Western Area Power Administration

DSW Transmission Projects

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

FY 2028 Work Plan

Neilia Abban
Financial Manager
May 13, 2026

Agenda

- Fiscal Year (FY) 2028 Work Plan introduction
- WAPA-wide and HQ FY 2028 Work Plan
- FY 2026 Execution
- FY 2027 to FY 2028 Work Plan comparison
- Cash flow and reserve balances
- Transmission System Asset Management
- Revenue requirement analysis

Western Area Power Administration

FY 2028 Work Plan

Customer Meeting

John Fileccia
VP of Budget & Analysis
Michelle Gillespie
HQ Financial Manager

Budget Overview

Budget Guidance

Budget vs Guidance

Total Program

FY 2028 Budget Guidance by Category

FTE & Labor

FTE
- Assumes 1,521 FTE

Labor
- Assume full FTE execution.
- Apply data-driven labor rates.
- Wage Board (WB) & Administratively Determined (AD) salaries determined by region.
- Cash awards based on DOE guidance.
- Relocation will remain a Labor expense, joined by Recruitment, Retention and Internal Detail costs.
- Overtime, Awards, and PCS costs are now in Fed Labor

O&M/Indirect

O&M and Indirect
- Increases expected to be offset in discretionary spend areas
- Limited to FY 2027 +2.5%

Other considerations
- Net receipts (before reserve balance matching) ≥ depreciation + interest for the rate setting system requires Administrator approval.
- Contracted services for IT, Technical and Administrative will be the lower of Discretionary guidance or option year pricing. Additional scope or positions require Administrator approval.
- Rate impact assessment
- Safety, physical, & cybersecurity needs remain a top priority

PPW

Purchase Power & Wheeling
- PPW should be base-case assumptions for pricing and volume
- All requests should be supported with relevant data

Capital

Evaluation
- $500k+ projects require Project Initiation Documents (PIDs)

Feasibility assessment
- Requests >15% of historical expenditures require Administrator approval via the Additions and Exceptions process.
- Threshold applies to the formulation year, and the 5-year window

Project funding
- Appropriation assumptions will be consistent with allocation process
- Consistent with rate, cash flow estimates and customer coordination

Budget vs Guidance Overview

FTE & Labor

FTE
- All regions met guidance

Labor
- All regions met guidance
- 3.2% YoY increase
- 3.6% YoY increase per FTE

O&M/Indirect

O&M/Indirect
- Results compared to guidance

CRSP	($0.12M)	(-4.9%)
DSW	($0.01M)	(0.0%)
HQ	($0.59M)	(-0.8%)
RMR	$0.00	(0.0%)
SNR	$1.83M	(8.2%)
UGP	$0.59M	(2.3%)
Total	$1.70M	(0.9%)

Other considerations
- N/A

PPW

Purchase Power & Wheeling
- $468M 79% increase from FY25 actuals

Capital

Feasibility
- Above guidance
- DSW $23M
- SNR $11M
- UGP $5M
- HQ $1.7
- Total $33M

Other considerations
- N/A

Total Program Results and Trends

Increases projected in all areas except PPW

FY23 thru FY28

4.7% annual growth (CAGR)

4 budget categories (CAGR):

a) PPW (+5.6%)
b) Capital (-0.3%)
c) Labor (+4.5%)
d) O&M/Indirect (+5.0%)

FY28 Year over Year Change (FY27 to FY28)

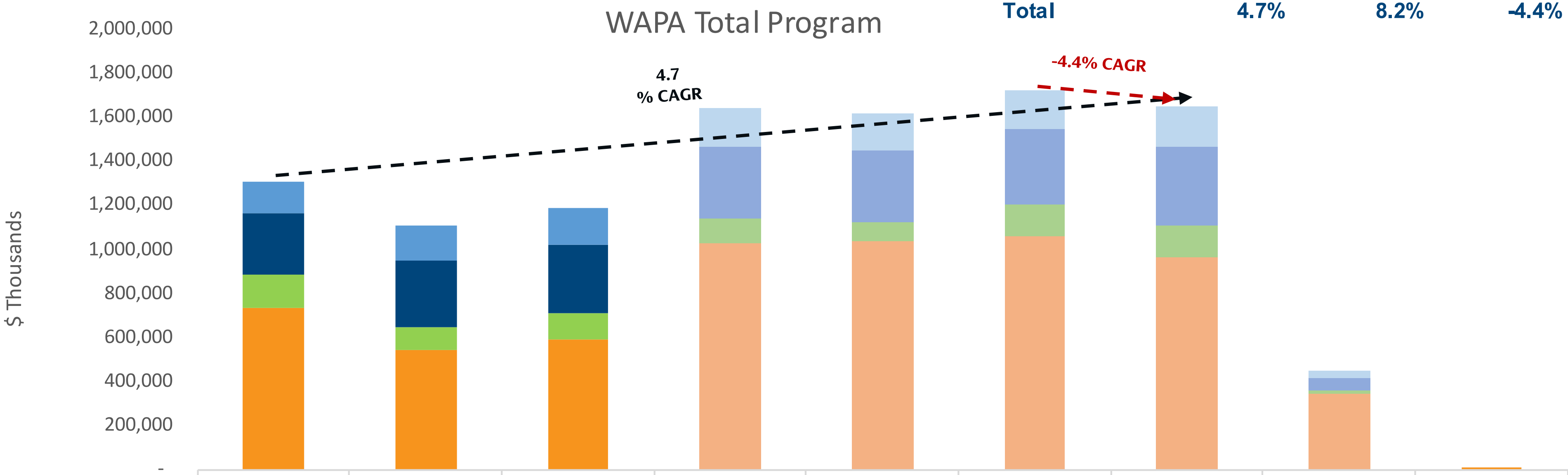
-4.4% projected decrease

4 budget categories:

a) PPW (-9.4%)
b) Capital (+5.1%)
c) Labor (+3.2%)
d) O&M/Indirect (+2.7%)
e) Total (-4.4%, or -$76M)

CAGR Calculations

Purpose	FY23-FY28	Avg-FY28	FY27 - FY28
PPW	5.6%	11.5%	-9.4%
Capital	-0.3%	4.3%	5.1%
Fed Labor	4.5%	4.3%	3.2%
O&M/Indirect	5.0%	4.1%	2.7%
Total	4.7%	8.2%	-4.4%



	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Work Plan	FY26 Revalidation	FY27 Work Plan	FY28 Work Plan	FY28 vs 3-Yr Avg	FY28 vs 3-Yr Avg %
O&M/Indirect	143,383	152,303	172,011	168,705	169,114	178,195	182,976	27,076	17.4%
Fed Labor	284,288	303,459	309,143	331,639	323,023	343,181	354,143	55,180	18.5%
Capital	148,528	108,388	114,795	110,765	91,218	139,413	146,551	22,647	18.3%
PPW	732,469	539,862	592,992	1,026,404	1,034,319	1,061,556	962,187	340,413	54.7%
Total	1,308,669	1,104,012	1,188,941	1,637,513	1,617,675	1,722,345	1,645,857	445,316	37.1%

26%, or $337M in total

Total Program Results and Trends (excludes PPW)

Increases projected in all areas.

CAGR Calculations			
Purpose	FY23-FY28	Avg-FY28	FY27 - FY28
Capital	-0.3%	4.3%	5.1%
Fed Labor	4.5%	4.3%	3.2%
O&M/Indirect	5.0%	4.1%	2.7%
Total w.o. PPW	3.5%	4.3%	3.5%

FY23 thru FY28

3.5% annual growth (CAGR)

4 budget categories (CAGR):

a) Capital (-0.3%)
b) Labor (+4.5%)
c) O&M/Indirect (+5.0%)

FY28 Year over Year Change (FY27 to FY28)

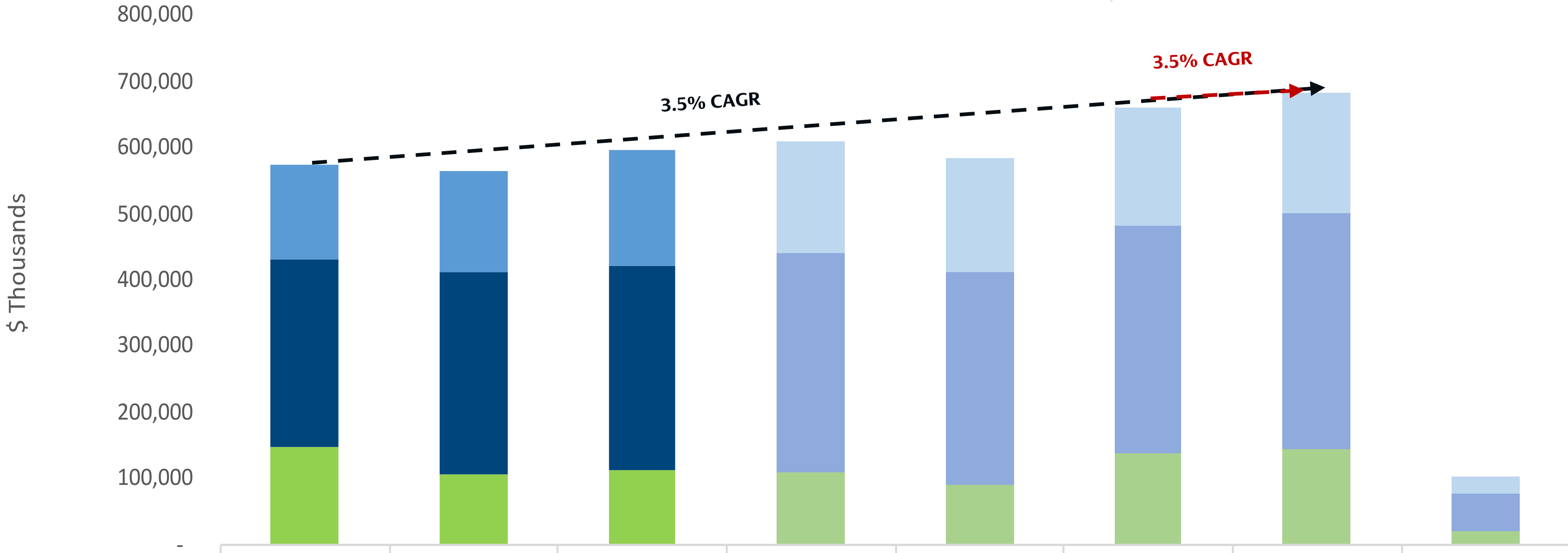
3.5% projected increase

4 budget categories:

a) Capital (+5.1%)
b) Labor (+3.2%)
c) O&M/Indirect (+2.7%)

e) Total (3.5%, or $23M)

WAPA Total Program (excludes PPW)



	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Work Plan	FY26 Revalidation	FY27 Work Plan	FY28 Work Plan	FY28 vs 3-Yr Avg	FY28 vs 3-Yr Avg %
O&M/Indirect	143,383	152,303	172,011	168,705	169,114	178,195	182,976	27,076	17.4%
Fed Labor	284,288	303,459	309,143	331,639	323,023	343,181	354,143	55,180	18.5%
Capital	148,528	108,388	114,795	110,765	91,218	139,413	146,551	22,647	18.3%
Total (w.o. PPW)	576,200	564,150	595,948	611,109	583,355	660,789	683,669	104,904	18.1%

19%, or $107M in total

Federal Labor

Federal Labor Results and Trends

Drivers include labor inflation and full FTE execution assumption

FY28 assumes 1,521 FTE

FY23 thru FY28

Total Labor:

4.5% annual growth (CAGR)

Per FTE:

3.3% annual growth (CAGR)

Drivers:

- Inflation in compensation and benefits
- Increases in each pay type including WB, AD, and GS
- Full FTE execution assumption

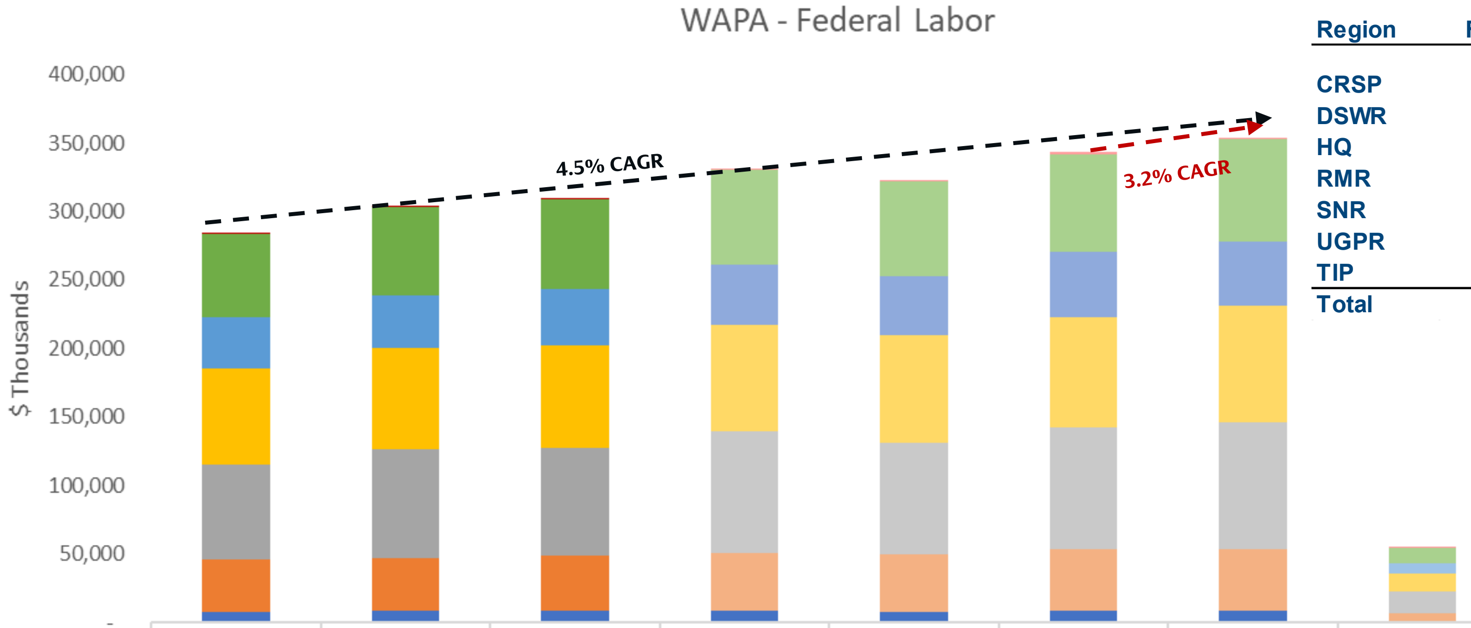
FY28 Year over Year Change

Total Labor:

3.2% annual growth (CAGR)

Per FTE:

3.6% annual growth (CAGR)



	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Work Plan	FY26 Revalidation	FY27 Work Plan	FY28 Work Plan	FY28 vs 3yr Avg	FY28 vs 3yr Avg %
TIP	693	552	551	1,309	1,269	1,318	$1,385	786	131.4%
UGPR	60,508	63,819	65,543	69,179	69,202	71,698	$74,571	11,281	17.8%
SNR	37,364	38,957	40,886	43,745	42,803	47,417	$46,655	7,586	19.4%
RMR	70,657	73,606	74,444	77,787	78,316	80,210	$85,793	12,890	17.7%
HQ	69,358	79,426	78,977	88,646	81,709	89,117	$91,791	15,871	20.9%
DSWR	38,033	38,600	40,181	42,671	42,057	44,813	$45,328	6,390	16.4%
CRSP	7,674	8,499	8,560	8,302	7,667	8,608	$8,621	376	4.6%
Total	284,288	303,459	309,143	331,639	323,023	343,181	$354,143	55,180	18.5%

CAGR Calculations

Region	FY23-FY28	Avg-FY28	FY27 - FY28
CRSP	2.4%	1.1%	0.1%
DSWR	3.6%	3.9%	1.1%
HQ	5.8%	4.9%	3.0%
RMR	4.0%	4.2%	7.0%
SNR	4.5%	4.5%	-1.6%
UGPR	4.3%	4.2%	4.0%
TIP	14.9%	23.3%	5.1%
Total	4.5%	4.3%	3.2%

Capital

Capital Results and Trends (excludes Fed Labor)

Projecting increase in Substations

3-year average to FY28

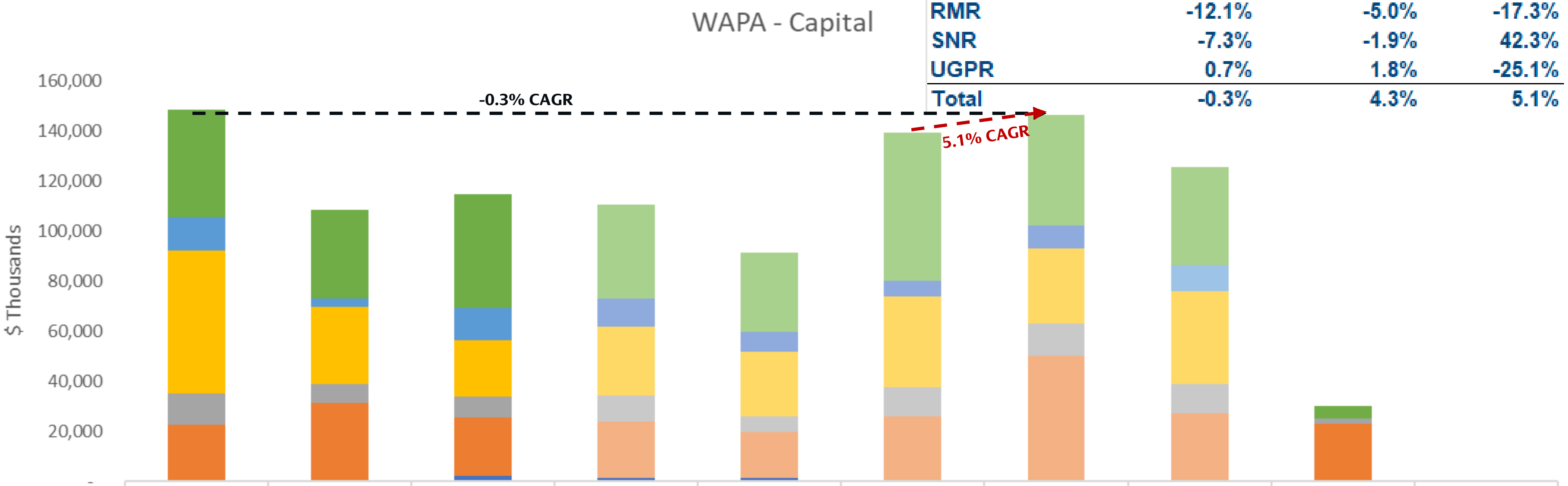
- 4.3% annual growth (CAGR)
- Projecting increase in Substations

FY28 Year over Year Change

5.1% annual growth (CAGR)

Driven primarily by Subs

CAGR Calculations			
Region	FY23-FY28	Avg-FY28	FY27 - FY28
CRSP	0.0%	-100.0%	0.0%
DSWR	17.4%	18.1%	94.5%
HQ	0.7%	8.5%	11.3%
RMR	-12.1%	-5.0%	-17.3%
SNR	-7.3%	-1.9%	42.3%
UGPR	0.7%	1.8%	-25.1%
Total	-0.3%	4.3%	5.1%



	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Work Plan	FY26 Revalidation	FY27 Work Plan	FY28 Work Plan	FY28 Guidance	FY28 vs Guidance	FY28 vs Guidance
UGPR	42,929	35,547	45,561	37,870	31,635	59,237	44,379	39,402	4,977	12.6%
SNR	13,292	3,297	12,862	11,132	8,000	6,398	9,102	10,289	(1,187)	-11.5%
RMR	57,238	30,637	22,736	27,361	25,741	36,328	30,050	37,335	(7,284)	-19.5%
HQ	12,694	7,606	8,138	10,541	6,303	11,794	13,126	11,401	1,725	15.1%
DSWR	22,375	31,082	23,598	22,825	18,505	25,655	49,893	26,755	23,139	86.5%
CRSP	-	219	1,901	1,035	1,035	-	-	558	(558)	-100.0%
Total	148,528	108,388	114,795	110,765	91,218	139,413	146,551	125,740	20,811	16.6%

Capital 5-Year Window (includes Fed Labor)

Projecting large increases in 5-year window

Region	5Yr Actual	5-yr Window	Change	% Change
DSWR	$ 196,384	$ 172,755	$ (23,629)	-12.0%
HQ	$ 58,033	$ 74,111	$ 16,078	27.7%
RMR	$ 219,578	$ 349,512	$ 129,934	59.2%
SNR	$ 55,101	$ 91,862	$ 36,761	66.7%
UGPR	$ 259,877	$ 428,199	$ 168,322	64.8%
Total	**$ 788,974**	**$ 1,116,439**	**$ 327,466**	**41.5%**

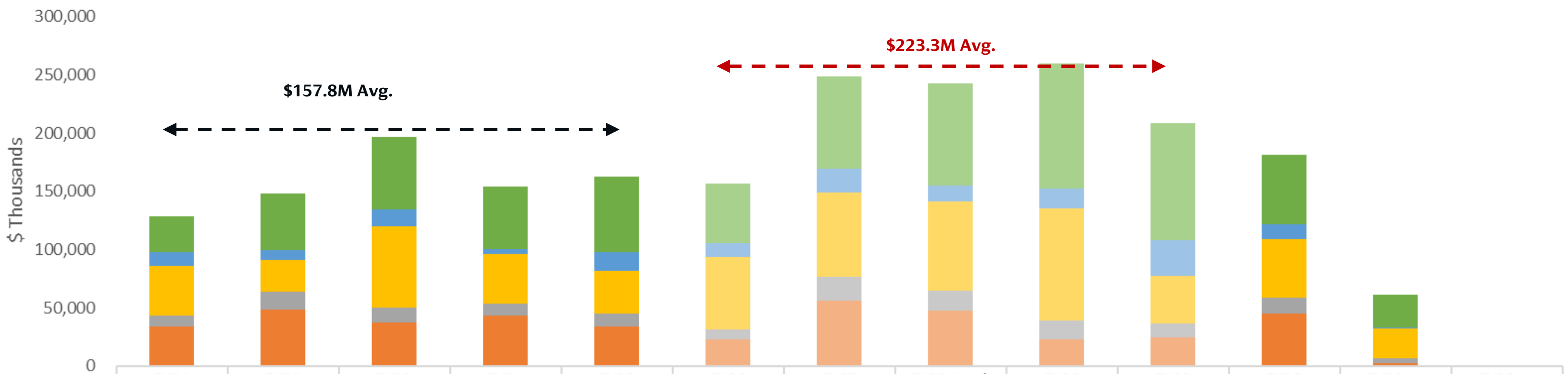
5-Year Window

- 41.5% projected growth or $327M
- Assumes avg. increase of $65M execution per year

Budget Guidance:

- 5-Year Avg of Expenditures +15%
- Applies to FY28

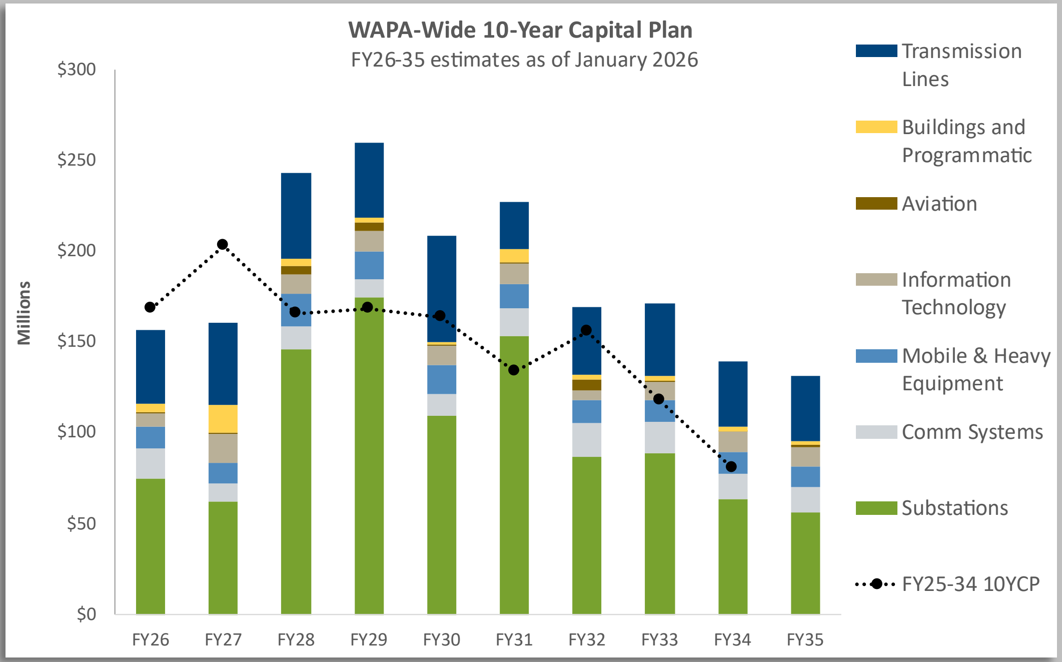
WAPA 10-Year Plan (5-yr Window)

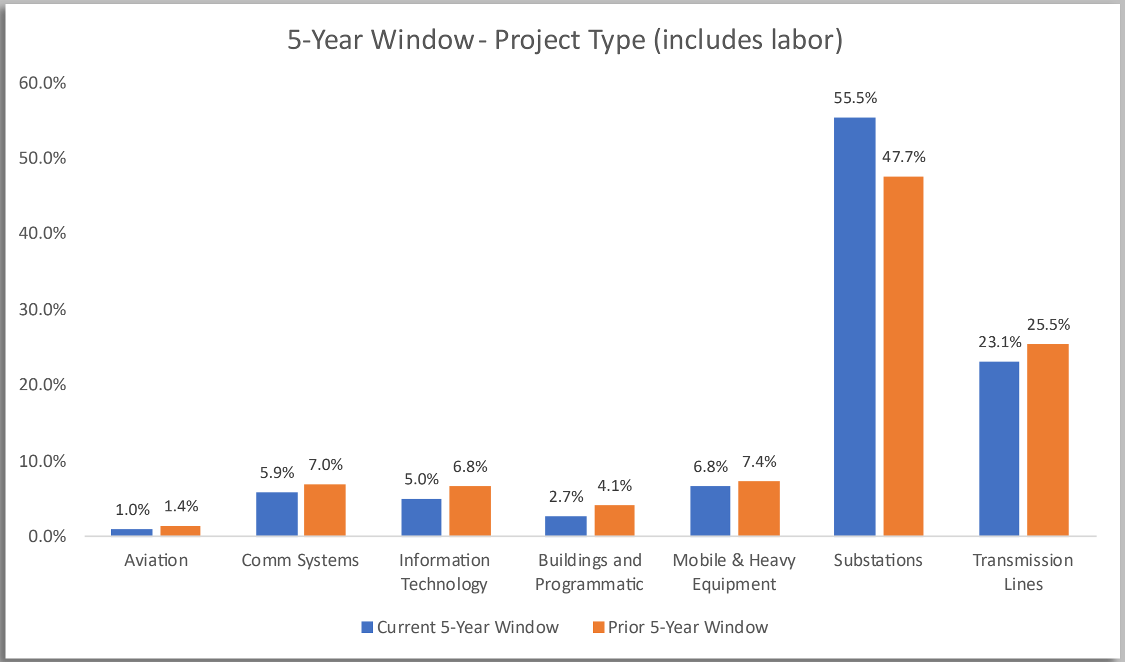


	FY21 Expenditures	FY22 Expenditures	FY23 Expenditures	FY24 Expenditures	FY25 Expenditures	FY26 Revalidation	FY27 Revalidation	FY28 Work Plan	FY29 Revalidation	FY30 Revalidation	FY28 Guidance	FY28 vs Guidance	FY28 vs Guidance %
UGPR	30,809	48,240	62,216	53,721	64,892	51,819	79,659	88,197	107,815	100,709	59,773	28,423	47.6%
SNR	12,089	8,598	14,472	4,253	15,689	11,437	19,941	13,248	16,768	30,467	12,674	575	4.5%
RMR	42,717	27,636	69,285	42,535	37,404	62,269	72,632	76,761	96,522	41,329	50,505	26,256	52.0%
HQ	9,162	14,907	13,144	10,132	10,687	8,451	20,746	16,884	16,390	11,640	13,348	3,536	26.5%
DSWR	33,950	48,328	37,200	43,166	33,740	22,833	55,675	47,714	22,273	24,260	45,170	2,545	5.6%
Total	128,728	147,710	196,317	153,807	162,412	156,809	248,652	242,804	259,768	208,405	181,469	61,335	34%

Capital Planning at a Glance

Shifts from Transmission Lines to Substations





O&M/Indirect

O&M/Indirect Results and Trends

Projecting modest growth

CAGR Calculations			
Region	FY23-FY28	Avg-FY28	FY27 - FY28
CRSP	4.5%	7.0%	-2.5%
DSWR	5.4%	6.0%	2.5%
HQ	4.4%	4.6%	1.7%
RMR	5.4%	1.5%	2.5%
SNR	6.6%	1.0%	4.5%
UGPR	4.4%	6.3%	4.9%
Total	5.0%	4.1%	2.7%

FY23 thru FY28

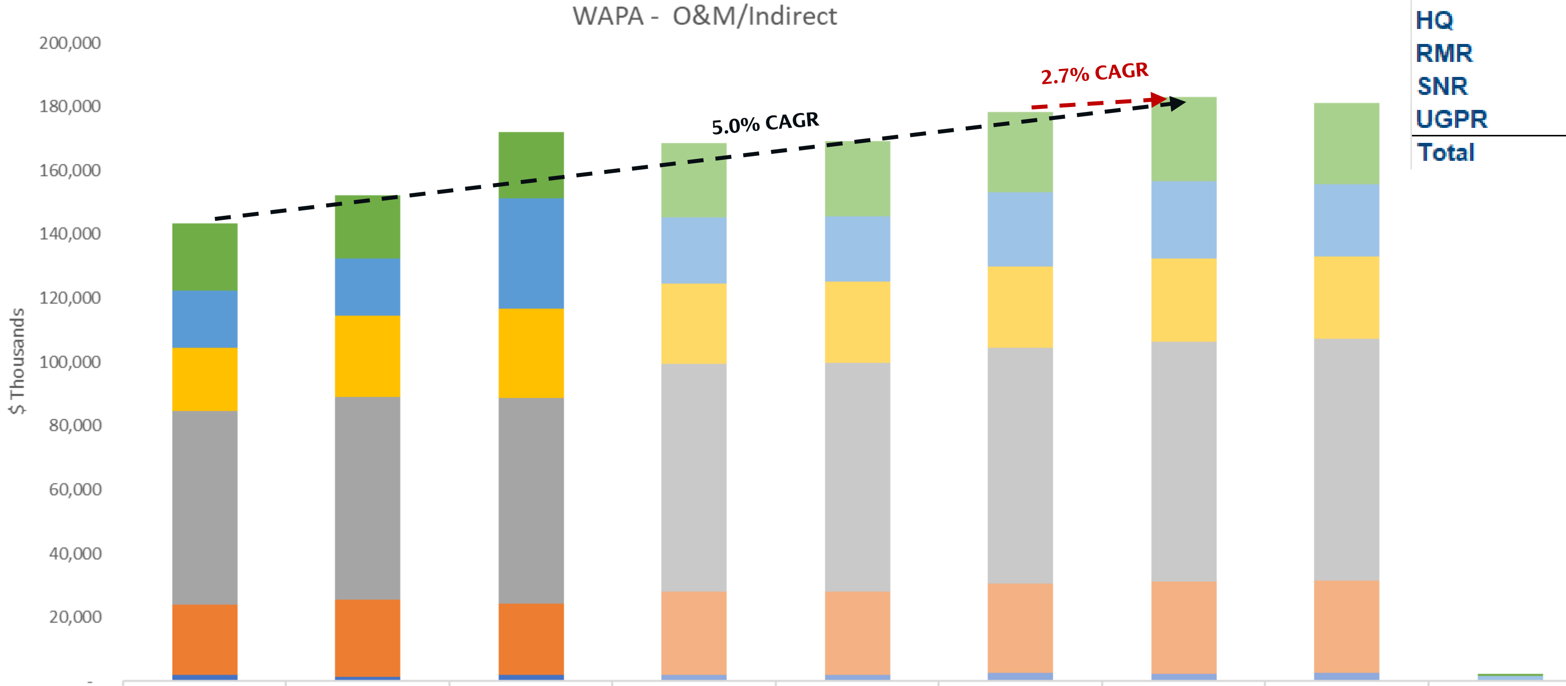
5.0% annual growth (CAGR)

Budget Guidance:

- FY27 + 2.5%
- SNR & UGP are above guidance, and each have A&E's

FY28 Year over Year Change

2.7% annual growth (CAGR)



	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Work Plan	FY26 Revalidation	FY27 Work Plan	FY28 Work Plan	Budget Guidance	FY28 vs Budget Guidance	FY28 vs Budget Guidance %
UGPR	21,111	19,944	20,673	23,435	23,420	25,021	$26,238	$25,647	$591	2.3%
SNR	17,692	17,988	34,461	20,567	20,567	23,305	$24,344	$22,509	$1,835	8.2%
RMR	19,941	25,252	28,002	25,372	25,372	25,271	$25,907	$25,902	$5	0.0%
HQ	60,524	63,390	64,493	71,232	71,720	73,925	$75,183	$75,773	$(591)	-0.8%
DSWR	22,152	24,226	22,249	26,178	26,115	28,166	$28,859	$28,870	$(11)	0.0%
CRSP	1,964	1,504	2,132	1,921	1,921	2,508	$2,445	$2,570	$(125)	-4.9%
Total	143,383	152,303	172,011	168,705	169,114	178,195	$182,976	$181,271	$1,704	0.9%

HQ Work Plan Overview

FY 2028 Formulation

HQ Total Program Results and Trends

CAGR Calculations

Purpose	FY23-FY28	Avg-FY28	FY27 - FY28
Capital	0.7%	8.5%	11.3%
Fed Labor	5.8%	4.9%	3.0%
O&M/Indirect	4.4%	4.6%	1.7%
Total	4.8%	5.0%	3.0%

FY23 thru FY28

4.8% annual growth (CAGR)

3 budget categories (CAGR):

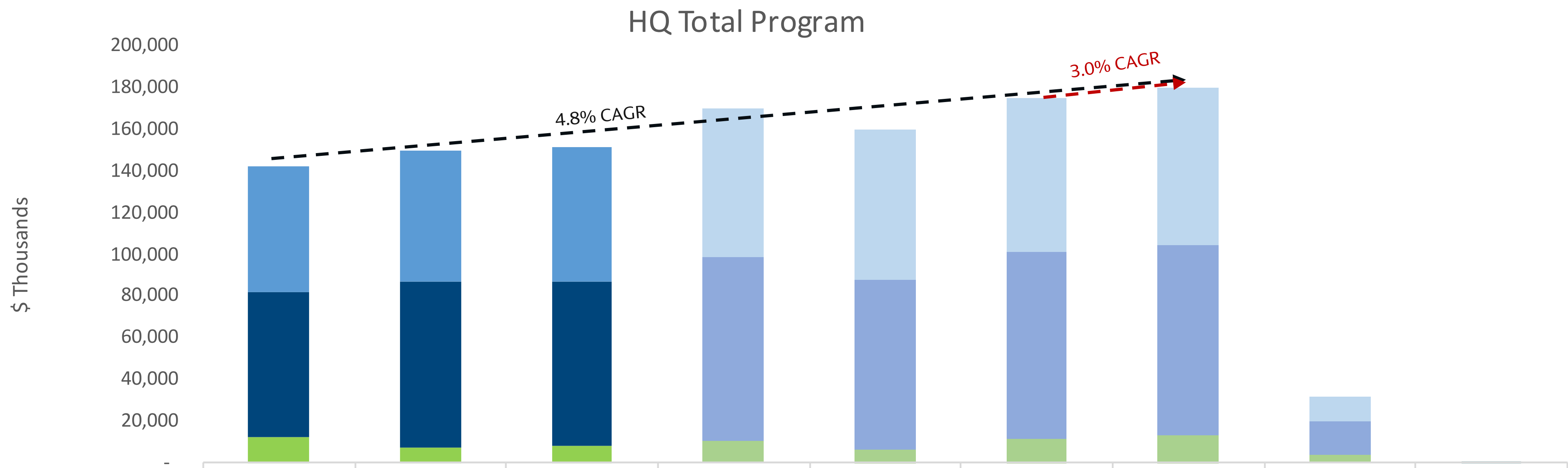
a) Capital (0.7%)
b) Labor (5.8%)
c) Discretionary (4.4%)

FY28 Year over Year Change

3.0% projected growth in total

3 budget categories:

a) Capital (11.3%)
b) Labor (3.0%)
c) Discretionary (1.7%)
d) Total (3.0%, or $5.3M)



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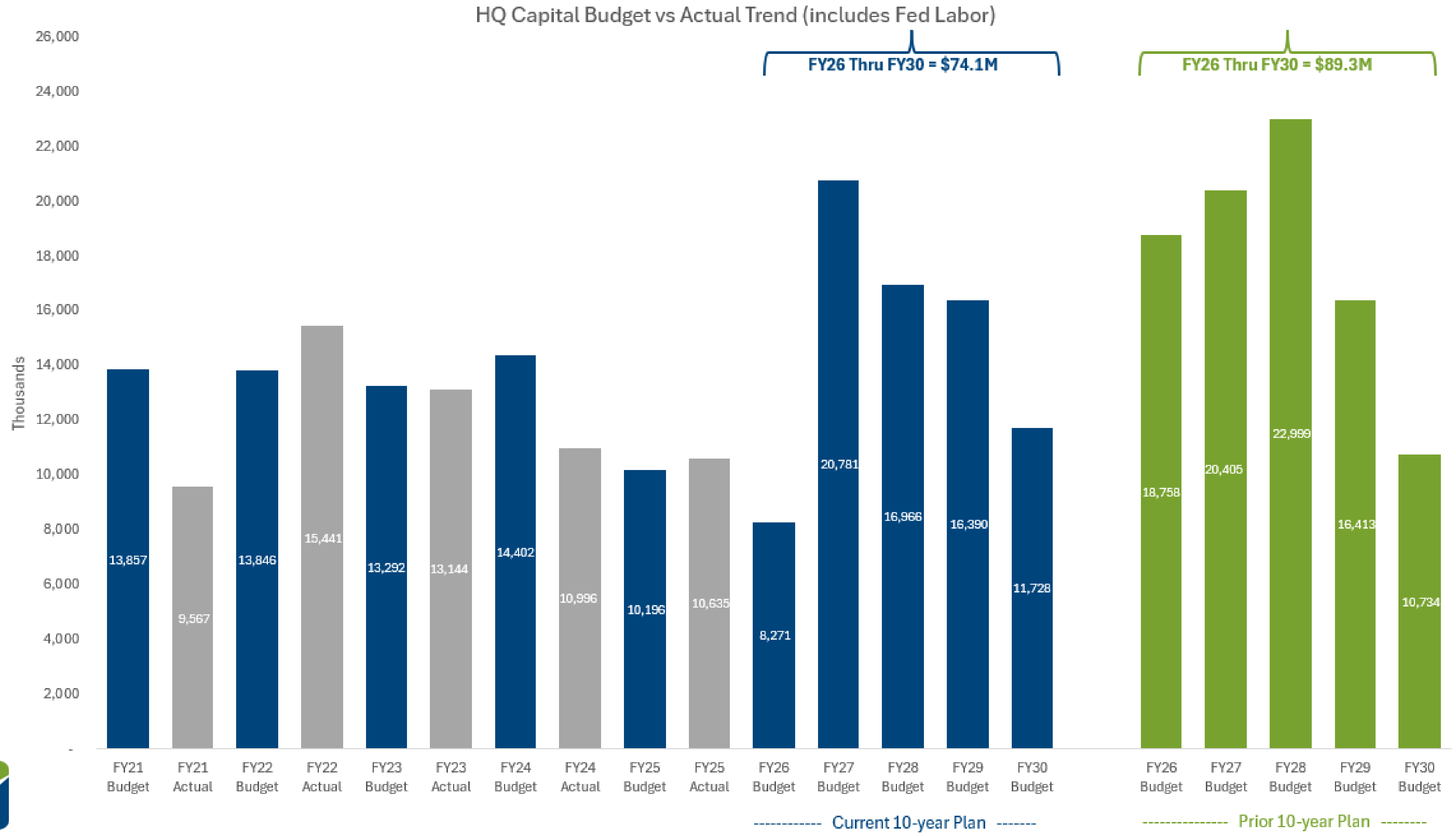
O&M/Indirect	60,524	63,390	64,493	71,232	71,720	73,925	75,183	12,381	19.7%
Fed Labor	69,358	79,426	78,977	88,646	81,709	89,117	91,791	15,871	20.9%
Capital	12,694	7,606	8,138	10,541	6,303	11,794	13,126	3,646	38.5%
Total	142,576	150,422	151,607	170,419	159,731	174,837	180,099	31,897	21.5%

HQ Capital Budget vs Actual



HQ 10YCP, $1M+ Projects

Org	Project	AY26	AY27	AY28	AY29	AY30	AY31	AY32	AY33	AY34	AY35	Total
A20 - Office of the CIO	Lifecycle & Strategic Initiatives	0	0	0	0	0	529,732	0	0	1,834,000	0	**2,363,732**
	Total	**0**	**0**	**0**	**0**	**0**	**529,732**	**0**	**0**	**1,834,000**	**0**	**2,363,732**
A26 - Infrastructure	RMR/DSW SCADA and Support Services Replacement	0	0		146,000	1,034,000	0	0		652,000	1,027,000	**2,859,000**
	SESC Infrastructure Environment Lifecycle Refresh	0	0	0	0	2,239,000	0	0	0	0	2,462,900	**4,701,900**
	Total	**0**	**0**	**0**	**146,000**	**3,273,000**	**0**	**0**	**0**	**652,000**	**3,489,900**	**7,560,900**
A27 - SCADA	Common SCADA/EMS	1,829,554	2,612,310	295,423	0	0	0	0	0	0		**4,737,287**
	RMR/DSW Common EMS Software Lifecycle					2,085,000	1,955,000			0	1,900,000	**5,940,000**
	SNR Common EMS Software Lifecycle		2,050,000	930,000				1,550,000	2,550,000	0		**7,080,000**
	Synchrophasor Data Historical Capability	0	1,190,000	0	0	0	0	0	0	0		**1,190,000**
	UGP Common EMS Software Lifecycle			790,000	464,000				1,520,000	820,000		**3,594,000**
	Total	**1,829,554**	**5,852,310**	**2,015,423**	**464,000**	**2,085,000**	**1,955,000**	**1,550,000**	**4,070,000**	**820,000**	**1,900,000**	**22,541,287**
A28 - Enterprise Apps	FIMS Upgrade or Enhancement	0	0	0	0	0	0	0	1,900,000	2,625,000	0	**4,525,000**
	Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,900,000**	**2,625,000**	**0**	**4,525,000**
A29 - PMM	Metering Strategy - MV90 Infrastructure Enhancement	0	0	0	0	750,000	750,000	0	0	0		**1,500,000**
	Outage Management Software	0	0	660,000	1,260,000	306,242	0	0	0	0		**2,226,242**
	Power Billing Software System		5,966,308	6,186,615	6,149,929					0		**18,302,852**
	Total	**0**	**5,966,308**	**6,846,615**	**7,409,929**	**1,056,242**	**750,000**	**0**	**0**	**0**		**22,029,094**
A701 - Aviation	Aviation helicopter life cycle replacement	0	0	3,900,000	4,200,000	0	0	5,100,000	0	0		**13,200,000**
	Total	**0**	**0**	**3,900,000**	**4,200,000**	**0**	**0**	**5,100,000**	**0**	**0**		**13,200,000**
A98 - Logistics	New HQ Office (Fed Center) Rennovation & Move	300,000	4,000,000	1,000,000	0	0	0	0	0	0		**5,300,000**
	Total	**300,000**	**4,000,000**	**1,000,000**	**0**	**0**	**0**	**0**	**0**	**0**		**5,300,000**
Total		**2,129,554**	**15,818,618**	**13,762,038**	**12,219,929**	**6,414,242**	**3,234,732**	**6,650,000**	**5,970,000**	**5,931,000**	**5,389,900**	**77,520,013**

HQ O&M/Indirect Results and Trends

CAGR Calculations

HQ Organization	FY23-FY28	Avg-FY28	FY27 - FY28
Administrative	5.9%	7.4%	0.9%
OCAO	2.9%	1.9%	-2.2%
OCFO	39.2%	3.8%	-0.6%
OCIO	4.5%	4.8%	-0.4%
OCOO	3.3%	4.8%	11.8%
Total	4.4%	4.6%	1.7%

FY23 thru FY28

4.4% annual growth (CAGR)

Budget Guidance:

Limited to FY 2027 +2.5%

Results:

$591K under budget guidance

Cost growth in line with recent trends

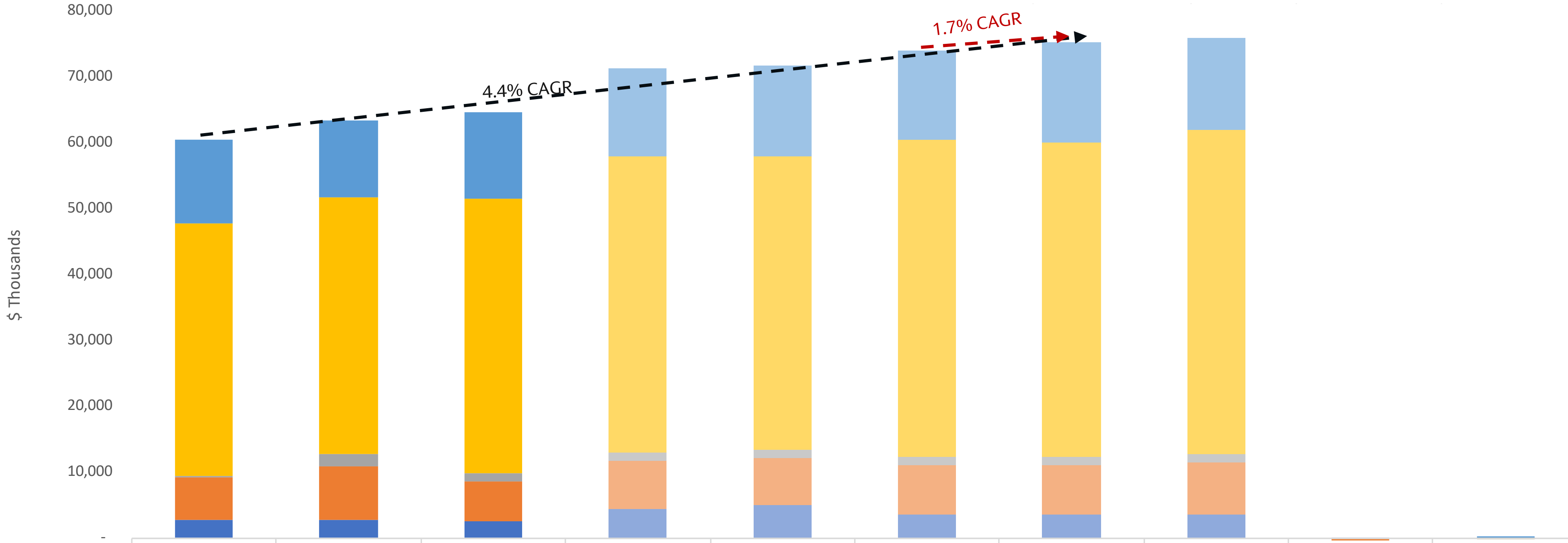
FY28 Year over Year Change

1.7% annual growth (CAGR)

Challenges/Opportunities:

General inflation

HQ- O&M/Indirect



	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Work Plan	FY26 Revalidation	FY27 Work Plan	FY28 Work Plan	Budget Guidance	FY28 vs Budget Guidance	FY28 vs Budget Guidance %
OCOO	12,827	11,638	13,058	13,371	13,702	13,500	$15,087	$13,838	$1,249	9.0%
OCIO	38,310	38,992	41,553	44,808	44,647	47,997	$47,809	$49,197	$(1,388)	-2.8%
OCFO	237	1,783	1,183	1,221	1,210	1,247	$1,240	$1,278	$(38)	-3.0%
OCAO	6,393	8,120	6,038	7,280	7,063	7,549	$7,382	$7,738	$(356)	-4.6%
Administrative	2,756	2,857	2,661	4,553	5,097	3,632	$3,665	$3,723	$(57)	-1.5%
Total	60,524	63,390	64,493	71,232	71,720	73,925	$75,183	$75,773	$(591)	-0.8%

HQ O&M/Indirect by Object Class

$ in Thousands

Object Class Summary	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Work Plan	FY26 Revalidation	FY27 Work Plan	FY28 Work Plan	FY28 WP vs FY25 Actual	FY28 WP vs FY27 WP	FY23-FY28 CAGR (5YR)	FY25-FY28 CAGR (3YR)
257x - IT Maintenance Agreements	17,303	18,279	22,138	21,763	24,254	25,472	26,202	4,063.51	729.49	8.7%	5.8%
251x - Support Services (Contractor)	17,207	18,714	19,515	20,607	20,599	21,095	21,687	2,172.18	591.33	4.7%	3.6%
25xx - Services (PD)	9,591	8,319	9,881	11,433	11,364	10,093	11,005	1,123.63	912.18	2.8%	3.7%
23xx - Rent, Communications, & Utilities	5,644	5,148	5,560	5,304	4,863	5,324	5,015	(544.53)	(308.89)	-2.3%	-3.4%
31xx - Non-Capitalized Equipment	4,670	4,677	3,141	4,086	3,769	4,147	4,192	1,051.23	45.30	-2.1%	10.1%
25xx - Services (Non-PD)	1,996	4,472	2,329	3,736	3,129	2,955	2,942	612.30	(13.35)	8.1%	8.1%
21xx - Travel	1,180	1,452	715	1,419	1,346	1,840	1,658	942.67	(182.39)	7.0%	32.4%
251T - Training	1,042	1,140	480	1,774	1,652	1,853	1,620	1,140.15	(232.73)	9.2%	50.0%
26xx - Supplies & Materials	851	659	525	504	475	488	520	(5.26)	31.52	-9.4%	-0.3%
251x - Advisory & Assistance Services (Consultant)	872	398	101	437	117	496	195	93.54	(300.75)	-25.9%	24.4%
24xx - Printing & Reproduction	106	33	44	95	95	57	90	45.89	32.60	-3.2%	26.9%
22xx - Transportation	36	73	53	74	56	106	58	5.08	(47.05)	10.4%	3.1%
31xx - Capitalized Equipment	25	-	-	-	-	-	-	-	-	-100.0%	0.0%
32xx - Land, Structures & GFE	0	26	0	-	-	-	-	(0.15)	-	-100.0%	-100.0%
42xx - Tort Claims	-	-	10	-	-	-	-	(10.40)	-	0.0%	-100.0%
5/6/7/8/9xxx - Other	-	-	-	-	-	-	-	-	-	0.0%	0.0%
Grand Total	**60,524**	**63,390**	**64,493**	**71,232**	**71,720**	**73,925**	**75,183**	**10,690**	**1,257**	**4.4%**	**5.2%**

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Reference

Terms and Definitions

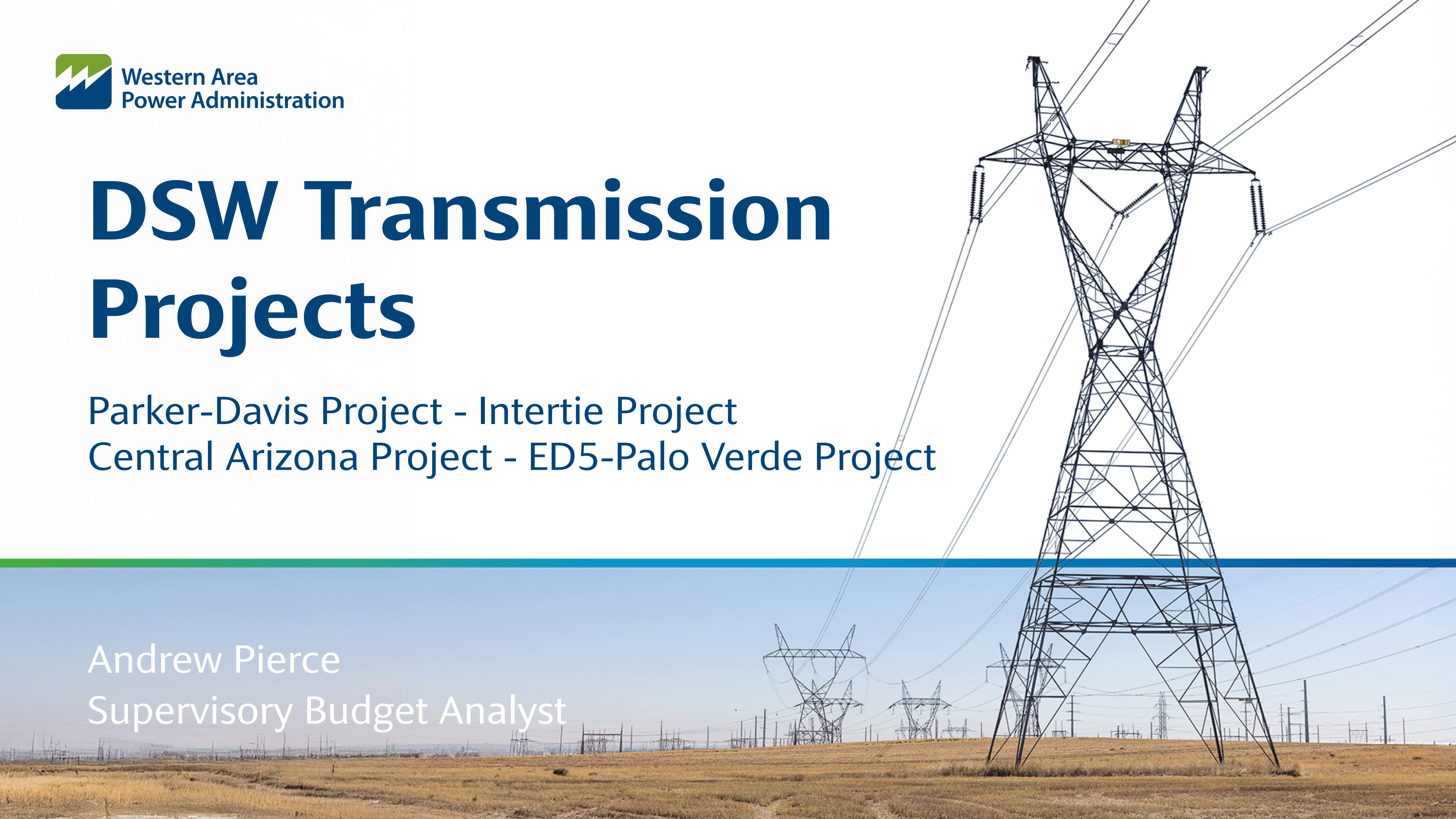
Term	Definition
Indirect	Program requirements that are not assignable to specific projects (i.e. overhead)
Expense	Program requirements that are not capitalized but are related to specific projects
Capital	Program requirements that are capitalized and related to specific projects
Direct	Program requirements 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

DSW Transmission Projects

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

Andrew Pierce
Supervisory Budget Analyst



Western Area Power Administration

FY 2026 Execution

Andrew Pierce
Supervisory Budget Analyst

Western Area Power Administration

Parker-Davis Project FY 2026 Execution

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	$ 29,924,561	$ 8,143,834	$ 21,780,727	27%
	Non-Maintenance	$ 17,919,286	$ 6,397,031	$ 11,522,254	36%
	Subtotal O&M	**$ 47,843,847**	**$ 14,540,866**	**$ 33,302,981**	**30%**
Capital	Prepayment	$ 14,484,335	$ 17,155,362	$ (2,671,028)	118%
	Appropriations	$ 4,528,793	$ 565,496	$ 3,963,297	12%
	Subtotal Capital	**$ 19,013,128**	**$ 17,720,859**	**$ 1,292,269**	**93%**
Purchase Power & Wheeling (PPW)		$ 60,000,000	$ 8,469,603	$ 51,530,397	14%
	Subtotal PPW	**$ 60,000,000**	**$ 8,469,603**	**$ 51,530,397**	**14%**
	Grand Total	**$ 126,856,974**	**$ 40,731,327**	**$ 86,125,647**	**32%**

Western Area Power Administration

Intertie Project FY 2026 Execution

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	$ 8,485,493	$ 8,252,732	$ 232,761	97%
	Non-Maintenance	$ 5,436,277	$ 3,106,734	$ 2,329,542	57%
	Subtotal O&M	**$ 13,921,770**	**$ 11,359,466**	**$ 2,562,303**	**82%**
Capital	Prepayment	$ 1,410,514	$ 112	$ 1,410,402	0%
	Appropriations	$ 945,714	$ -	$ 945,714	0%
	Subtotal Capital	**$ 2,356,229**	**$ 112**	**$ 2,356,116**	**0%**
Purchase Power & Wheeling (PPW)		$ 30,000,000	$ 5,195,296	$ 24,804,704	17%
	Subtotal PPW	**$ 30,000,000**	**$ 5,195,296**	**$ 24,804,704**	**17%**
	Grand Total	**$ 46,277,998**	**$ 16,554,874**	**$ 29,723,124**	**36%**

Western Area Power Administration

Central Arizona Project FY 2026 Execution

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	$ 2,954,457	$ 706,971	$ 2,247,486	24%
	Non-Maintenance	$ 2,171,288	$ 738,078	$ 1,433,210	34%
	Subtotal O&M	**$ 5,125,745**	**$ 1,445,048**	**$ 3,680,697**	**28%**
Capital	Reimbursable only	$ 634,161	$ 3,117	$ 631,044	0.5%
	Subtotal Capital	**$ 634,161**	**$ 3,117**	**$ 631,044**	**0%**
Purchase Power & Wheeling (PPW)		$ 4,816,945	$ 524,455	$ 4,292,490	11%
	Subtotal PPW	**$ 4,816,945**	**$ 524,455**	**$ 4,292,490**	**11%**
(PPW Funds are Reimbursable)					
	Grand Total	**$ 10,576,851**	**$ 1,972,620**	**$ 8,604,231**	**19%**

ED5-Palo Verde Project FY 2026 Execution

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	$ 951,804	$ 146,977	$ 803,857	15%
	Non-Maintenance	$ 3,739,028	$ 1,676,326	$ 2,062,703	45%
	Subtotal O&M	**$ 4,690,832**	**$ 1,823,303**	**$ 2,867,530**	**39%**
Capital	No Capital Projects	$ -	$ -	$ -	0%
	Subtotal Capital	**$ -**	**$ -**	**$ -**	**0%**
Purchase Power & Wheeling (PPW)		$ -	$ -	$ -	0%
	Subtotal PPW	**$ -**	**$ -**	**$ -**	**0%**
	Grand Total	**$ 4,690,832**	**$ 1,823,303**	**$ 2,867,530**	**39%**

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FY 2026 Execution - Highlights

- DSW reduced O&M budget allocations
  - FTE vacancies
  - Travel restrictions Q1/Q2
  - Project sequencing and procurement bandwidth
  - Delayed preventive maintenance to Q3/Q4
- Parker-Davis Project execution is O&M at 30%, capital at 93%, and PPW at 14%, overall execution is at 32%
  - Wood Pole Program repaired an additional section of transmission line, which included necessary road repairs

FY 2026 Execution - Highlights

- Intertie Project execution is O&M at 82%, capital at 0%, PPW at 17%, and overall execution is at 36%
  - O&M – line capacitor replacement order, 43 of 46, for the Intertie Project
  - Capital Prepayment – $1.3M shared cost invoice expected in Q3 for Mead-Phoenix Substation Wall
- Central Arizona Project execution is O&M at 28%, capital 0%, PPW at 11%, and overall execution is at 19%
- ED5-Palo Verde execution is O&M at 39%, there is no capital or PPW, and overall execution is 39%

Western Area Power Administration

FY 2027 Work Plan

Andrew Pierce
Supervisory Budget Analyst

Parker-Davis Project FY 2027 to FY 2028 Comparison

Program	Description	FY 2027 Work plan	FY 2028 Work plan	Difference	% change
O&M	Maintenance	$ 32,413,329	$ 34,176,343	$ 1,763,014	5%
	Non-Maintenance	$ 18,005,933	$ 18,575,831	$ 569,898	3%
	Subtotal O&M	**$ 50,419,262**	**$ 52,752,174**	**$ 2,332,912**	**5%**
Capital	Prepayment	$ 19,643,301	$ 27,351,296	$ 7,707,995	39%
	Appropriations	$ 20,633,055	$ 14,180,694	$ (6,452,361)	-31%
	Subtotal Capital	**$ 40,276,356**	**$ 41,531,990**	**$ 1,255,634**	**3%**
Purchase Power & Wheeling (PPW)		$ 60,000,000	$ 28,236,000	$ (31,764,000)	-53%
	Subtotal PPW	**$ 60,000,000**	**$ 28,236,000**	**$ (31,764,000)**	**-53%**
	Grand Total	**$ 150,695,618**	**$ 122,520,164**	**$ (28,175,454)**	**-19%**

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Intertie Project FY 2027 to FY 2028 Comparison

Program	Description	FY 2027 Work plan	FY 2028 Work plan	Difference	% change
O&M	Maintenance	$ 9,637,603	$ 10,390,028	$ 752,425	8%
	Non-Maintenance	$ 5,141,102	$ 5,261,117	$ 120,016	2%
	Subtotal O&M	**$ 14,778,705**	**$ 15,651,145**	**$ 872,440**	**6%**
Capital	Prepayment	$ 81,954	$ 250,000	$ 168,046	205%
	Appropriations	$ 5,831,477	$ 1,752,136	$ (4,079,341)	-70%
	Subtotal Capital	**$ 5,913,431**	**$ 2,002,136**	**$ (3,911,295)**	**-66%**
Purchase Power & Wheeling (PPW)		$ 30,000,000	$ 10,000,000	$ (20,000,000)	-67%
	Subtotal PPW	**$ 30,000,000**	**$ 10,000,000**	**$ (20,000,000)**	**-67%**
	Grand Total	**$ 50,692,136**	**$ 27,653,282**	**$ (23,038,854)**	**-45%**

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Central Arizona Project FY 2027 to FY 2028 Comparison

Program	Description	FY 2027 Work plan	FY 2028 Work plan	Difference	% change
O&M	Maintenance	$ 2,557,383	$ 2,933,787	$ 376,404	15%
	Non-Maintenance	$ 2,339,885	$ 2,376,735	$ 36,850	2%
	Subtotal O&M	**$ 4,897,268**	**$ 5,310,522**	**$ 413,254**	**8%**
Capital	Reimbursable only	$ 1,456,026	$ 1,969,000	$ 512,974	35%
	Subtotal Capital	**$ 1,456,026**	**$ 1,969,000**	**$ 512,974**	**35%**
Purchase Power & Wheeling (PPW)		$ 4,894,547	$ 1,500,000	$ (3,394,547)	-69%
	Subtotal PPW	**$ 4,894,547**	**$ 1,500,000**	**$ (3,394,547)**	**-69%**
(PPW Funds are Reimbursable)					
	Grand Total	**$ 11,247,841**	**$ 8,779,522**	**$ (2,468,319)**	**-22%**

ED5-Palo Verde Project FY 2027 to FY 2028 Comparison

Program	Description	FY 2027 Work plan	FY 2028 Work plan	Difference	% change
O&M	Maintenance	$ 131,980	$ 105,129	$ (26,851)	-20%
	Non-Maintenance	$ 4,188,513	$ 4,161,698	$ (26,815)	-1%
	Subtotal O&M	**$ 4,314,042**	**$ 4,258,254**	**$ (53,666)**	**-1%**
Capital	No Capital Projects	$ -	$ -	$ -	0%
	Subtotal Capital	**$ -**	**$ -**	**$ -**	**0%**
Purchase Power & Wheeling (PPW)		$ -	$ -	$ -	0%
	Subtotal PPW	**$ -**	**$ -**	**$ -**	**0%**
	Grand Total	**$ 4,314,042**	**$ 4,258,254**	**$ (53,666)**	**-1%**

FY 2028 Work Plan Formulation – Highlights

Capital O&M

- Shift to prepayments from appropriation in response to a decrease in available appropriations

PPW Authority

- Decrease in authority request in response to forward pricing estimates

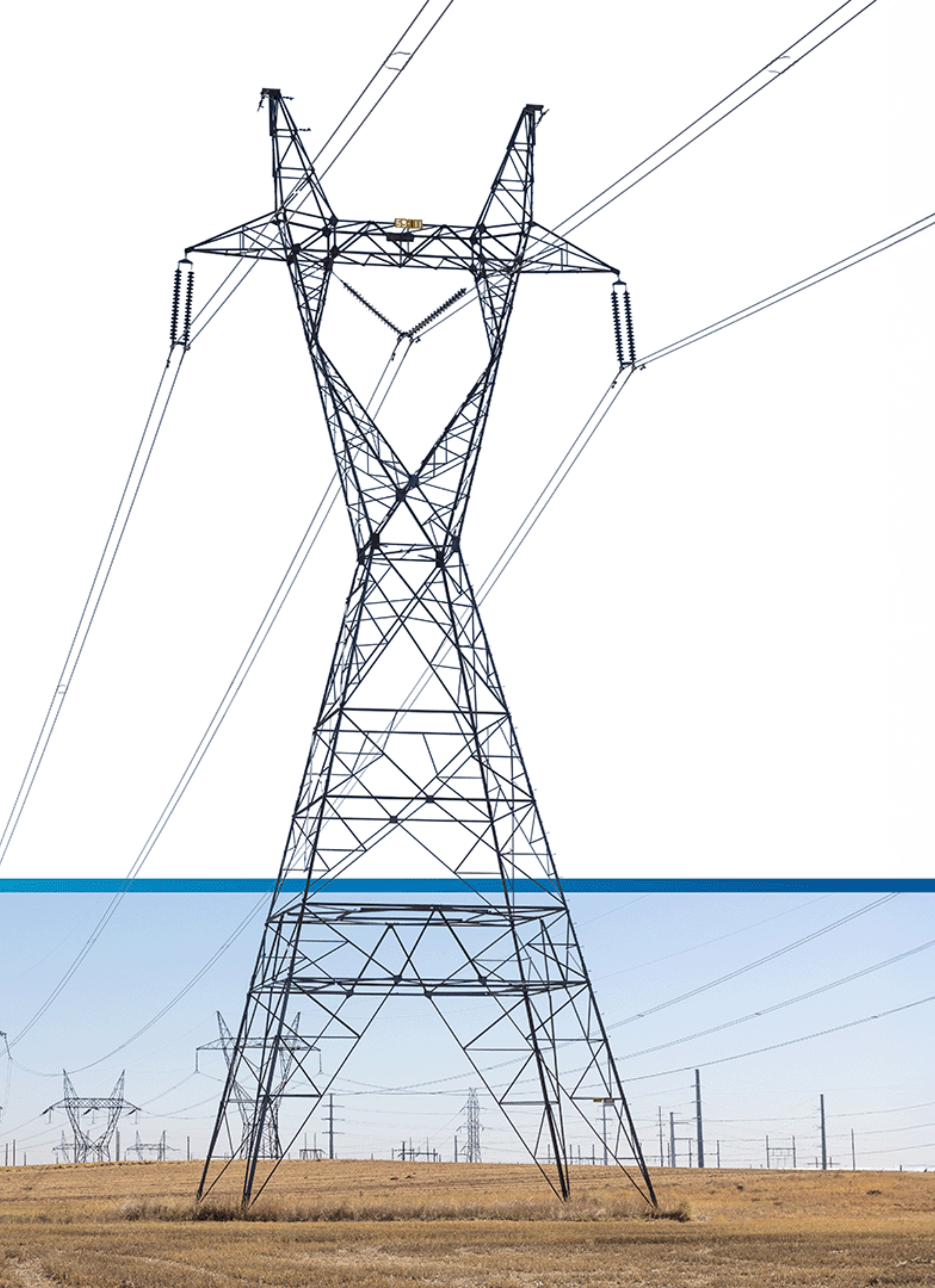
Western Area Power Administration

FY 2028 Work Plan Formulation – Highlights continued

- Parker-Davis Project O&M increased by 5%, capital increased 3%, overall decrease of 19%
- Intertie Project O&M increased 6%, capital decreased by 66%, overall decrease of 45%
- Central Arizona Project O&M increased by 8%, capital increased by 35%, PPW decrease of 69%, overall decrease of 22%
- ED5-Palo Verde O&M decreased 1%, there is no capital or PPW, overall decrease of 1%

Western Area Power Administration

Prepayment Cash Flow



Maria Gomez
Supervisory Accountant

One Transmission Rate
Fiscal Years 2026 Through 2035 Forecast

	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	94,054,395	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	61,765,950	63,568,309	67,255,426	69,273,089	71,351,281	73,491,820	75,696,574	77,967,472	80,306,496	82,715,691
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	165,452,950	113,447,309	97,911,426	98,749,089	107,967,281	104,757,820	91,303,574	83,467,472	85,306,496	87,715,691
Net Prepayment Total	**148,590,407**	**(71,398,555)**	**(19,422,629)**	**(3,886,746)**	**(31,349)**	**(9,112,601)**	**(5,903,140)**	**7,551,106**	**15,387,208**	**13,548,184**	**11,138,989**
Non-Prepayment Inflows	-	38,790,847	38,790,847	38,790,847	38,790,847	38,790,847	38,790,847	38,790,847	38,790,847	38,790,847	38,790,847
Outflows											
Purchased Power Expense	-	94,816,945	94,894,547	39,736,000	39,736,000	39,736,000	39,736,000	39,736,000	39,736,000	39,736,000	39,736,000
Transfers Within Western (Line Loss)	-	-	-	-	-	-	-	-	-	-	-
Total Outflows	-	94,816,945	94,894,547	39,736,000	39,736,000	39,736,000	39,736,000	39,736,000	39,736,000	39,736,000	39,736,000
Net Non-Prepayment Total	**-**	**(56,026,098)**	**(56,103,700)**	**(945,153)**	**(945,153)**	**(945,153)**	**(945,153)**	**(945,153)**	**(945,153)**	**(945,153)**	**(945,153)**
Return to Treasury (Non-Prepayment)	-	(56,026,098)	(56,103,700)	(945,153)	(945,153)	(945,153)	(945,153)	(945,153)	(945,153)	(945,153)	(945,153)
Return to Treasury (Prepayment)	-	-	-	-	-	-	-	-	-	-	-
Net Cash	**148,590,407**	**(71,398,555)**	**(19,422,629)**	**(3,886,746)**	**(31,349)**	**(9,112,601)**	**(5,903,140)**	**7,551,106**	**15,387,208**	**13,548,184**	**11,138,989**
End of Year Cash	**148,590,407**	**77,191,852**	**57,769,223**	**53,882,477**	**53,851,128**	**44,738,527**	**38,835,387**	**46,386,492**	**61,773,701**	**75,321,885**	**86,460,874**
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		18,783,618	19,331,732	20,453,020	21,066,611	21,698,609	22,349,567	23,020,054	23,710,656	24,421,975	25,154,635
Reserve Balances Strategy Total	-	**128,794,618**	**116,079,732**	**117,811,020**	**104,555,611**	**74,071,609**	**48,456,567**	**38,520,054**	**123,710,656**	**124,421,975**	**125,154,635**

Western Area Power Administration

Transmission Systems Asset Management

Neil Cutright
Director of Transmission and Construction

Accomplishments

- Completed the preventive and critical maintenance on over 2000 assets
- Installation of new breakers, transmission line, structures, protection relays, and communication schemes across our system
- Update security systems at Phoenix Service Center, Mead substation, and other substations across Parker-Davis and Intertie systems
- Continued work on the Vail-Tortolita Project - 2 sections complete
- Initiated procurement for 75-line capacitors to be installed on the Parker Davis and Intertie systems at Mead substation
- Started the process of moving Capital O&M to a sustainable funding source

Current Challenges

- Federal hiring freeze lifted for WAPA, but the pace of rehiring is slower due to high demand for skilled utility professionals
  - For example, 35 vacancies in the Maintenance and Construction Department
- Both staffing and appropriated funding constraints are limiting the ability to execute capital O&M projects
- High inflationary costs have significantly impacted the electric utility industry

Moving Capital O&M to Sustainable Funding

- Shifting Capital O&M to prepayments was proposed and discussed at prior TYP meeting
- WAPA proposes to utilize prepayments under the JPA to fund DSW's Capital Program
- A modified Prepayment MOU will facilitate voting on DSW's Capital O&M
- DSW's Capital O&M will be sustainable and transparent

Substation Capacitors Replacements

Description

- Line capacitor replacements on the Parker-Davis and Intertie systems at Mead Substation

Updates

- DSW has initiated the acquisition of 75-line capacitors
- 67-week lead time for receiving
- Substantial cost savings achieved through bulk ordering
- Project is expected to start in FY 2027

Wood Pole Replacement Program

Wood Pole Replacement Program

Description

- Replace degraded wood pole infrastructure to increase reliability and remediate phase-to-ground clearance violations

Updates

- Replaced seven miles of structures and cleared the right-of-way (ROW) on the Valley Farms-Oracle 115-kV transmission line
- Approximately 15-miles of remaining structures slated for replacement

Wood Pole Replacement Program

Updates

- Inspections of the Blythe-Knob 161-kV transmission line identified numerous structures across a 10-mile section at risk of imminent failure
- 16 structures were replaced and extensive ROW clearing was performed
- Plan to return this fall to replace the remaining structures
- Extensive rock drilling will be required

Wood Pole Replacement Program

Split cross-arm

Severe pole rot visible after removal

Broken x-brace

Wood Pole Replacement Program

Deteriorated and washed-out culvert

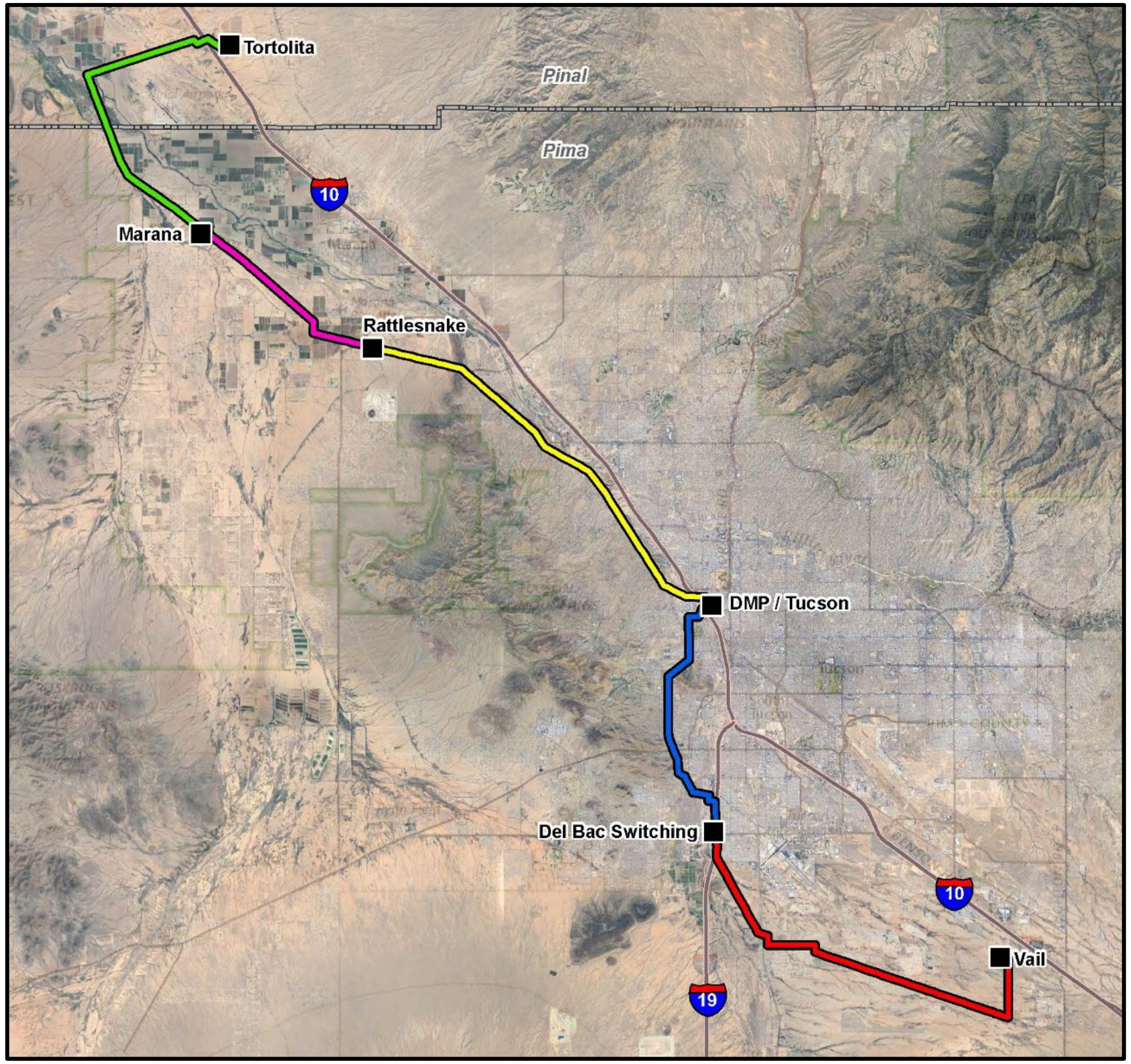
Culvert replacement on mile 20

Wood Pole Replacement Program

Sitework equipment on BLY-KNB right-of-way

Mojave Desert Tortoise

Vail–Tortolita 230-kV Transmission Line



Vail–Tortolita 230-kV Transmission Line

Description

- Joint project with Tucson Electric Power (TEP) to rebuild a 115-kV single circuit transmission line with 230-kV double circuit, steel monopoles, and optical overhead ground wire between Saguaro/Tortolita Substations to Nogales/Vail Substation

Updates

- Steel pole deliveries through April 2026
- Land acquisitions underway for reroutes through Tumamoc Hill and area south of Tucson Airport
- Planning and preparation for upcoming segments
  - Lands: notifications, access, encroachments, permit support
  - Environmental: cultural, biological, vegetation
  - Outage coordination

SEGMENT	MILES	SCHEDULE
Marana to Rattlesnake	8	Completed June 2025
Tortolita to Marana	12	Completed March 2026
Rattlesnake to Tucson	16	In Progress - October 2026
Tucson to Del Bac	10	Projected - March 2027
Del Bac to Vail	13	Projected - November 2027

Vail–Tortolita 230-kV Transmission Line

Conductor and Steel at Avra Valley Laydown Yard

Anchor Bolt Cage

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Rates

Tina Ramsey
DSW Rates Supervisor

OTR Revenue Requirement Analysis

- PDP Cost Apportionment Study allocates work plan data between generation and transmission responsibilities
- Assume no other change in formula rate inputs
- FY 2028 Work Plan increases O&M component of OTR Revenue Requirement by $5.2m (7.9%) from FY 2026
- $.16/kW-Yr impact for every $1m increase in FY 2026 revenue requirement
- Likely to be increase in sales, other revenues, and carryover and decrease in purchase power costs

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Western Area Power Administration

Work Plan Meeting Schedule

FY 2026 Budget vs Actual Meeting (Dec 10th, 2026)

- FY 2026 Revalidated Budget vs Actual
- FY 2028 Strategic Budget Guidance
- FY 2028 New FTE Requested

FY 2029 Work Plan Meeting (May 12th, 2027)

- FY 2024-2026 Actuals (via handout)
- FY 2027 Execution status
- FY 2028 and FY 2029 Formulated Work Plan
- FY 2030-2033 Out-Years Work Plan (via handout)

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