SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT BOARD MEETING NOTICE AND AGENDA – AMENDED

JOINT MEETING OF THE BOARD OF DIRECTORS AND COUNCIL WORK STUDY SESSION

Tuesday, October 29, 2024, 9:30 AM

PERA Training and Conference Center
1 E. Continental Drive, Tempe, AZ 85288

Roll Call
Safety Minute

1. Call to Order..... PRESIDENT DAVID ROUSSEAU

2. Overview of Finances and Pricing at SRP in Anticipation of SRP's Price Process
..... BRIAN KOCH, JOHN TUCKER, JON HUBBARD, DANIELLE JACKSON; and MICHAEL KAGAN, CONCENTRIC ENERGY ADVISORS

   Informational presentation, in anticipation of the next SRP Price Process, regarding the following: 1) SRP's financial structure and financial performance; 2) how SRP funds its future capital and operational needs by way of revenue and debt; 3) the SRP Board pricing principles relating to changes to standard electric prices and general discussion regarding rate design issues; 4) the general outline of an SRP price process including the role of the SRP management consultant; and 5) the price process calendar.

3. Legal Requirements Regarding the SRP Price Process .... MICHAEL O'CONNOR and SARAH GLOVER

   Informational presentation to provide an overview of 1) the statutory requirements regarding a price process, 2) the SRP Rules and Regulations regarding a Price Process, and 3) the SRP Board Pricing Principles.

4. Executive Session, Pursuant to A.R.S. §38-431.03 (A)(3), to Provide Legal Advice for the Board Regarding the SRP Price Process and to Address 1) the Arizona Revised Statutes Requirements Under A.R.S. §48-2334 Related to a Price Process; 2) the Arizona Revised Statutes Requirements Under A.R.S. §38-431 Regarding Open Meeting Law Requirements for a Price Process; 3) the Potential Legal Risks/Challenges to the Board's Decision, Including a Brief Discussion of Past Legal Challenges to Board Approved Changes; and 4) the Significance of the SRP Board Pricing Principals for the Board's Decision Regarding the Management Proposal, and Any Board Changes/Modifications to the Management Proposal ..... MICHAEL O'CONNOR and SARAH GLOVER

5. Adjourn..... PRESIDENT DAVID ROUSSEAU

The Board 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 Board 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.

NOTICE WILL BE SENT REGARDING THE NEXT JOINT MEETING OF THE BOARD OF DIRECTORS AND COUNCIL WORK STUDY SESSION

10/25/2024

Board and Council Work Study Session

October 29, 2024

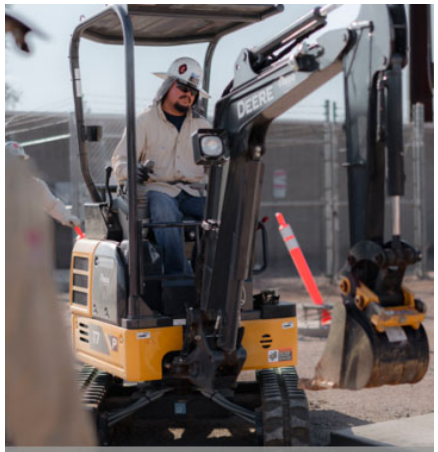
Safety Minute
Celebrating Safety Champions

Sara McCoy, Director of Risk Management

October 29, 2024

President's Trophy for Safety

- Substation Construction
- 137,000 hours worked
- Zero injuries

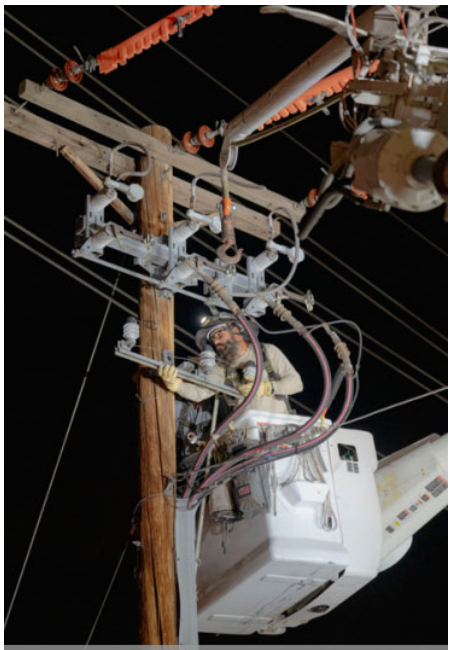


Stetson Knight (foreground), Equipment Operator 3, trains and assists Rudy Arvizu, Trades Helper, in operating a mini-excavator.

Casey Hoffman (left), Substation Electrician, and Dallas Dimbatt, Electrician Apprentice, assist an operator in moving steel structures.

Mickey Fine Safety Excellence Award

- Distribution Line Maintenance Reactive East
- 63,000 hours worked
- Zero injuries

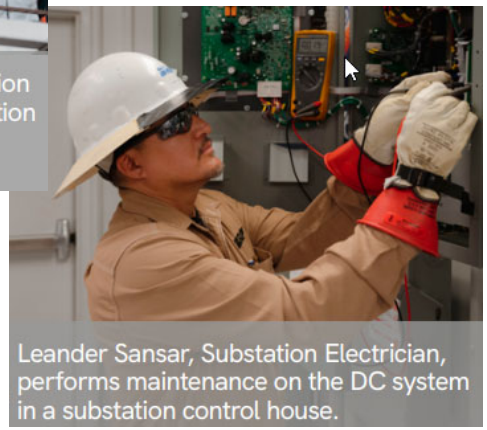


Lineman TJ Halia removes an arrestor bracket to replace a switch.

Safety Culture Award: Significant Safety Culture Enrichment

Distribution Substation Maintenance West

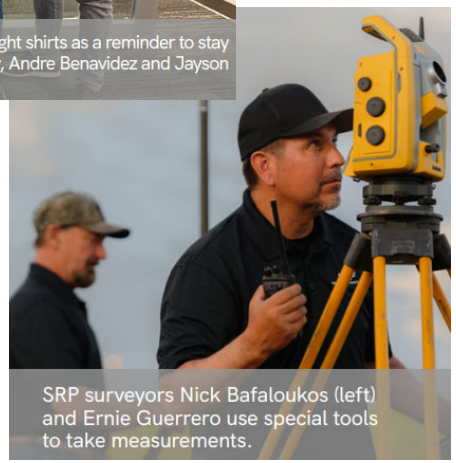
LJ Muth (left), Pre-Apprentice Substation Electrician, and Joey Murawa, Substation Electrician, remove conductors from bushings on a 69 kV transformer.



Leander Sansar, Substation Electrician, performs maintenance on the DC system in a substation control house.

Land & Papago Park Center

Team members in Land & Papago Park Center sport their State Forty Eight shirts as a reminder to stay safe. Back, from left: Laura DelRio-Smith, Tiffany Scatena, Jeff Kressaty, Andre Benavidez and Jayson Carpenter. Front, from left: Christy Baltrus and Christy Burke.



SRP surveyors Nick Bafaloukos (left) and Ernie Guerrero use special tools to take measurements.

thank you!

Board & Council Work Study Session: Overview of Finances and Pricing at SRP

Brian Koch, John Tucker, Danielle Jackson, and
Michael Kagan from Concentric Energy Advisors

October 29, 2024

Agenda

- **SRP's Financial Structure and Historical Performance**
  Brian Koch, Associate General Manager & Chief Financial Executive
- **Financial Plan Process and Current Financial Plan**
  Danielle Jackson, Director Financial Planning & Analysis
- **Industry Perspectives**
  Michael Kagan, Senior Vice President, Concentric Energy Advisors
- **SRP Pricing Principles and Current Market Dynamics**
  John Tucker, Senior Director Financial Strategy
- **Questions & Answers and Conclusion**

Intent of Today's Work Study Session

Provide common understanding of SRP's financial concepts/issues

Background material in anticipation of price process

This is NOT about the specific price proposal that will come in the future

Main Takeaways

Customers have benefited from SRP's long history of strong financial performance.

The current financial environment requires both borrowing and added revenues from pricing.

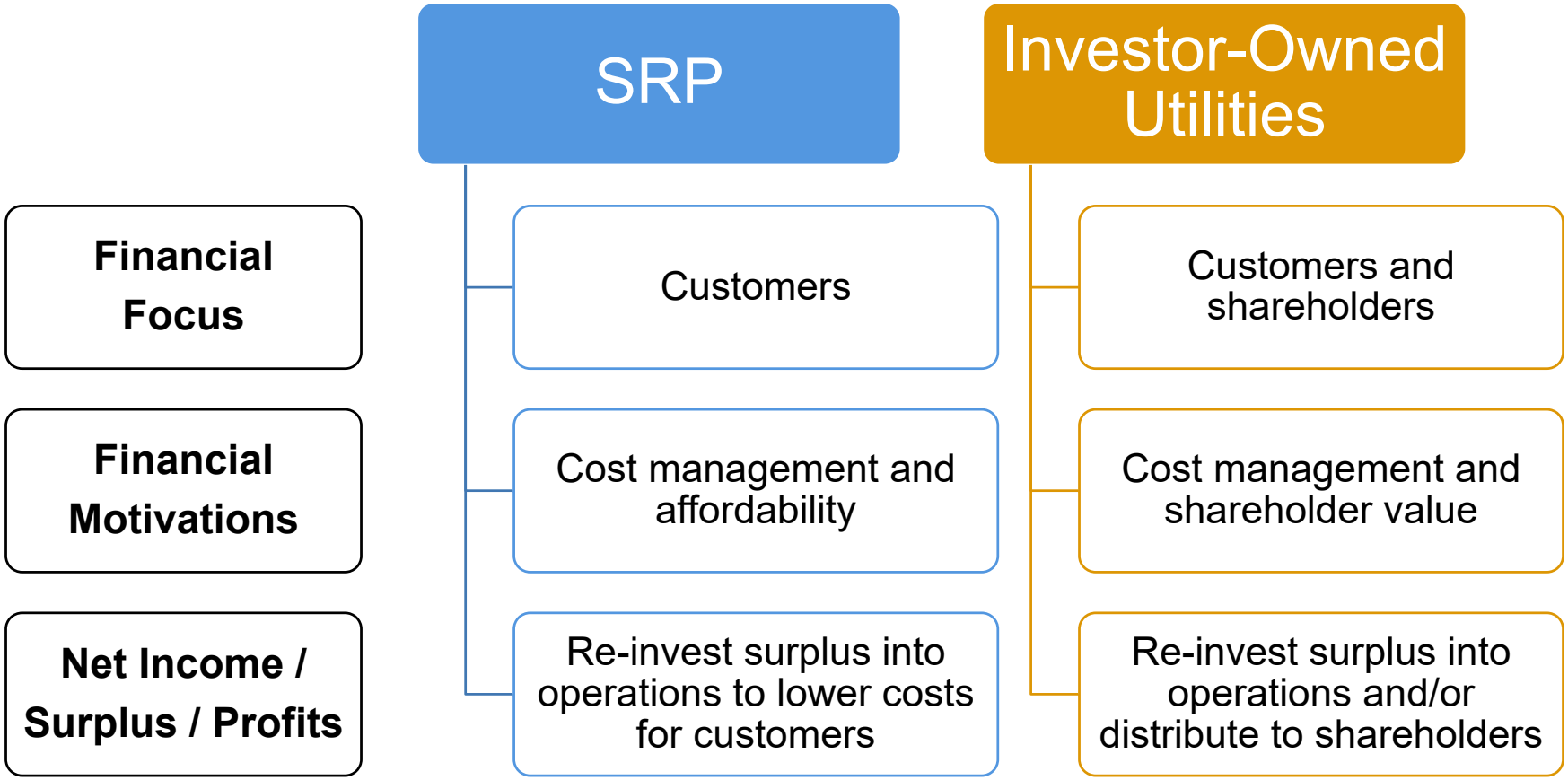
SRP has the opportunity to update its price plans and customer offerings to reflect the current market dynamics for electricity.

To make these changes, SRP management will recommend updates to price plans and customer offerings as part of a Price Process.

SRP's Financial Structure and Historical Performance

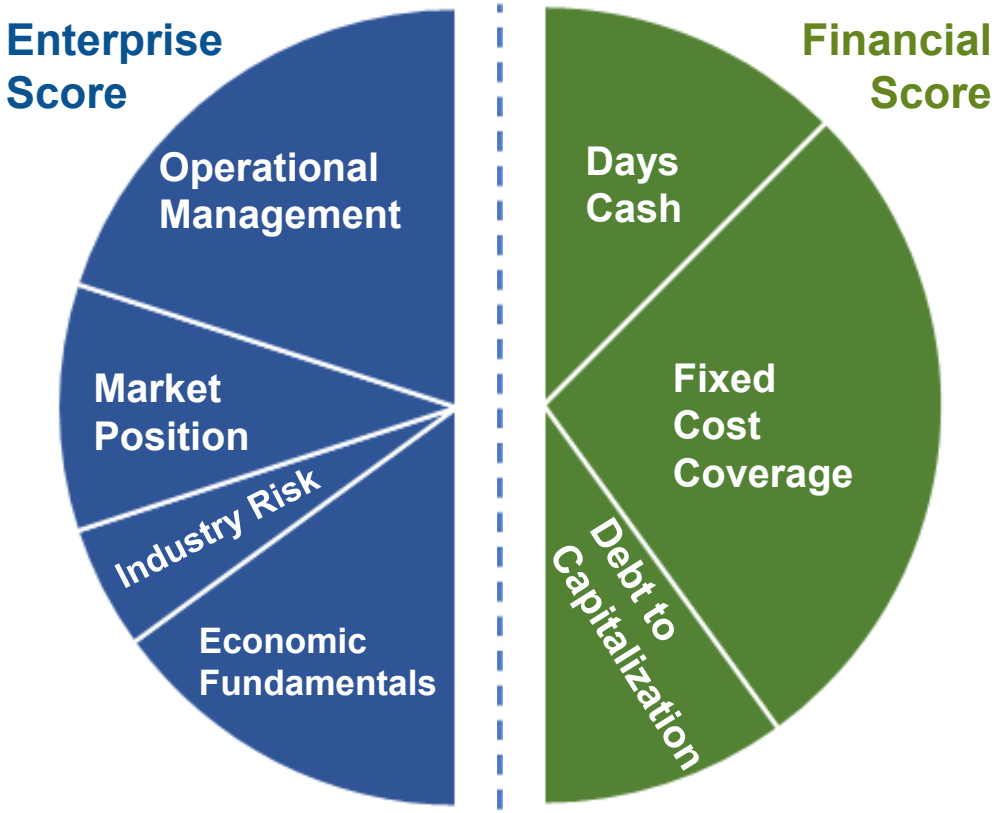
Financial Drivers for SRP Versus Investor-Owned Utilities

SRP focused on returning value to customers

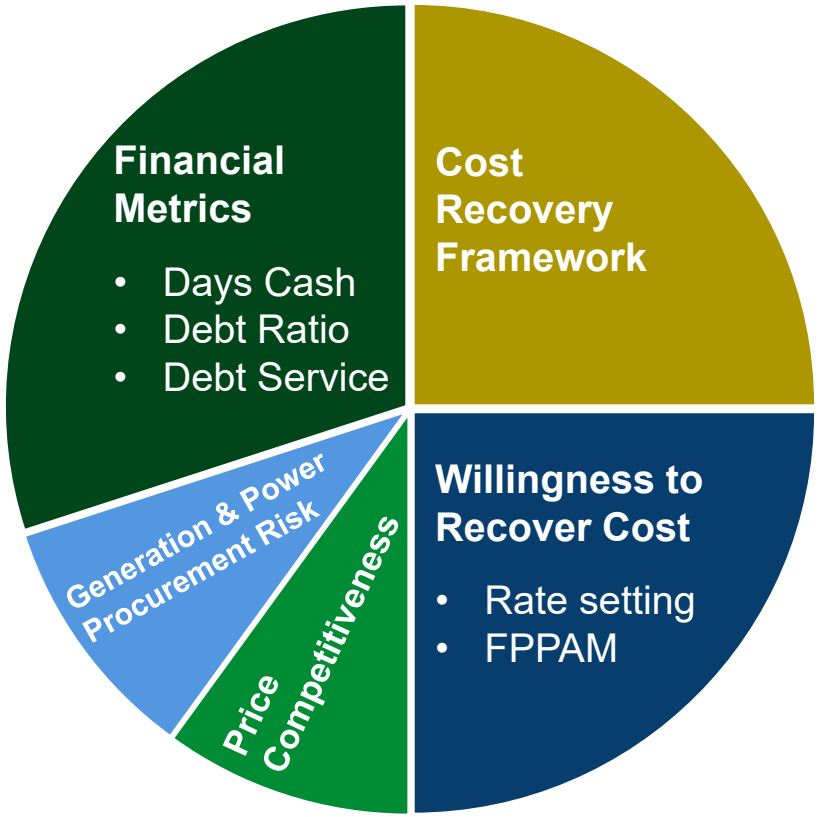


Rating Agencies Value More Than Just Financials

S&P Criteria



Moody's Scorecard



SRP's Credit Ranks Highly Among Its Peers

S&P Ratings

AA+	• **Salt River Project** • Colorado Springs Utilities
AA	• NYPA • Omaha PPD • Orlando Utilities Comm. • SMUD • Seattle City Light • Tacoma Public Utilities
AA-	• Austin Energy • CPS Energy • LADWP • Nashville Electric
A+ and Below	• Clark County PUD (A+) • JEA (A+) • Nebraska PPD (A+) • American Municipal Power (A) • LIPA (A) • Santee Cooper (A-) • TEP (A-) • APS (BBB+)

	S&P	Moody's
Investment Grade	AAA	Aaa
	AA+	Aa1
	AA	Aa2
	AA-	Aa3
	A+	A1
	A	A2
	A-	A3
	BBB+	Baa1
	BBB	Baa2
	BBB-	Baa3

Below BBB- & Baa3 are not investment grade

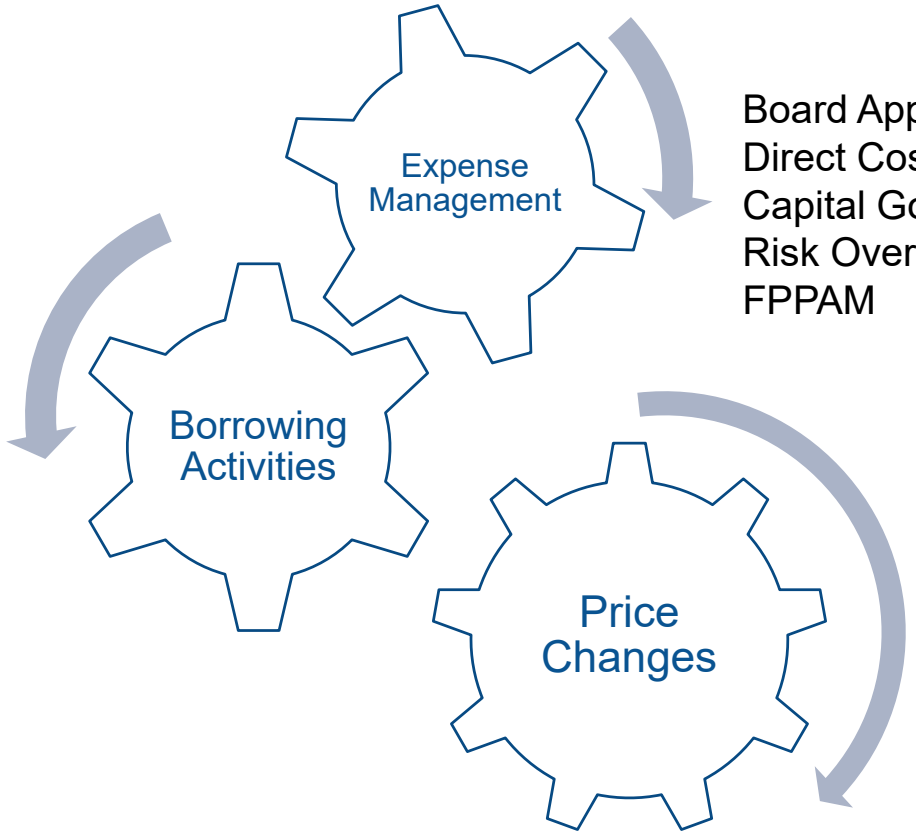
Moody's Ratings

Aa1	• **Salt River Project** • Nashville Electric • NYPA
Aa2	• CPS Energy • Colorado Springs Utilities • Omaha PPD • Orlando Utilities Comm. • Seattle City Light • LADWP • SMUD
Aa3	• Tacoma Power • Austin Energy • Clark County PUD
A1 and Below	• JEA (A1) • Nebraska PPD (A1) • American Municipal Power (A1) • LIPA (A2) • Santee Cooper (A3) • TEP (A3) • APS (Baa1)

Ratings as of 9/18/2024

Three Levers To Manage Finances

Starts with expense management; borrowing and/or pricing actions can make up cash shortfalls



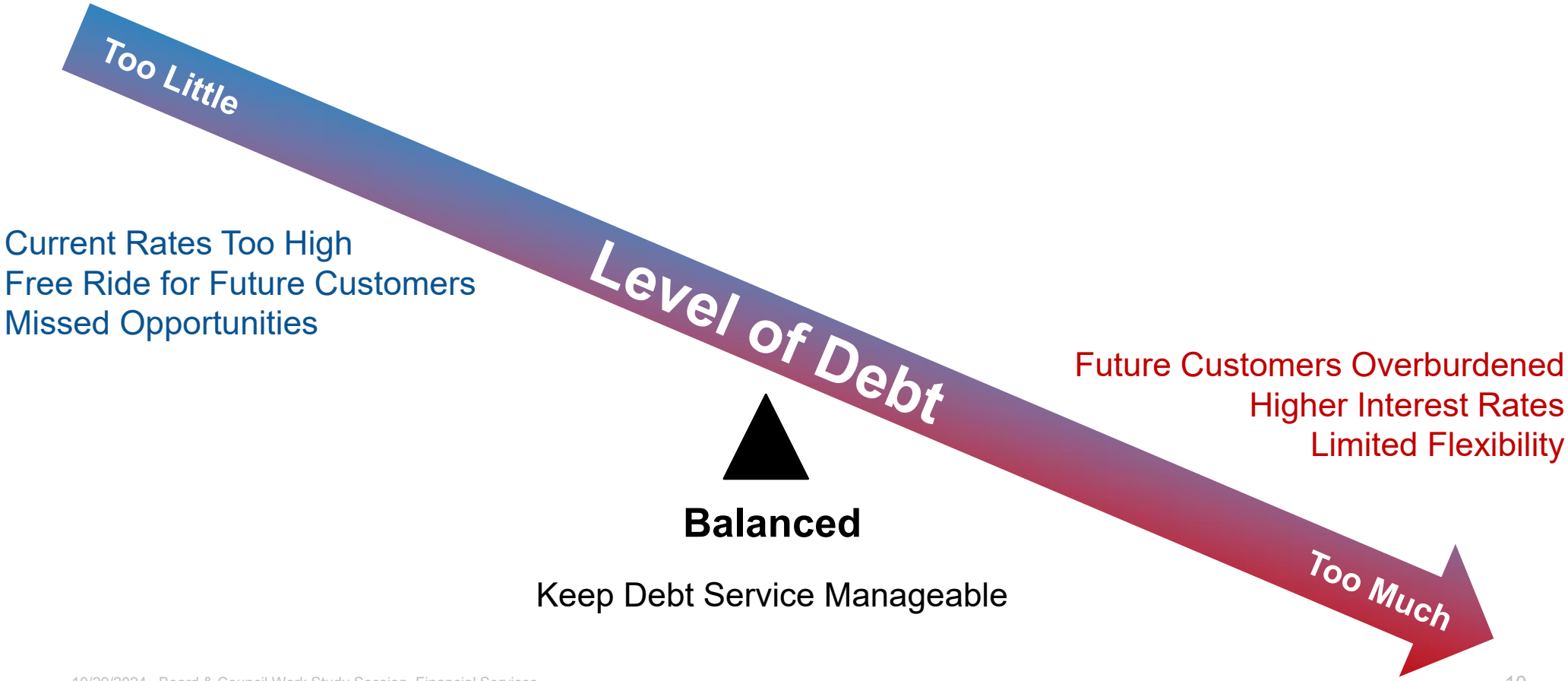
Board Approval of Budget
Direct Costs
Capital Governance Committee
Risk Oversight Committee
FPPAM

ACC Authorization
Board/Council Approval
Bond Covenants

Board Approval

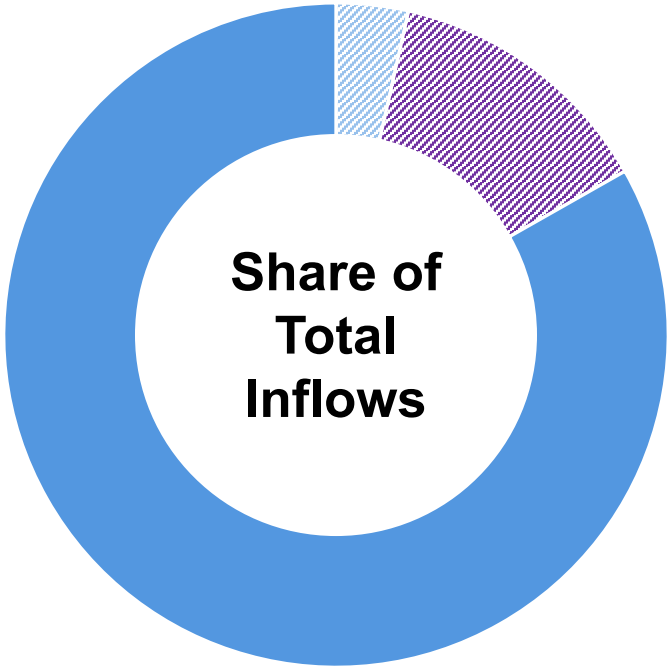
Leverage: An Issue of Balance

SRP's historical debt ratio demonstrates a healthy balance of debt

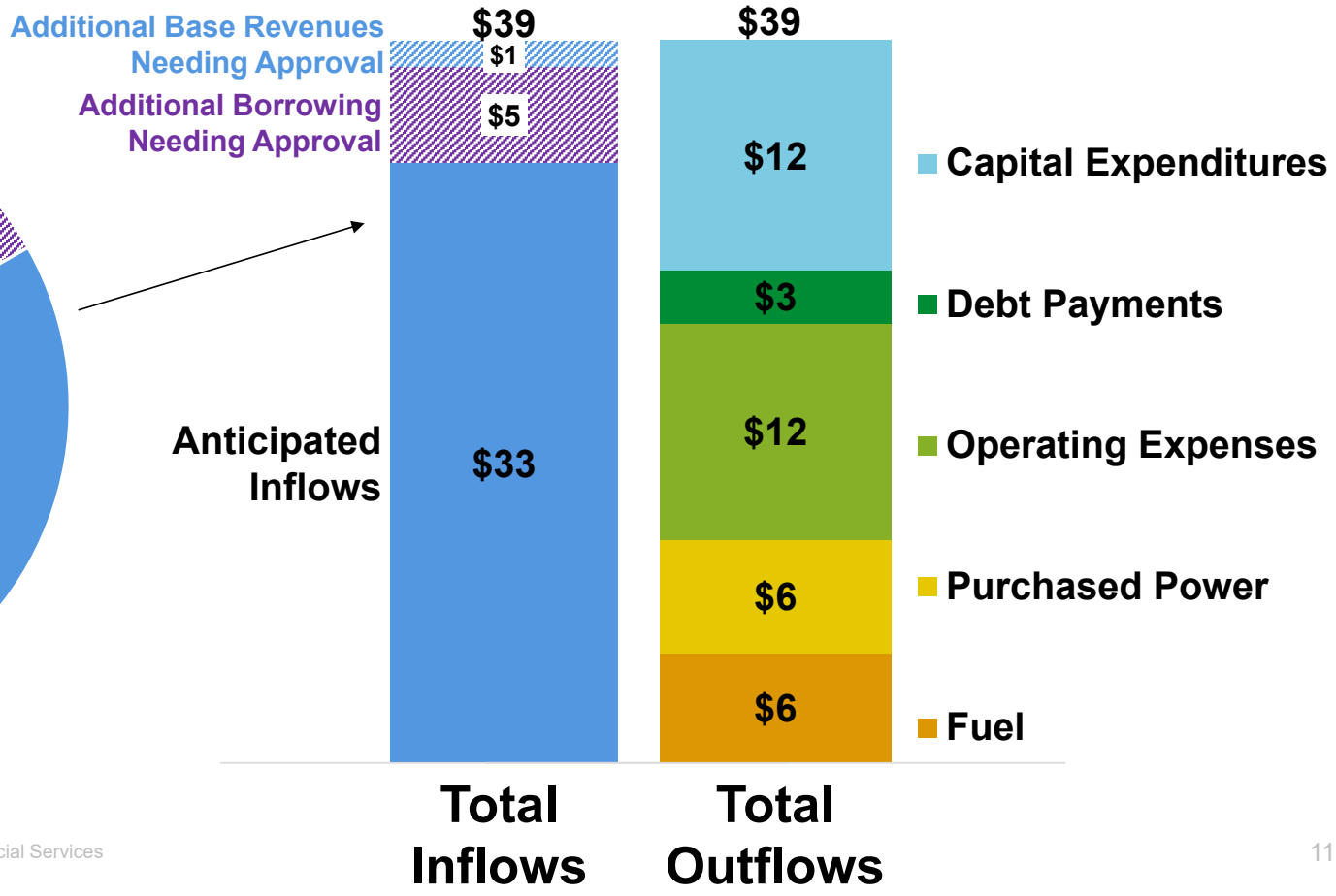


Projected Cash Inflows and Outflows* ($B)

To meet objectives, SRP will need to carefully balance expense management, borrowing & price changes

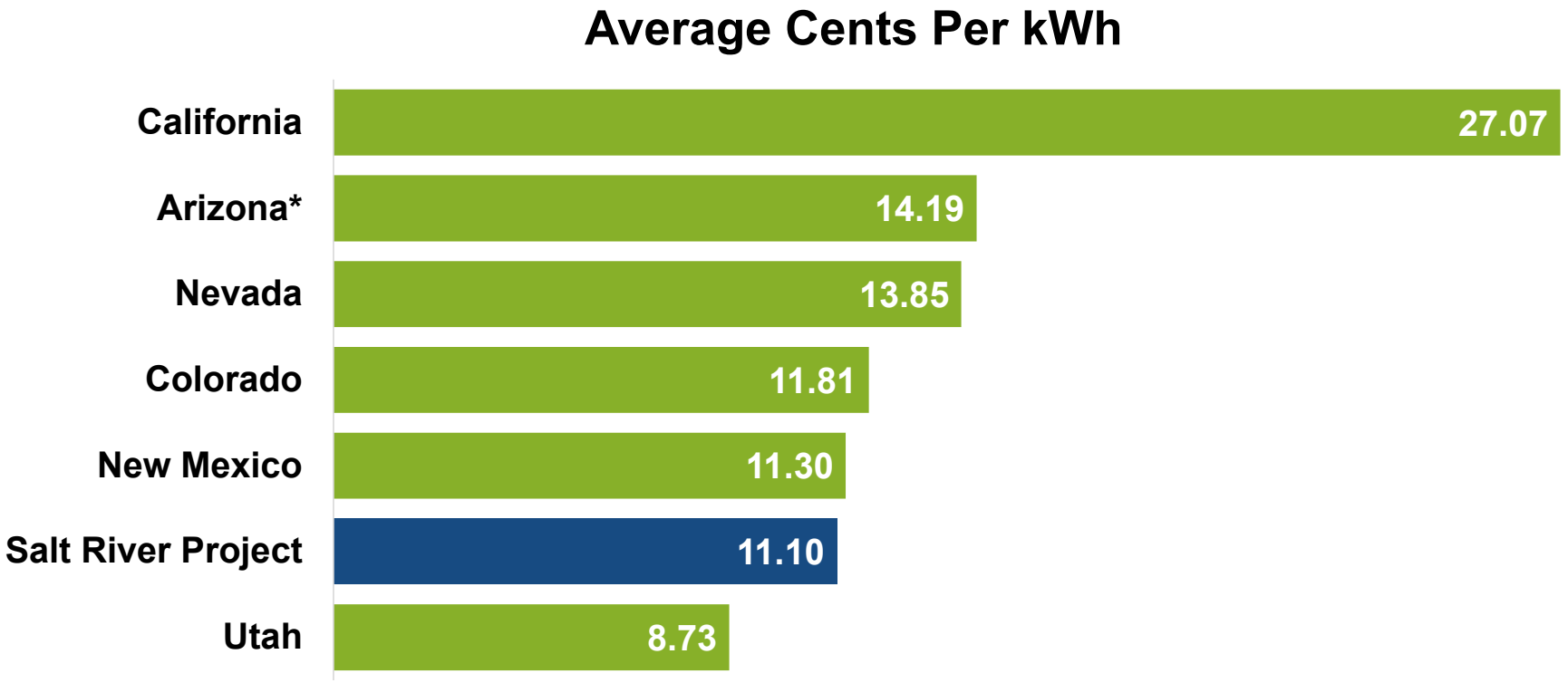


*First four months of FY25 are actuals; last eight months are latest forecast



SRP's Retail (Overall) Prices Within The Region

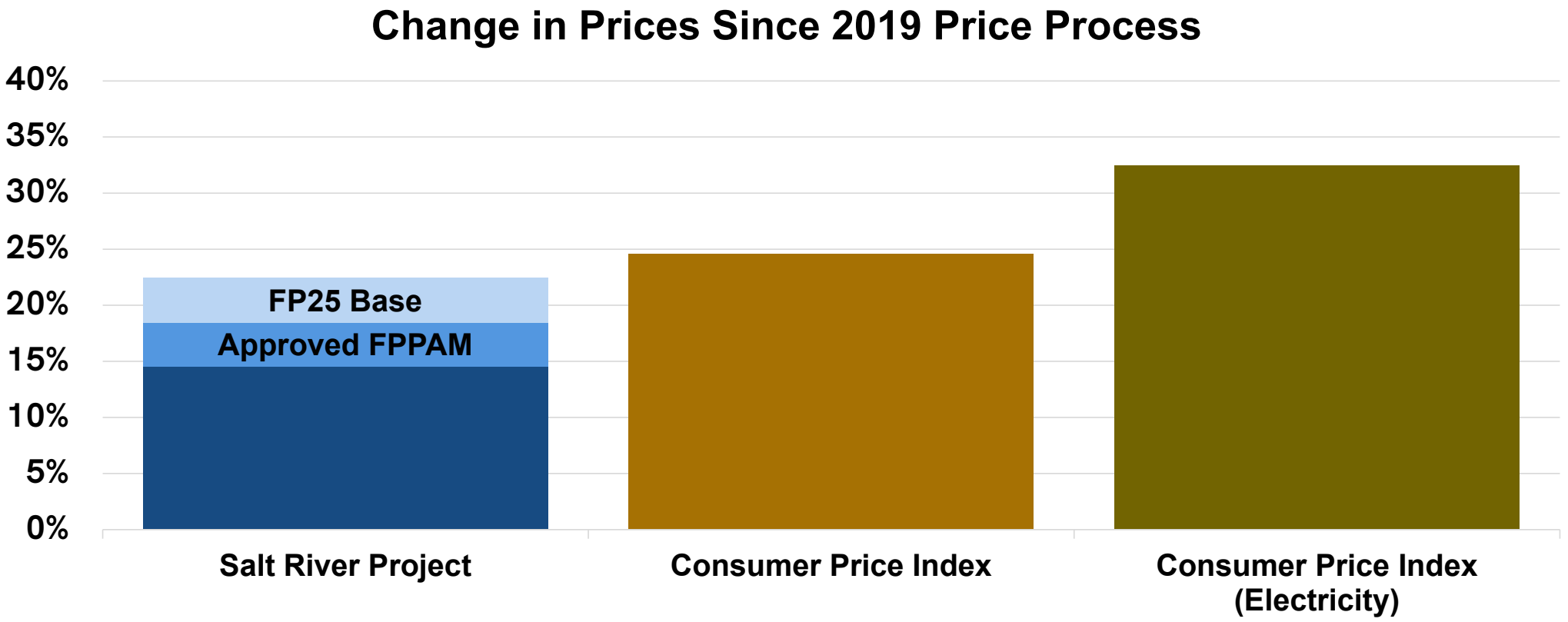
SRP's electric prices are lower than the rest of Arizona and generally lower than most nearby states



Source: Dept. of Energy EIA-826 Reports for 12 months ending June 30, 2024 for 16 utilities (including SRP) across 7 states that SRP utilizes for benchmarking purposes
*Arizona does not include SRP

Cumulative Price Changes (Overall) Since 2019

SRP's retail rates have increased at a pace less than inflation since the last Price Process

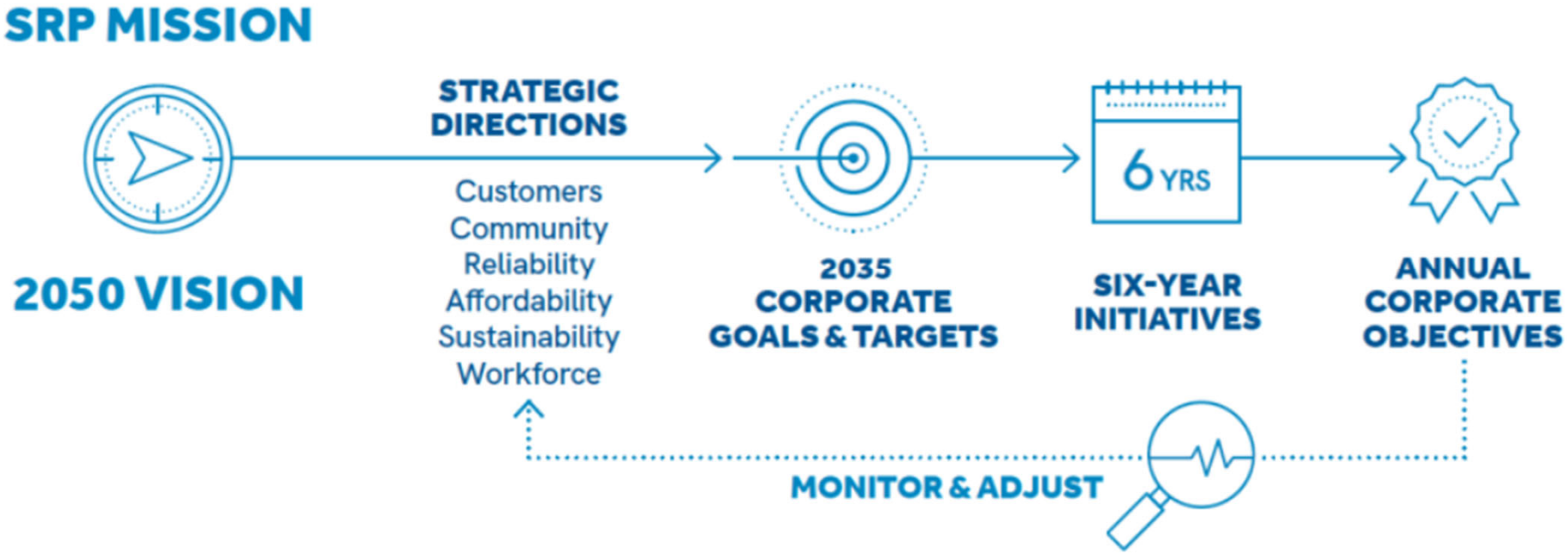


SRP data is EIA-826 from May 2019–Apr 2020 vs. Jul 2023–Jun 2024, 3.9% FPPAM increase for Nov 2024, and FY26 base pricing assumption from spring 2024
CPI is 12-month average from May 2019–Apr 2020 vs. Jul 2023 – Jun 2024 plus forecasted CPI from Oct 2024–Sep 2025

Financial Plan Process and Current Financial Plan

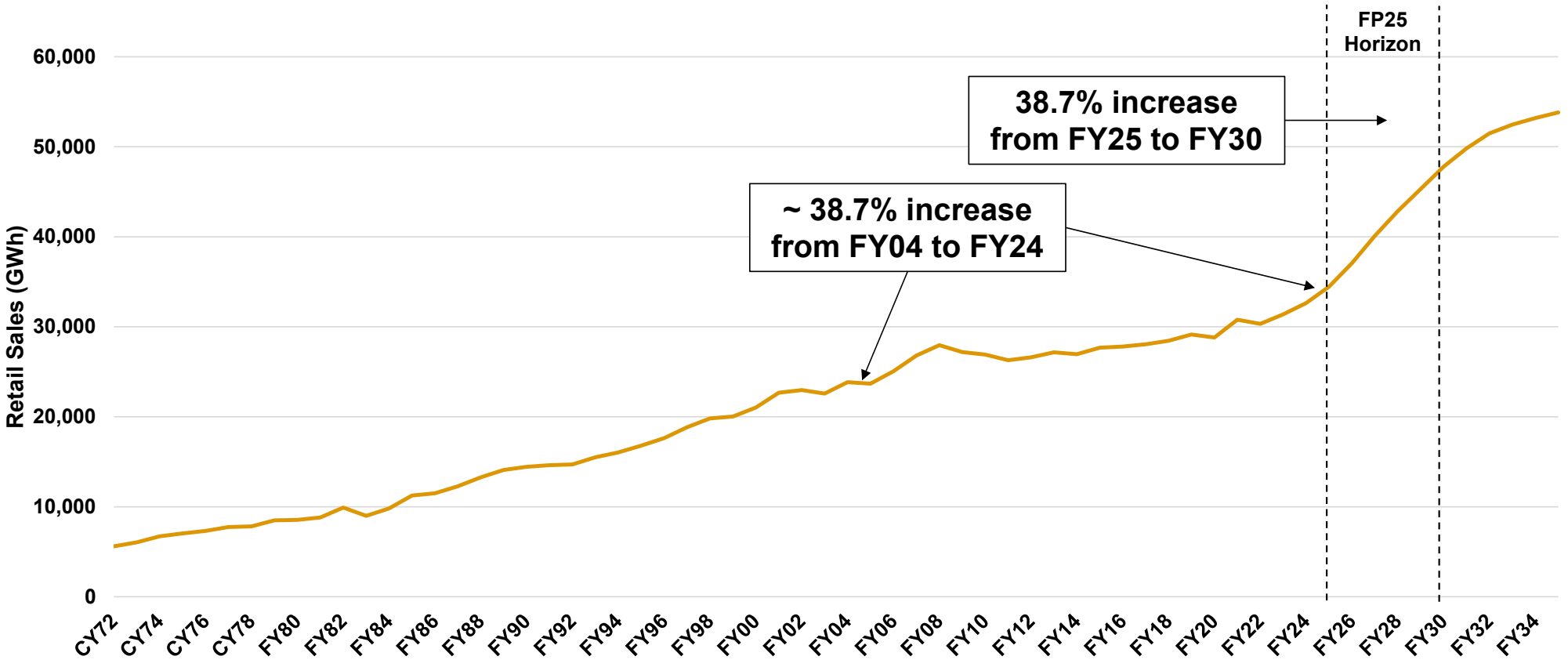
SRP's Strategic Planning Process

The 2035 corporate goals and targets significantly influence the financial plan (and associated costs)



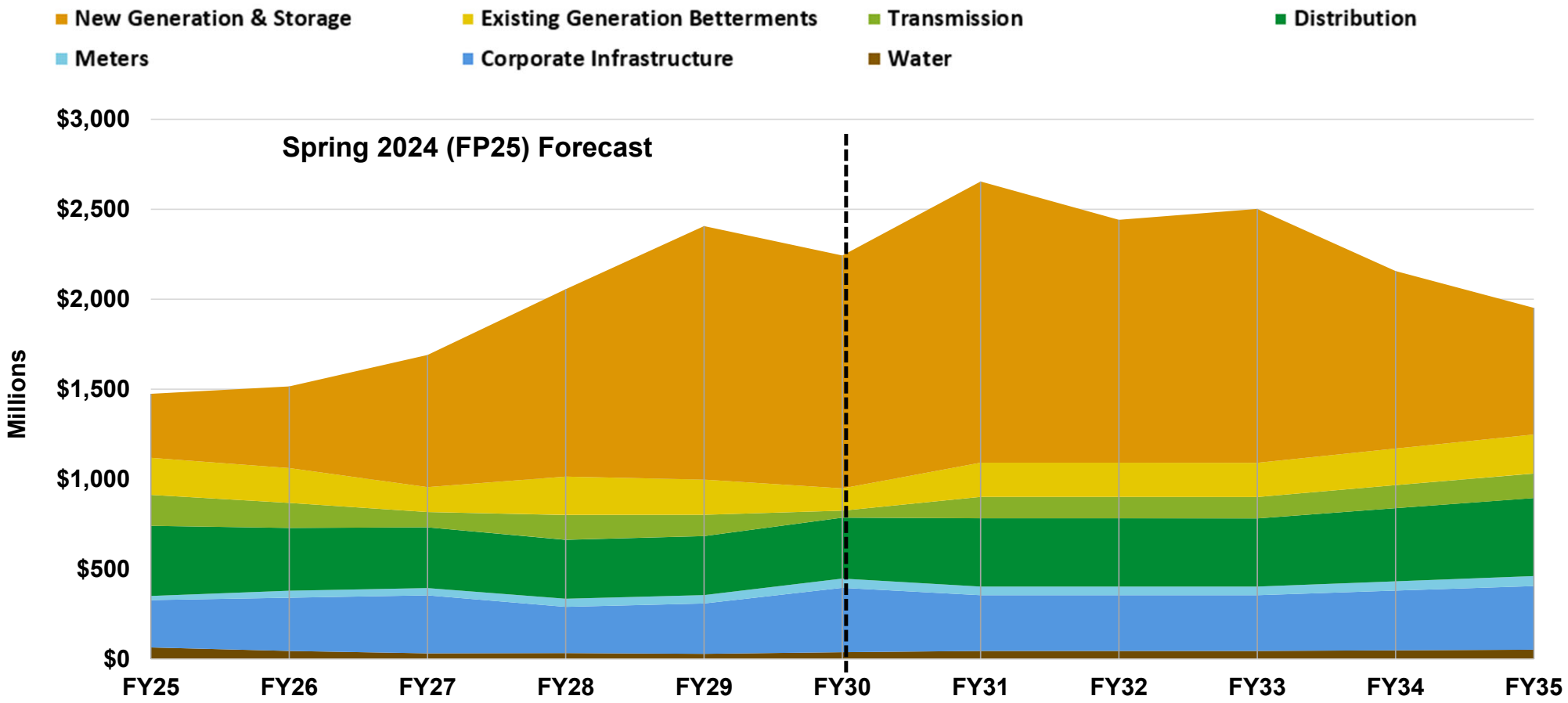
Historical Retail Sales Plus Spring 2024 (FP25) Forecast

SRP anticipates percentage sales growth over the next five years comparable to the past 20 years



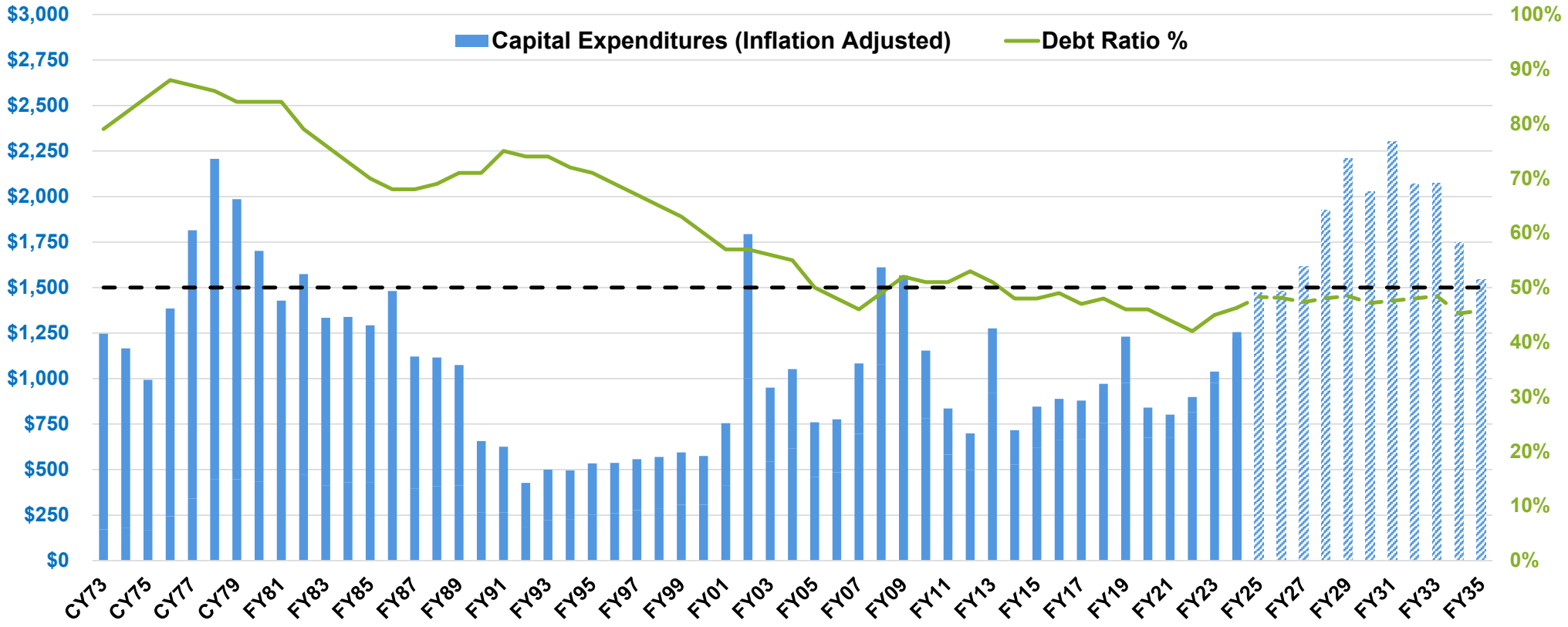
Projected Capital Spending Through 2035 ($M)

Significant investment in infrastructure to support substantial growth and 2035 carbon goals



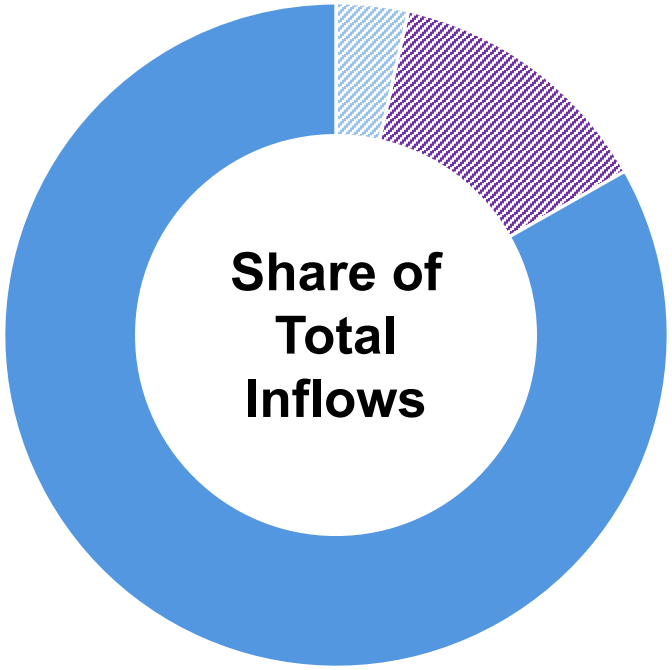
Capital Expenditures (Inflation Adjusted) & Debt Ratio

Projecting level of capital expenditures not seen since the 1970s



Projected Cash Inflows and Outflows* ($B)

To meet objectives, SRP will need to carefully balance expense management, borrowing & price changes



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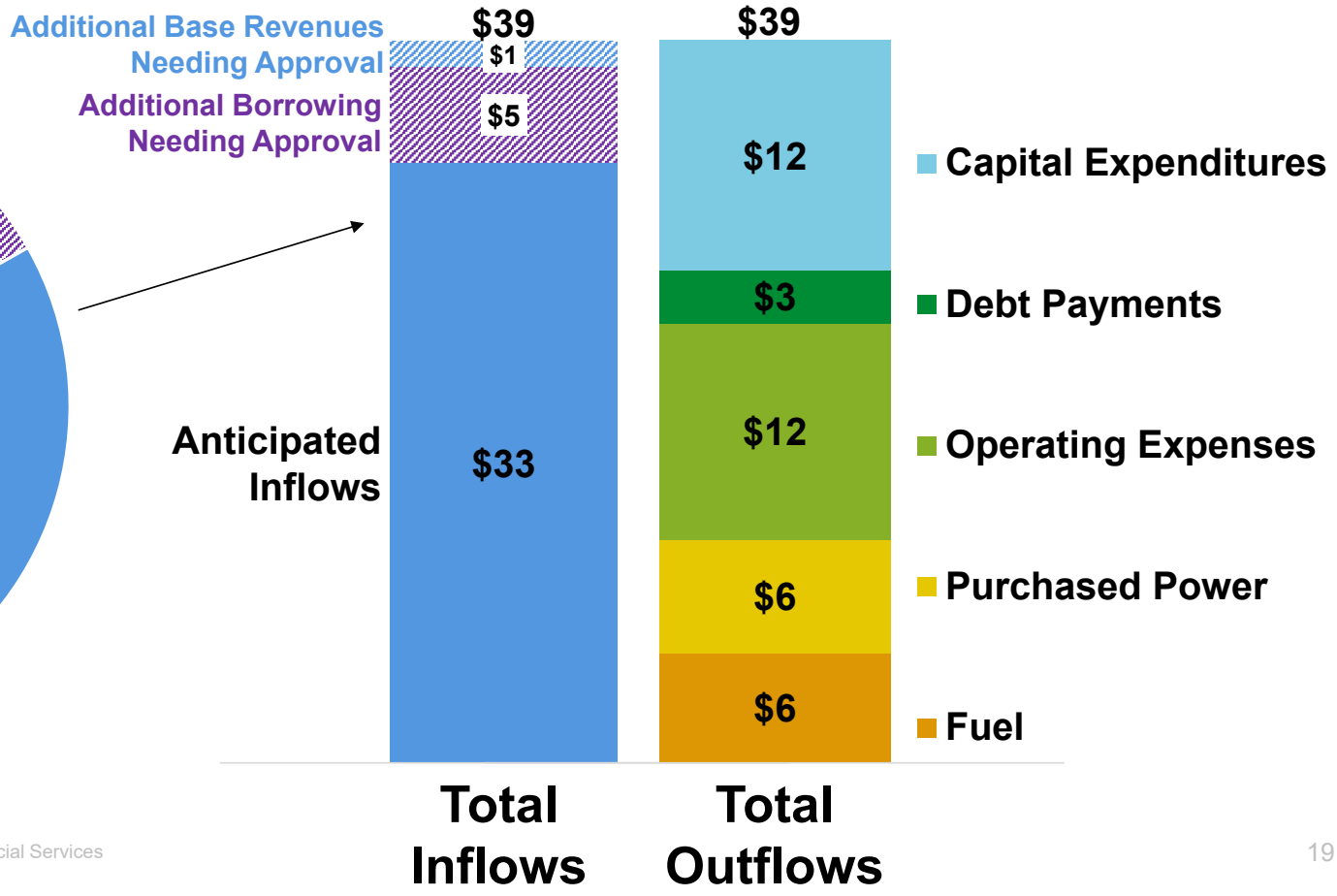
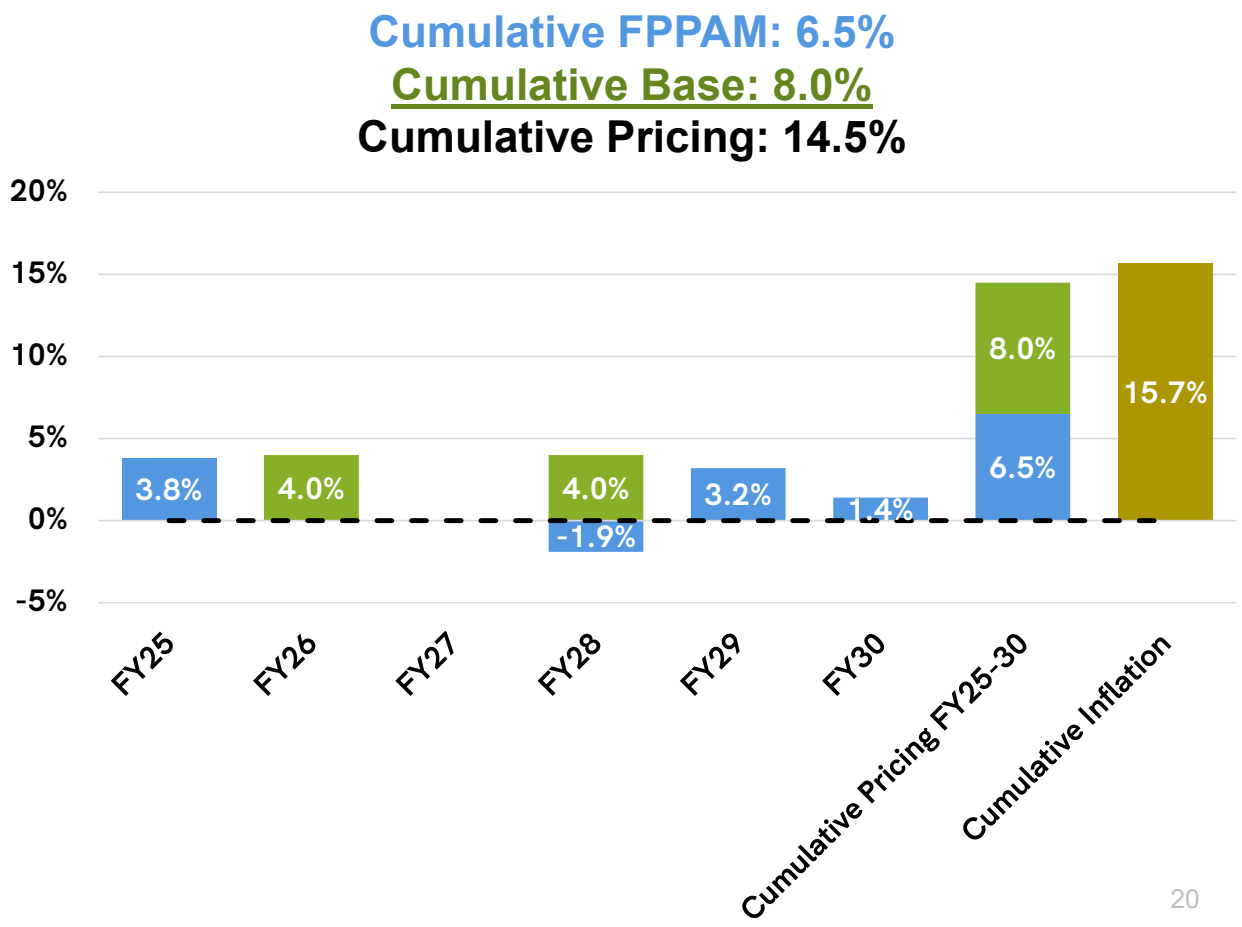


Price Modeling Assumptions from Spring 2024 (FP25)

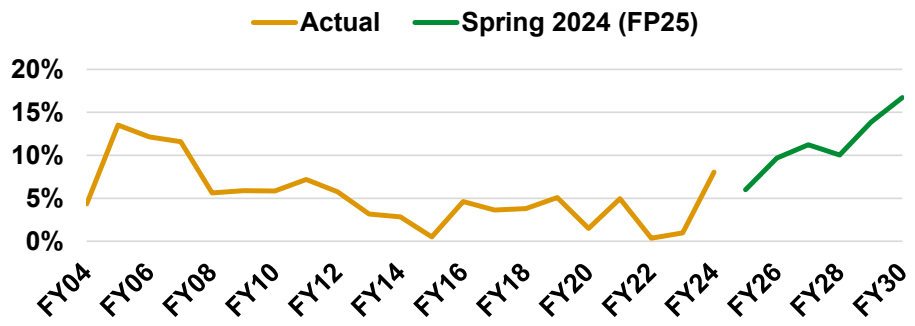
Recent FPPAM increase of 3.9% consistent with FP25; current plan calls for two Base price increases

- Cumulative pricing action consistent with inflation

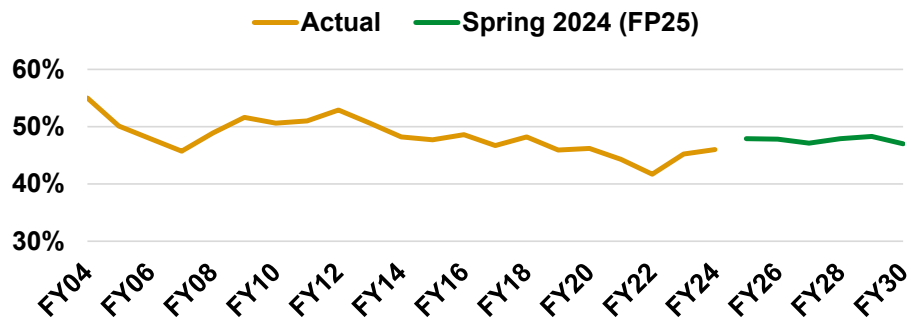


Indicators of SRP Financial Health (From Spring 2024 Forecast)

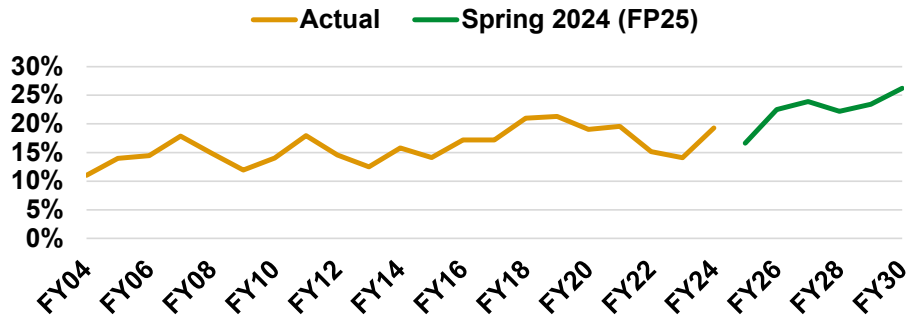
Combined Net Revenues/Total Operating Revenues



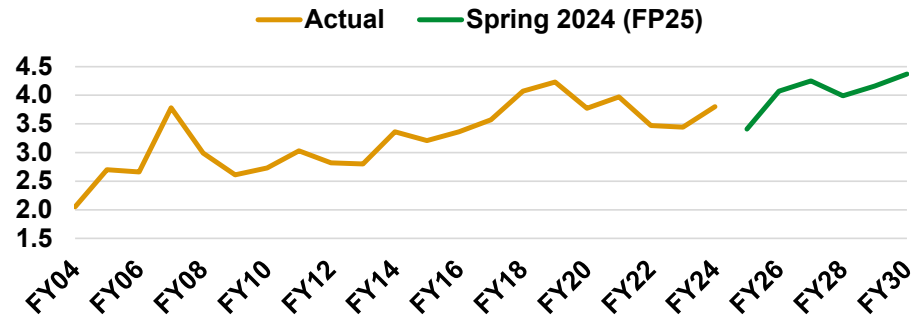
Debt Ratio



Funds Available/Total Operating Revenues



Debt Service Coverage Ratio



Industry Perspectives

Concentric Energy Advisors

Confidential

Selected Recent Electric Utility Trends
Salt River Project Board and Council Presentation

October 29, 2024

Table Of Contents

1. Overview

About Concentric

- Concentric is a finance and regulatory advisory firm that serves power, gas and water utilities throughout the United States and Canada.
- Our firm's 75 employees focus on cost-of-service ratemaking, energy regulatory policy and analysis of wholesale markets at the state and federal level.

Recent Trends

- Concentric has been asked to summarize several recent electric utility trends.
- These trends are highly inter-related and can be summarized as follows:
  - Higher concentration of renewables impacting rate design and system operations.
  - Debate regarding a distributed generation cost shift.
  - Need to revise pricing on a regular basis to respond to market conditions and unanticipated costs.
  - Significant investment requirements to fund increased demand for electric service.
  - Rapid increases in demand due to data center load, on-shoring, heat pumps and electric vehicles.
  - Traditional cost allocation and rate design may not accommodate the wide range of industry trends and policy objectives.

2. Rate Comparisons

Residential

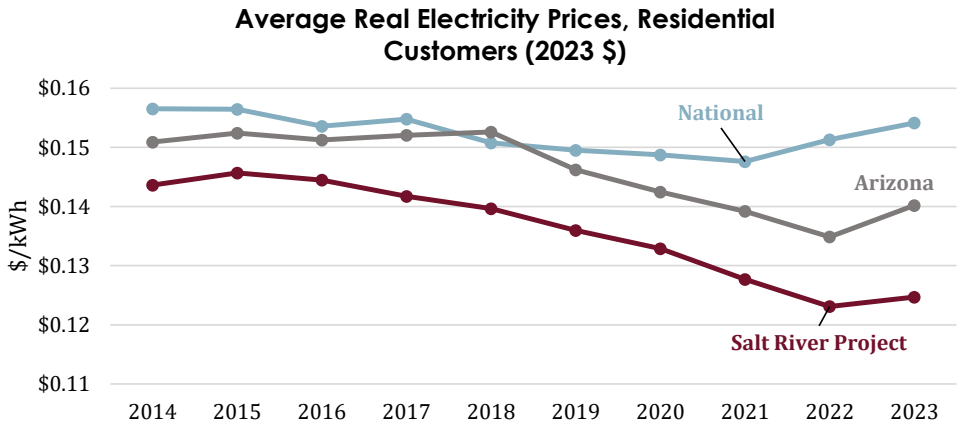
- Nationally, real retail electric rates have declined by 2% from 2014 through 2023.
- In Arizona, these rates have declined by 7%, and for SRP real retail rates declined by 13%.

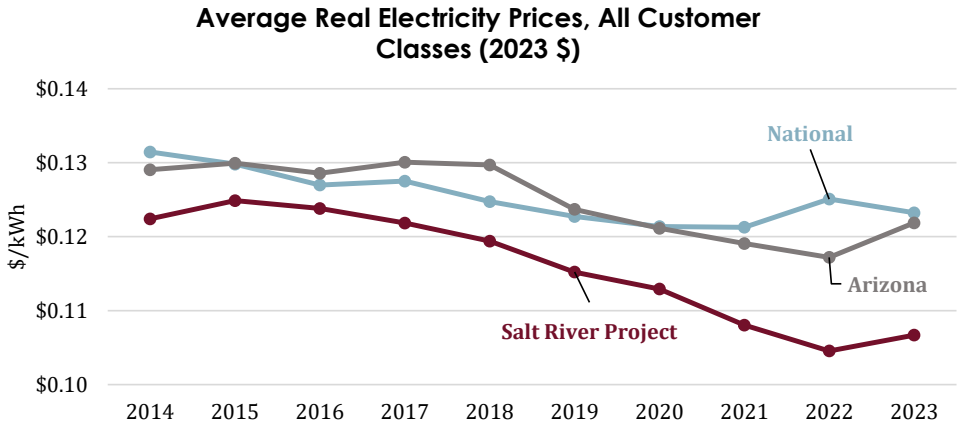
Commercial

- Nationally, real retail electric rates have declined by 11% from 2014 through 2023.
- In Arizona, these rates have declined by 8%, and for SRP real retail rates declined by 14%.

Nominal Electric and Fuel Prices

- Despite these real prices decline, nominal electric cost increases have raised significant concerns in several states, with policy makers seeking to address costs for low-income consumers (e.g., CA, NY).
- Nationally real wholesale natural gas prices have declined by 54% from 2014 through 2023.



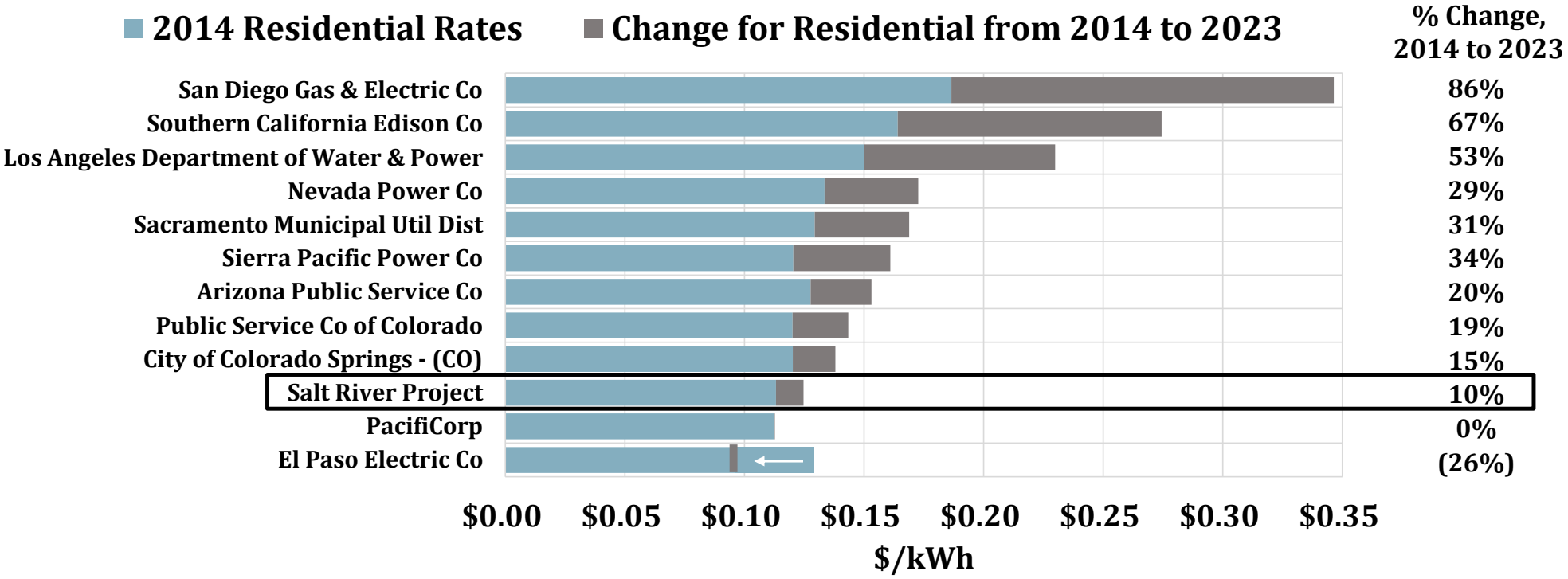


Sources and Notes: Annual Electric Power Industry Report, Form EIA-861, Average bundled retail electric prices calculated as total bundled revenues divided by total bundled kWh sales. Nominal costs were converted to real dollars using the FRED GDP Deflator.

2. Rate Comparisons (cont.)

Nominal Residential Rates Relative to Southwest Peers

- SRP rates have remained in the bottom quartile in recent years.



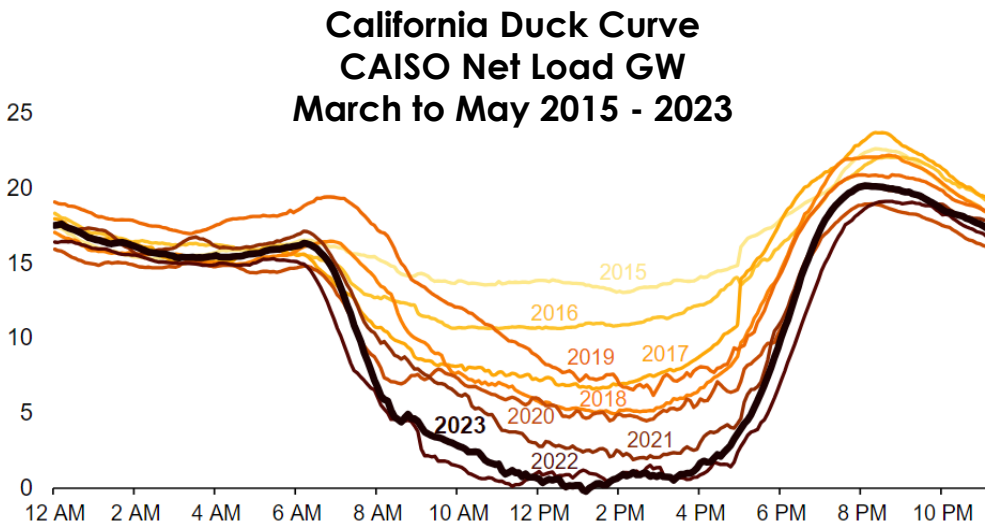
3. Changing TOU Periods & Customer Outreach

Impact of the Duck Curve

- The "duck curve" shows continued growth in solar PV.
- There is now excess solar PV output during the mid-day and need for additional capacity during the evening hours.

Rate Design

- In responses, utilities are shifting pricing periods.
- The on-peak period used in rates is also being shortened.
- Greater use of mandatory TOU rates is also occurring.



Source: CAISO. https://www.eia.gov/todayinenergy/detail.php?id=56880

Customer Outreach

- Utilities that have changed their TOU periods have undertaken customer outreach efforts.
- Certain utilities have provided C&I customers with tools to explore TOU options and pricing scenarios.
- Utilities are also offering bill protection for customers whose first-year bill under a new TOU rate is higher.

4. Rate Adjustors

Definition

- Rate adjustors are utility rate elements that are outside of base rates. These cost elements may be required due to volatile fuel and/or purchased power prices, unanticipated costs, timing differences, or a desire to segregate certain costs. These costs or credits may remain outside of base rates indefinitely or be rolled into base rates during a subsequent pricing process.

Application

- Fuel adjustment clauses have long been a fixture of utility rates.
- Utilities also use adjustors to recover costs related to:
  - **Storm damage** – Fund to cover rebuilding of the utility distribution system following extreme weather event
  - **Smart meter investment** – Recovers costs of smart meter installation project
  - **New capital investment** – Begins recovery of investments that occur between rate cases
  - **Special assessment** – Funds system expansion or replacement of specific facilities and reduces rate shock of new asset entering rate base
  - **Refund of deferred taxes** – Provides refunds following enactment of a tax reduction
  - **Transmission** – Automatic annual update to tariffed rate to recover new revenue requirement or to adjust rate based in change in peak demand.

5. Distributed Energy (DG) Rates

Sufficient Fixed Cost Recovery

- DG customers present issues regarding paying their appropriate share of system costs, particularly when fixed cost recovery is overly dependent on variable electricity rates.
- Several utilities are seeking alternative fixed cost recovery methods that are not reliant on energy sales.

Value of Solar

- There are studies relative to the value of solar that show a wide range of results. To date, utility experience suggests that such benefits can be difficult to realize given the potential for highly localized output and unsystematic placement of DG.

Utility Actions

- Utilities have begun to address the shortfall in fixed cost recovery by incorporating lost revenue recovery charges and grid access charges.

AZ DG RATES

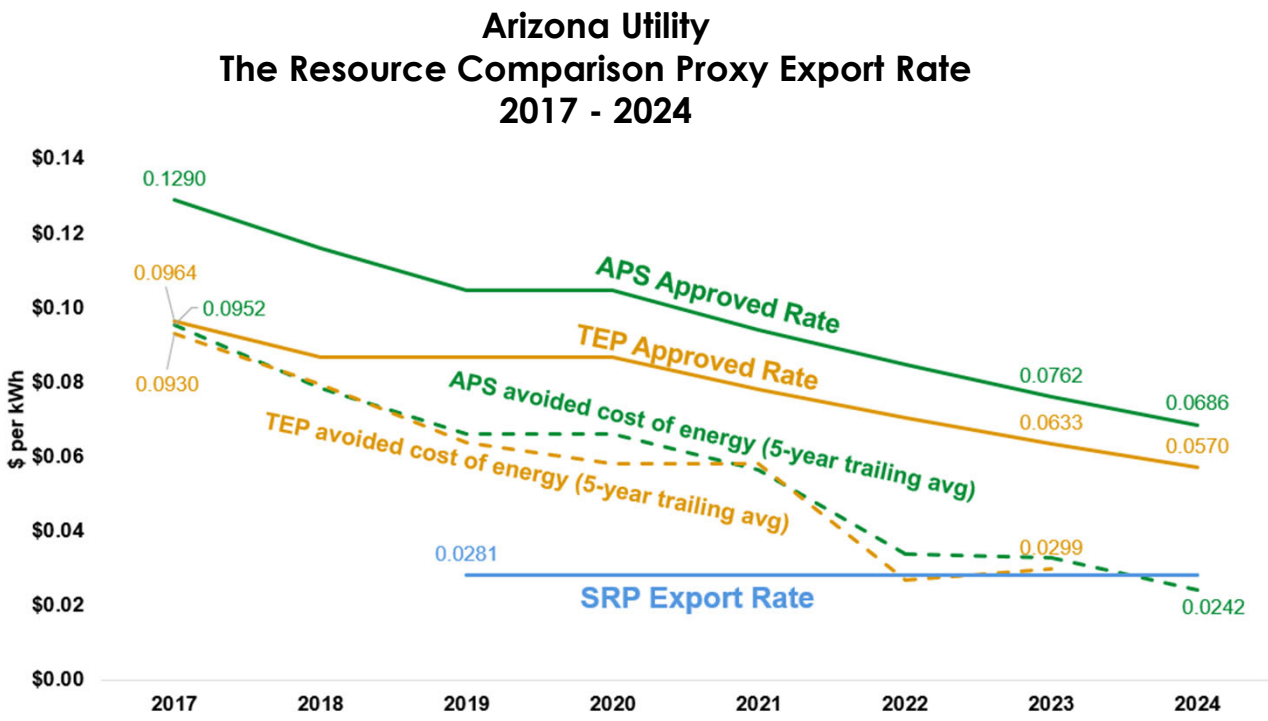
- **Arizona Public Service**. implemented a Lost Fixed Cost Recovery ("LFCR") mechanism that partially recovers fixed costs that would have otherwise been lost by implementing Energy Efficiency ("EE") and DG programs. The LFCR is subject to an annual 1% year-over-year cap based on applicable Company revenues. APS has a Grid Access Charge ("GAC") for residential DG customers that varies from $2.29 to $2.56 per month for a 10-kW system.

- **Tucson Electric Power.** LFCR mechanism has a total year-over-year cap of 2% of total combined retail calendar year revenues. In TEP's most recent rate case, the Company proposed to increase by $2.00 per month for residential customers to address the existing shortfall in fixed cost recovery.

5. Distributed Energy (DG) Rates (cont.)

Resource Comparison Proxy (RCP)

- APS and TEP use the RCP rate to compensate PV solar producers for power placed onto the grid.
- The ACC has approved these rates for customers who have requested interconnection since September 20, 2018.
- The RCP is based on average market costs for solar energy over a recent five-year period, adjusted annually.
- Customers receive a fixed RCP for up to 10 years.
- The RCP cannot decline more than 10% annually.



6. Data Center Rates & Cost Responsibility

Data Center Load Growth

- Data center load growth is projected to grow at between a 4% and 15% CAGR through 2030.
- The growth of the largest data centers (aka "Hyperscalers") is concentrated in a few markets: Arizona, Illinois, New York, Ohio, and Virginia.
- To serve this new load, utilities will likely need to make significant system investments.

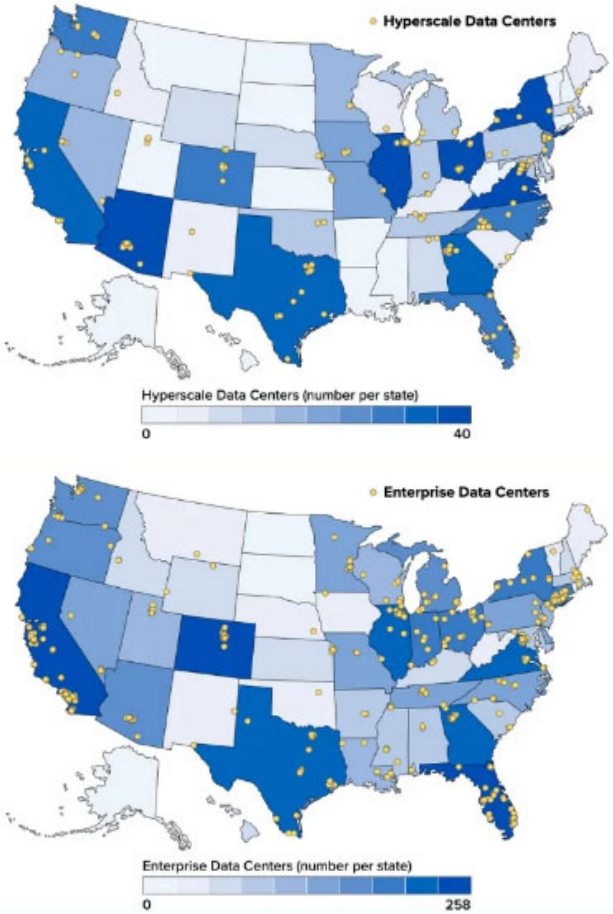
Utility Actions

- Develop special contracts for data center load that provides the utility financial assurance including collateral in the form of parent guarantee, cash or letter of credit commensurate with potential risk, considering magnitude of required investment, load pattern and customer creditworthiness.

Example

- American Electric Power (AEP) Ohio's application filed in May 2024 seeks to establish new tariff language applicable to new data center load with a monthly maximum demand of 25 MW or greater at a single location (Data Center Power Tariff under Sch. DCP).
- The new proposed tariff includes new provisions and terms & conditions that seek to enhance certainty of cost recovery. Actual rates are identical to AEP's General Service schedule.
- Settlement filed in the matter raises load threshold and expands applicability of tariff to all "Electric Intensive Customers."

Distribution of Data Centers by State and Type



Source: Electric Power Research Institute

7. Monthly Service Charges (MSC)

Background

- MSC are intended to cover a portion of the utility's fixed costs of providing service to customer locations.
- Utilities propose MSC through cost-of-service studies by performing specific cost allocation analyses, such as zero-intercept and minimum system cost analyses.
- Typically, MSC are not sufficient to cover all fixed costs of service.

Customer Considerations

- When MSC are too low, a portion of fixed costs are recovered in variable rates which can cause cross subsidization.
- In extreme cases, an MSC that does not recover a significant portion of fixed costs can lead to lower earnings stability for the utility, lower credit metrics (increased debt costs) and higher customer rates.
- Utilities typically have one MSC per customer class which may not account for actual costs differentials.
- Several states have moved toward higher MSC and minimum bills:
  - California has moved to an income-graduate MSC structure with three tiers in which the MSC was increased from $11.45/mo. to $24.15 for customers not enrolled in energy assistance programs.
  - Florida Power and Light has instituted a minimum bill provision to ensure that customers with little to no usage fairly and reasonably contribute to the fixed costs incurred to serve them. The minimum charge is $25 per month.
  - Commonwealth Edison's minimum bill for non-heating customers has been recently reset at $16.16/mo.
  - Hawaiian Electric Company has minimum monthly charges for single phase service of $25/mo. while the MSC is $11.50/mo.

SRP Pricing Principles and Current Market Dynamics

Discussion Items

1. SRP Board Pricing Principles
2. Current SRP Offerings and Market Dynamics
3. SRP Cost Allocation and Pricing Design
4. Distributed Generation
5. Questions

SRP Board Pricing Principles

These are the pricing principles the Board follows when making pricing decisions

Gradualism	Cost Relation	Choice	Equity	Sufficiency
Changes should be evolutionary, not revolutionary (avoid large price adjustments)	Prices need to reflect the cost of service	Pricing options should be provided to help customers manage their energy costs	Customers should pay their share of the costs we incur on their behalf	Prices need to maintain SRP's financial health

Current SRP Offerings and Market Dynamics

- SRP currently offers 12 Residential price plans.
- Research shows that customers prefer simplicity and consistency of rates.
- Increased solar penetration has lowered daytime energy costs.
- Other utilities are shifting their TOU hours to reflect these new market conditions.

Lessons Learned from Customer Research

Customers prefer simplicity and consistency of rates

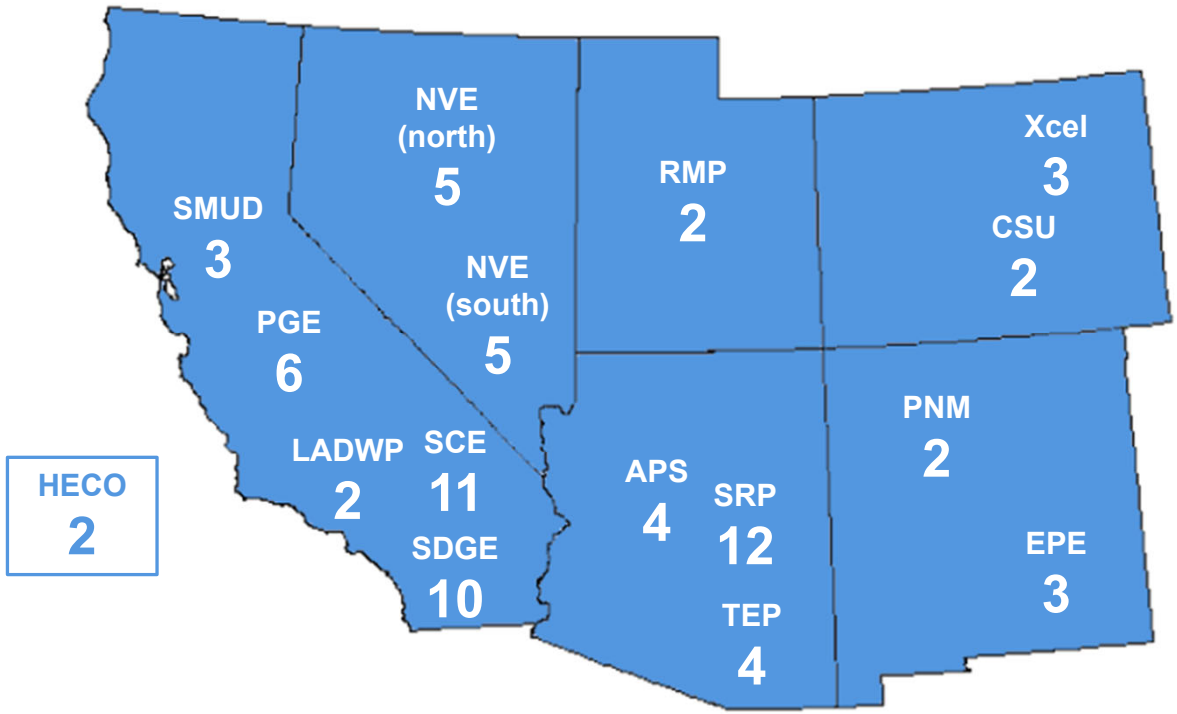
- **Education is critically important** to help customers understand utility pricing.
- A **TOU 6-9pm On-Peak with Super Off-Peak** price plan (e.g., our E-28 pilot) is of interest once customers understand potential savings from behavior changes.
- **Basic Rate Guarantee** generates a strong interest in trying a TOU plan.
- Lower importance of different on/off-peak hours and rates by day-of-week or season indicates **customers prefer simplicity & consistency of rates**.
- **There's not a strong understanding of the monthly service charge (MSC)**, nor preference for or against.

Residential Price Plan Suite

Price Plan	
E-13	Customer Generation Export
E-14	Customer Generation Export w/ EV
E-15	Customer Generation Avg Demand
E-21	EZ-3 (3-6pm)
E-22	EZ-3 (4-7pm)
E-23	Basic
E-24	Prepay (M-Power)
E-26	Time-of-Use (2-8pm)
E-27	Customer Generation Demand
E-27P	Demand Pilot
E-28	Daytime Saver Pilot w/ Super Off-peak
E-29	EV (overnight charging)

How Much Choice in Residential Rates?

SRP has far more choices in its residential offerings than most of its neighboring utilities

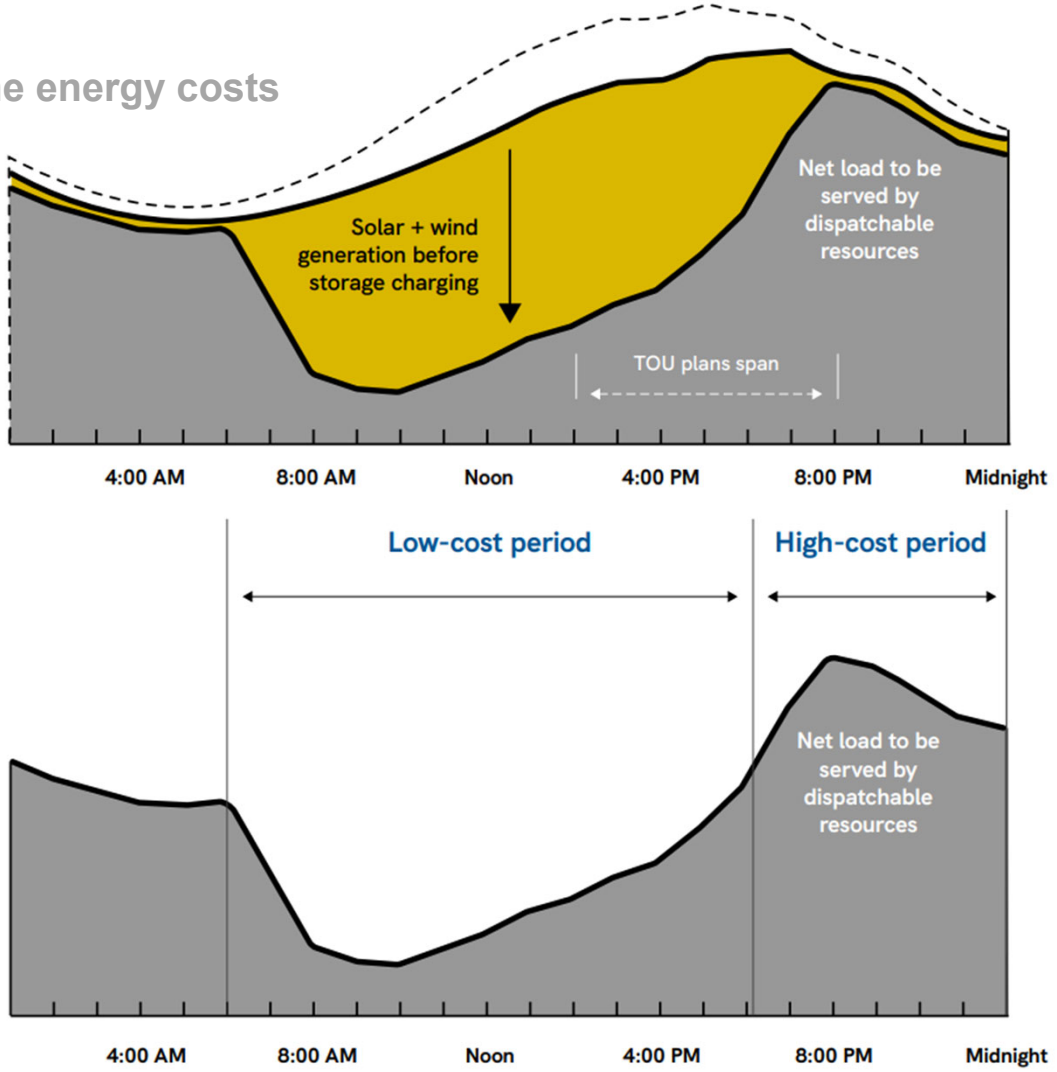


Daytime Energy Benefits

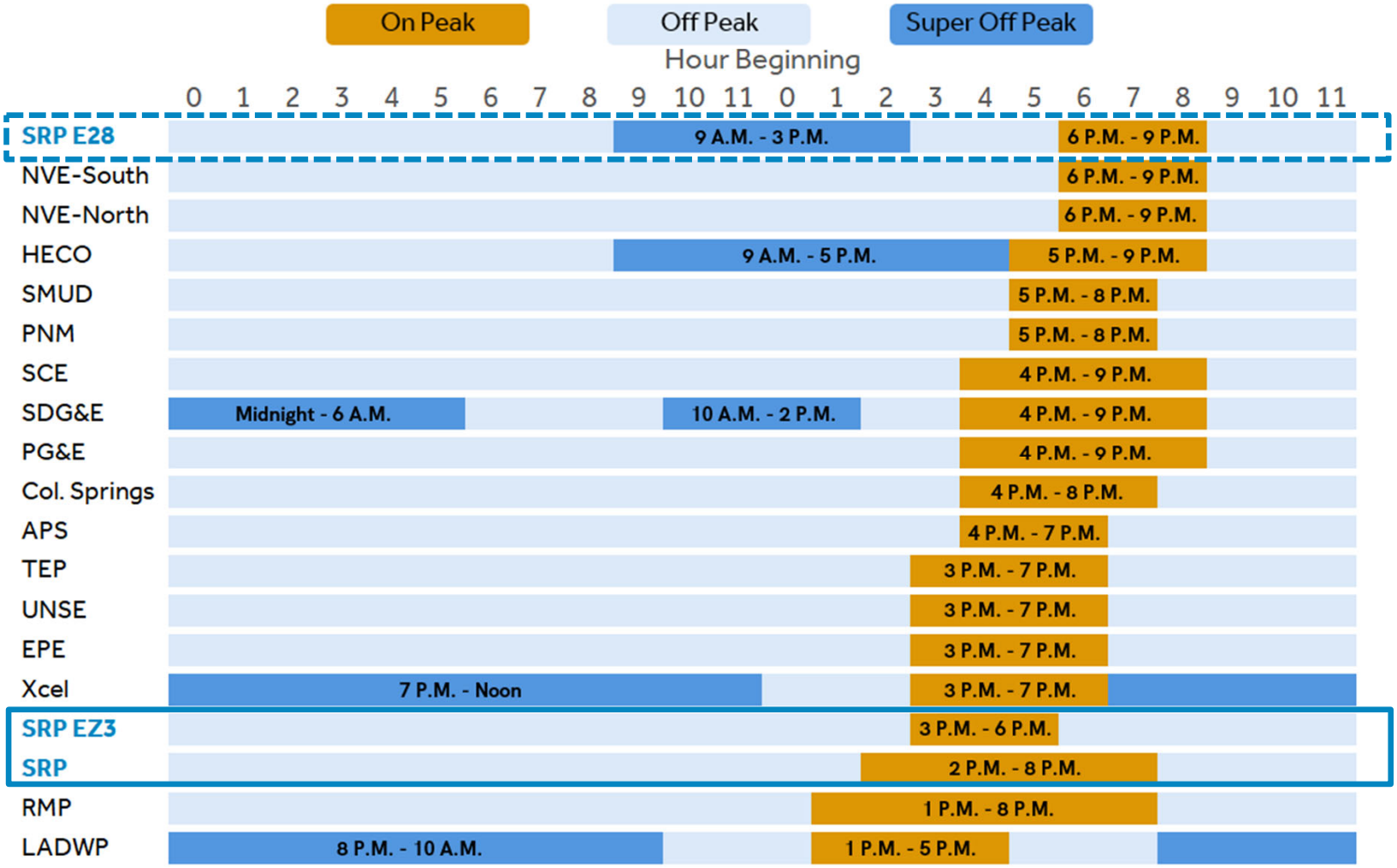
Increased solar penetration has lowered daytime energy costs

Adding significant amounts of solar energy will mean **abundant, low-cost energy** is often available during **daytime hours**.

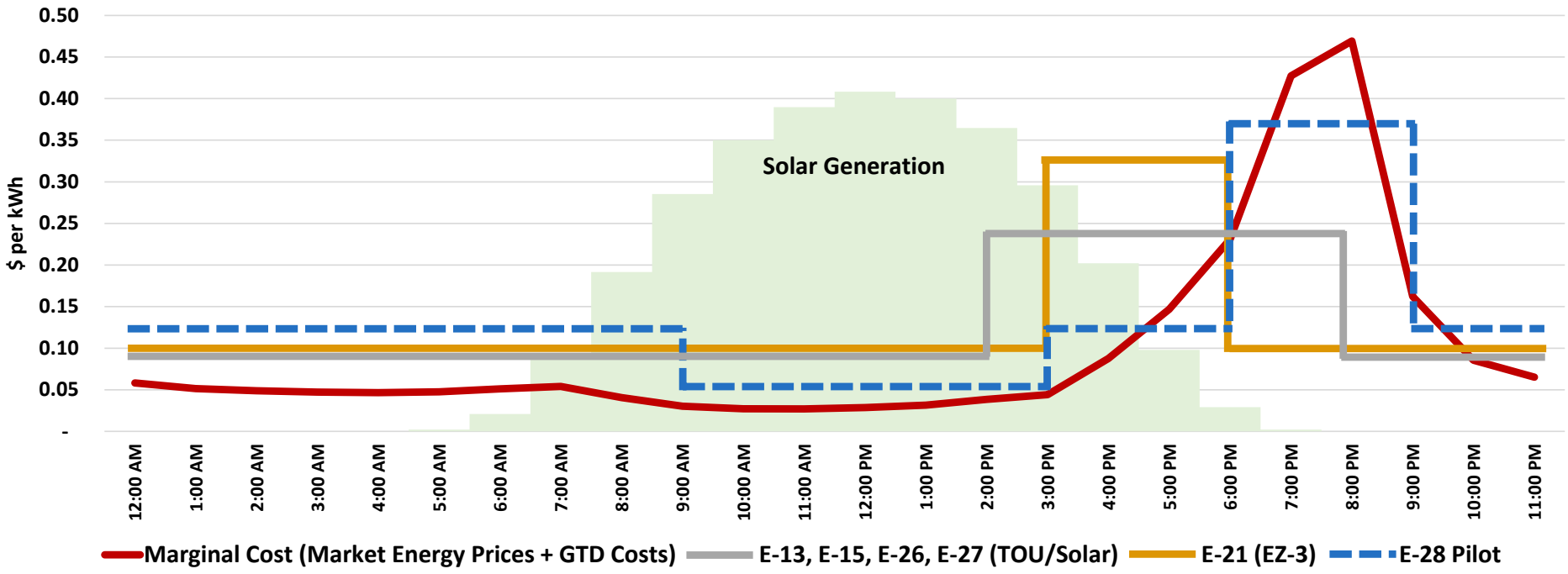
This also creates new opportunities to shift energy from **increased electrification** programs to mid-day hours to help integrate **more renewable energy** and **maximize carbon reduction impacts.**



Other Utilities Are Shifting TOU Hours to Reflect New Market Conditions



May – October Marginal Costs & Prices by Hour for SRP



We want to align prices with underlying costs.

SRP Pricing Principles and Pricing Design

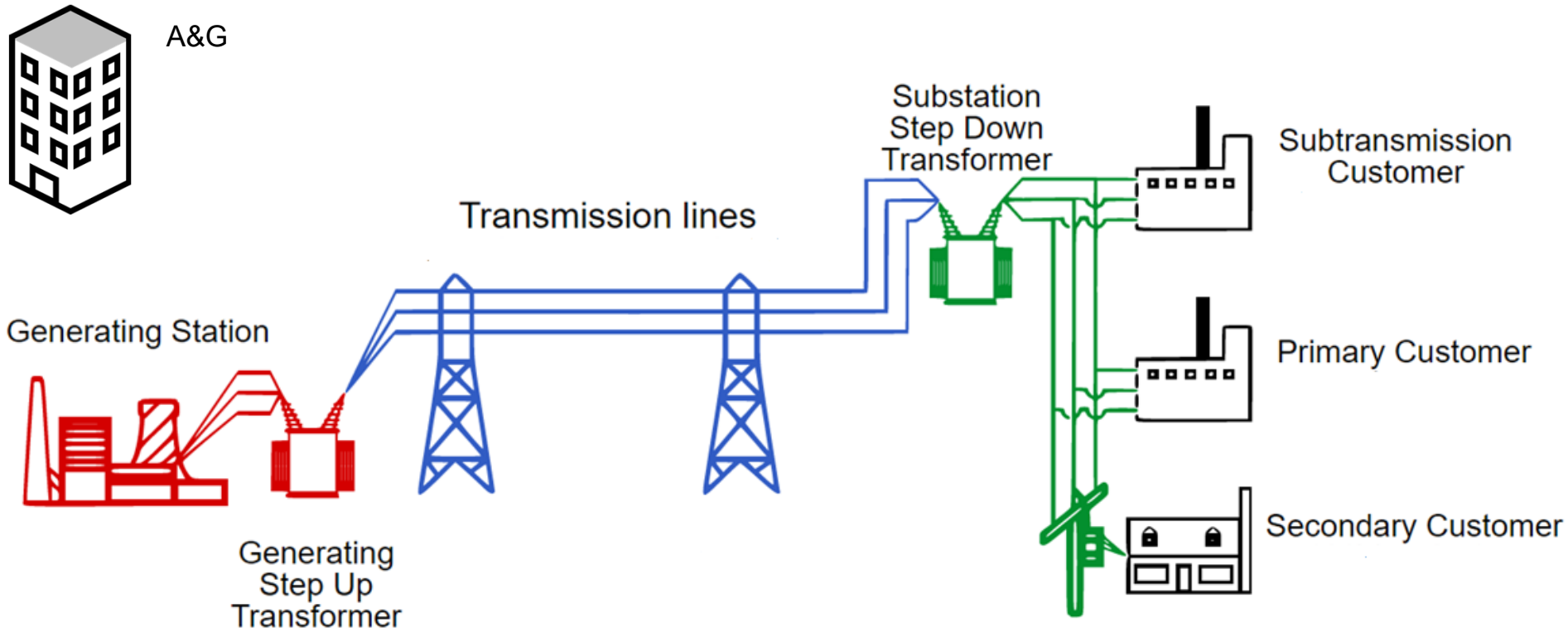
SRP must balance all five Pricing Principles when developing a pricing proposal

SRP determines its revenue requirement and then allocates those costs to customers.

SRP's cost structure and its various cost drivers determine how SRP designs its prices and recovers cost.

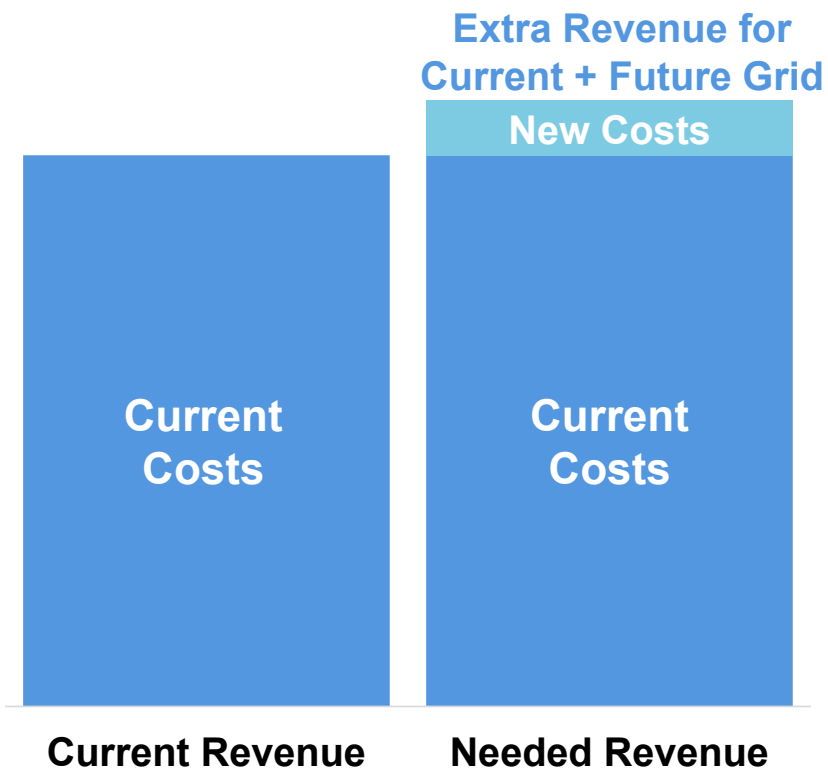
SRP's costs are largely fixed, so Monthly Service Charges (MSCs) and Demand Charges are critical elements of rate design.

How do we divide SRP's costs between SRP's customers?

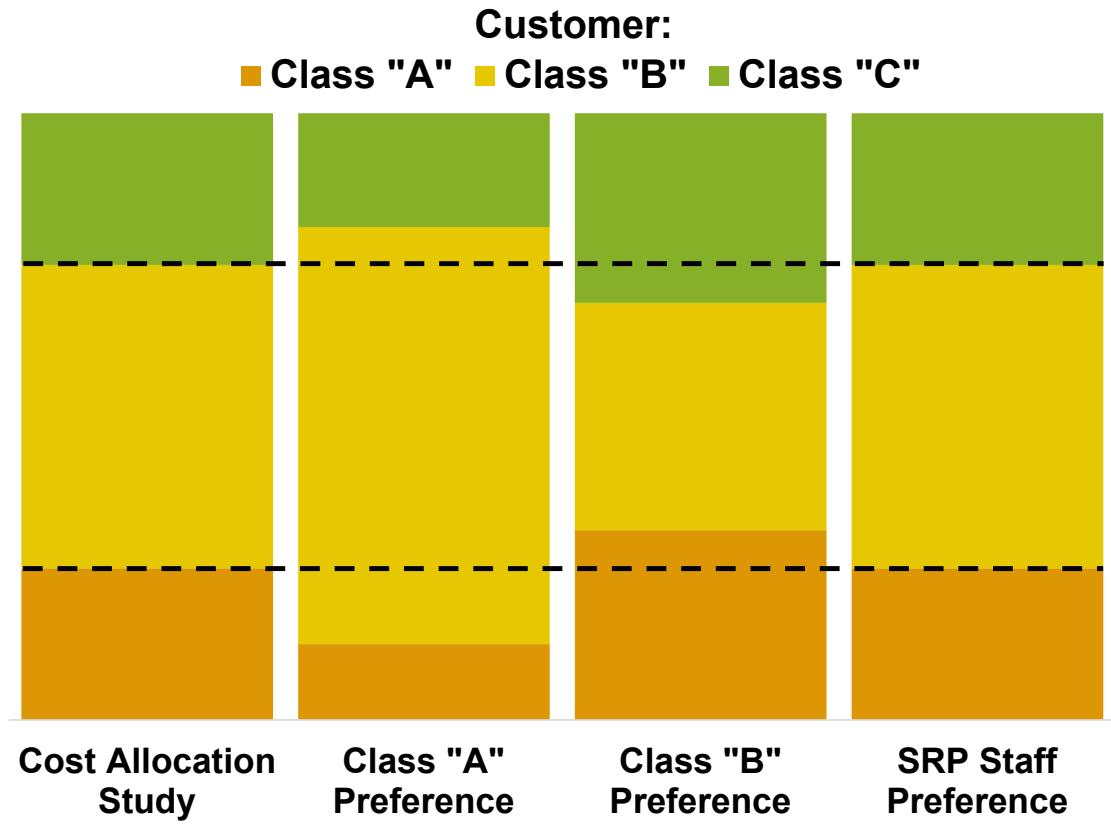


Pricing Principles and Price Process

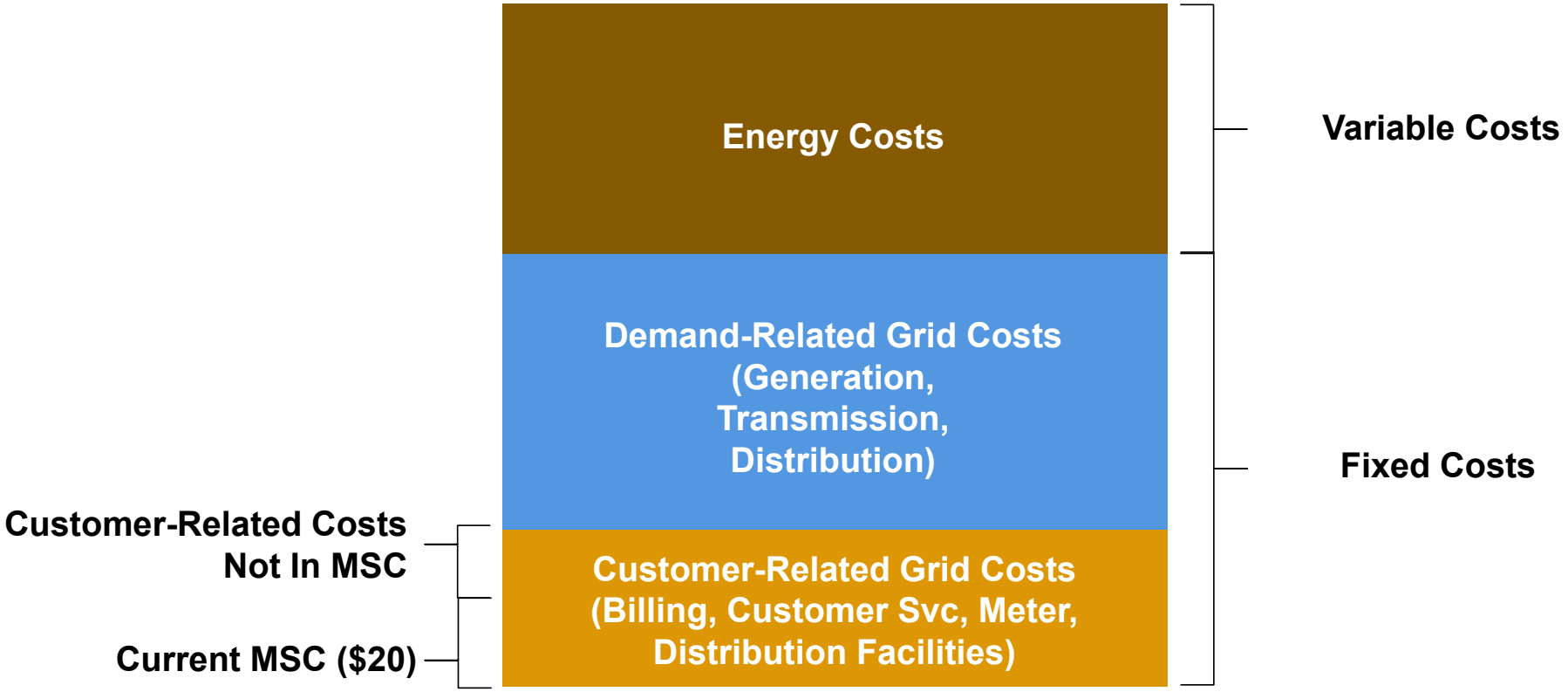
Determine Revenue Requirement



Determine Cost Allocation Across Customers

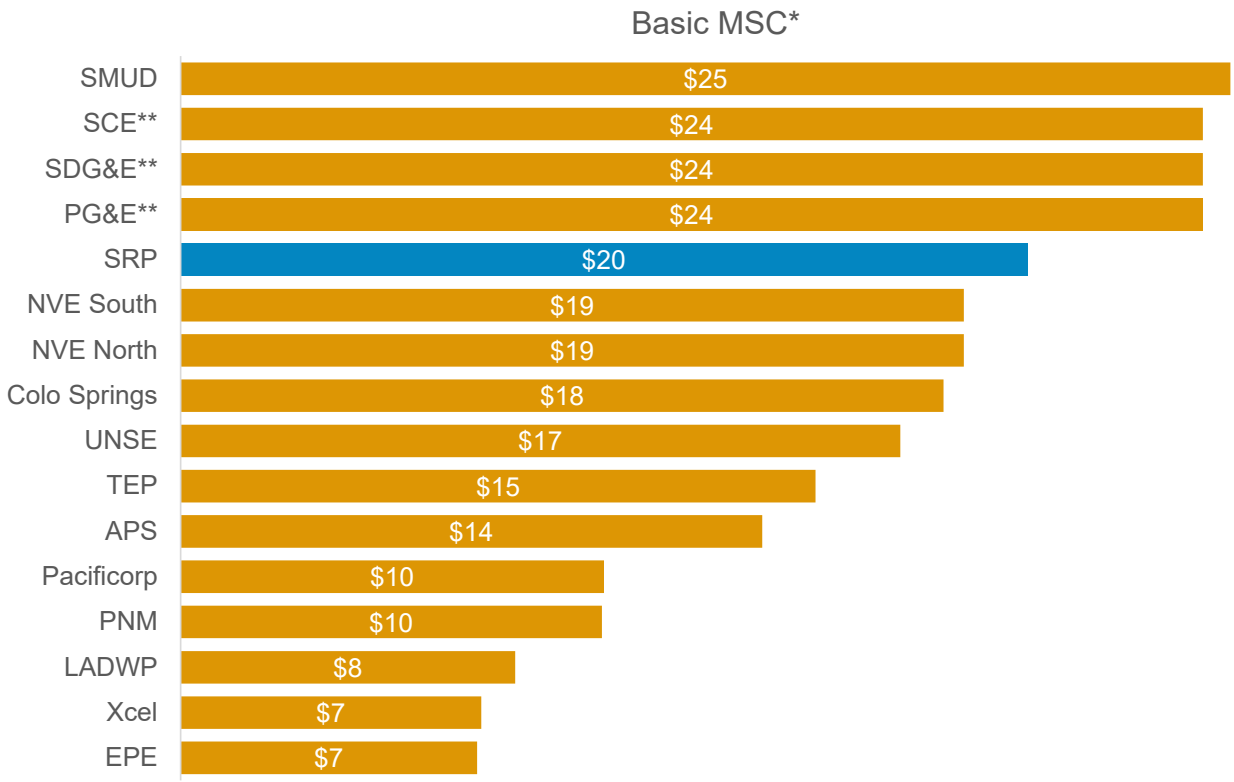


Total Costs Per Month



Preliminary Cost Allocation Study numbers

SRP Monthly Service Charge Versus Other Utilities



*Values listed are MSC for the basic rate for a single-family home with single-phase connection (LADWP Tier 2 MSC is given since their average user would be Tier 2)
**$24.15 MSC approved by the CPUC for California IOUs and effective 2025/2026

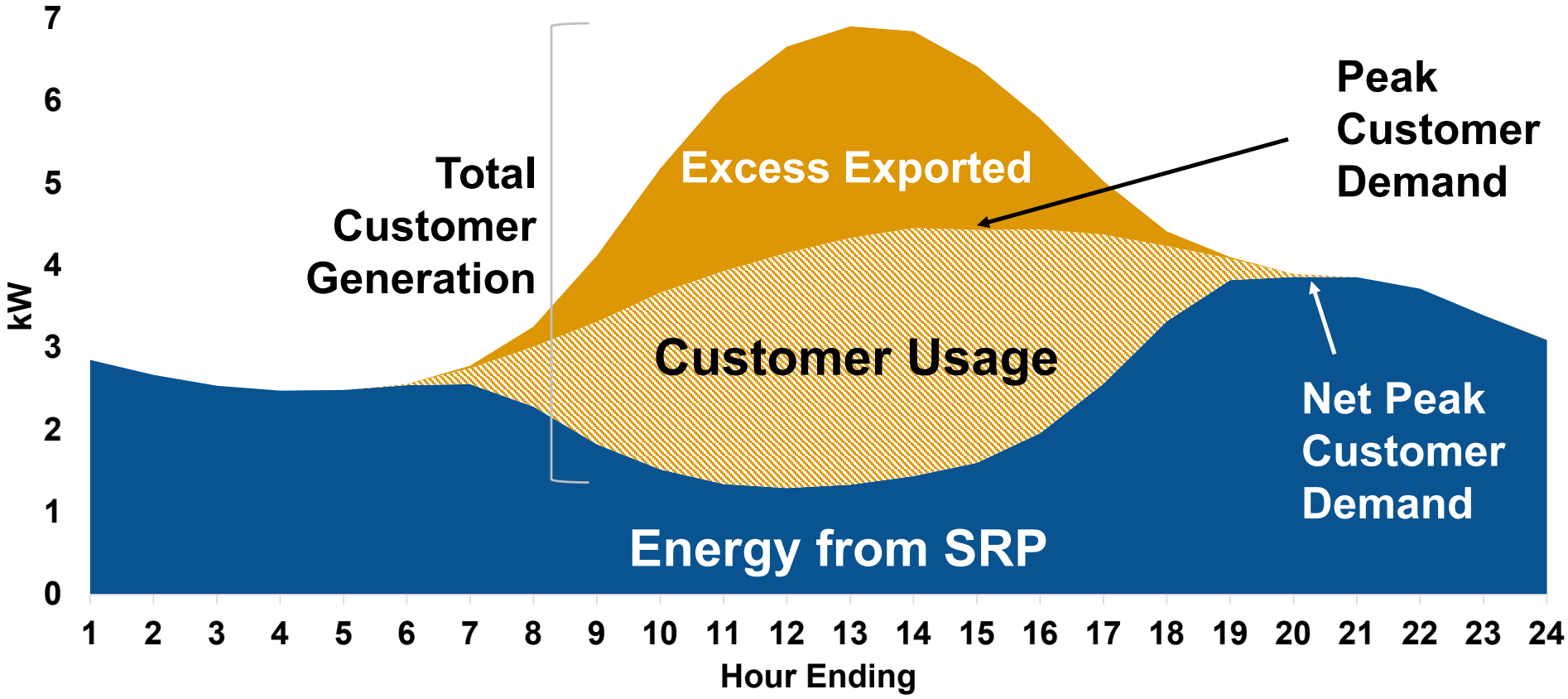
Distributed Generation (DG) Customer Feedback

Some concerns we hear from DG customers:	Price plans unique to solar customers
	Higher Monthly Service Charge
	No EZ-3 option
	Solar payback concerns
	Export rate considerations

Electric Services and Capabilities

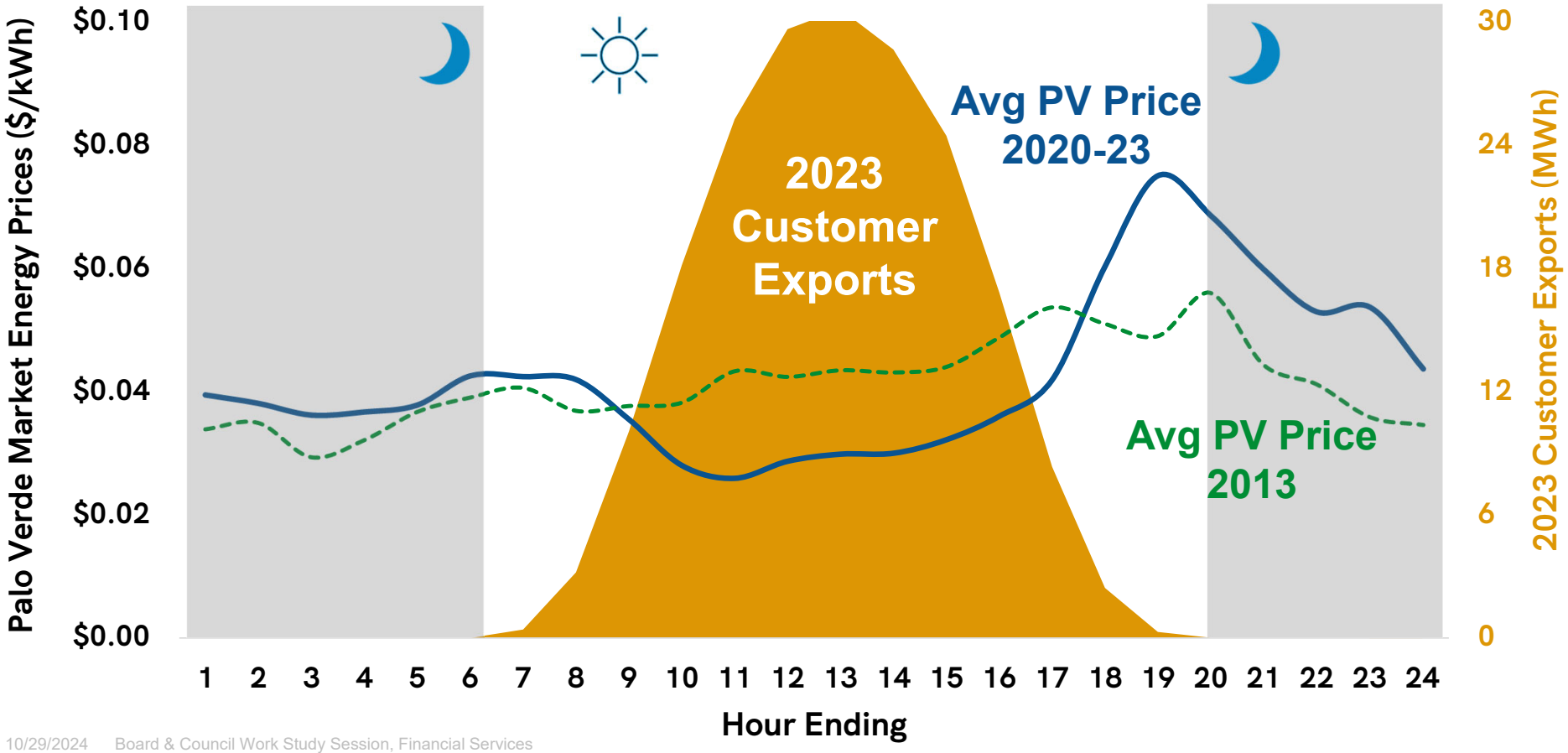
Offered By:	Energy	Generation	Transmission	Distribution	Ancillary Services
Integrated Electric Utility	●	●	●	●	●
Distributed Generation	◐				
DG + Battery	◐	◐			◐
Traditional Generation	●	●			◐

Average Distributed Generation Customer Energy Flow



Sun Comes Up Price Goes Down

Market energy prices are lowest when solar production is highest; different dynamics a decade ago



Key Takeaways

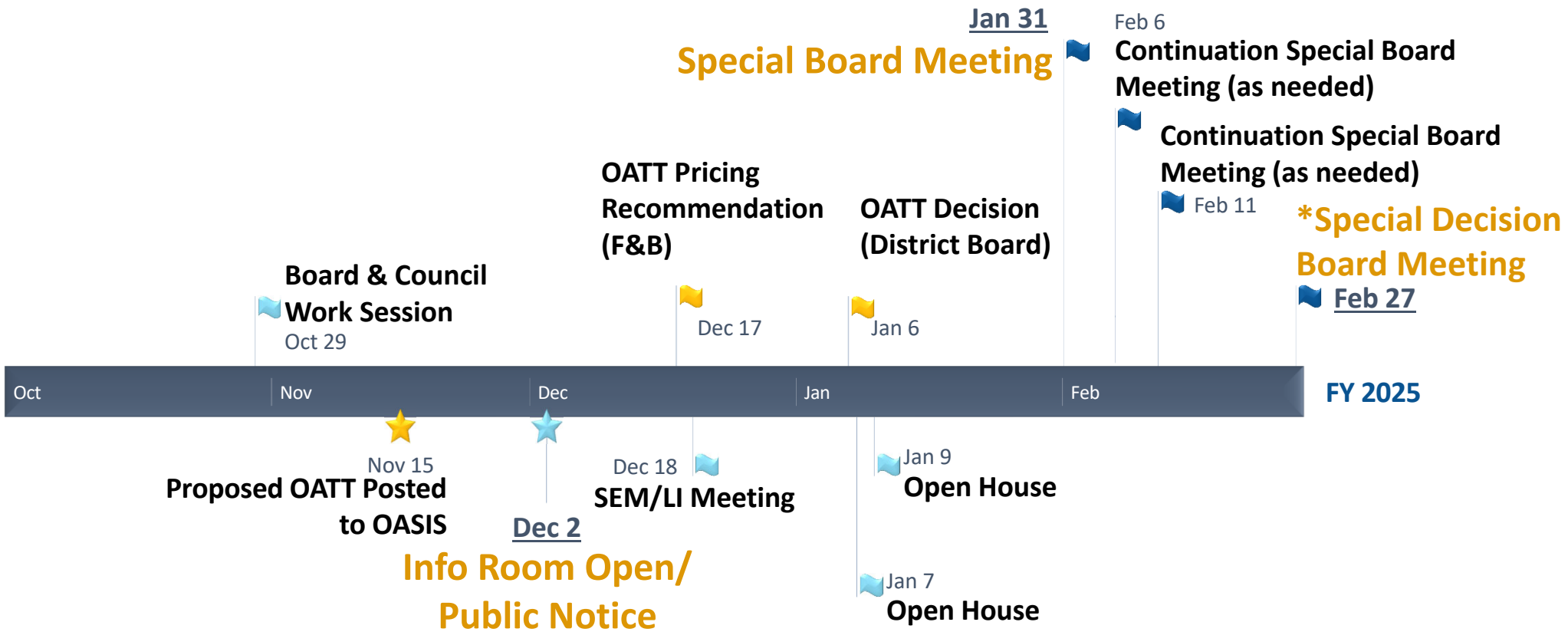
SRP is investing at historic levels in response to increasing electricity demand and transformational change to the electric grid

- History of healthy financial metrics, highest credit ratings in industry & favorable peer comparisons
- Maintaining financial metrics puts SRP in a better position to serve its customers at a lower cost

Plans include combination of borrowing & pricing adjustments to meet objectives

- Assumed base price increase in FY26 still necessary; FY28 base increase likely required as well, but to be clarified as part of FP26 process
- Exploring changes to price plan structures to help better align with current market conditions

DRAFT Price Process Calendar



thank you!

Legal Requirements Regarding the SRP Price Process Open Session

M. J. O'Connor and Sarah Glover | October 29, 2024

Agenda

1. Procedural requirements for a Price Process
2. Arizona statutes on actions and appeals
3. Arizona statutory requirements related to Open Meeting Law issues in a Price Process
4. SRP Board Pricing Principles
5. Potential legal risks/challenges to Board decision in a Price Process (executive session)
6. Questions

SRP Price Process Procedures

Governed by statute (A.R.S. § 48-2334) and SRP Rules and Regulations (Section 2.2)

1. **Public Notice: Provide timely notice (mail and publication) or proposed changes; explain how to participate**
2. **Information Room: Make available recommendations, reports, and supporting data**
3. **Public Participation:**
   - **Allow submission of comments, questions, and document requests; provide timely responses**
   - **Make employees available for interviews**
4. **Board Meetings and Decisions:**
   - **Special meetings(s) to allow for management proposal, consultant comments, and public participation**
   - **Publication and notice of decision**

Challenges and Appeals

- **A.R.S. § 30-807 Application for Rehearing; effect, decision**
- **A.R.S. § 30-808 Action to set aside or modify certain governing body of public power entity orders or decisions; superior court**
- **A.R.S. § 30-809 Action to set aside or modify certain governing body of public power entity orders or decisions; limitations; court of appeals**

Arizona Open Meeting Law Issues Relevant to Price Process

The Open Meeting Law – A.R.S. § 38-431

1) **Must provide notice to the public of any meeting**
2) **Must provide reasonable notice of the specific action to be considered for action**
3) **Must allow for public to attend**
4) **Any action (vote on proposal) must occur in open session – the debate on the management proposal is also in open session**
5) **Must be cognizant of any discussions of a quorum outside of an open meeting**
6) **Must be cognizant of emails/electronic communications related to the price process**

SRP Board Pricing Principles

- **Cost Relation – prices should reflect the cost of providing service**
- **Equity – customers should pay their fair share of the costs**
- **Sufficiency – prices should ensure SRP's financial health**
- **Gradualism – price changes should be evolutionary not revolutionary to avoid large price adjustments**
- **Choice – provide pricing options to help customers manage their energy costs**

Questions & Answers