the same (said execution being conclusive proof of approval of the Qualifying Commodity Contract, Selected Assignment Agreements, and other documents). The Secretary and the Assistant Secretary of the District are each hereby authorized to cause the seal of the District to be affixed to such documents and to attest the same as necessary.

SECTION 3. Authority of Officers. Each Authorized Officer, and other employees of the District directed by an Authorized Officer are, and each of them hereby is, authorized to: execute such certificates, documents, and other instruments, and take any other actions reasonably required or desirable to complete the transactions contemplated by any Qualifying Commodity Contract and Selected Assignment Agreement, including, but not limited to, (i) cooperating with any Issuer and the underwriters of the Bonds, and their agents and representatives (collectively, the "Issuer Representatives"), (ii) providing the Issuer Representatives with information relating to the District as is necessary for use in the preparation and distribution of any preliminary or final official statement or other disclosure document used in connection with the sale of the Bonds, and (iii) delivering any necessary tax certificates or documentation necessary to evidence the District's compliance with any tax or continuing disclosure requirements arising as a result of the District's execution of a Qualifying Commodity Contract or Selected Assignment Agreement; and to take such actions consistent with this Resolution, and to do such other acts and things, as may be necessary or advisable in connection with the purchase of the Commodities under any Qualifying Commodity Contract and the assignment of any Commodity Agreements under a Selected Assignment Agreement.

SECTION 4. Amendments. Following the execution of any Qualifying Commodity Contract or Selected Assignment Agreement, each Authorized Officer, and other officers and employees of the District directed by an Authorized Officer are, and each of them hereby is, authorized to execute any amendments thereto that do not materially modify the terms thereof.

SECTION 5. Effective Date. This Resolution shall take effect immediately.

Informational Presentation Regarding Transmission Rates

Brandon Shoemaker

October 20, 2026

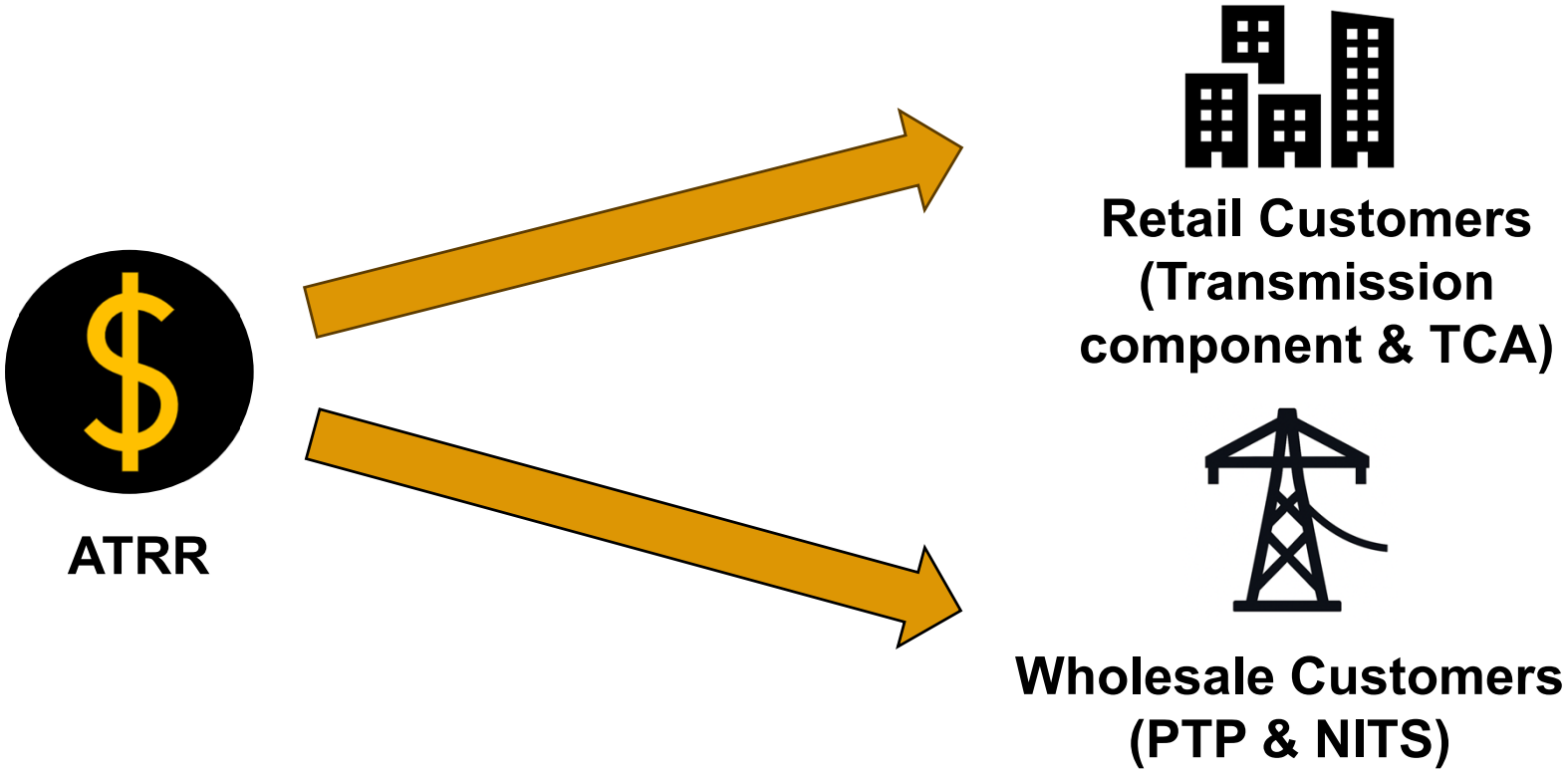
Transmission Pricing

- The District Board approved the transmission formula rate template on December 1, 2025
- The transmission formula rate template was incorporated within SRP's Open Access Transmission Tariff (OATT) and provides for routine formulaic calculations of both the Annual Transmission Revenue Requirement (ATRR) and wholesale transmission rates
- The District Board also approved the Transmission Cost Adjustment (TCA) allowing for retail rates to be adjusted if and when OATT prices are adjusted in accordance with the Board-approved formula
- Any OATT price or TCA price change resulting from the formula rate template calculation must be presented to and approved by the Board before becoming effective

Formula Rate

- Increased transmission investment
  - $1.4B in transmission capital spend through FY32
  - Recovery of cost in between price processes from wholesale customers
  - Recovery of cost in between price processes from retail customers
- Changing use of transmission system
  - Substantial changes in loads/reservations of transmission system
  - Reduces risk of over and under recovery of cost
  - Adjusts prices with cost minimizing revenue recovery lag
- Potential costs related to transmission market activities

Transmission Pricing: Retail/Wholesale



Wholesale Transmission Services

Point-to-Point Transmission Service (PTP)

- PTP service allows a customer to transmit electricity from a designated point of receipt (Point A) to a designated point of delivery (Point B) across SRP's system.
- Priced on a $/kW-year of capacity reserved

Network Integration Transmission Service (NITS)

- NITS allows the customer to integrate, economically dispatch and regulate its current and planned network resources to serve its network load in a manner comparable to that in which SRP utilizes the SRP Valley Network to serve its native load customers.
- Priced on a Load Ratio Share of the Revenue Requirement

Wholesale 1st Update – ATRR and PTP

	Annual Revenue Requirement	Point-to-Point Rate ($/kW-year)
Current (1/1/2026)	$368M	$30.63
Proposed (1/1/2027)	$394M	$30.08

Point-to-Point Regional Benchmarks

Company	Yearly Firm $/kW-year
Tri-State (Non-RTO)	$91.29
PNM	$58.46
APS	$47.83
EPE	$44.30
SMUD	$38.64
TEP	$36.21 (effective Jan 2027)
LADWP	$35.23
SRP (Jan 2026)	**$30.63**
SRP (Proposed Jan 2027)	**$30.08**
NVE	$29.64
SWTC	$29.34

Retail Prices – Transmission Cost Adjustment (TCA)

- The District Board also approved the Transmission Cost Adjustment (TCA) allowing for retail rates to be adjusted if and when OATT prices are adjusted in accordance with the Board-approved formula
- January 2026 update
  - The first use of the formula rate resulted in a 7.76% decrease in the transmission revenue requirement across all price plans
  - The TCA decrease provided 0.47% overall reduction to retail customer bills
- Proposed January 2027 update
  - Formula update results in a 6.39% increase in the transmission revenue requirement across all price plans
  - The TCA update provides 0.34% overall increase to retail customer bills relative to January 2026, which is still a *net reduction* from the prices approved by the Board in the 2025 Pricing Process

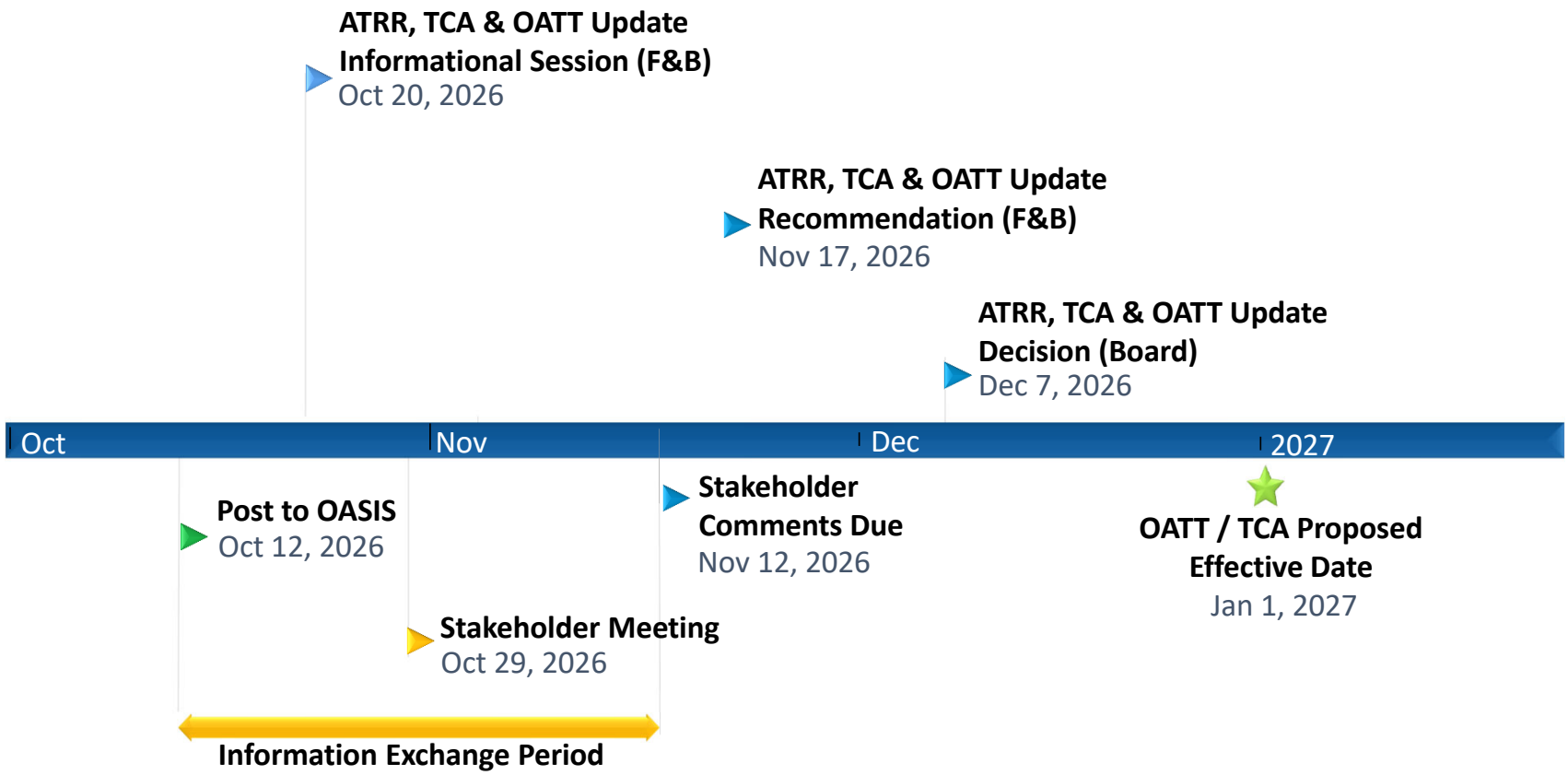
Proposed Bill Impacts of TCA Change by Customer Class

Class	Bill Impact
Residential	0.34%
General Service	0.48%
Pumping	0.32%
Lighting	0.06%
Large General Service	0.23%
Overall	0.34%

Formula Rate Implementation Protocols – Ongoing Schedule

Milestone	Timing
Annual Update Posted	October
Finance & Budget Committee Recommendation	November
District Board Meeting	December
Annual Update Takes Effect	January

Calendar


ATRR, TCA & OATT Update
Informational Session (F&B)
Oct 20, 2026
ATRR, TCA & OATT Update
Recommendation (F&B)
Nov 17, 2026
ATRR, TCA & OATT Update
Decision (Board)
Dec 7, 2026
Oct
Nov
Dec
2027
Post to OASIS
Oct 12, 2026
Stakeholder
Comments Due
Nov 12, 2026
OATT / TCA Proposed
Effective Date
Jan 1, 2027
Stakeholder Meeting
Oct 29, 2026
Information Exchange Period

SRP OASIS Posting

https://www.oasis.oati.com/SRP/index.html

OCTOBER 12, 2026

SALT RIVER PROJECT PUBLIC NOTICE FOR PROPOSED ANNUAL UPDATE

SRP is providing an opportunity for review and comment on the information used to develop its network integration transmission service NITS and point- to-point transmission services rates collectively, Rate Adjustments. SRP will hold an informational meeting via Microsoft Teams to review the proposed Rate Adjustments on October 29, 2026, during which SRP management will review the proposed Rate Adjustments. To RSVP for the informational meeting, email SRPTransmissionPricing@srpnet.com

Documents associated with the Rate Adjustments can be accessed in the Tariff Rates/Proposed Rate Changes folder.

The proposed Rate Adjustments will be presented at an informational session to SRPs District Board of Directors Board at the October 20, 2026, Finance and Budget Committee Meeting. Following the informational session, the proposed Rate Adjustments will be presented to the Board at the Finance and Budget Committee Meeting on November 17, 2026, for a recommendation to approve them at the District Board Meeting on December 7, 2026. The District Board may accept the proposed Rate Adjustments in whole or in part and may require modifications to any of the proposed Rate Adjustments prior to making a final decision. District Board Meeting times and details are available through SRPs corporate secretarys office and at SRP District Board public meeting agendas | SRP.

To request to receive email notifications regarding the proposed Rate Adjustments email SRPTransmissionPricing@srpnet.com.

SRP will accept written and emailed comments on the proposed Rate Adjustments until November 12, 2026, and will summarize all such comments for the District Board and post on OASIS prior to the District Boards December 7, 2026, meeting. A comment form to be used for your comments can be accessed in the Tariff Rates/Proposed Rate Changes folder.

All comments must be received at the email address below by November 12, 2026.

Email comments may be sent to: SRPTransmissionPricing@srpnet.com

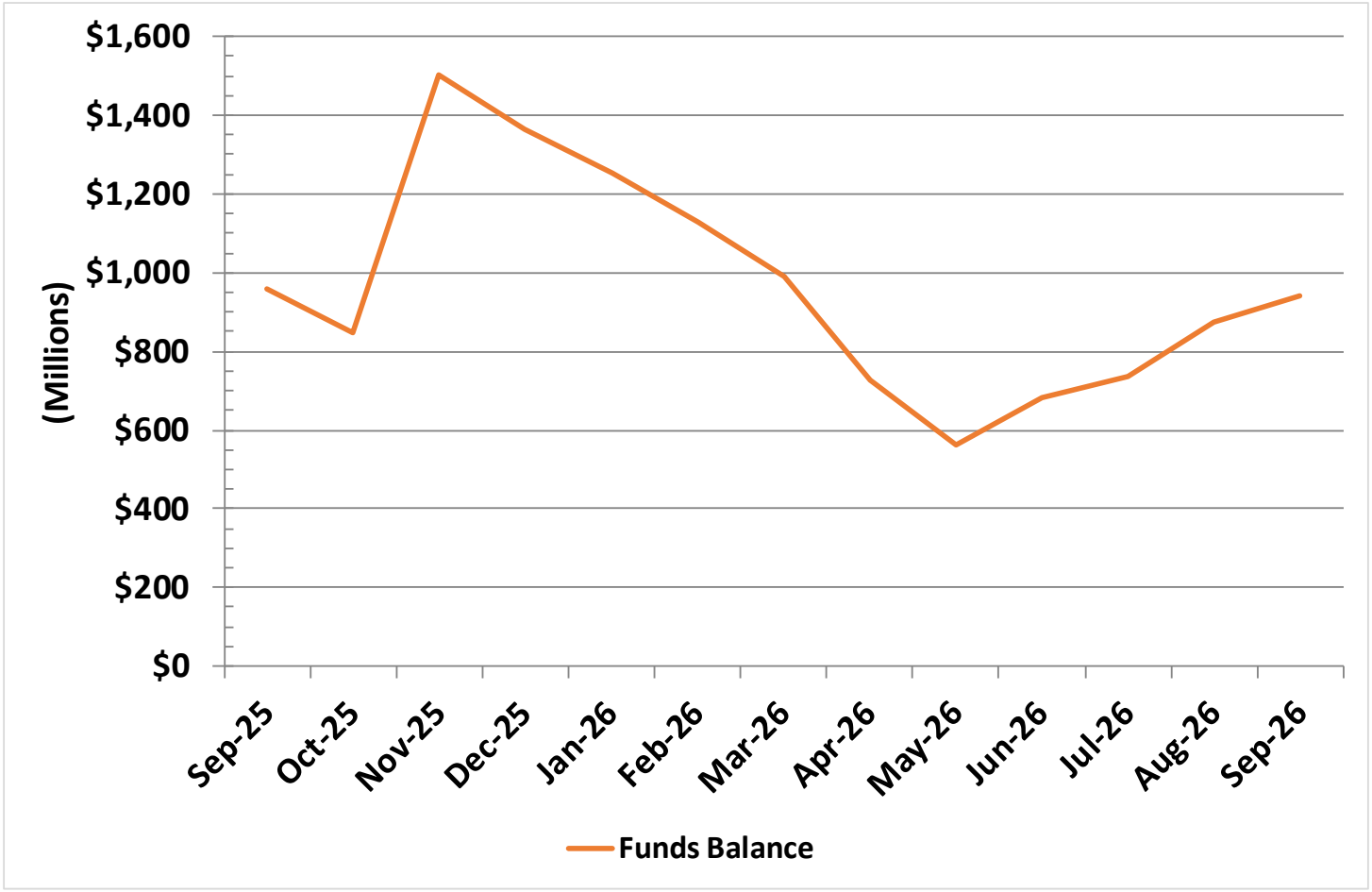
SRP management anticipates a District Board decision on adjustments on December 7, 2026. All approved adjustments will be effective January 1, 2027.

thank you!

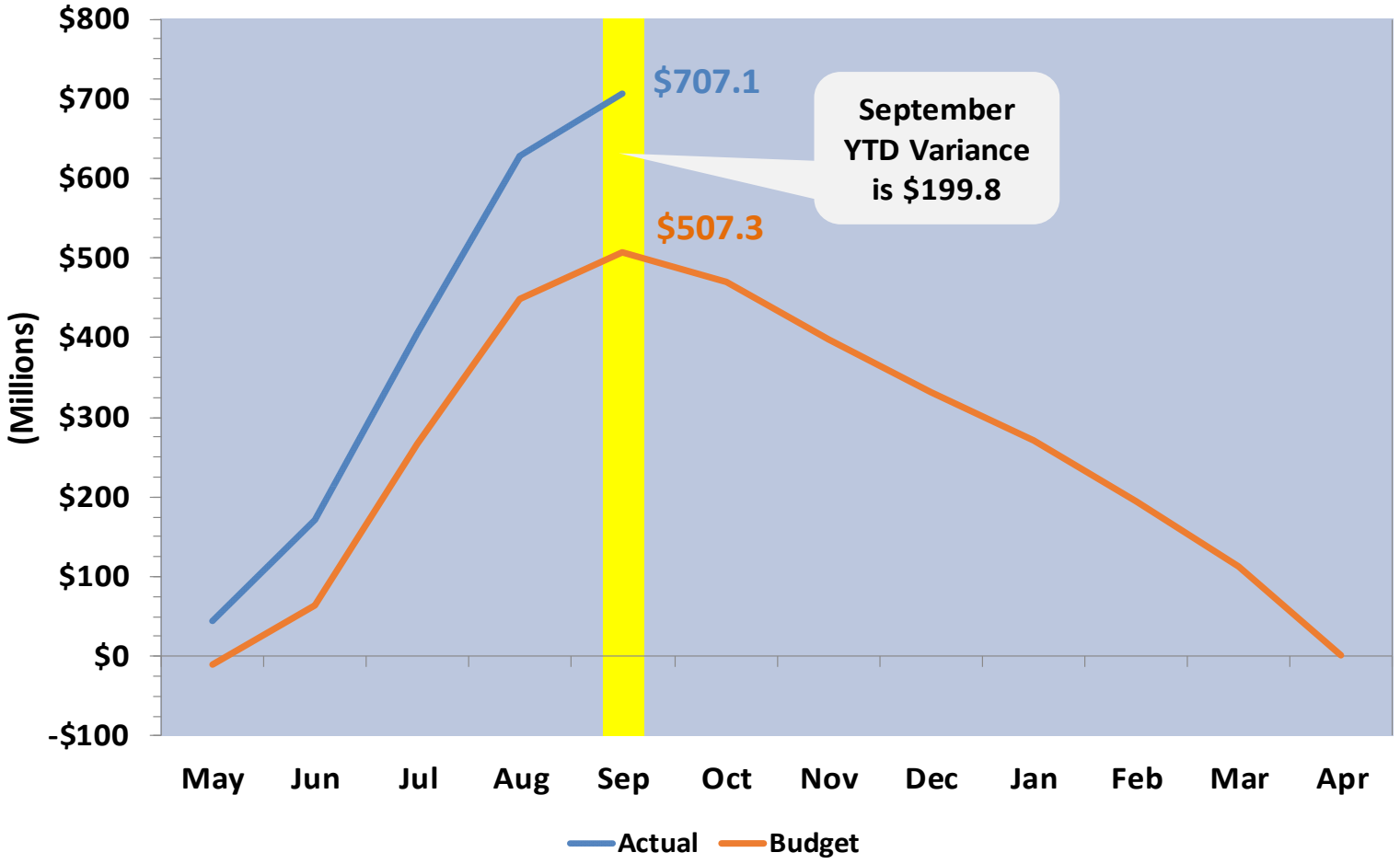
Monthly Financial Report
September 2026

Finance & Budget Committee Meeting
Jeremy T. Fry | 10/20/2026

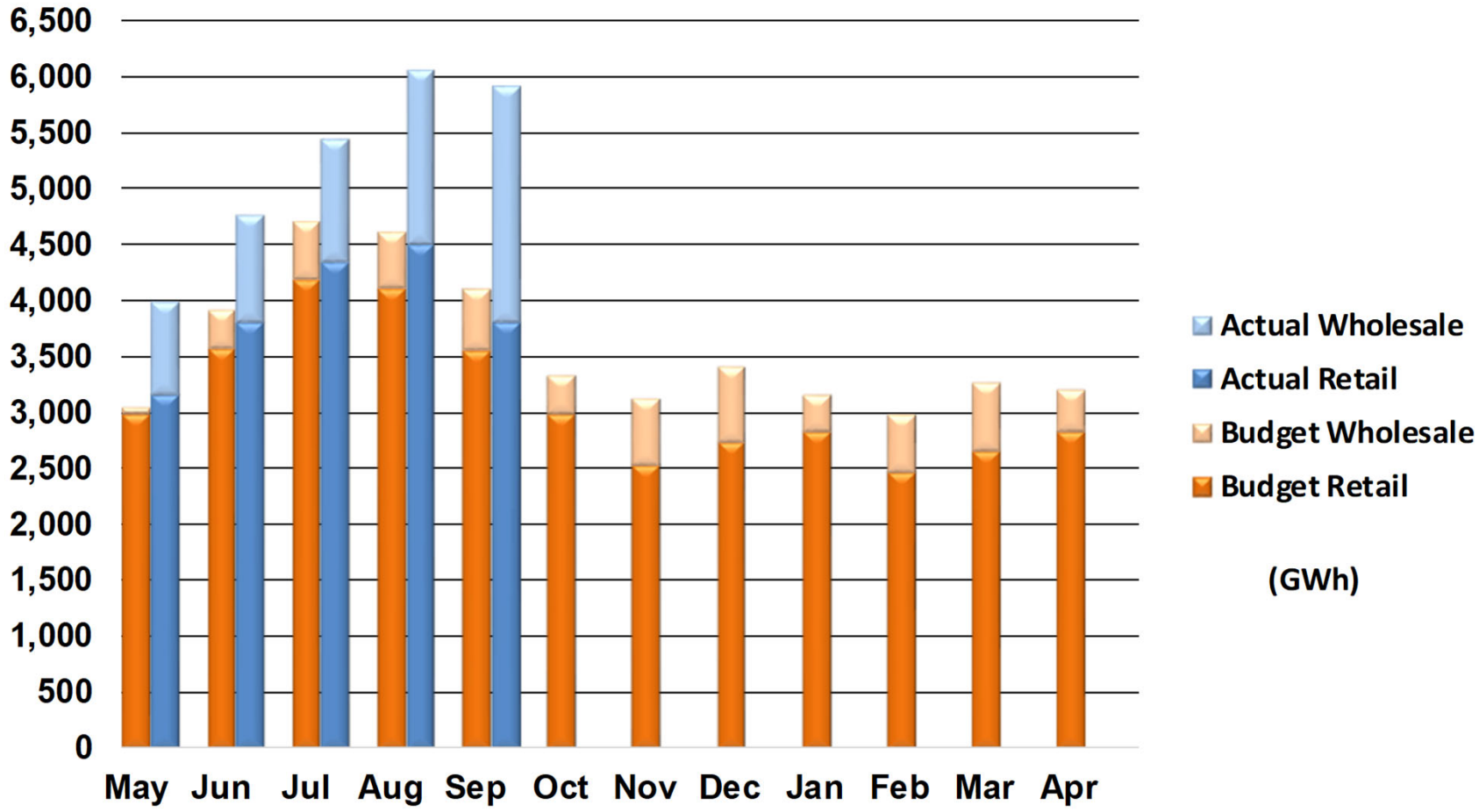
Liquidity


$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
(Millions)
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
Aug-26
Sep-26
Funds Balance

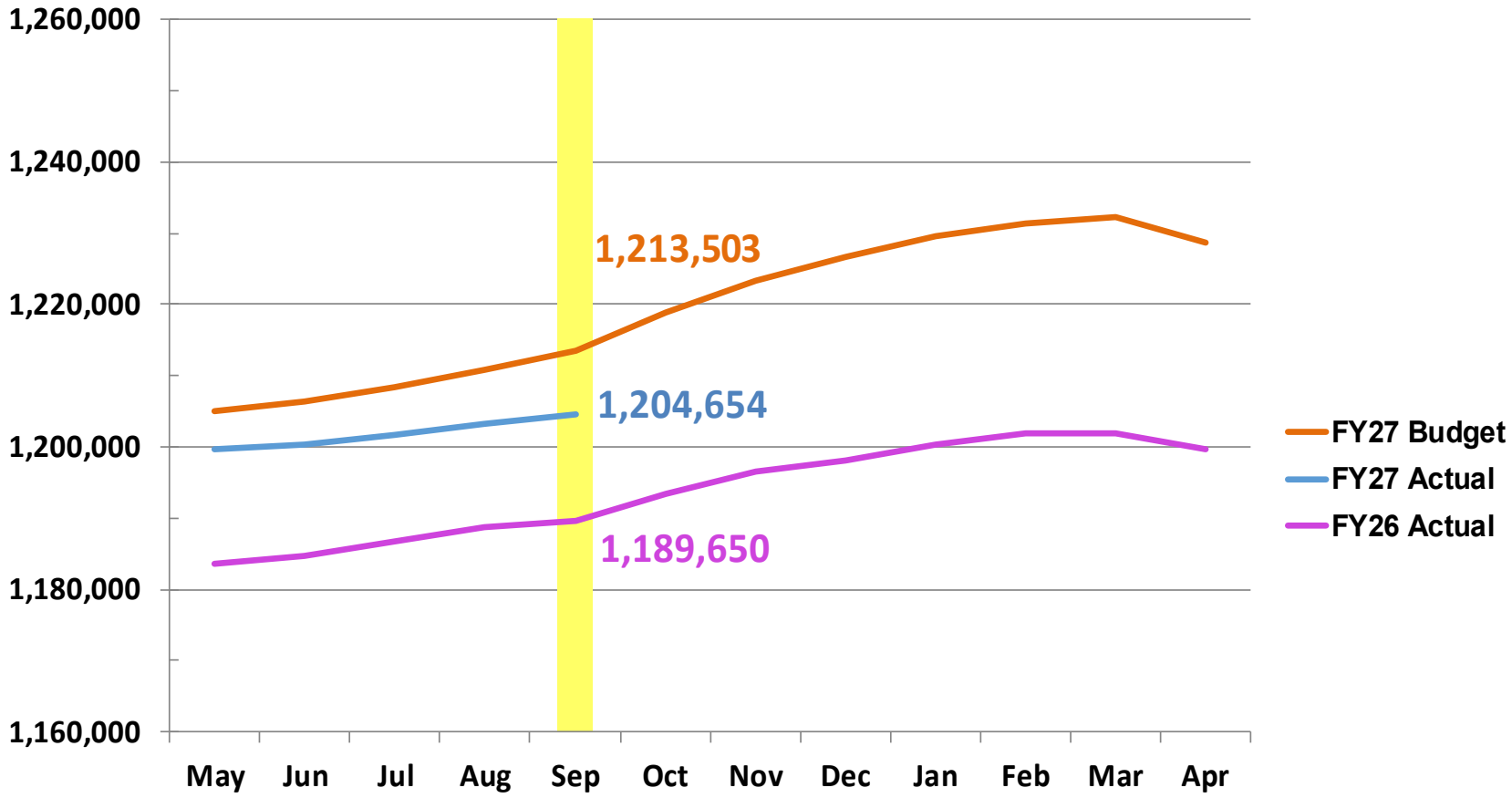
YTD Combined Net Revenue



System Sales



Customer Accounts



Financial Summary - September 2026

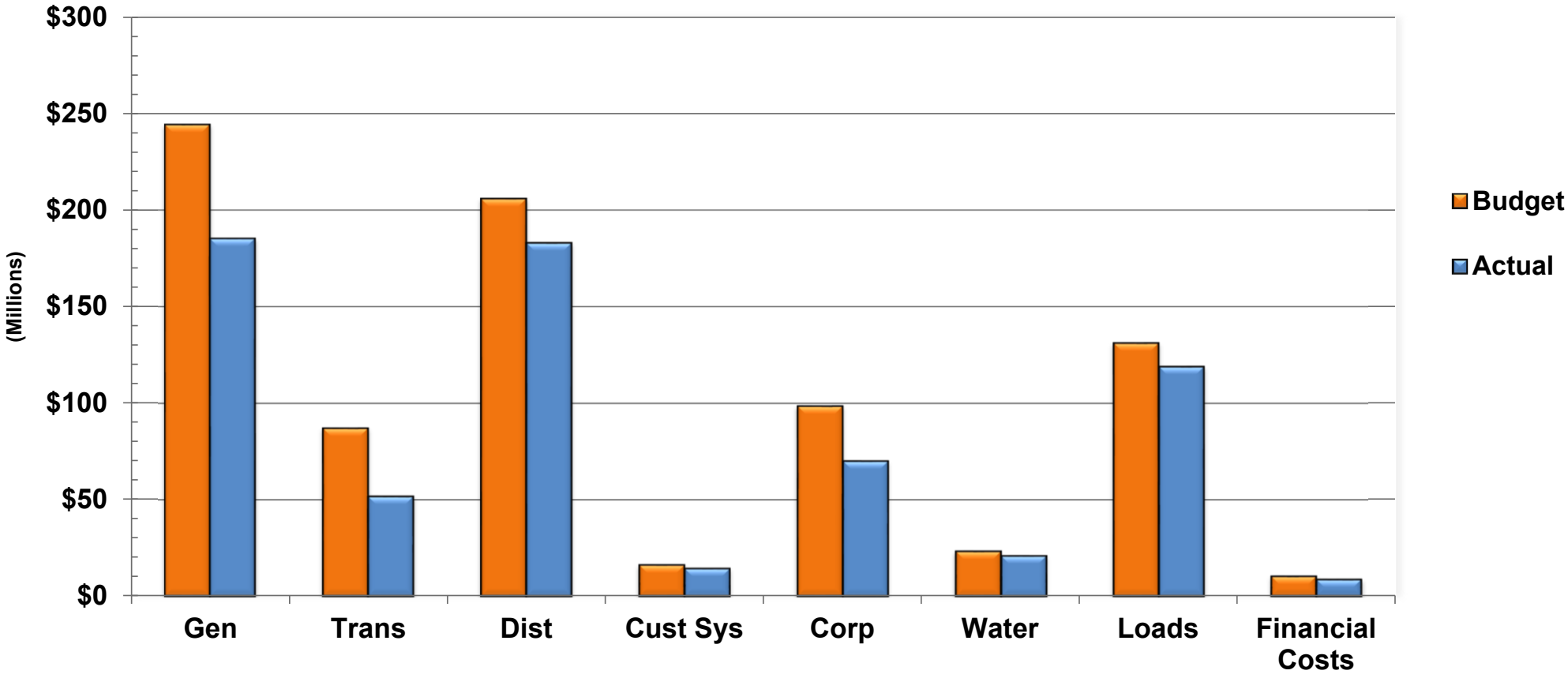
(Thousands)	Actual	Budget	Variance
Operating Revenues	$ 507,940	$ 443,135	$ 64,805
Operating Expenses			
Fuel	201,995	158,320	43,675
O&M	135,395	133,691	1,704
Depr & Tax	77,256	78,830	(1,574)
Total Operating Expenses	414,646	370,841	43,805
Net Financing Costs	18,728	19,050	(322)
Other, Net	4,616	5,147	(531)
Combined Net Revenues	$ 79,182	$ 58,391	$ 20,791

Key Financial Indicators - YTD September 2026

(Thousands)	Actual	Budget	Variance
Funds Available	$ 1,093,645	$ 736,231	$ 357,414
Total Debt Service Coverage Ratio	7.12	5.26	1.86
Debt Ratio*	48.1	49.5	(1.4)
Capital Expenditures	$ 652,933	$ 816,456	$ (163,523)

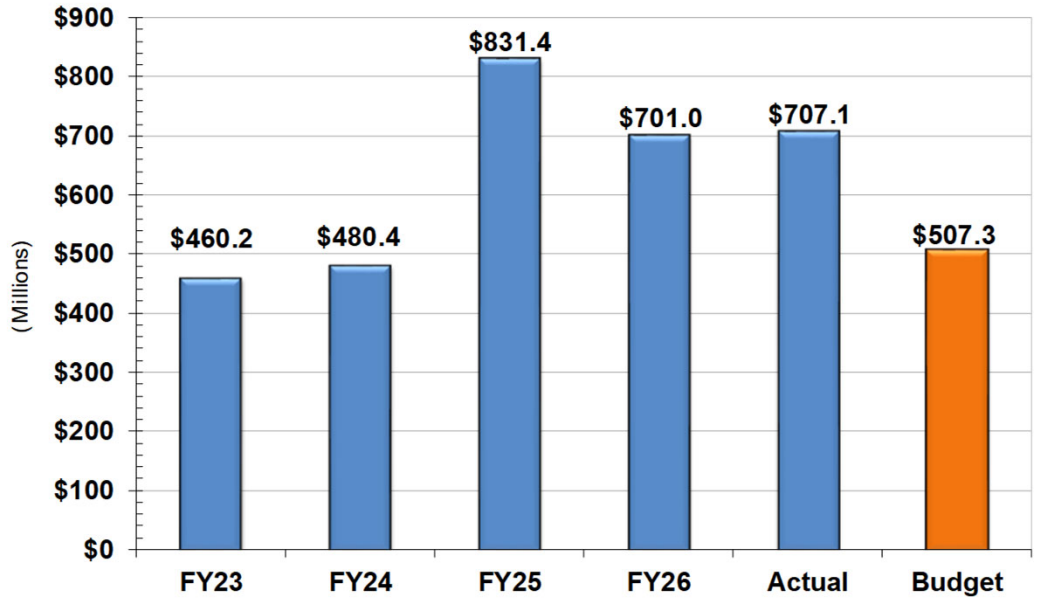
***Debt Ratio represents Projected Actual compared to Annual Budget**

Capital Expenditures - YTD September 2026



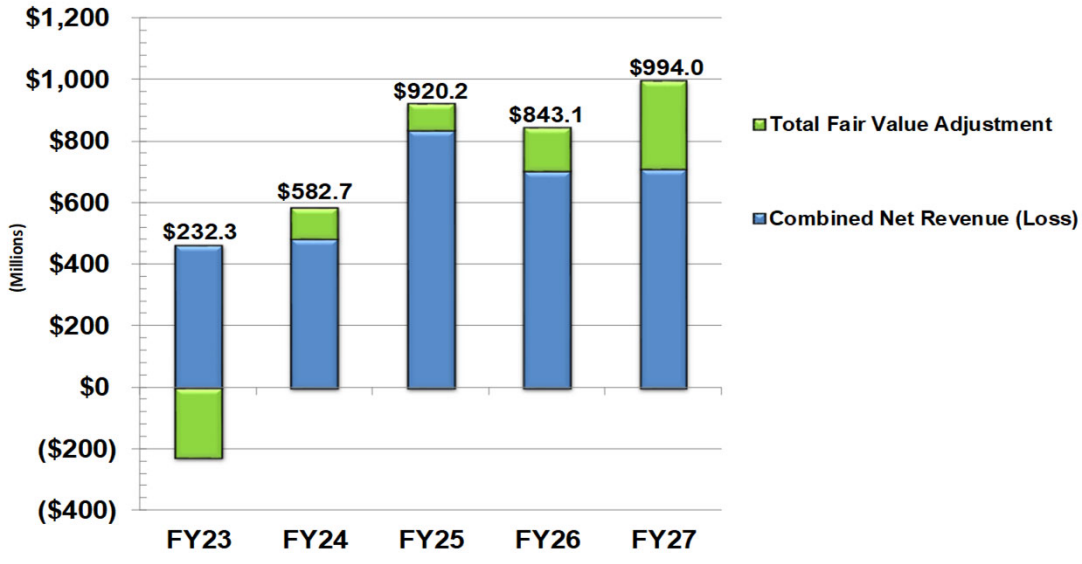
thank you!

CNR without Fair Value Adjustments - YTD September 2026



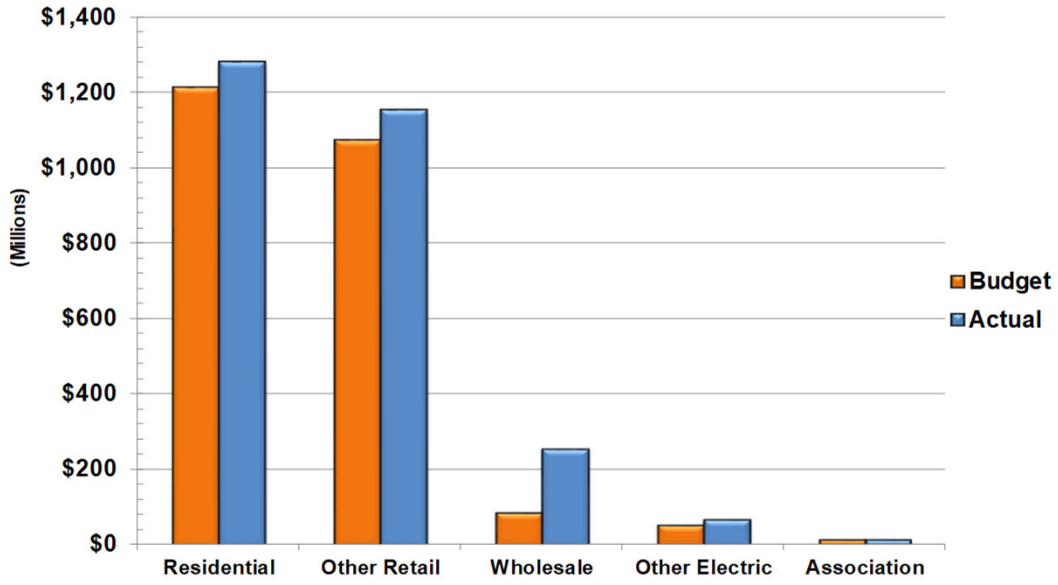
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CNR with Fair Value Adjustments - YTD September 2026



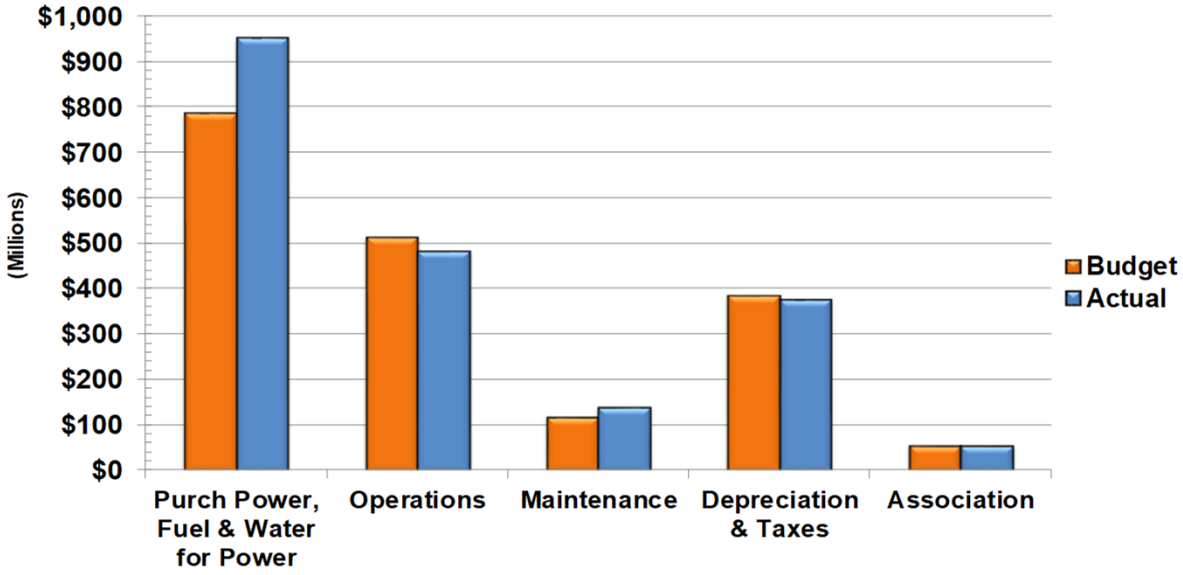
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Combined Operating Revenues - YTD September 2026



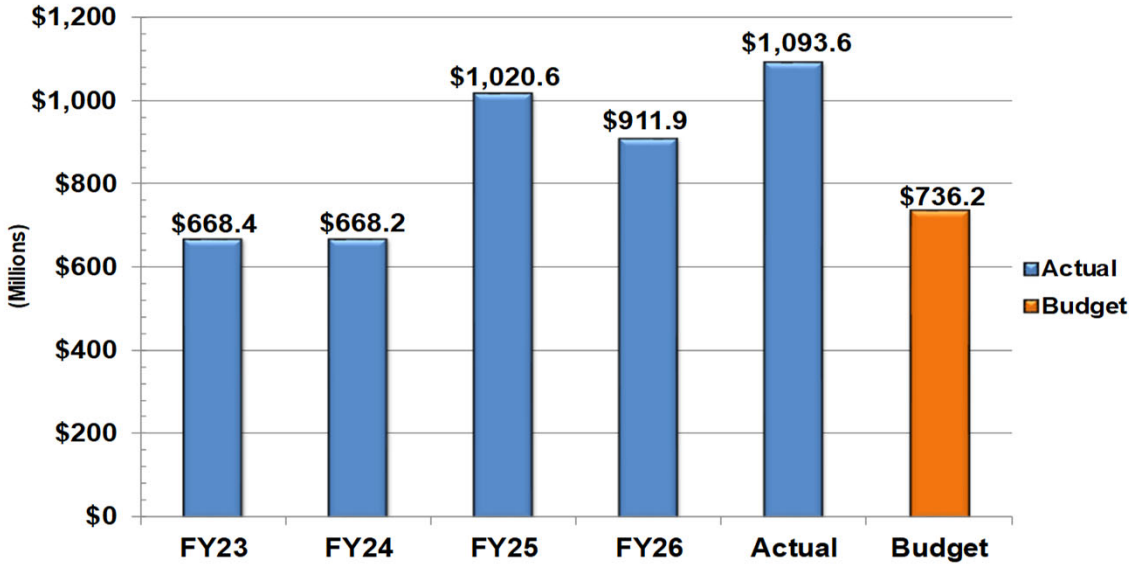
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Combined Expenses - YTD September 2026



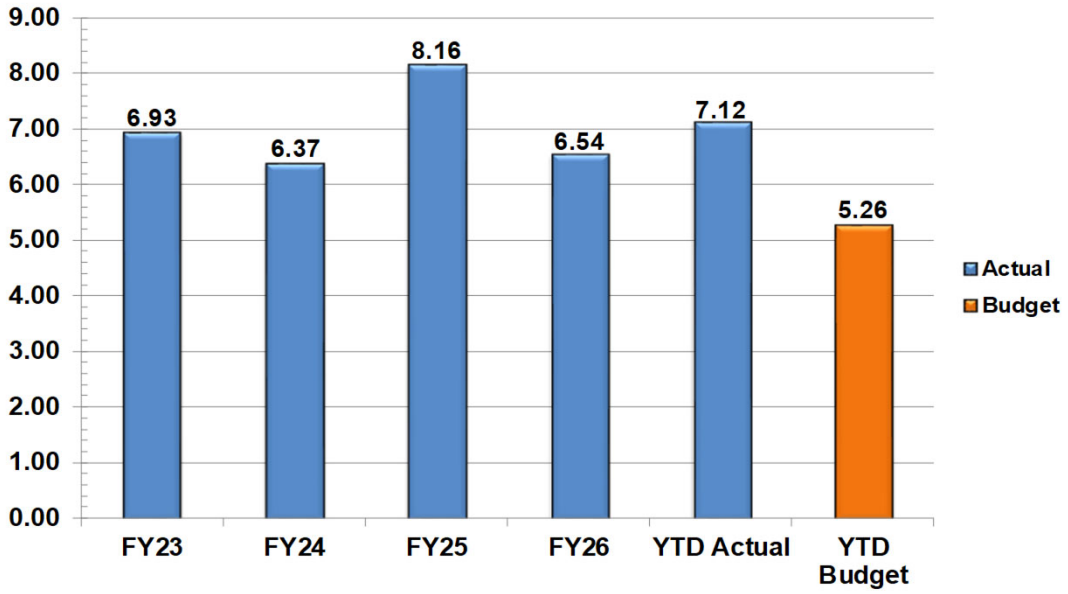
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Funds Available - YTD September 2026



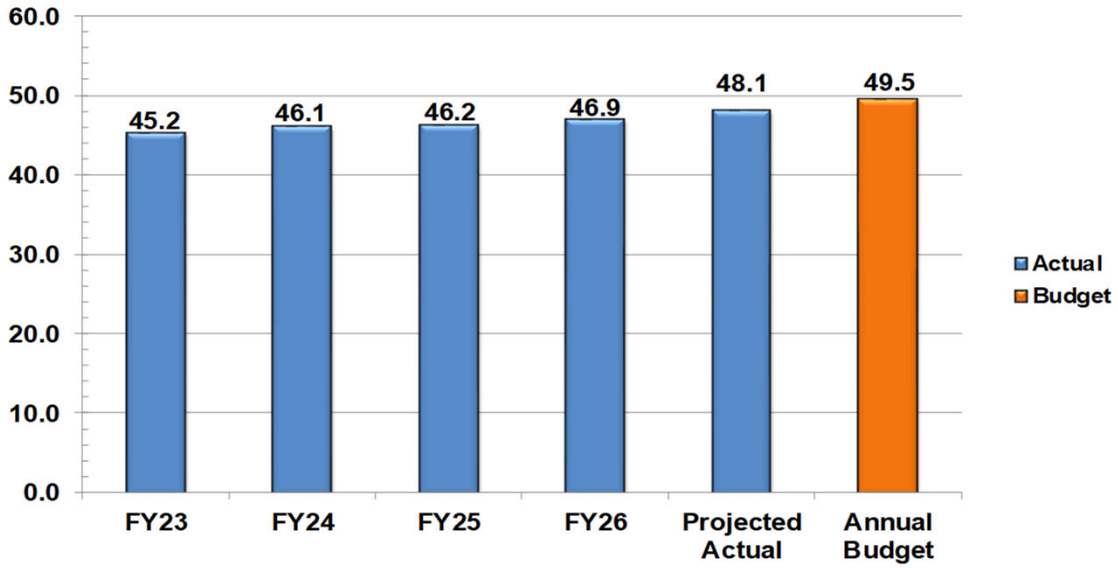
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Total Debt Service Coverage Ratio - YTD September 2026



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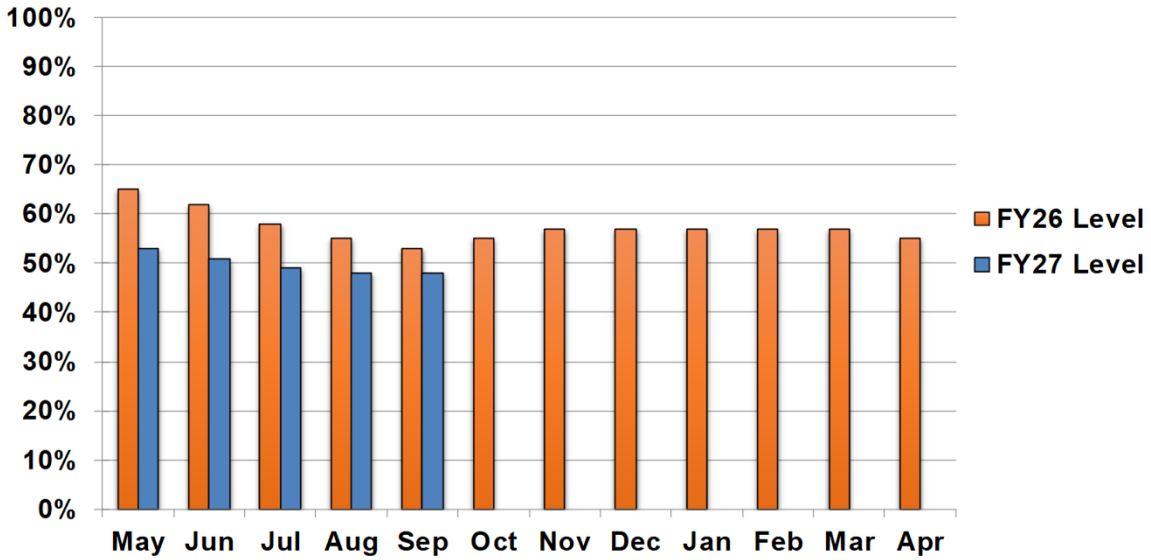
Debt Ratio - YTD September 2026



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

7

Water Storage Levels



8

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September 2026 Financial Status

Finance and Budget Committee Report

Measure	Result	Explanation
Total Liquidity	**$941 million**	At September 30, 2026
YTD Combined Net Revenue	**$200 million above budget**	Driven primarily by higher temperatures and lower fuel and purchased power prices
September Combined Net Revenue	**$21 million above budget**	Includes wholesale net revenue $1.5 million above budget
YTD Capital Expenditures	**$653 million**	$164 million below budget

Operating Results

Year-to-date combined net revenue was $200 million above budget. The primary drivers were higher-than-expected local and regional temperatures and lower-than-expected fuel and purchased power prices.

System Sales and Customer Accounts

- September system sales volume was 44% above budget, largely because above-normal temperatures drove demand above forecast.
- Customer accounts totaled 1,204,654 at the end of September, an increase of 15,004 accounts, or 1.3%, year over year.

Operating Revenue

September operating revenue was $65 million above budget, including retail revenue that was $21 million above budget.

Operating Expense

September total operating expense was $44 million above budget. The most significant variances were as follows:

- Fuel and Purchased Power expense was $44 million above budget, primarily due to higher production and market purchases. Purchased power volumes were 53% above budget, driven in part by favorable economics and gas pipeline constraints.
- Operations and maintenance expenses were $1.7 million above budget. Key above budget variances included:
  - Benefits: $3.1 million above budget due to higher-than-expected claims activity.

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September 2026 Financial Status

- Electric maintenance was $2.5 million above budget primarily due to increased preventative line maintenance expense of $1.2 million.

These above budget variances were partially offset by:

- Customer Services and Information: $3.2 million below budget due to lower-than-expected participation in efficient home programs, timing of Energy Star Homes invoices, and lower labor costs in Customer Contact Operations.
- Nuclear operations: $1.6 million below budget due to timing of labor costs.
- Customers' Accounting and Collection: $1.0 million below budget due to lower-than-anticipated write-offs.

- Depreciation and tax expense was $1.6 million below budget, primarily due to timing differences between actual system-generated cost-of-removal expense and budget at Hayden, Craig, and CGS. The timing variance is expected to diminish, with the year-end variance projected at $0.6 million.

Financing and Net Revenue

Net financing costs and Other, Net were both close to budget. September combined net revenue was $21 million above budget and included wholesale net revenue that was $1.5 million above budget.

Capital Expenditures

Year-to-date capital expenditures totaled $653 million, which was $164 million below budget. The largest variances by category are summarized below.

Generation

Generation capital expenditures were $59.0 million below budget, primarily due to:

- **SRP Pumped Storage:** $38.5 million below budget, primarily due to delayed awards for the main civil contractor and equipment contracts.
- **Coolidge Expansion Projects:** $19.2 million below budget due to the timing of ProEnergy Services payments.
- **Palo Verde Capital Projects:** $11.9 million below budget due to invoice timing.
- **Generation Right-of-Way:** $11.2 million below budget due to acquisitions delayed to future months.

Transmission

Transmission capital expenditures were $35.2 million below budget. The largest variances included:

- **Transmission Line Additions:** $18.9 million below budget, primarily due to delayed materials for various projects.

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September 2026 Financial Status

- **Transmission Substation New Business:** $11.5 million below budget due to delayed starts for several projects and work shifting to FY28**.**
- **Palo Verde-Pinal Central Betterments:** $9.4 million below budget due to delayed materials for Jojoba-Pinal West 2.

Distribution

Distribution capital expenditures were $22.9 million below budget. The larger variances include:

- **Distribution Substation New Business:** $45.4 million below budget due to projects delayed until later in the year and work shifting to FY28.

This variance was partially offset by:

- **Distribution Station Additions/Upgrades:** $18.4 million above budget due to projects moving earlier in the year and FY26 carryover work.
- **Distribution Lines - System Plan:** $8.9 million above budget due to FY26 carryover work.

Customer Systems

Customer Systems' capital expenditures were $1.8 million below budget.

Corporate

Corporate capital expenditures were $28.5 million below budget, primarily due to:

- **Customer Modernization:** $19.5 million below budget due to the timing of milestone-based billings for contract services.
- **XCT Modernization:** $3.4 million below budget due to the timing of design and construction for the new MCM shop.
- **Application Road Map - SAP Improvement Program:** $3.4 million below budget due to lower-than-budgeted contractor resources.

These variances were partially offset by:

- **Infrastructure Equipment Lifecycle and Growth:** $7.3 million above budget due to the timing of purchases for ADMS infrastructure equipment and Cohesity and NetApp storage hardware.

Water

Water capital expenditures were $0.6 million below budget.