Western Area
Power Administration

FY25 Budget vs Actual

Parker-Davis Project - Intertie Project
Central Arizona Project - ED5-Palo Verde Project

December 10, 2025

Agenda

- HQ Fiscal Year (FY) 2025 Budget vs Actual
- FY 2025 Budget vs Actual
- Prepayment Cash Flow and Reserve Balances

Work Plan Meeting Schedule

- FY25 Budget vs Actual Meeting (Today)
  - FY25 Revalidated Budget vs Actual
  - Cash Flow & Reserve Balances
- FY28 Work Plan Meeting (May 13th, 2026)
  - FY23-25 Actuals
  - FY26 Execution status
  - FY27 and FY28 Formulated Work Plan
  - FY29-32 Out-Years Work Plan

Western Area Power Administration

FY25 Budget vs Actual

PD-IN

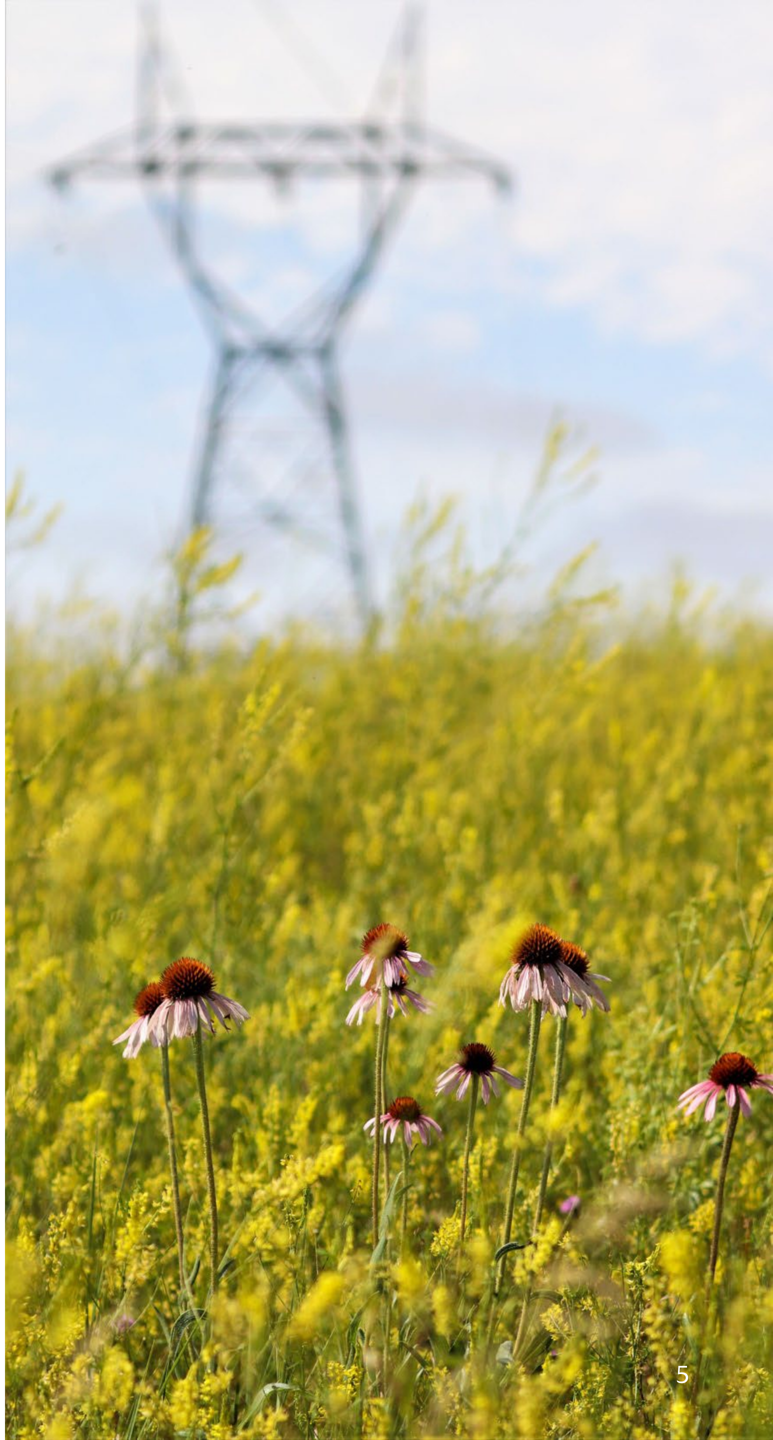
John Fileccia
VP of Budget & Analysis
(Acting)

Michelle Gillespie
HQ Financial Manager
(Acting)

Summary

- FY25 Factors
  - Adjusted workforce and hiring policies
  - Focus on mission critical activities
  - Additional requirements
  - Enacted funding levels

- FY26 Look ahead



HQ Total Program Trends and Observations

Expenditures

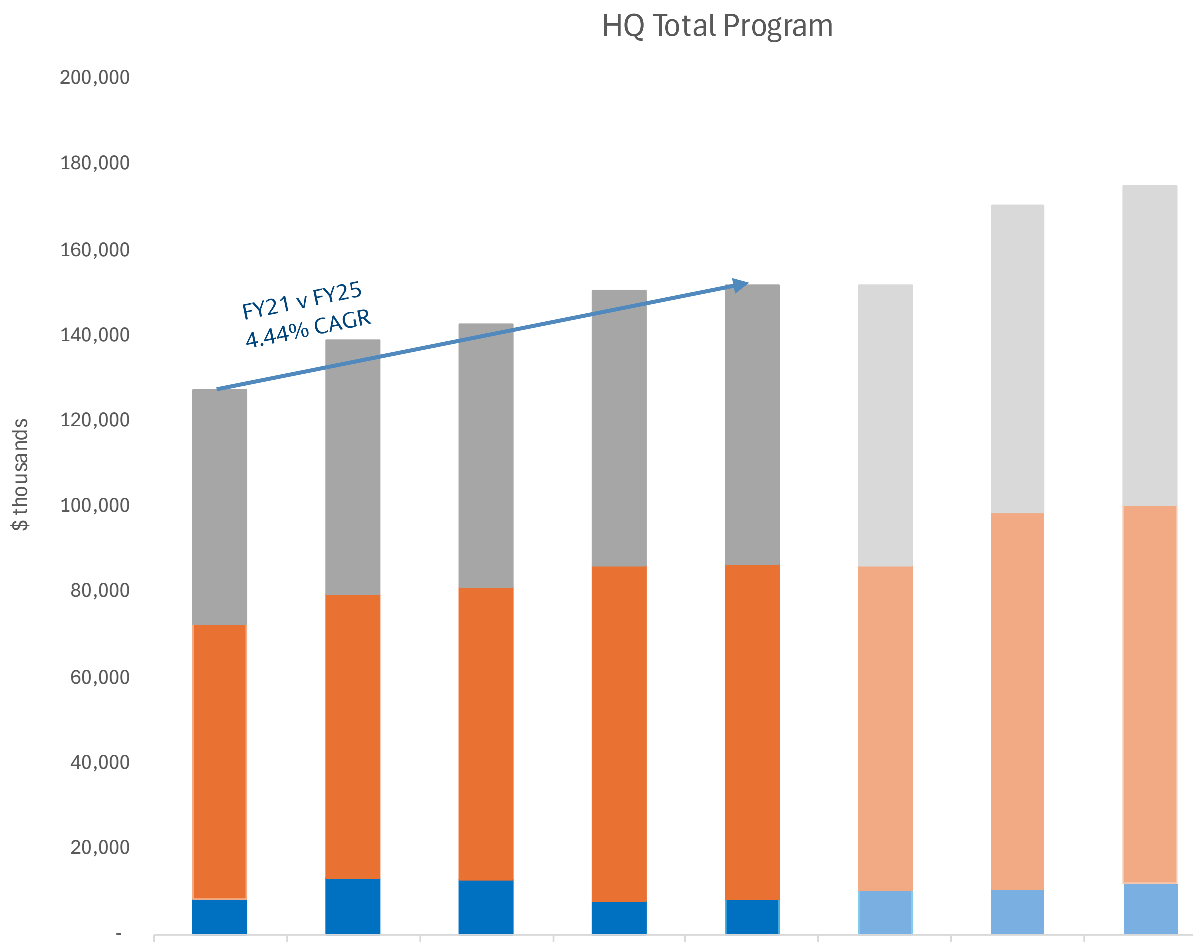
- Slight increase in FY25 expenditures over FY24
- Overall FY25 costs of $151M were in line with Budget Request of $151M

Fed Labor

- Procurement Reorg and FTE execution impacting results
- January 2025 GS increase for Denver was 2.2% and 5.37% in 2024

FY26 Budget

- Fed labor drivers
    - Increased vacancies due to DRP and hiring freeze
    - Potential costs for PCS RTO mandate
- O&M/Indirect - given growth in general inflation, approved additions, and revalidation of WAPA mission activities is still projecting to execute full request



	FY2021 Expenditure	FY2022 Expenditure	FY2023 Expenditure	FY2024 Expenditure	FY2025 Expenditure	FY2025 Request	FY2026 Request	FY2027 Request	FY2025 Request vs FY2025 Actual	FY2026 Request vs FY2025 Actual	FT2027 Request vs FY2025 Actual
O&M/Indirect	54,946	59,206	61,197	64,082	65,196	65,321	71,848	74,570	125	6,652	9,374
Fed Labor	64,358	66,584	68,630	78,695	78,251	75,999	88,020	88,462	(2,252)	9,769	10,211
Capital	8,128	13,079	12,730	7,643	8,166	10,225	10,541	11,794	2,059	2,375	3,629
Total	127,433	138,869	142,557	150,420	151,613	151,545	170,409	174,827	(69)	18,796	23,213

FY25 Request vs Actual Change

a) Capital = 20.14%
b) Labor = -2.96%
c) O&M/Indirect = 0.19%
d) Total = -0.05%, or -$69K overspend

Handout – WAPA-HQ

Power System	Cost Type	Organization	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY25 Work Plan	Over (Under) Expended	FY25 % Spent
WAPA-HQ								
	Indirect	A0 Administrative	$ 6,109,380	$ 6,148,455	$ 6,195,162	$ 6,828,155	$ (632,994)	-9%
		A2 OCIO	$ 46,132,958	$ 51,645,346	$ 49,904,100	$ 54,488,790	$ (4,584,690)	-8%
		A7 OCOO	$ 19,807,699	$ 22,229,612	$ 21,279,775	$ 22,722,305	$ (1,442,530)	-6%
		A8 OCFO	$ 8,926,252	$ 10,732,775	$ 9,397,407	$ 9,728,533	$ (331,126)	-3%
		A9 OCAO	$ 16,866,353	$ 19,544,488	$ 18,634,718	$ 19,255,062	$ (620,344)	-3%
		Total Indirect	**$ 97,842,641**	**$ 110,300,676**	**$ 105,411,161**	**$ 113,022,846**	**$ (7,611,685)**	**-7%**
	Expense	A0 Administrative	$ -	$ -	$ -	$ -	$ -	0%
		A2 OCIO	$ -	$ 180,542	$ -	$ -	$ -	0%
		A7 OCOO	$ -	$ -	$ -	$ -	$ -	0%
		A8 OCFO	$ -	$ -	$ 61,948	$ -	$ 61,948	0%
		Total Expense	**$ -**	**$ 180,542**	**$ 61,948**	**$ -**	**$ 61,948**	**0%**
	Capital	A2 OCIO	$ 6,854,474	$ 5,571,762	$ 4,468,728	$ 8,338,684	$ (3,869,956)	-46%
		A7 OCOO	$ 986,374	$ 478,352	$ 941,497	$ 802,000	$ 139,497	17%
		A8 OCFO	$ 184,960	$ 11,251	$ 15,426	$ 208,727	$ (193,301)	-93%
		Total Capital	**$ 8,025,809**	**$ 6,061,365**	**$ 5,425,651**	**$ 9,349,411**	**$ (3,923,760)**	**-42%**
	Direct	Indirect (Direct Allocation)	$ 6,799,227	$ 7,574,590	$ 9,926,329	$ 2,618,836	$ 7,307,492	279%
		Expense	$ 16,521,132	$ 16,788,981	$ 20,604,309	$ 18,206,404	$ 2,397,905	13%
		Capital	$ 9,678,938	$ 6,518,372	$ 6,698,701	$ 4,872,160	$ 1,826,541	37%
		Total Direct	**$ 32,999,298**	**$ 30,881,943**	**$ 37,229,339**	**$ 25,697,401**	**$ 11,531,938**	**45%**
		Total WAPA-HQ	**$ 138,867,747**	**$ 147,424,527**	**$ 148,128,098**	**$ 148,069,657**	**$ 58,440**	**0%**

Transfers into HQ

• Procurement re-organization	$4.82M
• External Audit	$1.04M
Total	**$5.86M**

Approved O&M/Indirect Additions

• IT Cybersecurity system	$1.17M
• IT Maintenance Agreements	$1.07M
• HR SSC support	$0.29M
Total	**$2.52M**

Expenditures vs Work Plan

Object Class Summary

Object Class Summary	Expenditures	FY25 Work Plan	$ Variance	% Variance
1100 - Federal Labor & Benefits	72,630,291.53	70,550,232.16	(2,080,059.37)	-3%
1151 - Overtime Payments	576,219.99	439,678.81	(136,541.18)	-31%
1152 - Cash Awards	2,135,401.59	1,946,204.02	(189,197.57)	-10%
12xx - Permanent Change of Station (PCS)	155,660.14	0.00	(155,660.14)	0%
21xx - Travel	740,514.14	1,071,890.21	331,376.07	31%
22xx - Transportation	52,872.35	55,103.49	2,231.14	4%
23xx - Rent, Communications, & Utilities	5,559,711.77	5,152,060.24	(407,651.53)	-8%
24xx - Printing & Reproduction	44,010.37	76,800.00	32,789.63	43%
251T - Training	479,642.65	1,442,598.95	962,956.30	67%
251x - Advisory & Assistance Services (Consultant)	2,386,288.16	3,084,161.50	697,873.34	23%
251x - Support Services (Contractor)	20,829,774.97	21,639,169.01	809,394.04	4%
257x - IT Maintenance Agreements	22,134,650.63	19,136,956.44	(2,997,694.19)	-16%
25xx - Services (Non-PD)	2,329,388.01	2,238,194.45	(91,193.56)	-4%
25xx - Services (PD)	9,881,258.53	9,708,165.67	(173,092.86)	-2%
26xx - Supplies & Materials	533,863.83	498,474.48	(35,389.35)	-7%
31xx - Capitalized Equipment	4,485,348.44	6,475,712.00	1,990,363.56	31%
31xx - Non-Capitalized Equipment	3,161,929.43	4,554,255.57	1,392,326.14	31%
32xx - Land, Structures & GFE	873.85	0.00	(873.85)	0%
42xx - Tort Claims	10,397.50	0.00	(10,397.50)	0%
5/6/7/8/9xxx - Other	0.00	0.00	0.00	0%
Grand Total	**148,128,097.88**	**148,069,657.00**	**(58,440.88)**	**0%**

Execution vs Expenditures

Object Class Summary

Object Class Summary	Execution	Expenditures	$ Variance	% Variance
1100 - Federal Labor & Benefits	72,631,303.63	72,630,291.53	(1,012.10)	0%
1151 - Overtime Payments	576,219.99	576,219.99	0.00	0%
1152 - Cash Awards	2,149,440.59	2,135,401.59	(14,039.00)	-1%
12xx - Permanent Change of Station (PCS)	575,286.33	155,660.14	(419,626.19)	-270%
21xx - Travel	664,404.92	740,514.14	76,109.22	10%
22xx - Transportation	83,001.21	52,872.35	(30,128.86)	-57%
23xx - Rent, Communications, & Utilities	5,771,164.66	5,559,711.77	(211,452.89)	-4%
24xx - Printing & Reproduction	0.00	44,010.37	44,010.37	100%
251T - Training	421,129.72	479,642.65	58,512.93	12%
251x - Advisory & Assistance Services (Consultant)	1,032,769.68	2,386,288.16	1,353,518.48	57%
251x - Support Services (Contractor)	20,933,397.68	20,829,774.97	(103,622.71)	0%
257x - IT Maintenance Agreements	21,723,874.31	22,134,650.63	410,776.32	2%
25xx - Services (Non-PD)	2,088,052.64	2,329,388.01	241,335.37	10%
25xx - Services (PD)	9,541,485.68	9,881,258.53	339,772.85	3%
26xx - Supplies & Materials	530,296.75	533,863.83	3,567.08	1%
31xx - Capitalized Equipment	4,284,777.48	4,485,348.44	200,570.96	4%
31xx - Non-Capitalized Equipment	3,066,400.35	3,161,929.43	95,529.08	3%
32xx - Land, Structures & GFE	873.85	873.85	0.00	0%
42xx - Tort Claims	10,397.50	10,397.50	0.00	0%
5/6/7/8/9xxx - Other	0.00	0.00	0.00	0%
Grand Total	**146,084,276.97**	**148,128,097.88**	**2,043,820.91**	**1%**

Handout – Direct

Power System	Cost Type	Organization	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY25 Work Plan	Over (Under) Expended	FY25 % Spent
DSW - Indirect								
	Indirect	A0 Administrative	$ 86,273	$ 71,515	$ 90,436	$ 132,647	$ (42,211)	-32%
		A2 OCIO	$ 440,901	$ 129,605	$ 420,121	$ 72,468	$ 347,652	480%
		A7 OCOO	$ 1,048,767	$ 534,764	$ 1,198,486	$ 713,349	$ 485,137	68%
		A8 OCFO	$ 305	$ -	$ 113,539	$ -	$ 113,539	0%
		A9 OCAO	$ 117,169	$ 1,398,250	$ 1,476,248	$ 36,090	$ 1,440,158	3990%
		Total Indirect	**$ 1,693,414**	**$ 2,134,134**	**$ 3,298,830**	**$ 954,554**	**$ 2,344,275**	**246%**
		Total DSW-Indirect	**$ 1,693,414**	**$ 2,134,134**	**$ 3,298,830**	**$ 954,554**	**$ 2,344,275**	**246%**

Power System	Cost Type	Organization	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY25 Work Plan	Over (Under) Expended	FY25 % Spent
Parker-Davis								
	Expense	A0 Administrative	$ 47,302	$ 87,564	$ 34,327	$ 50,807	$ (16,481)	-32%
		A2 OCIO	$ 1,434,723	$ 1,403,570	$ 1,671,301	$ 1,414,217	$ 257,085	18%
		A7 OCOO	$ 281,556	$ 283,967	$ 235,650	$ 329,301	$ (93,651)	-28%
		A8 OCFO	$ (204)	$ -	$ -	$ -	$ -	0%
		A9 OCAO	$ 9,278	$ 287,813	$ 1,291	$ 137,454	$ (136,163)	-99%
		Total Expense	**$ 1,772,655**	**$ 2,062,915**	**$ 1,942,568**	**$ 1,931,779**	**$ 10,790**	**1%**
	Capital	A0 Administrative	$ 49,755	$ 16,643	$ 2,151	$ 2,702	$ (550)	-20%
		A2 OCIO	$ 1,313,892	$ 675,666	$ 1,480,415	$ 250,570	$ 1,229,845	491%
		A7 OCOO	$ 645,491	$ 786,656	$ 267,895	$ 486,473	$ (218,578)	-45%
		A8 OCFO	$ -	$ -	$ -	$ -	$ -	0%
		A9 OCAO	$ 5,456	$ 20,133	$ 29,723	$ 27,037	$ 2,686	10%
		Total Capital	**$ 2,014,594**	**$ 1,499,097**	**$ 1,780,185**	**$ 766,783**	**$ 1,013,402**	**132%**
		Total Parker-Davis	**$ 3,787,249**	**$ 3,562,012**	**$ 3,722,753**	**$ 2,698,561**	**$ 1,024,192**	**38%**

Handout – Direct Cont.

Power System	Cost Type	Organization	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY25 Work Plan	Over (Under) Expended	FY25 % Spent
Intertie								
	Expense	A0 Administrative	$ 10,319	$ 17,783	$ 10,260	$ 6,351	$ 3,909	62%
		A2 OCIO	$ 167,708	$ 237,718	$ 285,777	$ 156,180	$ 129,597	83%
		A7 OCOO	$ 525,782	$ 365,268	$ 467,041	$ 654,007	$ (186,965)	-29%
		A8 OCFO	$ -	$ -	$ -	$ -	$ -	0%
		A9 OCAO	$ 349	$ 2,174	$ 373	$ 10,300	$ (9,927)	-96%
		Total Expense	**$ 704,159**	**$ 622,942**	**$ 763,452**	**$ 826,837**	**$ (63,386)**	**-8%**
	Capital	A0 Administrative	$ -	$ -	$ -	$ -	$ -	0%
		A2 OCIO	$ -	$ -	$ -	$ -	$ -	0%
		A7 OCOO	$ 5,205	$ 8,722	$ -	$ 20,250	$ (20,250)	-100%
		A9 OCAO	$ -	$ 1,501	$ (133)	$ -	$ (133)	0%
		Total Capital	**$ 5,205**	**$ 10,223**	**$ (133)**	**$ 20,250**	**$ (20,383)**	**-101%**
		Total Intertie	**$ 709,364**	**$ 633,165**	**$ 763,318**	**$ 847,087**	**$ (83,769)**	**-10%**

WAPA-HQ FY25 Budget vs Actual

All in by organization

HQ total expense by organization $2.16M overspent

- Admin underspent – ($0.44M)
- CIO underspent – ($0.87M)
- COO underspent – ($0.9M)
- CFO overspent – $0.24M ($1.1M in xfers)
- CAO overspent – $4.13M ($4.8M in xfers)

HQ total capital by organization ($2.10M) underspent

- Admin overspent – ($0.02M)
- CIO underspent – ($1.21M)
- COO underspent – ($0.47M)
- CFO underspent – ($0.19M)
- CAO underspent – ($0.24M)

Estimated Post Allocation Impact

- Parker-Davis estimated ($0.3M) underspent (expense)
- Parker-Davis estimated $0.4M overspent (capital)

- Intertie estimated ($0.1M) underspent (expense)
- Intertie estimated ($0.1M) underspent (capital)

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Reference

Terms and Definitions

Term	Definition
Indirect	Program requirements that are not assignable to specific projects (i.e. overhead)
Expense	Program requirements that are not capitalized but are related to specific projects
Capital	Program requirements that are capitalized and related to specific projects
Direct	Program requirements from HQ organizations that are charged directly to regional projects (expense/capital)
Direct Allocation	Program requirements from HQ organizations that are charged to a regional indirect cost pool (i.e. regional overhead)
Work Plan	Requirements identified during formulation
Revalidated	Requirements identified after formulation during the beginning of the execution year – remains within formulated control totals

Western Area Power Administration

FY 2025 Budget vs Actuals

Andrew Pierce
Supervisory Budget Analyst

Parker-Davis Project

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	$ 27,911,288	$ 30,866,006	$ (2,954,718)	111%
	Non-Maintenance	$ 16,627,339	$ 17,978,160	$ (1,350,821)	108%
	Subtotal O&M	**$ 44,538,627**	**$ 48,844,166**	**$ (4,305,540)**	**110%**
Capital	Prepayment	$ 48,122,339	$ 15,303,605	$ 32,818,734	32%
	Appropriations	$ 15,932,088	$ 2,015,679	$ 13,916,409	13%
	Subtotal Capital	**$ 64,054,427**	**$ 17,319,284**	**$ 46,735,143**	**27%**
Purchase Power & Wheeling (PPW)		$ 50,000,000	$ 35,935,470	$ 14,064,530	72%
	Subtotal PPW	**$ 50,000,000**	**$ 35,935,470**	**$ 14,064,530**	**72%**
	Grand Total	**$ 158,593,054**	**$ 102,098,920**	**$ 56,494,133**	**64%**

Intertie Project

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	$ 8,776,382	$ 8,424,269	$ 352,113	96%
	Non-Maintenance	$ 5,190,697	$ 5,567,125	$ (376,427)	107%
	Subtotal O&M	**$ 13,967,079**	**$ 13,991,394**	**$ (24,315)**	**100%**
Capital	Prepayment	$ 2,244,864	$ 408,632	$ 1,836,232	18%
	Appropriations	$ 1,426,902	$ 77,476	$ 1,349,426	5%
	Subtotal Capital	**$ 3,671,766**	**$ 486,108**	**$ 3,185,658**	**13%**
Purchase Power & Wheeling (PPW)		$ 20,000,000	$ 6,018,688	$ 13,981,312	30%
	Subtotal PPW	**$ 20,000,000**	**$ 6,018,688**	**$ 13,981,312**	**30%**
	Grand Total	**$ 37,638,845**	**$ 20,496,189**	**$ 17,142,656**	**54%**

Central Arizona Project

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	$ 2,910,901	$ 2,436,564	$ 474,337	84%
	Non-Maintenance	$ 2,156,824	$ 2,165,009	$ (8,186)	100%
	Subtotal O&M	**$ 5,067,724**	**$ 4,601,573**	**$ 466,151**	**91%**
Capital	Reimbursable only	$ 495,586	$ 42,226	$ 453,359	9%
	Subtotal Capital	**$ 495,586**	**$ 42,226**	**$ 453,359**	**9%**
Purchase Power & Wheeling (PPW)		$ 4,328,000	$ 1,290,388	$ 3,037,612	30%
	Subtotal PPW	**$ 4,328,000**	**$ 1,290,388**	**$ 3,037,612**	**30%**
(PPW Funds are Reimbursable)					
	Grand Total	**$ 9,891,310**	**$ 5,934,187**	**$ 3,957,123**	**60%**

ED5 - Palo Verde Project

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	$ 987,836	$ 561,223	$ 426,614	57%
	Non-Maintenance	$ 2,553,070	$ 3,445,127	$ (892,056)	135%
	Subtotal O&M	**$ 3,540,907**	**$ 4,006,349**	**$ (465,443)**	**113%**
Capital	No Capital Projects	$ -	$ -	$ -	0%
	Subtotal Capital	**$ -**	**$ -**	**$ -**	**0%**
Purchase Power & Wheeling (PPW)		$ -	$ -	$ -	0%
	Subtotal PPW	**$ -**	**$ -**	**$ -**	**0%**
	Grand Total	**$ 3,540,907**	**$ 4,006,349**	**$ (465,443)**	**113%**

FY 2025 – Highlights

- Execution hindered by restrictions to procurement, funding, and staffing
- Midyear guidance decreased appropriated capital funding – execution reflects DSW's funding received
- Personnel losses due to the Deferred Resignation Program (DRP)
- Staffing shortages both within the region and with HQ shared services
- Slowed Ten Year Plan progress due to escalating project costs and to work with customers on the path forward

FY 2025 - Highlights

- Parker-Davis Project O&M is executed at 110%, Capital executed at 27%, and PPW executed at 72%. Overall, Parker Davis Project executed at 64%.
- Intertie Project O&M is executed at 100%, Capital executed at 13%, and PPW executed at 30%. Overall, Intertie Project executed at 54%.
- Central Arizona Project O&M is executed at 91%, Capital executed at 9%, and PPW executed at 30%. Overall, Central Arizona Project executed at 60%.
- ED5-Palo Verde O&M is executed at 113%. There is no Capital or PPW on ED5-Palo Verde. Overall, ED%-Palo Verde executed at 113%.

Western Area Power Administration

Prepayment Cash Flow and Reserve Balances

Maria Gomez

Financial Program Analyst

Reserve Balances Strategy

- https://www.wapa.gov/about-wapa/the-source/financial-transparency/
- O&M
  - One quarter's annual budget plus 21 days
  - Contingency for continuing resolution and/or government shutdown
- Capital
  - Three years
  - Support the near-term alternatively financed capital and construction program projects
- PPW
  - Highest 3-year cumulative actual amount of net energy needed to meet Pick-Sloan Project's (largest project) contractual energy obligations

Prepayment Cash Flow

One Transmission Rate
Fiscal Years 2026 Through 2035 Forecast
DRAFT

	Beg Bal	Forecasted FY 2026	Forecasted FY 2027	Forecasted FY 2028	Forecasted FY 2029	Forecasted FY 2030	Forecasted FY 2031	Forecasted FY 2032	Forecasted FY 2033	Forecasted FY 2034	Forecasted FY 2035
Prepayment Inflows	176,526,601	94,265,880	94,024,680	94,024,680	98,717,740	98,854,680	98,854,680	98,854,680	98,854,680	98,854,680	98,854,680
Outflows											
O&M Budget	27,180,294	61,763,006	63,568,309	65,157,517	66,786,455	68,456,116	70,167,519	71,921,707	73,719,750	75,562,743	77,451,812
Capital O&M (RRADs) Budget	-	-	-	-	-	-	-	-	-	-	-
Construction	755,900	103,687,000	49,879,000	30,656,000	29,476,000	36,616,000	31,266,000	15,607,000	5,500,000	5,000,000	5,000,000
Total Outflows	27,936,194	165,450,006	113,447,309	95,813,517	96,262,455	105,072,116	101,433,519	87,528,707	79,219,750	80,562,743	82,451,812
Net Prepayment Total	**148,590,407**	**(71,184,126)**	**(19,422,629)**	**(1,788,837)**	**2,455,285**	**(6,217,436)**	**(2,578,839)**	**11,325,973**	**19,634,930**	**18,291,937**	**16,402,868**
Non-Prepayment Inflows	-	37,143,767	37,143,767	37,143,767	37,143,767	37,143,767	37,143,767	37,143,767	37,143,767	37,143,767	37,143,767
Outflows											
Purchased Power Expense	-	94,816,947	94,854,062	94,854,062	94,854,062	94,854,062	94,854,062	94,854,062	94,854,062	94,854,062	94,854,062
Transfers Within Western (Line Loss)	-	-	-	-	-	-	-	-	-	-	-
Total Outflows	-	94,816,947	94,854,062	94,854,062	94,854,062	94,854,062	94,854,062	94,854,062	94,854,062	94,854,062	94,854,062
Net Non-Prepayment Total	-	**(57,673,180)**	**(57,710,295)**	**(57,710,295)**	**(57,710,295)**	**(57,710,295)**	**(57,710,295)**	**(57,710,295)**	**(57,710,295)**	**(57,710,295)**	**(57,710,295)**
Return to Treasury (Non-Prepayment)	-	(57,673,180)	(57,710,295)	(57,710,295)	(57,710,295)	(57,710,295)	(57,710,295)	(57,710,295)	(57,710,295)	(57,710,295)	(57,710,295)
Return to Treasury (Prepayment)	-	-	-	-	-	-	-	-	-	-	-
Net Cash	**148,590,407**	**(71,184,126)**	**(19,422,629)**	**(1,788,837)**	**2,455,285**	**(6,217,436)**	**(2,578,839)**	**11,325,973**	**19,634,930**	**18,291,937**	**16,402,868**
End of Year Cash	**148,590,407**	**77,406,281**	**57,983,652**	**56,194,815**	**58,650,101**	**52,432,665**	**49,853,826**	**61,179,799**	**80,814,729**	**99,106,666**	**115,509,534**
Reserve Balances Strategy											
3 years construction		110,011,000	96,748,000	97,358,000	83,489,000	52,373,000	26,107,000	15,500,000	100,000,000	100,000,000	100,000,000
O&M 111 days		18,782,722	19,331,732	19,815,026	20,310,401	20,818,161	21,338,615	21,872,081	22,418,883	22,979,355	23,553,839
Reserve Balances Strategy Total	-	**128,793,722**	**116,079,732**	**117,173,026**	**103,799,401**	**73,191,161**	**47,445,615**	**37,372,081**	**122,418,883**	**122,979,355**	**123,553,839**

Cash Flow and Reserve Balances Strategy Overview

- Looking Back
  - Forecast updated from last year
  - Changes to the 10-Year Plan

- Where We Are
  - Forecasted to be less than the Reserve Balances Strategy through 2030 (orange highlight)

- Moving Forward
  - Monitor and evaluate cash position
  - Report to customers on a semi-annual basis

Cash Flow Summary

- No access to non-prepayment funds for O&M or capital
  - Used only for purchase power and wheeling
  - Unable to use surplus non-prepayment funds due to not having Net Zero authority

- What happens next?
  - Monitor and adjust capital plans – construction & capital O&M
  - Identify alternative funding sources

Approved Prepayment Budget vs Prepayment Cash Balance

Prepayment Project Funding Execution as of 9/30/25		
Project	Project Budget	Remaining Budget as of 9/30/25
Bouse Upgrade Project	$ 79,436,000	$ 61,601,292
Bouse-Kofa 161-kV Rebuild	$ 26,520,000	$ 4,558,819
Coolidge Station Service Replacements	$ 3,673,000	$ 3,673,000
Crossman Peak Microwave Facility	$ 4,525,000	$ 2,771,548
Gila Substation 69-kV Rebuild	$ 17,900,000	$ 11,753,696
Gila-Knob 161-kV Remaining Rebuild	$ 32,322,000	$ 31,124,178
Kofa-Dome Tap 161-kV Rebuild	$ 5,138,000	$ 1,429,602
Liberty Station Service Replacements	$ 1,390,000	$ 728,107
Mead Access Road Repair	$ 2,612,000	$ 698,357
Mead Domestic Waterline Repair	$ 1,692,000	$ 577,215
Oracle-Tucson 115-kV Rebuild	$ 11,130,000	$ 10,503,924
Parker-Blythe 161-kV #2 Rebuild Phase-1	$ 14,209,000	$ 11,629,697
Parker-Blythe 161-kV #2 Rebuild Phase-2	$ 13,876,000	$ 13,431,706
Parker-Blythe 161-kV #2 Rebuild Phase-3	$ 13,876,000	$ 13,876,000
Pinnacle Peak - Rogers 230-kV Restoration	$ 6,850,000	$ 1,663,626
Wood Pole Replacement Program FY22-25	$ 13,697,000	$ 1,208,710
Wood Pole Replacement Program FY26-28	$ 15,000,000	$ 14,000,000
Total	$ 263,846,000	$ 185,229,477

	Projected End of Year Cash Balance
FY 2026	$ 77,406,281
FY 2027	$ 57,983,652
FY 2028	$ 56,194,815
FY 2029	$ 58,650,101
FY 2030	$ 52,432,665
FY 2031	$ 49,853,826

• Questions

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