



Platte River
Power Authority

Estes Park • Fort Collins • Longmont • Loveland

Board of directors

Oct. 29, 2026

Planning presentation to the Board of Directors

Prepared for Platte River Power Authority / 10.29.2026

Agenda

01 / Engagement team

02 / Audit scope

03 / Audit timeline

04 / Required communication

05 / Questions



Engagement team



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Audit Scope - Deliverables



Audit opinion



Auditor's Communication with Those Charged with Governance: Reporting and insights from the 2026 audit

Audit Scope

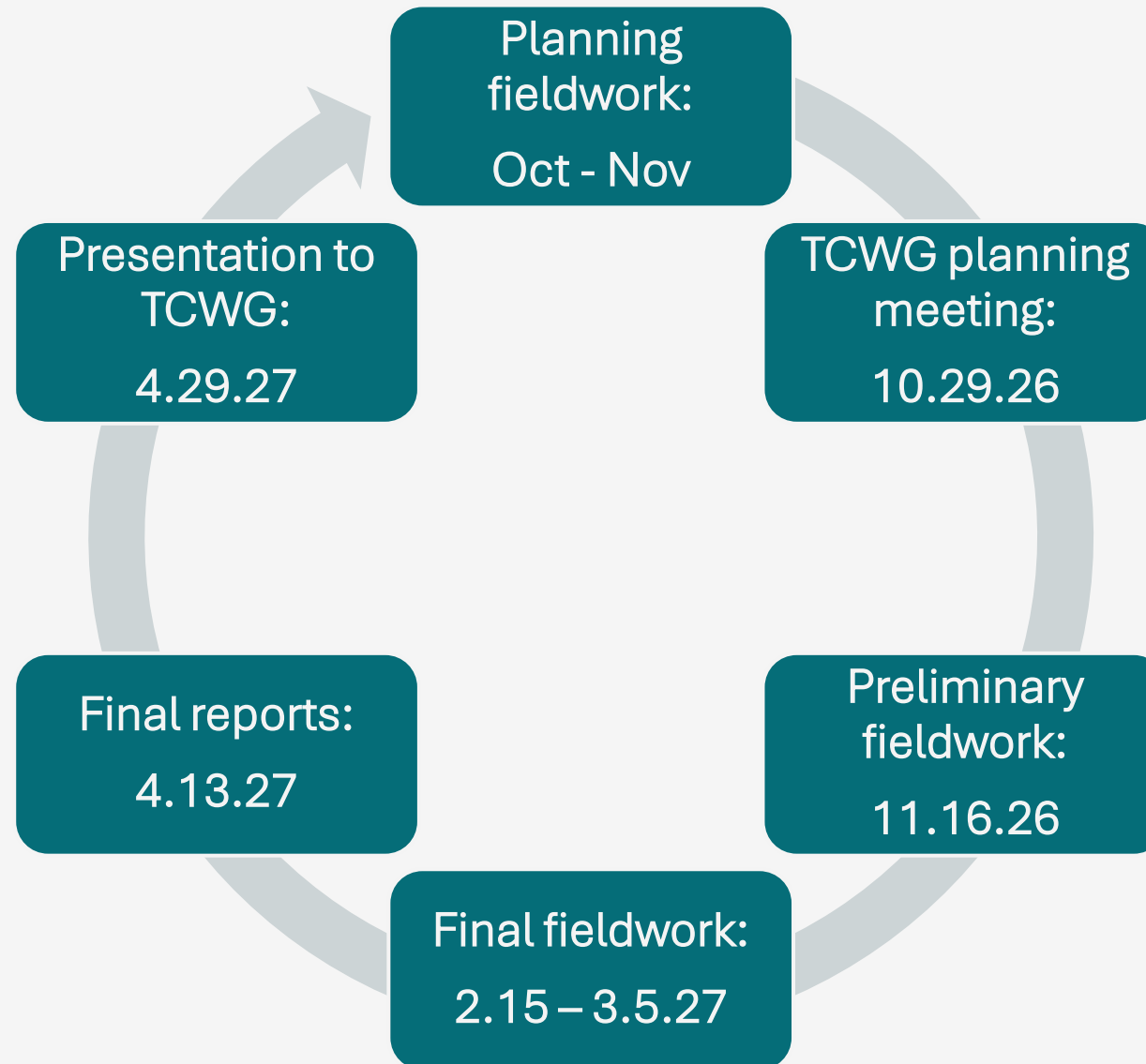


Audit Objective =
Reasonable Assurance

Risk based approach

Approach to internal
control

Audit timeline



Required Communication



Communication with prior auditor



Consideration of fraud



Use of specialists

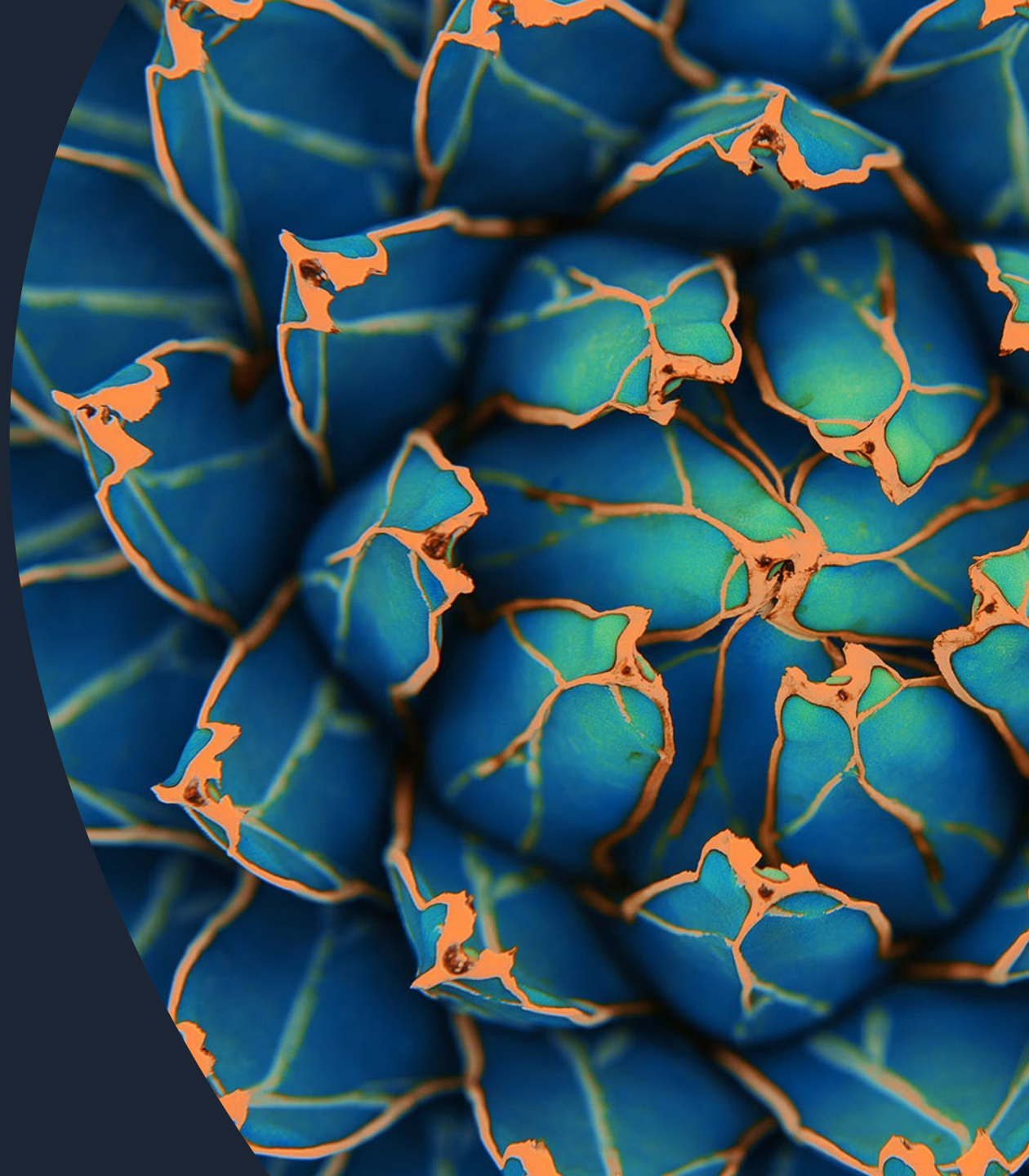


Significant risks

Audit committee resources

Visit our resource page for regulatory updates, trending challenges, opportunities in your industry, and other timely updates.

[Visit the resource page.](#)



Thank you.



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Oct. 29, 2026

Proposed 2027 Strategic Budget update

**Jason Harris, senior manager, financial planning
and rates**



Agenda

- Budget changes since work session
- Financial results
- Highlights – 2027 Strategic Budget

Budget changes since work session

- Updates to revenues and production cost model
 - Market assumptions
 - Fuel price and generation
- Refinements to departmental operations and maintenance expenses
- Updates to capital projects
- Updates to debt service expenditures



Budget changes since work session

favorable/(unfavorable) change

🔵 Sales for resale \$42.0 million Updated production cost model and adjustments based on market experience	🔵 Interest and other income \$0.8 million Higher average investment and operating fund balances
🔵 Renewable energy certificate sales \$0.1 million Estimated higher average price	🔵 Wheeling revenue (\$11.0 million) Market experience and correction of a tagging error by WAPA CRSP
🔵 Purchased power (\$32.4 million) Operating reserves based on market experience and market purchases due to updated production cost model	🔵 Fuel (\$13.9 million) Price and generation volume updates for natural gas (increase) and coal (decrease) resources in the production cost model
🔵 Operating expenses (\$4.0 million) - Increases: Rawhide contracted labor, wheeling based on market experience, non-routine projects to align with capital upgrades, legal services and various departmental budget adjustments - Decreases: Personnel expenses due to more wages allocated to capital and billable projects	🔵 Capital additions (\$27.1 million) – see memo for specific projects - New projects (\$23.3 million) - Increases (\$15.0 million) - Canceled projects \$0.2 million - Decreases \$11.0 million
🔵 Debt service (\$4.0 million) Increased due to updated assumptions for the next debt financing (Series MM) and new leases and subscription-based assets qualifying as GASB 87 and 96, respectively	🔵 Contingency appropriation (\$15.0 million) Increased to maintain the contingency appropriation of 20% of operating expenses and capital additions

Due to budget changes, estimated deferred regulatory revenues for 2027 are decreasing from \$38.3 million to \$10.7 million.

Financial results

Strategic Financial Plan metrics	Target minimums	2026 budget	2027 budget	Increase (decrease)
Fixed obligation charge coverage ratio	1.50x	1.54x	1.79x	↑ 16.2%
Change in net position as a percentage of annual operating expenses	3%	3%	3%	→ 0.0%
Adjusted debt ratio	< 50%	39%	42% ⁽¹⁾	↑ 7.7%
Days adjusted liquidity on hand	200	219	200 ⁽¹⁾	↓ (8.7%)

⁽¹⁾ Could change with the update to the 2026 estimate in the final budget document.

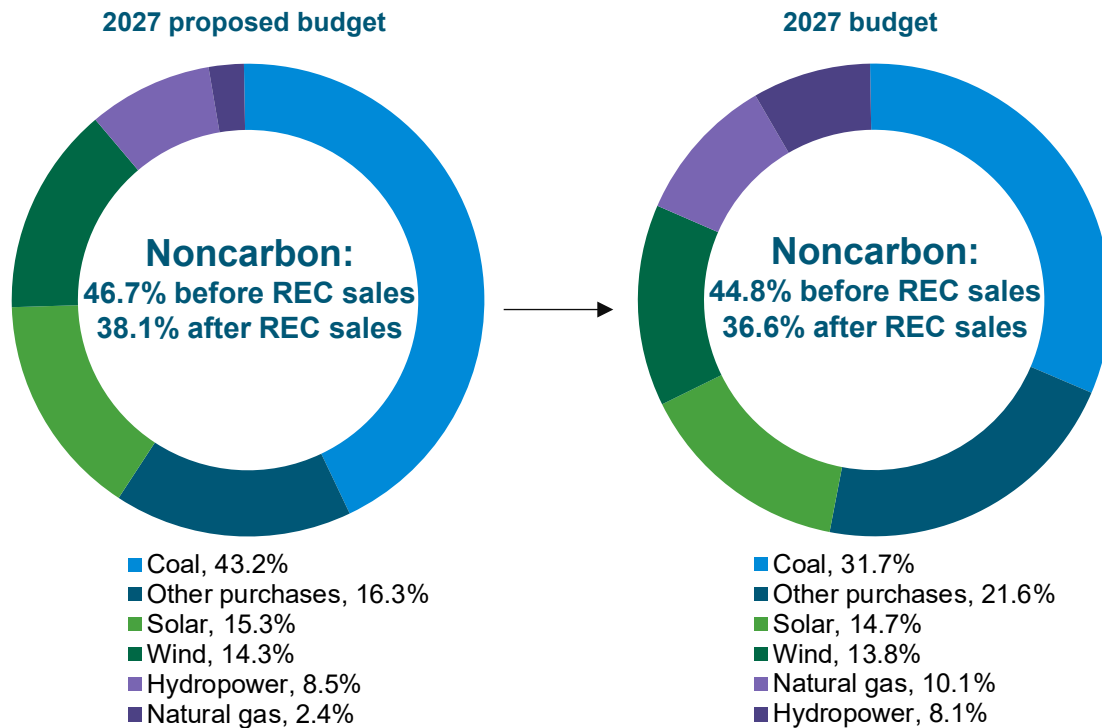
Budget results (\$ millions)	2026 budget	2027 budget	Increase (decrease)
Total revenues	\$ 350.2	\$ 434.4	↑ 24.0%
Total expenditures	\$ 552.2	\$ 621.2	↑ 12.5%
Board contingency	\$ 102.0 ⁽²⁾	\$ 117.0	↑ 14.7%
Average wholesale rate increase	6.3%	7.5%	↑ 19.0%

⁽²⁾ Contingency transfer to be determined at the end of the year.

Financial impact

\$ in thousands	Proposed budget	Model & market update impacts	Other O&M net increase and contingency increase	Capital additions impacts	Power revenue bonds impacts	Favorable (unfavorable) changes	Updated proposed budget
Revenues							
Sales to owner communities	\$ 278,522					\$ -	\$ 278,522
Sales for resale - long-term	61,952					-	61,952
Sales for resale - short-term	29,078	\$ 42,018				42,018	71,096
Wheeling	24,193	(10,975)				(10,975)	13,218
Renewable energy certificate sales	1,114	82				82	1,196
Interest and other income	7,656	760				760	8,416
Total revenues	\$ 402,515	\$ 31,885				\$ 31,885	\$ 434,400
Operating expenses							
Purchased power	\$ 82,655	\$ (32,442)				\$ (32,442)	\$ 115,097
Fuel	49,462	(13,883)	\$ 4			(13,879)	63,341
Production	66,694		(2,710)			(2,710)	69,404
Transmission	22,904		(1,617)			(1,617)	24,521
Transmission	300					-	300
Administrative and general	50,524		335			335	50,189
Distributed energy resources	13,352		9			9	13,343
Total operating expenses	\$ 285,891	\$ (46,325)	\$ (3,979)			\$ (50,304)	\$ 336,195
Capital additions							
Production	\$ 189,643			\$ (10,365)		\$ (10,365)	\$ 200,008
Transmission	19,210			(7,264)		(7,264)	26,474
General	14,652			(9,483)		(9,483)	24,135
Total capital additions	\$ 223,505			\$ (27,112)		\$ (27,112)	\$ 250,617
Total operating expenses and capital additions	\$ 509,396	\$ (46,325)	\$ (3,979)	\$ (27,112)		\$ (77,416)	\$ 586,812
Debt service expenditures							
Principal	\$ 9,346		\$ (160)			\$ (160)	\$ 9,506
Interest expense	21,044		(20)		\$ (3,856)	(3,876)	24,920
Total debt service expenditures	\$ 30,390		\$ (180)		\$ (3,856)	\$ (4,036)	\$ 34,426
Total expenditures	\$ 539,786	\$ (46,325)	\$ (4,159)	\$ (27,112)	\$ (3,856)	\$ (81,452)	\$ 621,238
Contingency appropriation	\$ 102,000		\$ (15,000)			\$ (15,000)	\$ 117,000
Total expenditures and contingency appropriation	\$ 641,786	\$ (46,325)	\$ (19,159)	\$ (27,112)	\$ (3,856)	\$ (96,452)	\$ 738,238

2027 system total



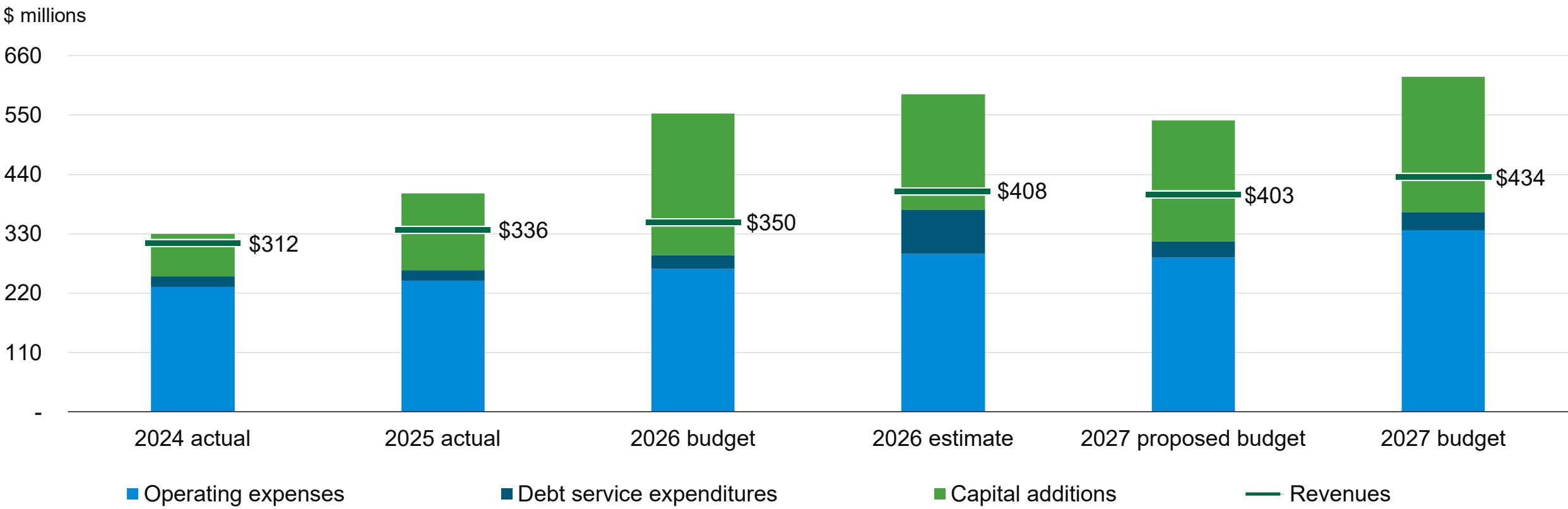
Charts include adjustments for budgeted REC sales.

Due to drought conditions, not all hydropower may be considered noncarbon.

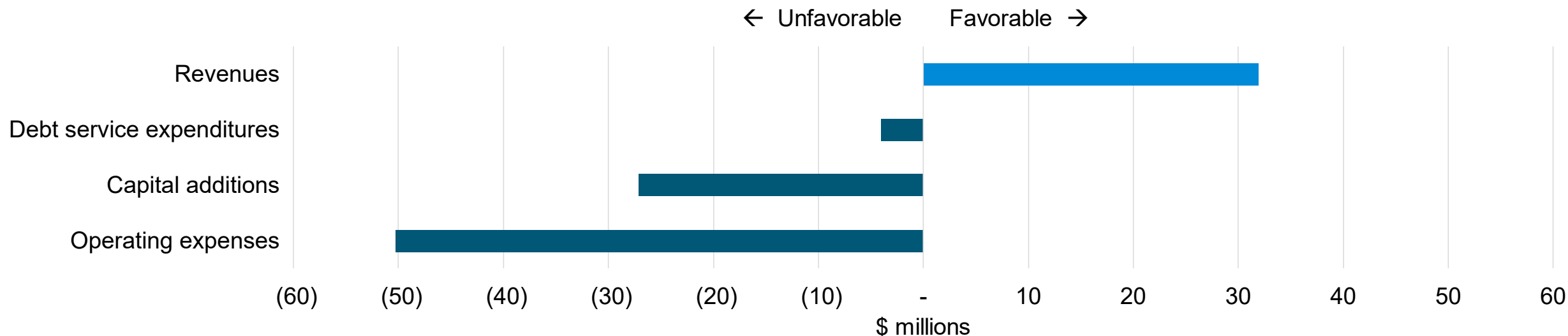
Significant changes:

- Natural gas: 392 GWh increase
- Market purchases: 300 GWh increase
- Sales for resale: 207 GWh increase
- Coal: 487 GWh decrease

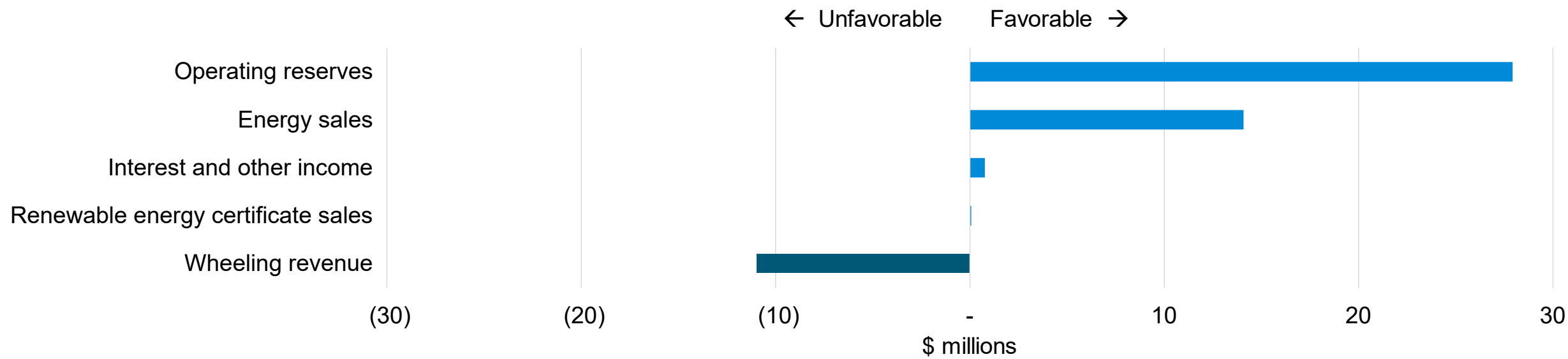
Revenues and expenditures



Revenues and expenditures impact

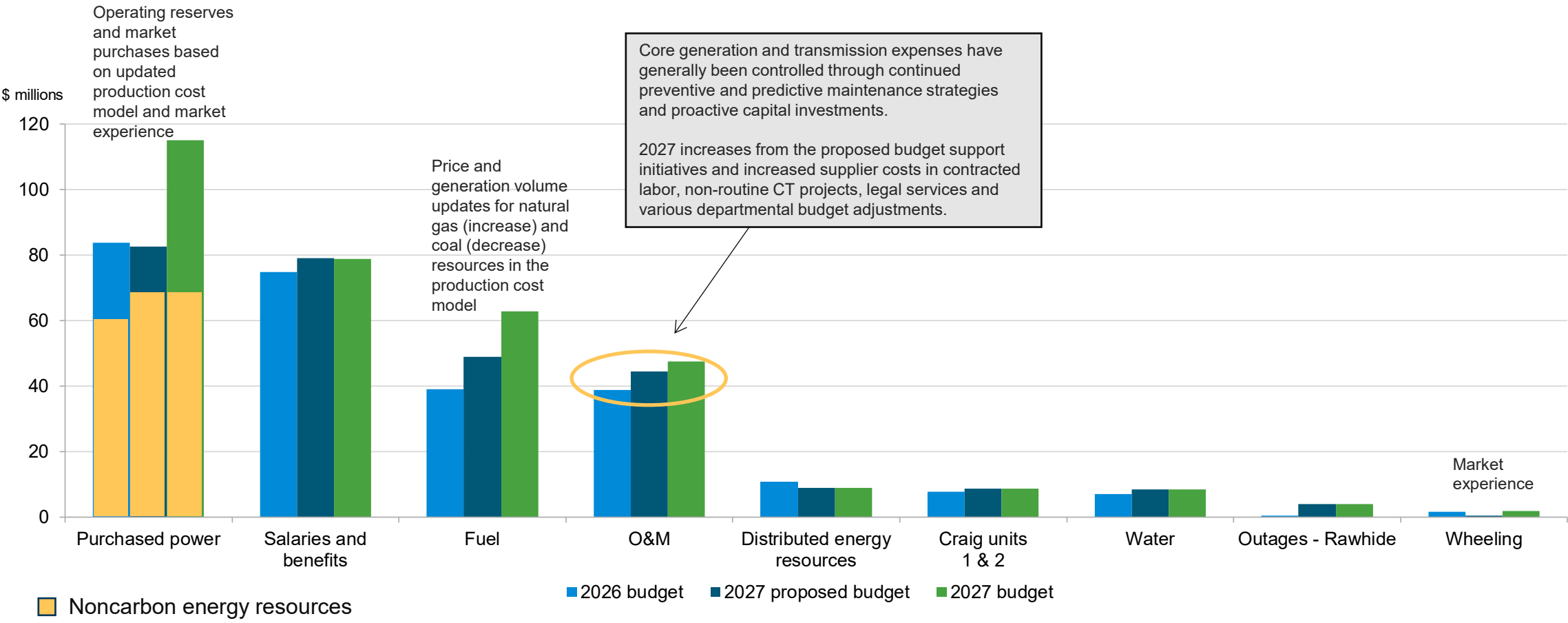


Revenues impact



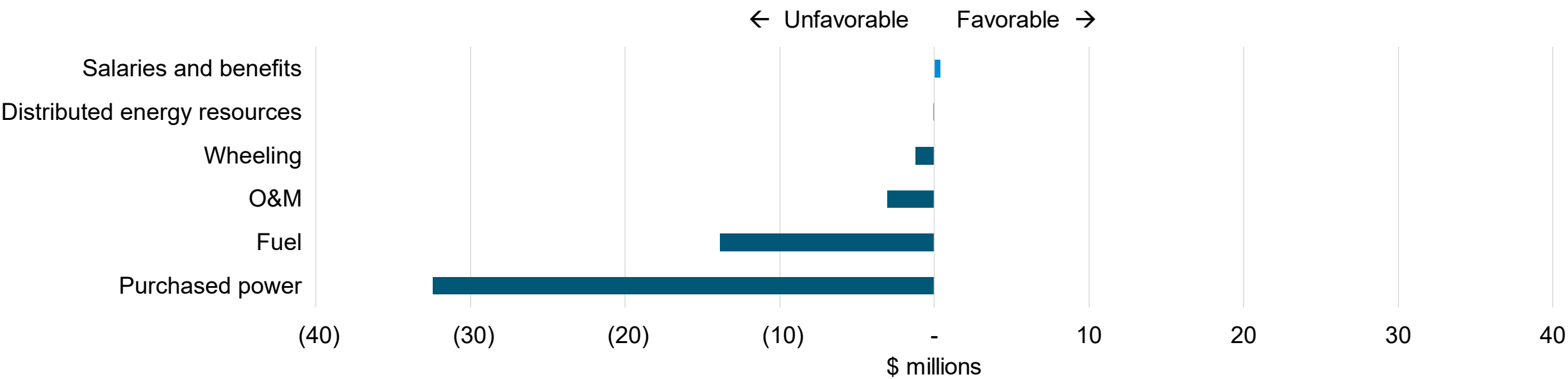
\$434.4 million | variance from 2027 proposed budget: \$31.9 M ↑

Operating expenses



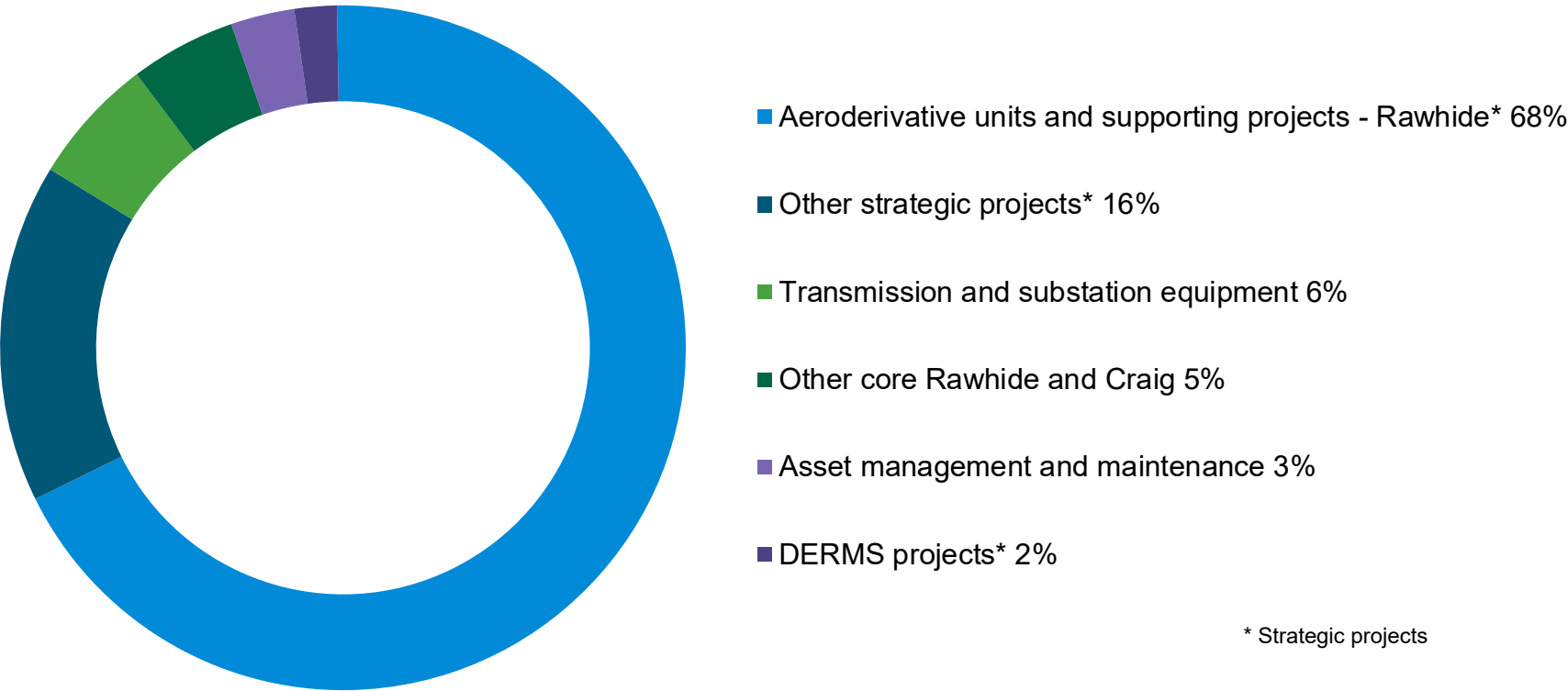
\$336.2 million | variance from 2026 budget: (\$71.5 M) ↑

Operating expenses impact



\$336.2 million | variance from 2027 proposed budget: (\$50.3 M) ↑

2027 capital additions

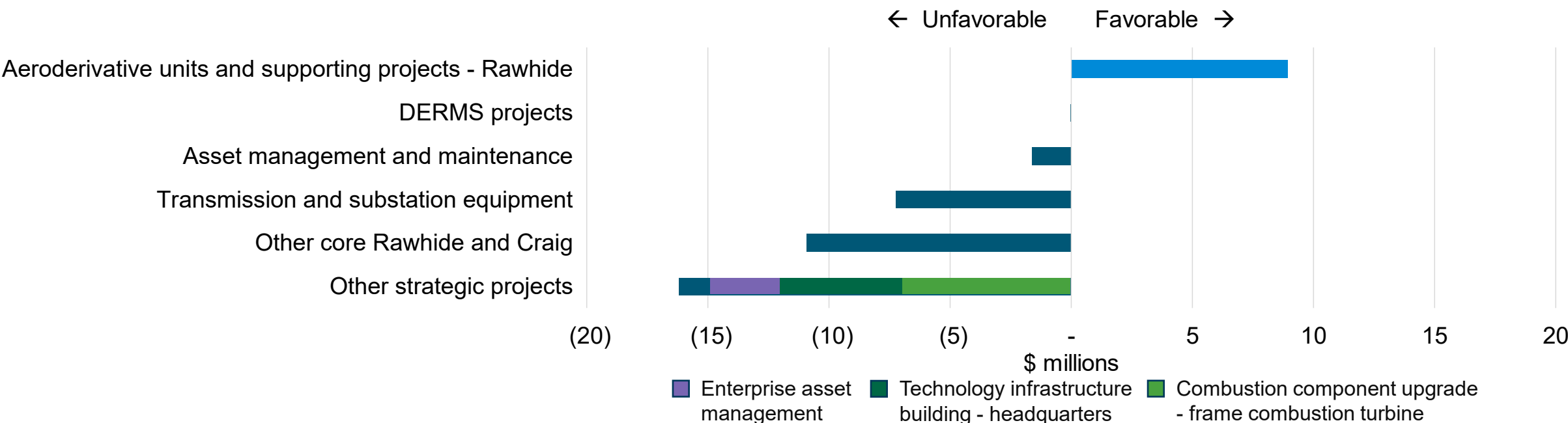


* Strategic projects

\$250.6 million | variance from 2026 budget: \$11.6 M ↓

Excludes estimated 2026 capital carryovers of \$88.3 million

Capital additions impact



\$250.6 million | variance from 2027 proposed budget: (\$27.1 M) ↑

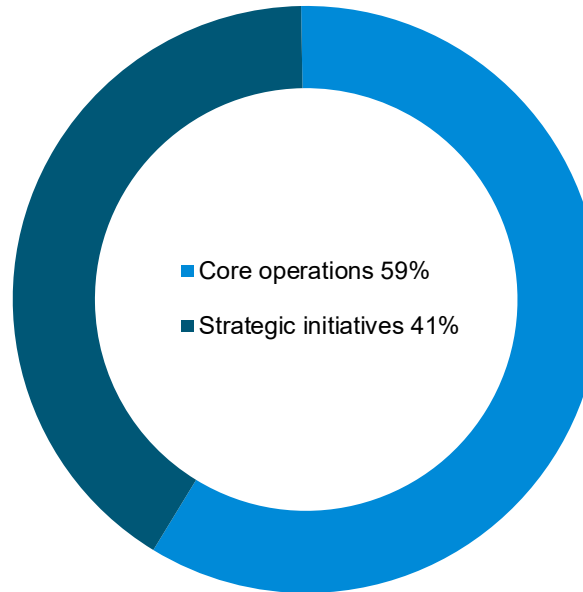
Highlights – 2027 Strategic Budget



Operating expenses and capital additions: \$586.8 million

Strategic initiatives

- Portfolio diversification, integration and optimization (dispatchable capacity, buildings projects, noncarbon resources, IRP, asset optimization, market performance and portfolio optimization, rates)
- Partnership, engagement and alignment (strategy development and deployment, joint training and education)
- Organizational dynamics (leadership development, workforce modernization, Just Transition Plan)



Core operations

- Baseload and peaking generation, transmission, customer energy programs
- PPAs for existing renewable resources and hydropower
- Predictive maintenance
- Proactive capital investments to maintain reliability, efficiency and environmental compliance

Revenues

- Stable owner community loads
- Increasing sales for resale and other
- 7.5% average wholesale rate increase

2027 budget: \$738.2 M

Questions



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Board of directors

Oct. 29, 2026

Proposed 2026 Supplemental Budget and Appropriation

**Jason Harris, senior manager, financial planning
and rates**



Agenda

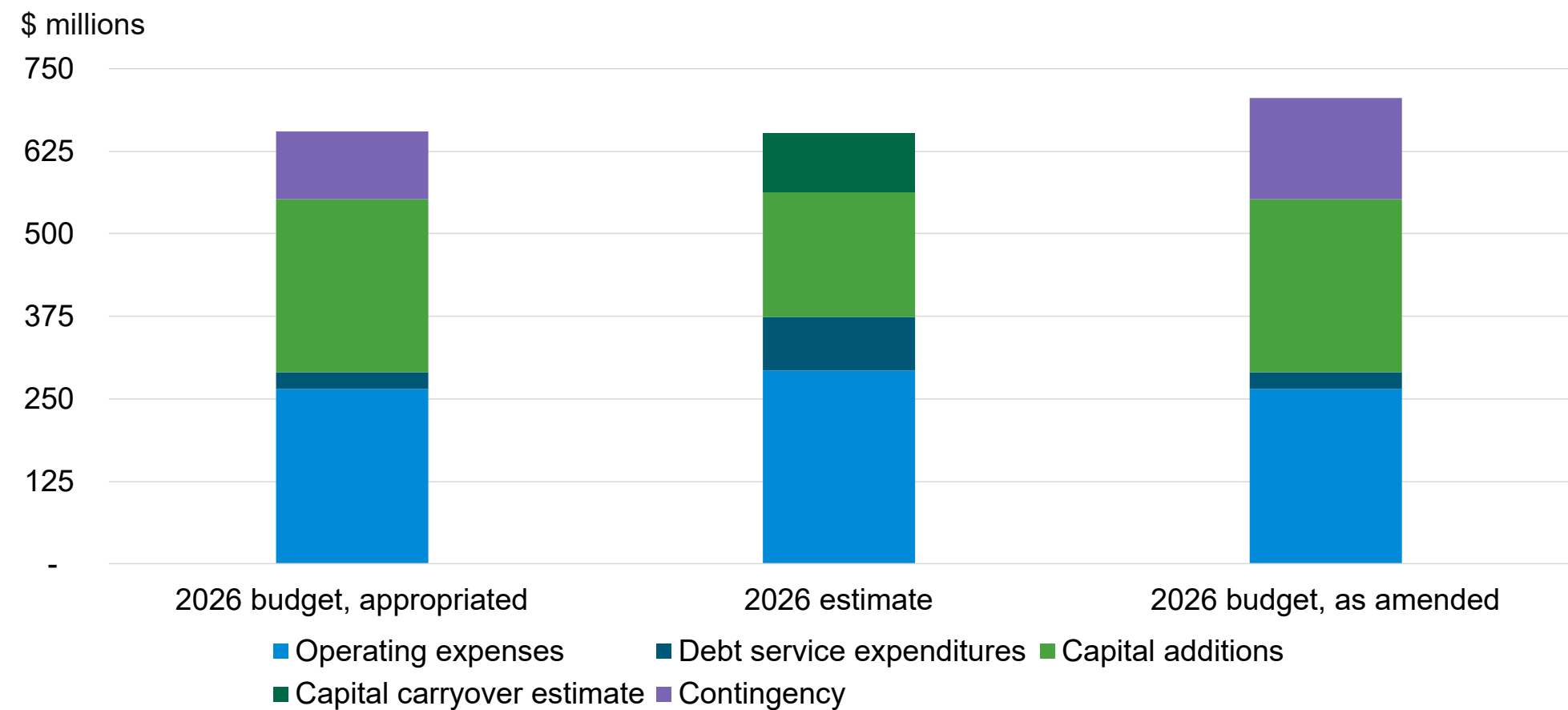
- Contingency summary
- Budget appropriations
- Financial impact
- Financial results
- Next steps

Contingency summary

- \$102.0 million available (approximately 20% of operating expenses and capital additions)
- \$100.0 million estimated to be required
 - Operating expenses estimate as of July
 - October update expected to be higher with additional market experience
 - Under budget law, expenditures may not legally exceed appropriations
- Proposed: **Increase contingency by \$51.0 million** (an additional 10% for 30% total) to **\$153.0 million**

Contingency summary		\$ millions
Operating expenses		
2026 estimated operating expenses	\$	293.0
2026 operating expenses budget		264.6
Operating expenses contingency transfer required	\$	28.4
Capital additions		
2026 estimated capital additions	\$	189.7
2026 capital additions budget		262.2
Below-budget variance	\$	(72.5)
Estimated capital carryover from 2026 to 2027		88.3
Capital additions contingency transfer required	\$	15.8
Debt service expenditures		
2026 estimated debt service expenditures	\$	19.2
2026 debt service expenditures budget		25.4
Below-budget variance	\$	(6.2)
Estimated early redemption of Series JJ		62.0
Debt service expenditures contingency transfer required	\$	55.8
Total contingency transfer required	\$	100.0

Budget appropriations



Financial impact

- Platte River has sufficient cash generated through revenues, prior reserves and debt financing to cover these increased expenditures

\$ in thousands	2026 Strategic Budget, original appropriation	Unspent capital appropriations from 2025 budget	Supplemental budget	2026 Strategic Budget, as amended
Source of funds				
Operating revenues	\$ 339,869	\$ -	\$ -	\$ 339,869
Other revenues	10,282	-	-	10,282
Funds from prior reserves and debt financing	285,961	18,154	51,000	355,115
<i>Total sources</i>	<u>\$ 636,112</u>	<u>\$ 18,154</u>	<u>\$ 51,000</u>	<u>\$ 705,266</u>
Use of funds				
Operating expenses	\$ 264,646	\$ -	\$ -	\$ 264,646
Capital additions	244,077	18,154	-	262,231
Debt service expenditures	25,389	-	-	25,389
Contingency appropriation	102,000	-	51,000	153,000
<i>Total uses</i>	<u>\$ 636,112</u>	<u>\$ 18,154</u>	<u>\$ 51,000</u>	<u>\$ 705,266</u>

Financial results

Strategic Financial Plan metrics	Target minimums	2026 budget, appropriated	2026 budget, as amended	Increase (decrease)
Fixed obligation charge coverage ratio	1.50x	1.54x	1.54x	➡ 0.0%
Change in net position as a percentage of annual operating expenses	3%	3%	3%	➡ 0.0%
Adjusted debt ratio	< 50%	39%	39%	➡ 0.0%
Days adjusted liquidity on hand	200	219	219	➡ 0.0%

Budget results (\$ millions)	2026 budget, appropriated	2026 budget, as amended	Increase (decrease)
Total revenues	\$ 350.2	\$ 350.2	➡ 0.0%
Total expenditures	\$ 552.2	\$ 552.2	➡ 0.0%
Board contingency	\$ 102.0	\$ 153.0	⬆ 50.0%
Average wholesale rate increase	6.3%	6.3%	➡ 0.0%



Next steps

- Today – public hearing
- December – final resolution and adoption
 - File with State of Colorado
- Year end close – staff evaluate budgetary results and apply the contingency appropriation accordingly

Questions



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Board of directors

Oct. 29, 2026

Community surveys project

**Kendal Perez, senior manager, communications,
community relations and public education**



Background

- Similar surveys issued in 2019 and 2021
- Since then, made substantial progress and faced significant cost increases
 - Added wind and solar projects
 - Began construction on battery storage and aeroderivative turbine projects
 - Joined an organized energy market
 - Launched one of two virtual power plant programs
 - Drafted a new strategic plan, proposed update to Resource Diversification Policy
- Need updated data to understand:
 - Customer awareness of Platte River and connection to owner communities
 - Sentiments about the energy transition, electric utility rates and system reliability

Approach

Current project

- Contracted with independent third party to design and process surveys
- Partnered with owner communities to develop questions and deploy surveys
- Conducted surveys between Sept. 8 and Sept. 21, 2026

Future projects

- Continue surveying every two years to capture trends
- Adjust distribution schedule to avoid overlap with owner community surveys

Deliverables

Following today's meeting

- Aggregate results summary
- Individual community results summaries (residential and commercial)
- Individual community results data (residential and commercial)



2026 community survey results

Keith Kaderly, managing partner, Inside Information





Overview

- Conducted in summer of 2026
- Total responses 1,592
 - Residential MOE $\pm 2.62\%$
 - Commercial MOE $\pm 6.72\%$
 - 95% confidence level

**Residential
1386**

**Commercial
206**

Responses

Summary

- **Reliability is the highest priority** for both residential and commercial respondents.
- **Affordability is a leading priority** and an important consideration alongside progress toward noncarbon energy.
- **Platte River has meaningful recognition among end users**, and those who rated the organization view it favorably.
- **Residential respondents place greater importance on noncarbon energy than commercial respondents**, while both groups place greater importance on reliability and affordability.
- **Willingness to pay more to accelerate progress toward 100% noncarbon energy is limited**, highlighting the importance of affordability.
- **Interest in demand-management programs varies**, with greater interest among residential respondents. These results establish a baseline for measuring progress as education and outreach expand.

Net Promoter Score



Likely to choose or recommend electric utility

RESIDENTIAL

Net Promoter Score® (NPS) Question:

If you could choose your electric utility, how likely would you be to choose [your electric utility] or recommend it to a friend or family member?

Needs Improvement: -100-0

GOOD: 0-49

EXCELLENT: 50-69

TOP OF CLASS: 70+

Residential

26

NPS is a loyalty metric that's calculated by dividing responses into three groups, then subtracting Detractors from Promoters.

DETRACTORS: **26%**

PASSIVES: **22%**

PROMOTERS: **52%**

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Likely to choose or recommend electric utility

COMMERCIAL

Net Promoter Score® (NPS) Question:

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GOOD: 0-49

EXCELLENT: 50-69

TOP OF CLASS: 70+

Commercial

11

NPS is a loyalty metric that's calculated by dividing responses into three groups, then subtracting Detractors from Promoters.

DETRACTORS: **31%**

PASSIVES: **27%**

PROMOTERS: **42%**

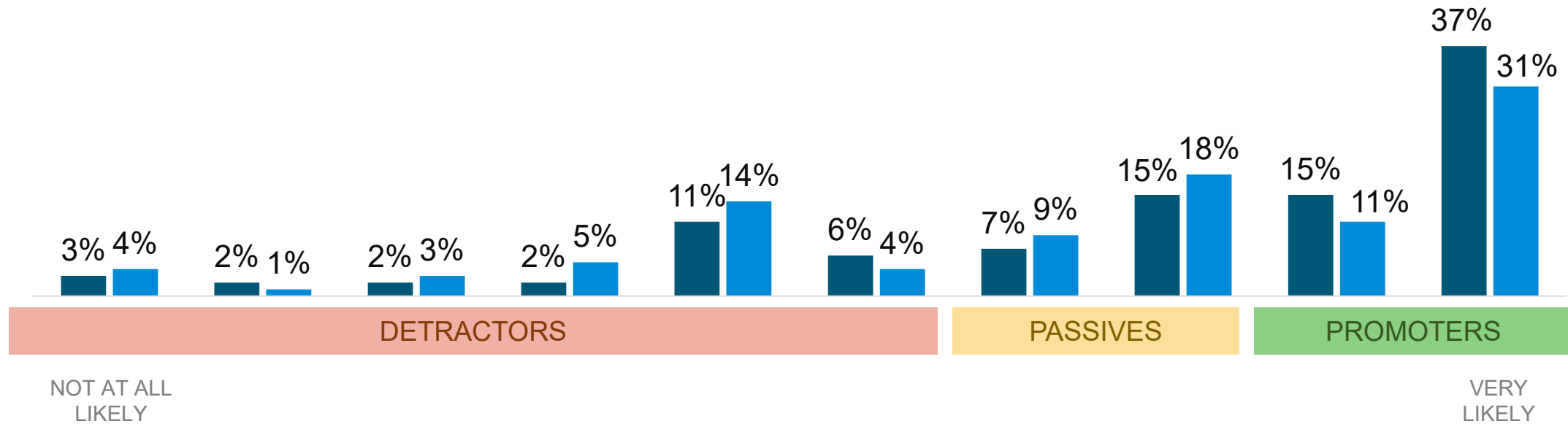
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Likely to choose or recommend electric utility

	AVERAGE	NPS
Residential	7.9	26
Commercial	7.5	11



Primary reason for score: promoters vs. detractors - **RESIDENTIAL**

Customers were asked to provide feedback for the primary reason for their score.

These are the most common themes from customer comments. See data file for complete listing.

Detractors

High Costs & Rising Rates

High costs and continued rate increases are the primary source of dissatisfaction.

- *"Price is outrageous"*
- *"Rates keep going up"*
- *"Was always great but lately my bill has gotten way too high"*

Limited Choice & Ability to Compare

Many feel unable to recommend or compare providers because they have no choice of utility.

- *"Do I have a choice? It's been fine..."*
- *"I don't really have a choice, do I?"*
- *"Since we have no other choice for electric, how can I make a comparison?"*

Billing, Rate Structure & Fees

Peak pricing, added fees, and confusing or unpredictable bills create frustration.

- *"Expensive and hard to understand billing charges and cycles"*
- *"I don't understand why prices are different at different times of the day."*
- *"Too many extra charges. Some of them are way too high"*

Promoters

Reliable & Consistent Power

Reliable, uninterrupted service with few outages is the most common reason for satisfaction.

- *"In 30 years at the same house, we've never had power problem."*
- *"Reliable service. Many years of service and very few outages."*
- *"We have always had reliable electricity, no outages."*

Affordable & Fair Pricing

Many view rates as reasonable and a good value, particularly given the quality of service.

- *"Fair pricing, reliable service."*
- *"Reliable service at better rates than surrounding areas."*
- *"Very reliable and great value."*

Responsive Service & Quick Outage Recovery

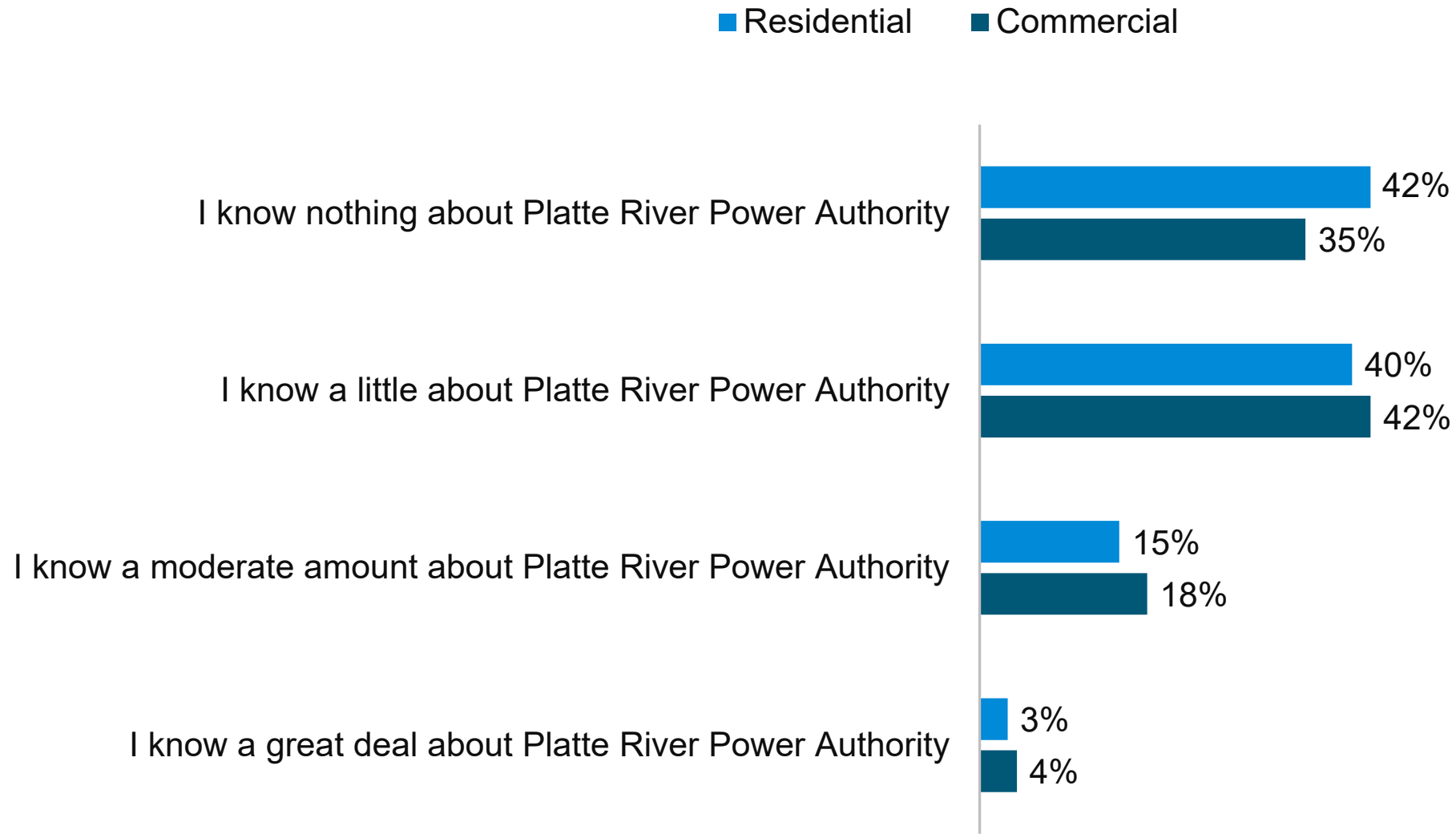
Helpful customer service and quick response to outages and other issues are frequently praised.

- *"Great customer service, reliable, wonderful follow through."*
- *"Power stays on and when it goes off, comes back on quickly."*
- *"Whenever we have had a problem, [your electric utility] has responded quickly and fixed it."*

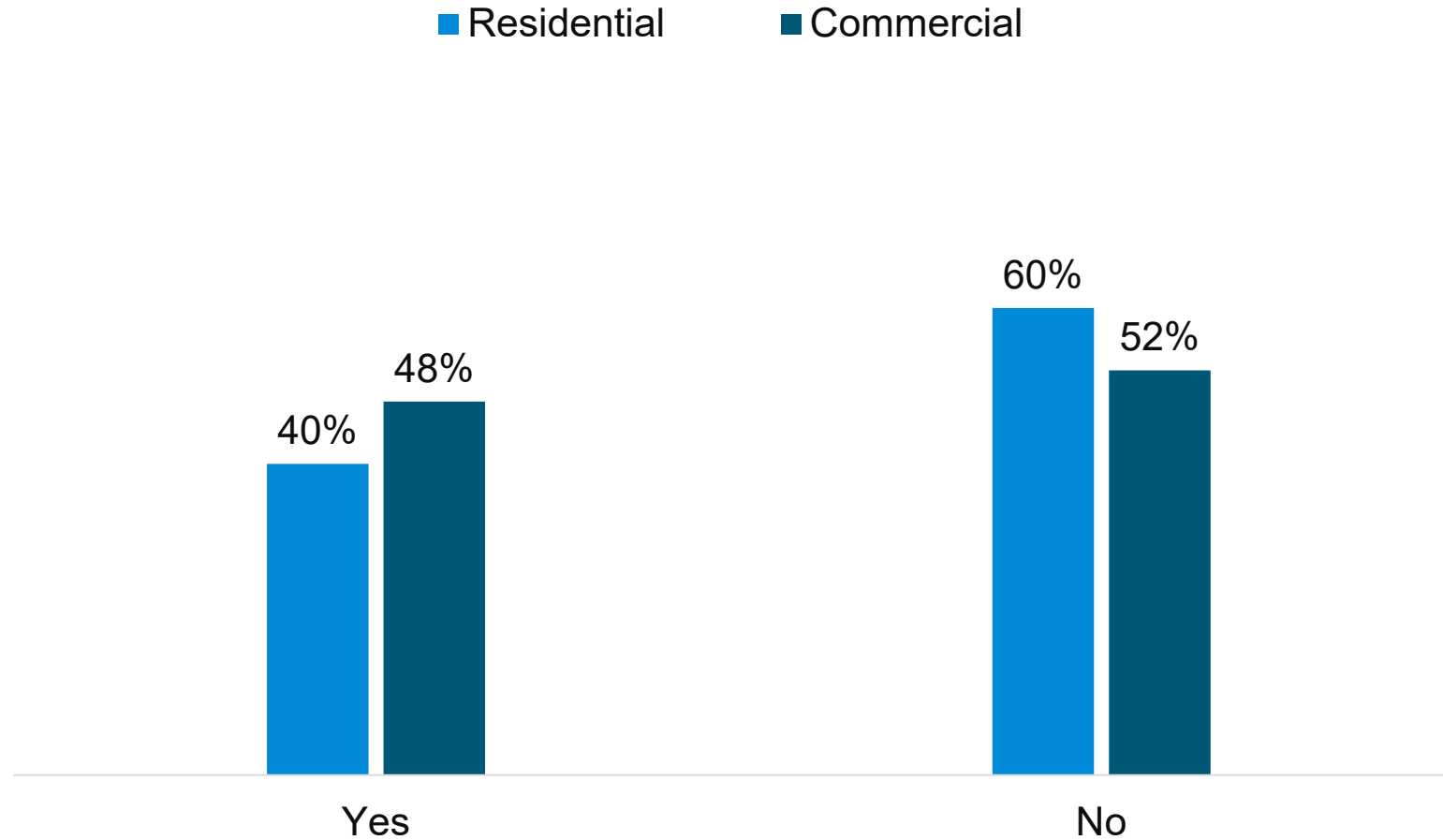
Awareness and opinions



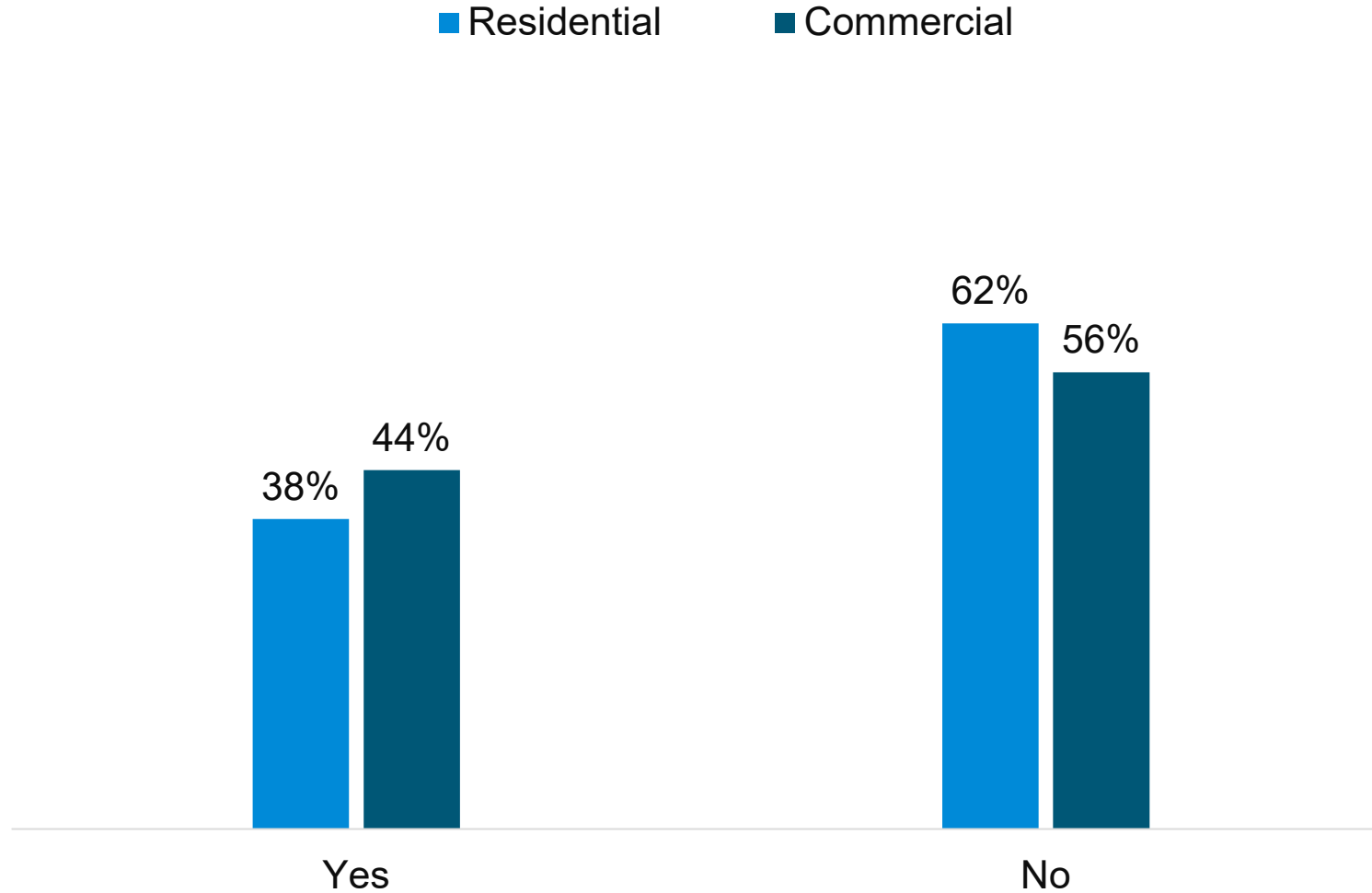
Knowledge about Platte River Power Authority



Aware that Estes Park, Fort Collins, Longmont and Loveland jointly own Platte River Power Authority?

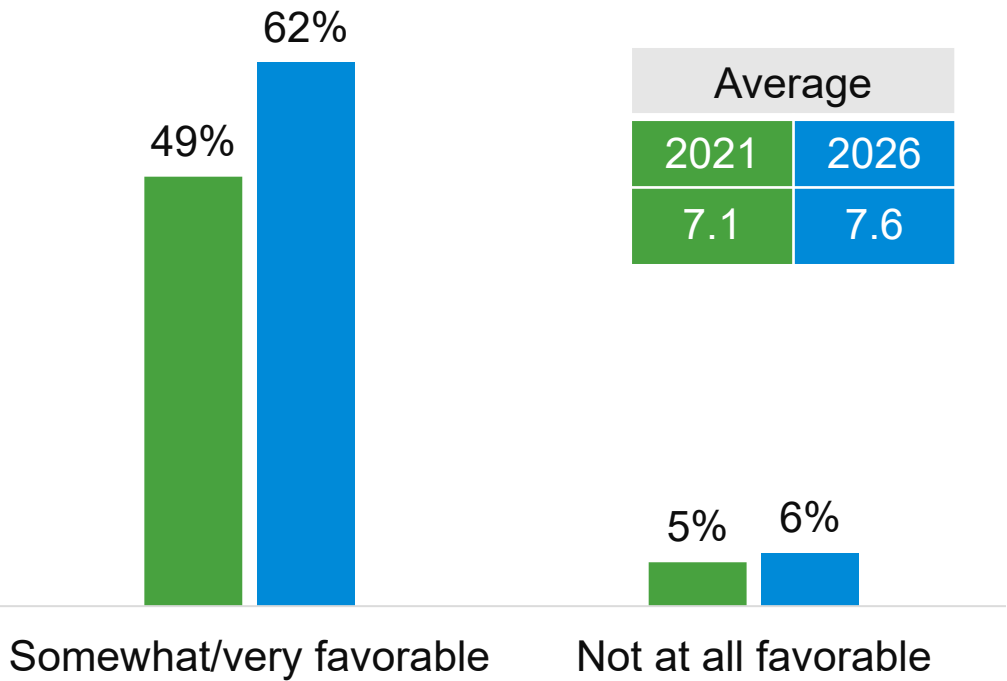


Aware of Platte River's noncarbon energy goal

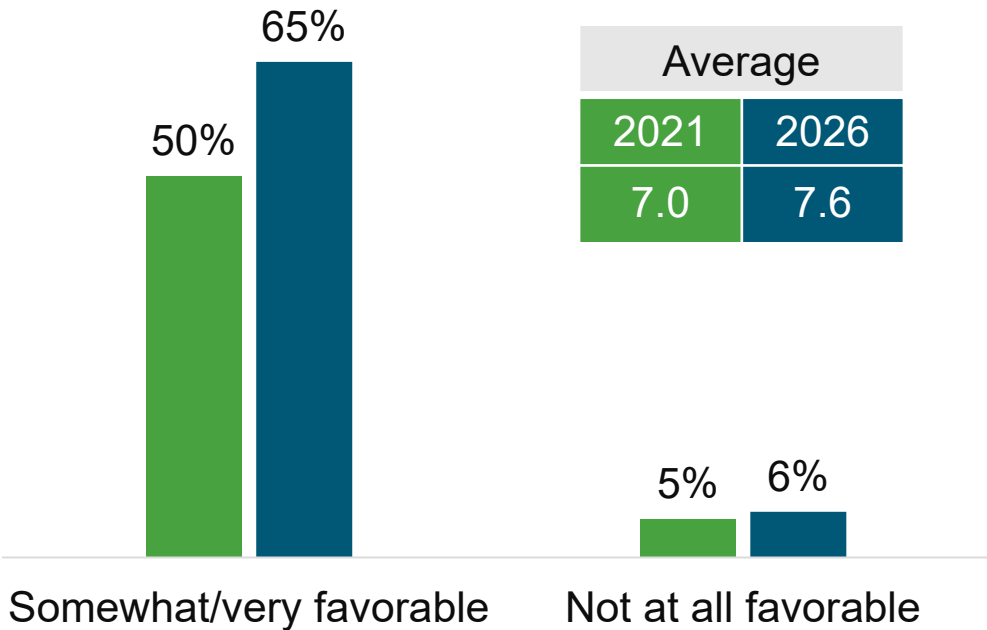


Opinion of Platte River

Residential



Commercial



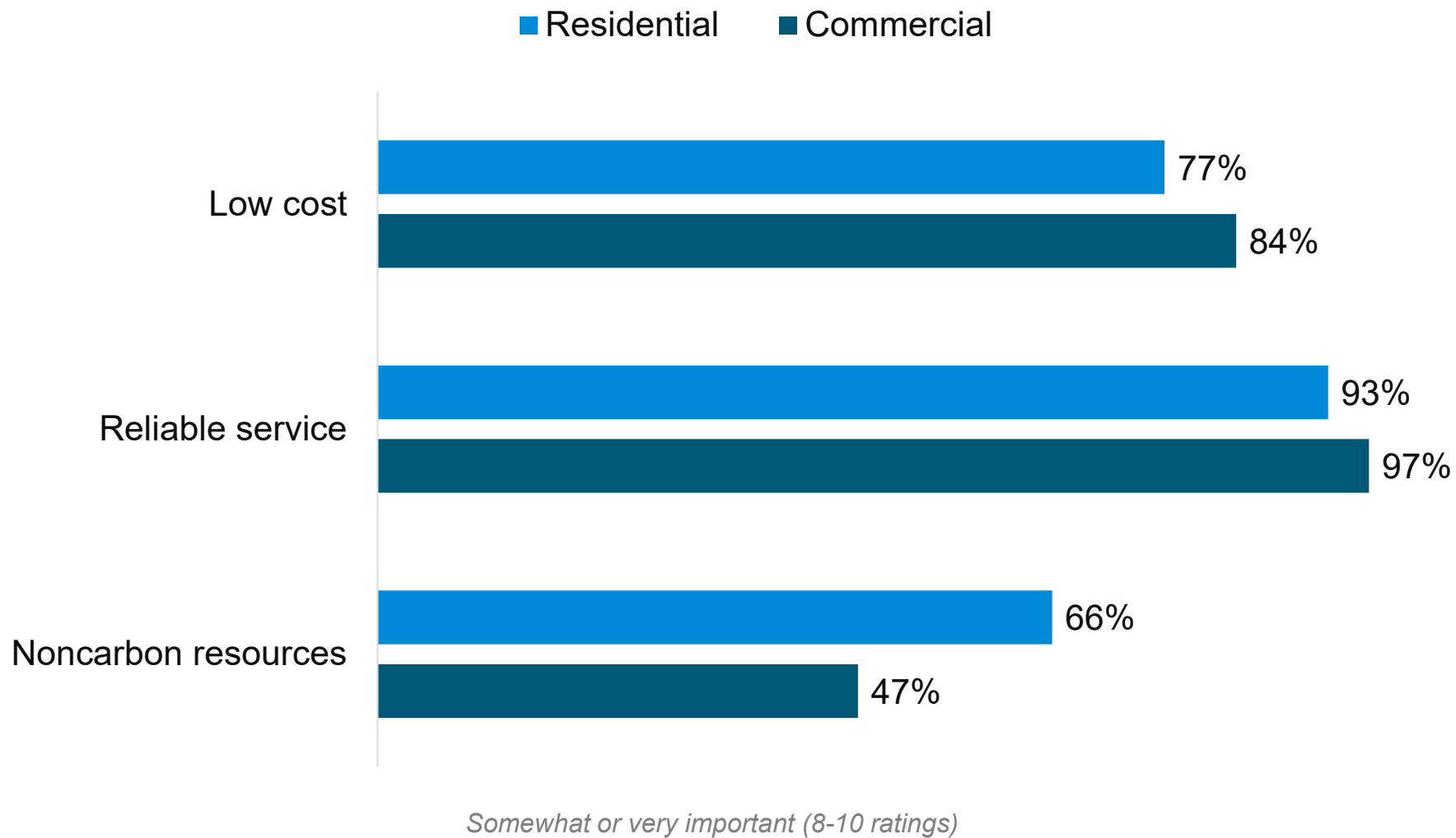
See data files for main reason for opinion rating



Electric service characteristics

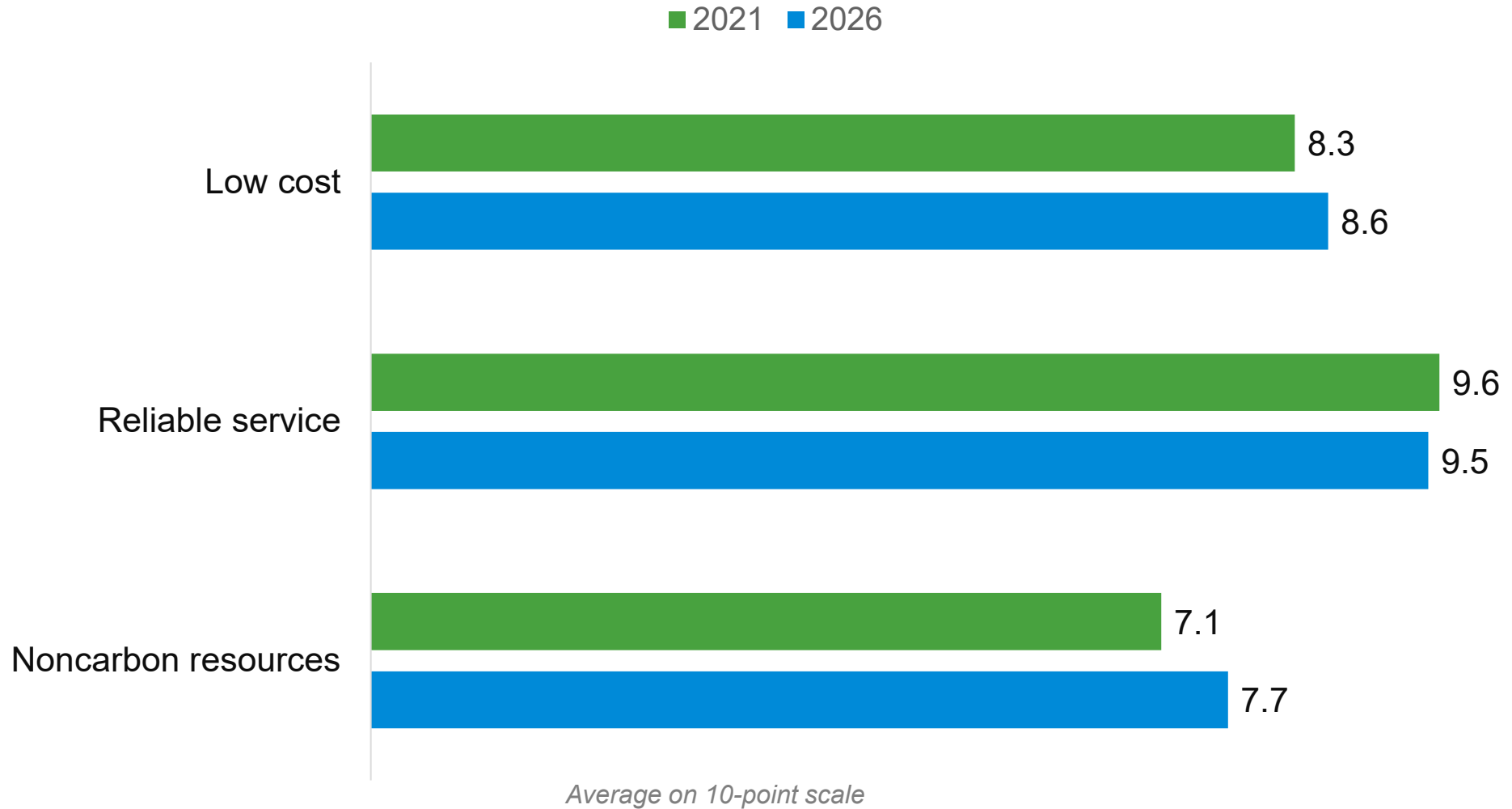


Importance of electric service characteristics



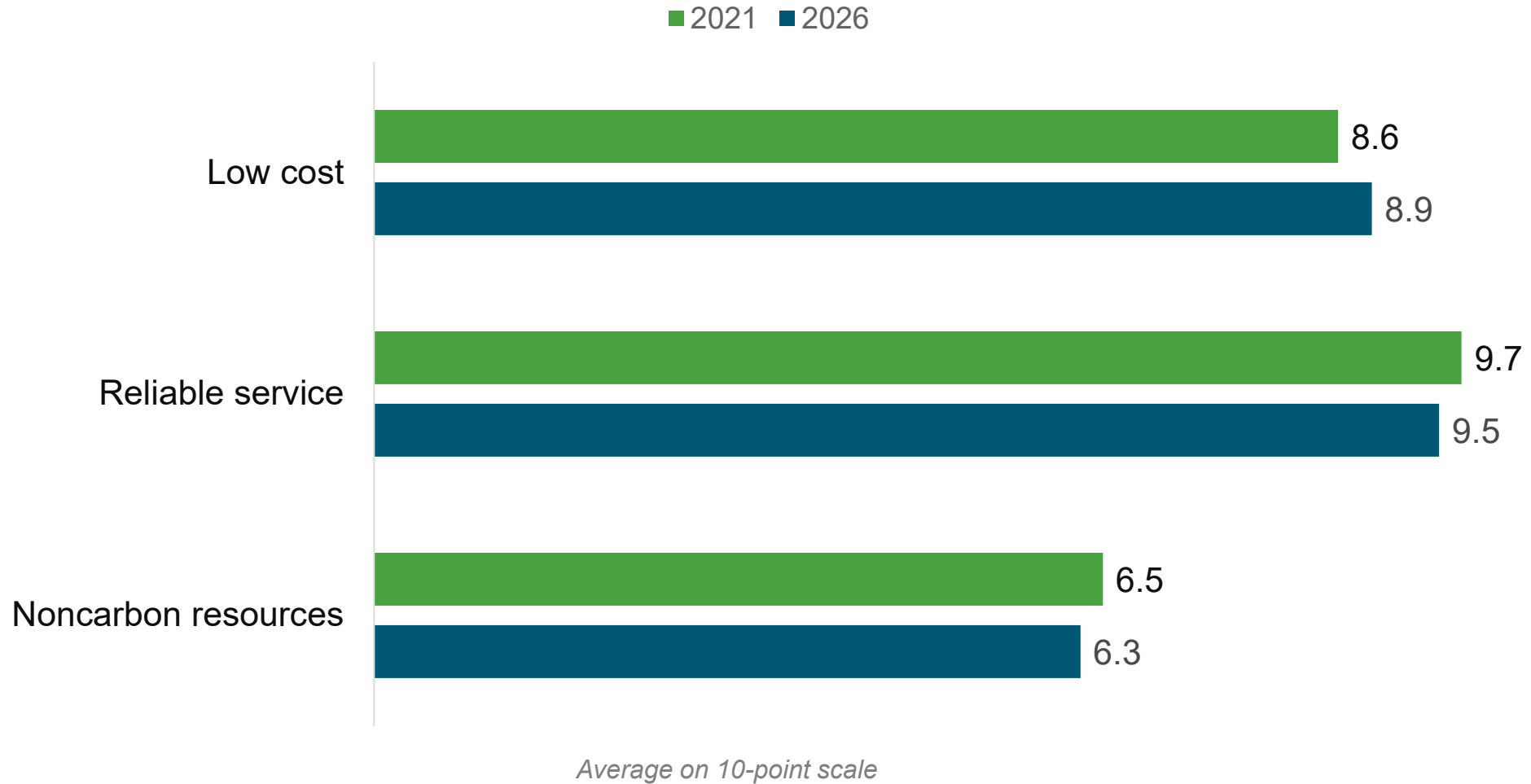
Trends of importance of electric services characteristics

RESIDENTIAL



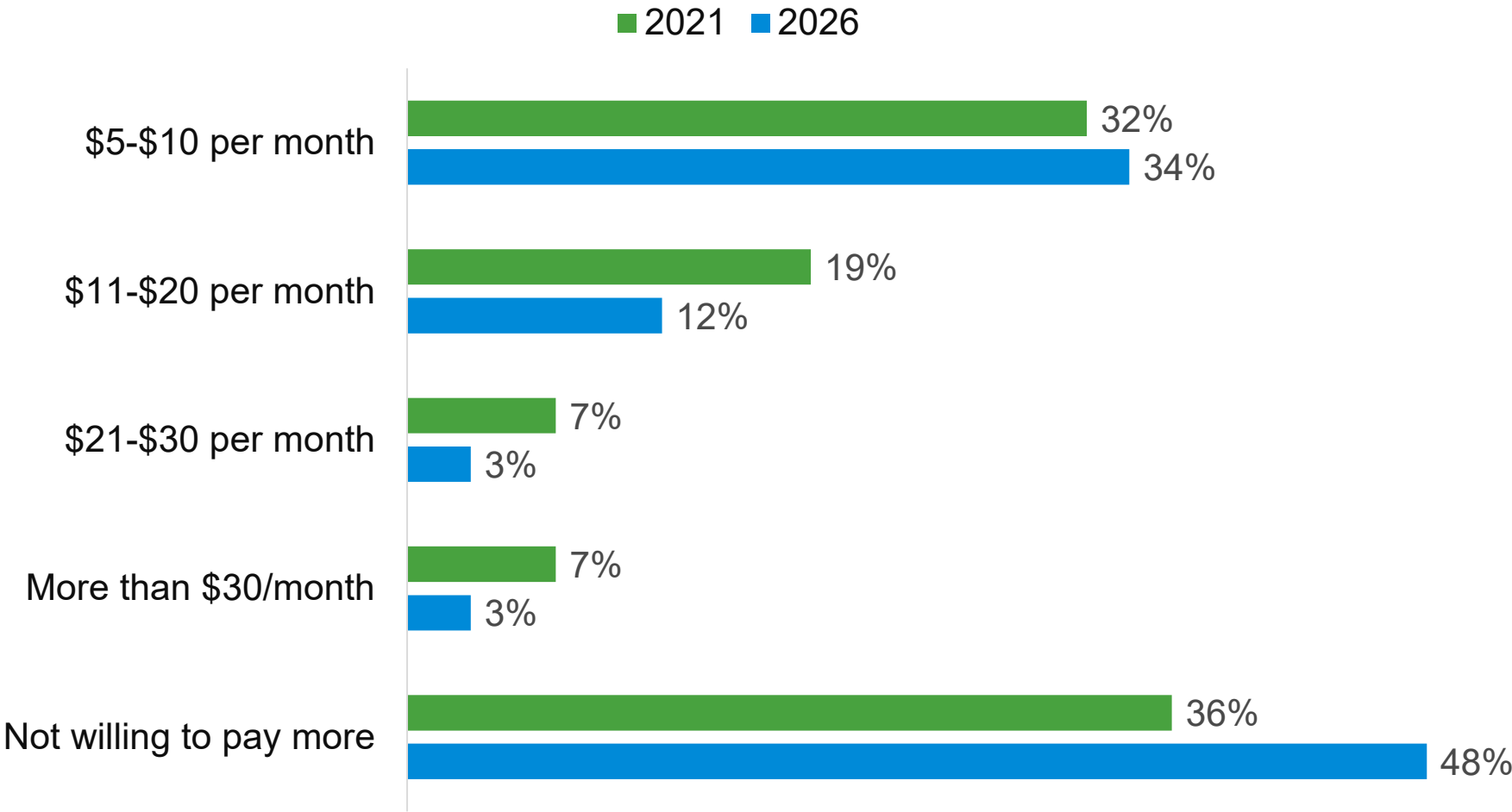
Trend of importance of electric services

COMMERCIAL



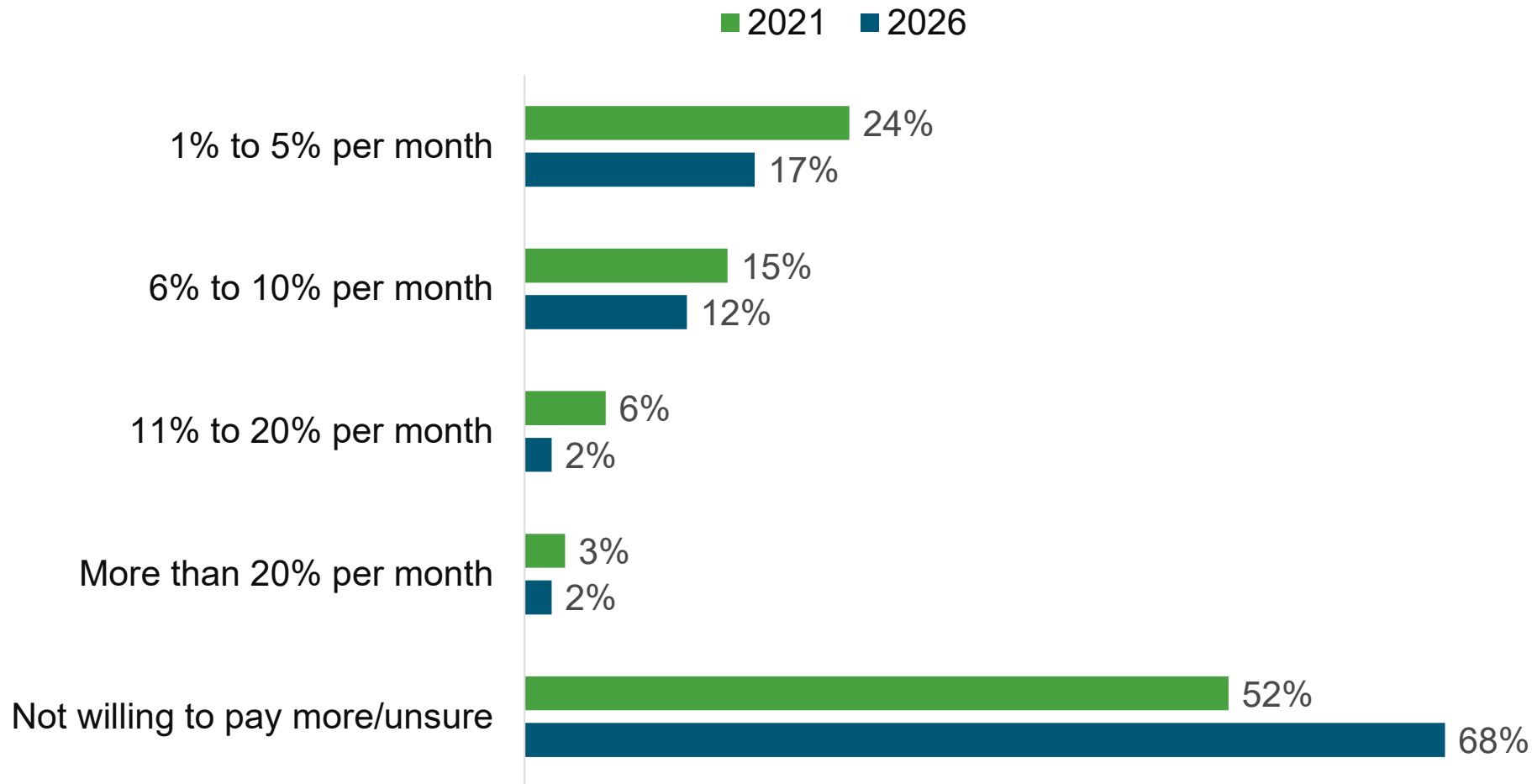
Platte River Power Authority projects that by 2030, noncarbon resources will make up over 80% of its energy portfolio. How much more would you be willing to pay on your monthly [electric utility] bill to accelerate the progress toward 100% noncarbon energy?

RESIDENTIAL

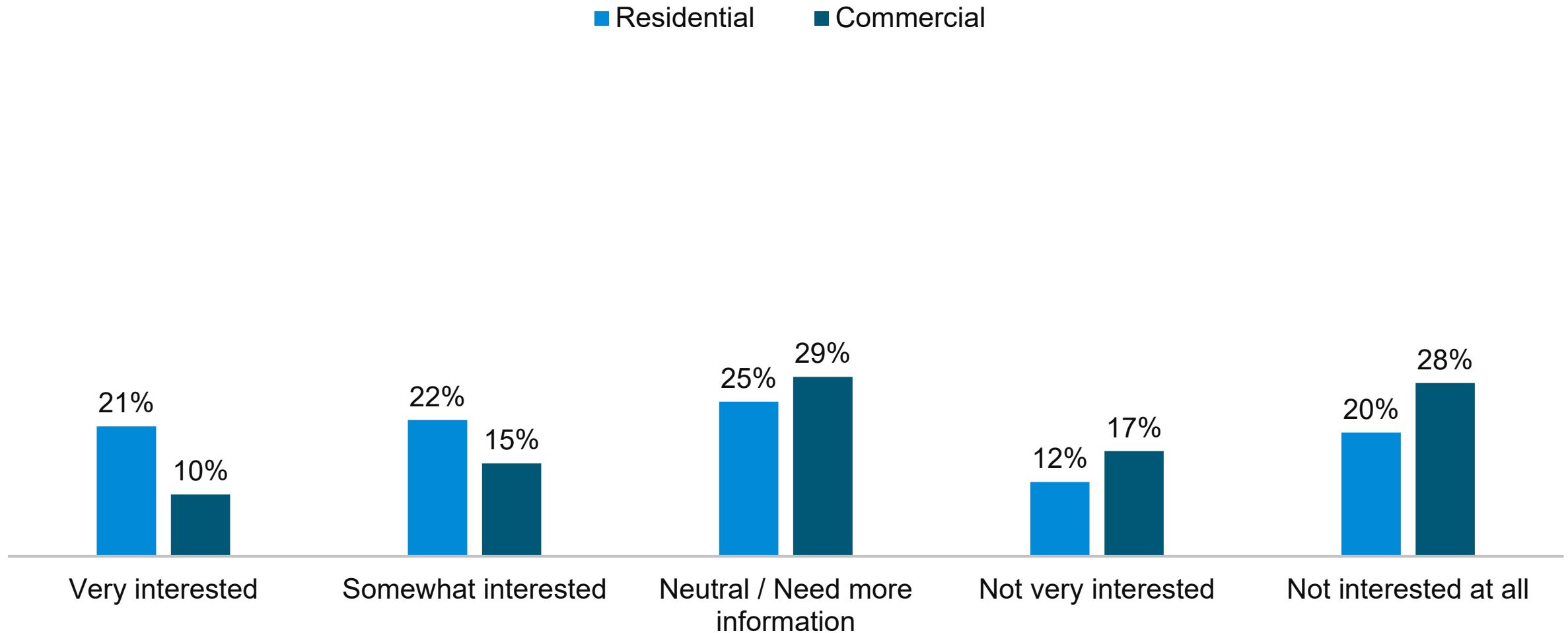


Platte River Power Authority projects that by 2030, noncarbon resources will make up over 80% of its energy portfolio. How much more would you be willing to pay on your monthly [electric utility] bill to accelerate the progress toward 100% noncarbon energy?

COMMERCIAL



Interest in program to reduce/shift electricity use during high demand



Key takeaways

- **Reliability is the highest priority** for both residential and commercial respondents.
- **Affordability is a leading priority** and an important consideration alongside progress toward noncarbon energy.
- **Platte River has meaningful recognition among end users**, and those who rated the organization view it favorably.
- **Residential respondents place greater importance on noncarbon energy than commercial respondents**, while both groups place greater importance on reliability and affordability.
- **Willingness to pay more to accelerate progress toward 100% noncarbon energy is limited**, highlighting the importance of affordability.
- **Interest in demand-management programs varies**, with greater interest among residential respondents. These results establish a baseline for measuring progress as education and outreach expand.

Questions



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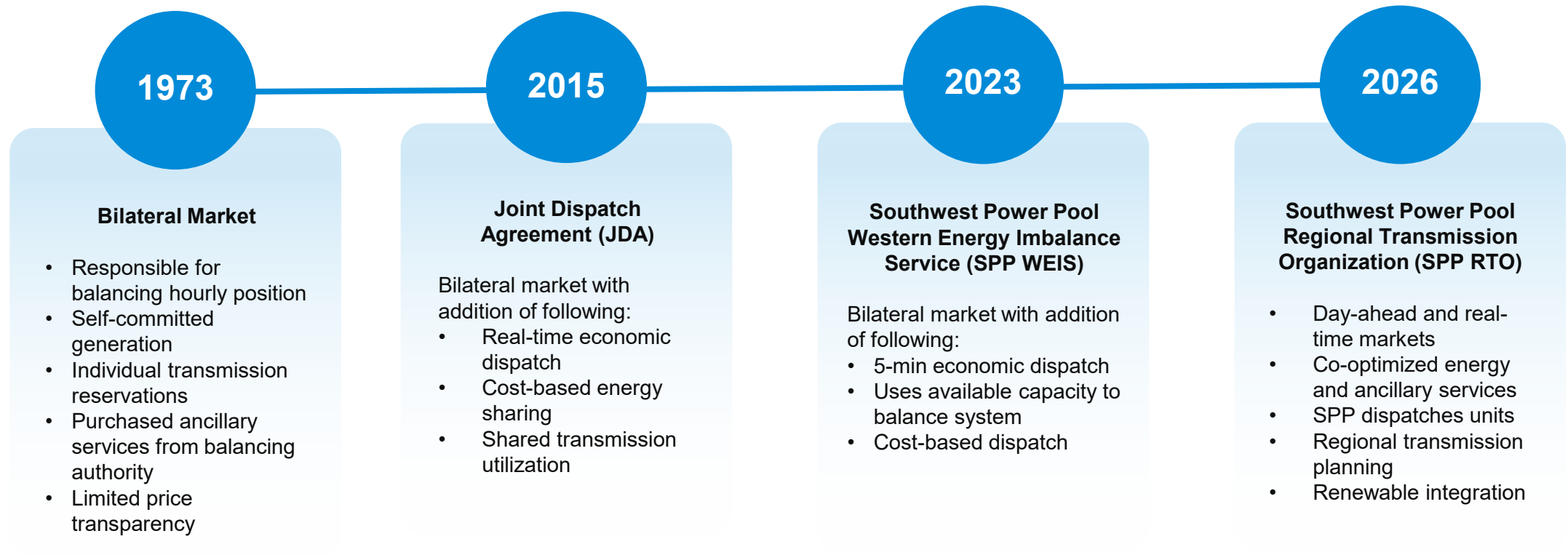
SPP market reliability operations update

Dylan Jirsa, energy trader

Jeremy Clark, director, power markets



Evolution of market participation



PRPA strategy for entering SPP

SPP participation increases value, enhances reliability, and supports the clean energy transition.

Optimize assets

- Increase value from generation and transmission assets
- Access broader market opportunities
- Improve utilization of infrastructure and resources
- Deliver economic benefits for owner communities

Strengthen reliability

- Access diverse regional resources
- Improve resilience during extreme weather events
- Enhance regional coordination and situational awareness
- Support reliable service through resource transition

Support resource transition

- Improve renewable energy integration
- Increase dispatch flexibility across market conditions
- Optimize operation of diverse resource types
- Position Platte River for future resource changes



How SPP changed generation operations

Past (Bilateral, JDA & SPP WEIS)

- Participated in real-time balancing markets
- Thermal resources primarily supported local capacity sales
- Ancillary services purchased from Public Service of Colorado Balancing Authority (BA)
- Reliability managed within a smaller operating footprint by BAs
- Renewable variability balanced across a limited geographic area

Present (SPP RTO)

- SPP RTO provides enhanced grid reliability through coordinated transmission operations, regional planning, broader resource diversity and 24/7 grid monitoring across multiple states
- Units are committed by SPP RTO on a day-ahead basis based on economics and reliability
- Thermal resources now provide ancillary services to support regional regulation and reliability.
- SPP RTO improves renewable integration by balancing wind and solar resources across a larger region



SPP early results

Since joining the SPP RTO, Platte River's flexible generation fleet has been dispatched more frequently than expected, providing reliability services across the region while creating additional value from existing assets.

Higher combustion turbine (CT) utilization

- SPP resource adequacy availability was approximately **21% below expectations**
- Year-to-date CT fleet capacity factor reached **16.4% vs. 2.8% budgeted**
- Units were regularly committed in both day-ahead and real-time markets

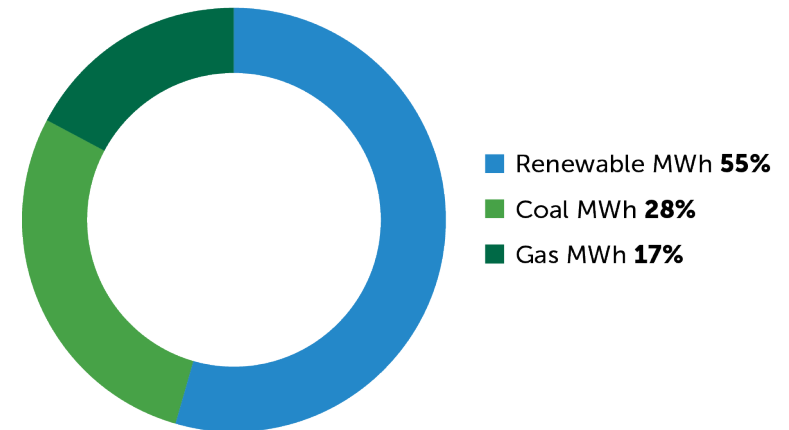
Regional reliability contribution

- PRPA supplied nearly **8x more ancillary services than required for its own load**

Strategic implications

- Enhanced regional reliability support
- Greater flexibility to integrate renewable resources
- Increased value from dispatchable generation assets
- Demonstrates ongoing need for flexible generation in the evolving resource mix

SPP load served by renewables (Apr. - Sept.)



Purchased ancillary example

Invoice Number: 78664

Invoice Date: 2025-08-11

Due Date: 2025-08-31

Billing Period: July, 2025

Amount Due: \$768,001.14

Summary	Quantity	Rate	Amount
Schedule 1 - Scheduling, System Control and Dispatch	675,900 kWh	\$0.062	\$41,905.80
Schedule 3 - Regulation and Frequency Response	6,488.64 kWh	\$9.017	\$58,506.44
Schedule 3 - Regulation and Frequency Response VER-WIND	225,000 kWh	\$9.017	\$41,185.15
Schedule 3 - Regulation and Frequency Response VER-SOLAR	52,000 kWh	\$9.017	\$ 5,157.72
Schedule 3 - Regulation and Frequency Response Non-VER	819,000 kWh	\$9.017	\$5,169.45
Schedule 5 - Spinning Reserve	20,657.00 kWh	\$9.862	\$203,719.33
Schedule 6 - Supplemental Reserve	15,657.00 kWh	\$5.843	\$91,483.85
Schedule 16 - Flex Reserve Service	225,000 kWh	\$6.830	\$320,873.40
Total			\$768,001.14



CT utilization increased

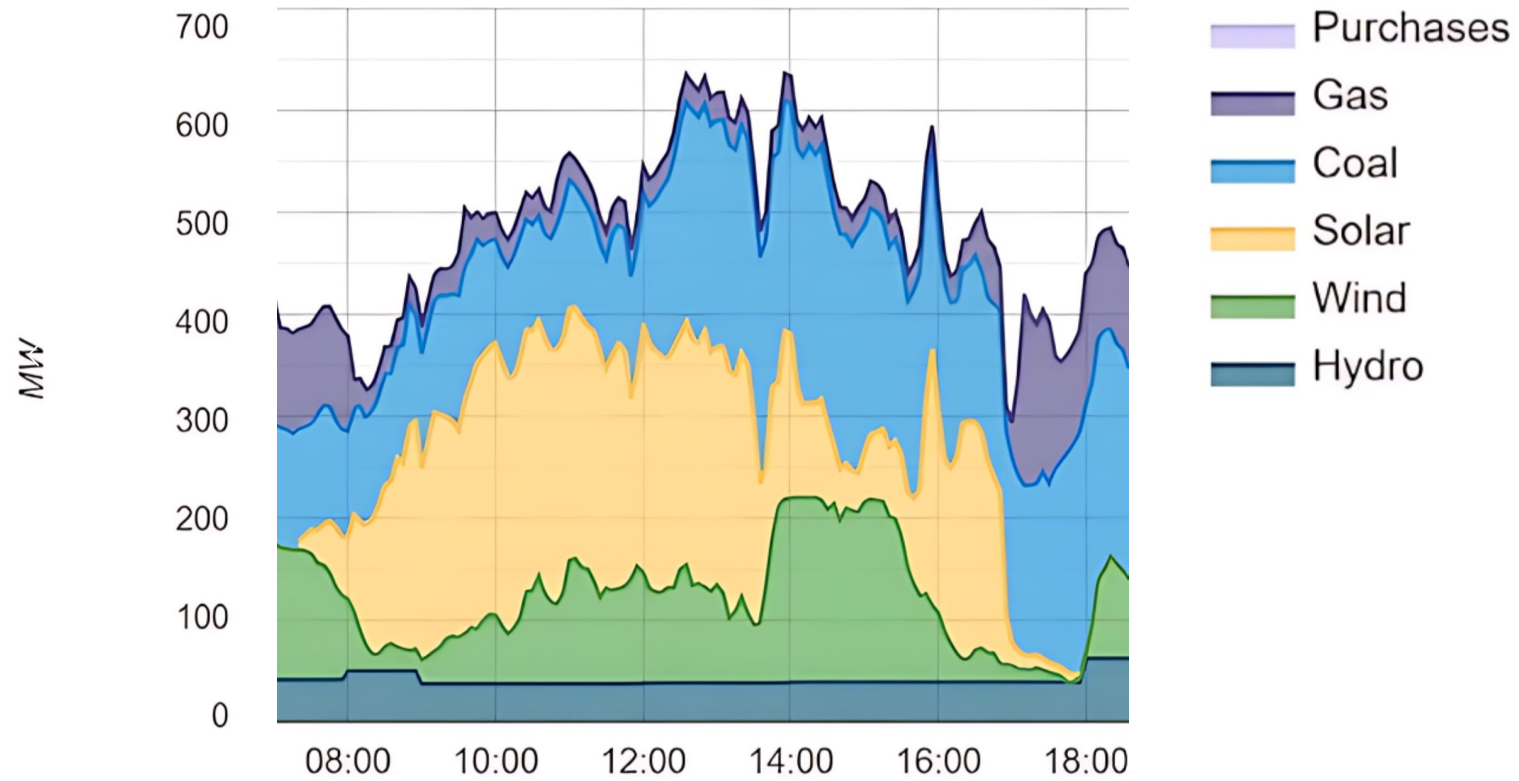
Drivers of increased CT utilization

- Record regional demand and a new Platte River system peak of 738 MW.
- Elevated regional forced outage rates, limiting available generation resources.
- Reduced hydroelectric output due to ongoing drought conditions.

Key impacts

- Increased fuel consumption and natural gas procurement requirements.
- Higher maintenance activity from additional starts and cycling.
- Accelerated equipment wear and outage planning considerations.

Renewable volatility



Conclusion

- Early participation in the SPP RTO has demonstrated the significant reliability value of Platte River's CT fleet
- Flexible generation remains critical as renewable energy resources continue to expand
- Resource adequacy and reliable market operations remain regional challenges
- Several developments are expected to improve market conditions:
 - Platte River's Weld Energy Storage project
 - CSU's future battery storage project
 - Additional market participants joining SPP
 - Market participants providing additional generation flexibility

These additions should help reduce capacity constraints and strengthen regional grid resilience

Questions



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September operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	586 MW	639 MW	53 MW	8.9%	●
Owner community energy	265 GWh	279 GWh	14 GWh	5.6%	●
Net variable cost ¹ to serve owner community energy	\$5.9M	\$3.9M	(\$2.0M)	(37.4%)	●
	\$22.38/MWh	\$14.01/MWh	(\$8.37/MWh)		

¹The net variable operating cost to serve owner community load is equal to the sum of fuel, energy purchases and operating reserves less bilateral energy sales and total SPP settlement values, including day-ahead and real-time, transmission congestions rights (TCR) auction and transmission settlements.

Market impacts to net variable cost

Downward pressure	
Generation and market variances pushing costs lower	
Higher market sales volume and pricing	\$4.3M
Higher ancillary service sales	\$1.2M
Lower coal generation pricing	\$0.7M

Upward pressure	
Generation and market variances pushing costs higher	
Higher gas generation volume	\$3.5M
Higher market purchase volume and pricing	\$1.5M
Higher solar generation pricing	\$0.4M

Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■

YTD operational results

Owner community load	Budget	Actual	Variance	% variance	
Owner community demand	4,878 MW	5,117 MW	239 MW	4.9%	●
Owner community energy	2,464 GWh	2,511 GWh	47 GWh	1.9%	◆
Net variable cost ¹ to serve owner community energy	\$47.0M	\$42.0M	(\$5.0M)	(12.3%)	●
	\$19.08/MWh	\$16.73/MWh	(\$2.35/MWh)		

¹The net variable operating cost to serve owner community load is equal to the sum of fuel, energy purchases and operating reserves less bilateral energy sales and total SPP settlement values, including day-ahead and real-time, TCR auction and transmission settlements.

Market impacts to net variable cost

Downward pressure	
Generation and market variances pushing costs lower	
Higher market sales volume and pricing	\$21.2M
Higher ancillary service sales	\$6.8M
Lower gas generation pricing	\$6.5M

Upward pressure	
Generation and market variances pushing costs higher	
Higher gas generation volume	\$20.9M
Higher market purchase pricing	\$5.9M
Higher solar generation pricing and volume	\$3.2M

Variance key: Favorable: ● | Near budget: ◆ | Unfavorable: ■



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Financial health report

Category	September variance from budget (\$ in millions)		YTD variance from budget (\$ in millions)	
Change in net position ⁽¹⁾	\$(0.4)	■	\$23.4	●
Fixed obligation charge coverage	(0.69)x	■	0.55x	●
Revenues	\$1.0	●	\$45.8	●
Operating expenses	\$(4.6)	■	\$(26.5)	■
Capital additions	\$(7.5)	■	\$104.9	●
Debt service expenditures	\$(61.7)	■	\$(60.6)	■

2% ● Favorable | 2% to -2% ◆ At or near budget | < -2% ■ Unfavorable

⁽¹⁾ Variance includes net unrealized loss on investments of \$0.9 million and \$2.5 million for September and year to date, respectively.

September notable items

- Series JJ bond redemption
 - \$62.0 million principal payoff
 - \$3.8 million write off bond-related amortization items
- \$8.5 million transmission revenue adjustment for SPP market resettlement due to market calculation error



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