Delivering water and power®

DERIVATION OF PROPOSED CHANGES TO SRP'S TRANSMISSION AND ANCILLARY SERVICES PRICES EFFECTIVE NOVEMBER 1, 2025

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

Dec. 2, 2024

602-236-8888

1500 N. Mill Ave., Tempe AZ, 85288

srpnet.com
srp.net/srpprices

Table of Contents

Derivation of Proposed Changes to SRP's Transmission and Ancillary Services Prices

Effective: November 1, 2025

In conjunction with the "Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 1, 2025 Billing Cycle," this document provides financial details in support of the proposed adjustments to prices for retail ancillary services, and SRP's prices for wholesale transmission and ancillary services.

Specifically, SRP management ("Management") proposes that the prices associated with Schedules 1, 2, 3, 5, 6, 7, 8, and Attachment H of SRP's Open Access Transmission Tariff be adjusted to reflect current costs and loads. No changes are proposed for Schedules 4, 4A, 9, 9A, 10, or 12.

Schedules 1 through 8, and Attachment H of SRP's Open Access Transmission Tariff include the prices for Ancillary Services, Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, and the Annual Transmission Revenue Requirement for Network Integration Transmission Service. The proposed prices for ancillary services are based on a historical test year, SRP's Fiscal Year 2024 (ending April 30, 2024). The prices for transmission are based on a projected test year, SRP's fiscal year 2026 (ending April 30, 2026). SRP's proposed prices for transmission and ancillary services were calculated using data from SRP's Fiscal Year 2024 accounting data, the *Cost Allocation Study in Support of Proposed Adjustments to SRP's Standard Electric Price Plans Effective with the November 2025 Billing Cycle (Cost Allocation Study)*, Power Operations data, audited financial and accounting records, and budgets.

Management's proposed changes, which would be effective November 1, 2025, are summarized below followed by the proposed prices and supporting cost tables.

I. Prices for Ancillary Services

Schedule 1: Scheduling, System Control and Dispatch Service

Scheduling, System Control and Dispatch Service is required to schedule the movement of power through, out of, within, or into a Balancing Area Authority. The rate for Scheduling, System Control and Dispatch Service is determined from FERC Account 561, Load Dispatch for Transmission and SRP's Transmission System Peak for retail and long-term wholesale commitments.

The proposed rate is $2.90/kW-year, an increase from the current rate of $2.80/kW-year. Exhibit A in the Cost Support Exhibits and Tables section of this report contains the calculation of the rate for Scheduling, System Control and Dispatch Service.

Schedule 2: Reactive Supply and Voltage Control from Generation Sources Service

The shared production plant costs associated with Reactive Supply and Voltage Control from Generation Sources Service were determined from the cost of Turbogenerator Systems and Accessory Electric Equipment and the ratio of the VAR rating squared to the sum of the VAR rating squared and the MW rating squared of the generation units supplying this service. This share is applied to fixed production cost to determine the annual cost of supplying this service.

The proposed rate is $2.52/kW-year, an increase from the current rate of $1.67/kW-year. The increase in the rate is primarily attributable to increased costs for providing this service, particularly from gas generating units. Exhibit B in the Cost Support Exhibits and Tables section of this report contains the calculation of the rate for Reactive Supply and Voltage Control from Generation Sources Service.

Schedule 3: Regulation and Frequency Response Service

Regulation and Frequency Response Service is accomplished by committing on-line generation, the output of which is raised or lowered (predominantly through the use of automatic generating control equipment), as necessary to follow the moment-by-moment changes in load. The annual cost for Regulation and Frequency Response Service is based on the fixed costs of the generating resources providing this service.

A regulation reserve of 144 MW was applied to the average hourly load of SRP's network system customers to determine the proposed required regulation reserve of 2.94%. The regulation reserve for a Transmission Customer is determined by multiplying the Transmission Customer's hourly load by the required regulation reserve of 2.94%.

The proposed rate is $11.94/MW-hour, an increase from the current rate of $9.45/MW-hour. The rate is applied to the customer's required regulation reserve. The increase in the rate is primarily attributable to an increased reliance upon gas and coal units for providing this service and a lesser reliance on hydro resources. There was also an increase in the regulation reserve requirement. Exhibit C in the Cost Support Exhibits and Tables section of this report contains the calculation of the rate for Regulation and Frequency Response Service.

Schedule 4/4A: Energy Imbalance Service – Network Integration Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Balancing Area Authority, or deliveries of power and energy out of the Balancing Area Authority from generation resources located within the Balancing Area Authority, over a single hour. SRP must offer this service when the transmission service is used to serve load within its Balancing Area Authority. The Transmission Customer must either purchase this service from SRP or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation.

No proposed changes to these Schedules.

Schedule 5: Operating Reserve – Spinning Reserve Service

Operating Reserve – Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output. The annual cost for Spinning Reserve Service is based only on the fixed costs of the resources providing this service, because this service requires generating units to "spin" unloaded. A study performed by SRP Transmission and Generation Operations determines the resources used to provide spinning reserves. A spinning reserve of 3.0% in every hour, consistent with regional reliability requirements, is required. The spinning reserve for a Transmission Customer is determined by multiplying the Transmission Customer's hourly load by the required spinning reserve of 3.0%.

The proposed rate is $9.12/MW-hour, a decrease from the current rate of $11.72MW-hour. The decrease in the rate is primarily attributable to transmission system peak load growing at a faster rate than the costs to provide the service. The rate is applied to the customer's required spinning reserve. Exhibit D in the Cost Support Exhibits and Tables section of this report contains the calculation of the rate for Operating Reserve – Spinning Reserve Service.

Schedule 6: Operating Reserve – Supplemental Reserve Service

Operating Reserve – Supplemental Reserve Service is needed to serve load within a short period of time (though not immediately) in the event of a system contingency. SRP's supplemental reserves are provided by generating units and firm wholesale purchases. Only the fixed (demand-related) costs associated with these resources are included in the annual cost of Operating Reserve – Supplemental Reserve Service. SRP's Southwest Reserve Sharing accounting data are used to determine the resources used to provide supplemental reserves.

A supplemental reserve of 3.0% in every hour, consistent with regional reliability requirements, is required. The supplemental reserve for a Transmission Customer is determined by multiplying the Transmission Customer's hourly load by the required supplemental reserve of 3.0%.

The proposed rate is $9.12/MW-hour, a decrease from the current rate of $10.70/MW-hour. The decrease in the rate is primarily attributable to transmission system peak load growing at

a faster rate than the costs to provide the service. The rate is applied to the customer's required supplemental reserve. Exhibit E in the Cost Support Exhibits and Tables section of this report contains the calculation of the rate for Operating Reserve – Supplemental Reserve Service.

Schedule 9/9A: Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of an SRP WEIM Non-Participating Resource, located in SRP's Balancing Authority Area, as reflected in the resource component of the Transmission Customer Base Schedule from that generator to: (i) another Balancing Authority Area; or (ii) a load within SRP's Balancing Authority Area.

No proposed changes to these Schedules.

II. Prices for Wholesale Transmission Services

Management proposes increases in the prices for Firm and Non-Firm Point-to-Point wholesale transmission services. While the annual transmission revenue requirement (numerator) has increased, the transmission system peak (denominator) used to calculate prices also has increased.

The prices in Schedules 7 and 8 are applicable to wholesale entities. Prices for transmission service applicable to retail customers are included in SRP's "Proposed Adjustments to Standard Price Plans Effective with the November 2025 Billing Cycle."

Schedule 7: Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service

SRP's rate for Firm Point-to-Point Transmission service is a rate applicable to all parts of SRP's transmission system 69kV and above. The proposed annual Firm Point-to-Point Transmission Rate is $36.41/kW-year, an increase from the current rate of $30.78/kW-year. The rate is based on SRP's annual transmission related costs. Exhibit F of the Cost Support Exhibits and Tables contains the calculation of the Firm Point-to-Point Transmission Rate. The proposed

prices for Firm Point-to-Point transmission services represent the maximum rates that may be charged for such service. Discounts may be applied.

Schedule 8: Non-Firm Point-to-Point Transmission Service

The prices for Non-Firm Point-to-Point Transmission Service are capped at the prices for Firm Point-to-Point Transmission Service. In addition to the rate caps calculated for Firm Point-to-Point Transmission Service, hourly rate caps have been calculated for On- and Off-peak Non-Firm Point-to-Point Transmission Service. Exhibit G of the Cost Support Exhibits and Tables contains the calculation of the Non-Firm Point-to-Point Transmission Prices.

Attachment H: Annual Transmission Revenue Requirement for Network Integration Transmission Service

Attachment H in SRP's Open Access Transmission Tariff describes the annual transmission revenue requirement for wholesale Network Integration Transmission Service. SRP uses the ratio of the Network Customers' Network Load to SRP's total transmission load to allocate SRP's annual transmission revenue requirement to network customers. The annual transmission revenue requirement for Network Integration Transmission Service is found on Attachment H of this document.

III. Real Power Losses

Schedule 10: Real Power Loss Service

Real Power Losses, identified in Schedule 10, are associated with all transmission service. SRP is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by SRP.

The current Real Power Loss factor is 3.24%.

No change in Schedule 10 is proposed.

Proposed Price Schedules

Schedule 1

Scheduling, System Control and Dispatch Service

Scheduling, System Control and Dispatch Service will be provided in accordance with SRP's Open Access Transmission Tariff Schedule 1 at a rate not to exceed:

Annually:		$2.90/kW-year
Monthly:		$0.24/kW-month
Weekly:		$0.06/kW-week
Daily:		
	Monday through Saturday	$0.009/kW-day
	Sunday	$0.008/kW-day
Hourly:		
	On-Peak*	$0.59/MW-hour
	Off-Peak*	$0.33/MW-hour

*On-Peak Hours and Off-Peak Hours are defined by the NERC standards adjusted for daylight savings time.

Schedule 2

Reactive Supply and Voltage Control from Generation Sources Service

Reactive Supply and Voltage Control from Generation Sources Service will be provided in accordance with SRP's Open Access Transmission Tariff Schedule 2 at a rate not to exceed:

Annually:		$2.52/kW-year
Monthly:		$0.21/kW-month
Weekly:		$0.05/kW-week
Daily:		
	Monday through Saturday	$0.008/kW-day
	Sunday	$0.007/kW-day
Hourly:		
	On-Peak*	$0.51/MW-hour
	Off-Peak*	$0.29/MW-hour

*On-Peak Hours and Off-Peak Hours are defined by the NERC standards adjusted for daylight savings time.

Schedule 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service will be provided in accordance with SRP's Open Access Transmission Tariff Schedule 3 at a rate not to exceed:

$11.94/MW-hour of Regulation and Frequency Response reserved

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of reserved capacity equal to 2.94% of the Transmission Customer's network load responsibility in each hour for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 2.94% purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

Schedules 4/4A

Energy Imbalance Service – Network Integration Service

No proposed changes to these Schedules.

Schedule 5

Operating Reserve – Spinning Reserve Service

Operating Reserve – Spinning Reserve Service will be provided in accordance with SRP's Open Access Transmission Tariff Schedule 5 at a rate not to exceed:

$9.12/MW-hour of Spinning Reserve Capacity

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of reserved capacity equal to 3.0% of the Transmission Customer's network load responsibility in each hour for Network Integration Transmission Service. The billing determinant for this service shall be reduced by any portion of the 3.0% purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

Schedule 6

Operating Reserve – Supplemental Reserve Service

Operating Reserve – Supplemental Reserve Service will be provided in accordance with SRP's Open Access Transmission Tariff Schedule 6 at a rate not to exceed:

$9.12/MW-hour of Supplemental Reserve Capacity

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of reserved capacity equal to 3.0% of the Transmission Customer's network load responsibility in each hour for Network Integration Transmission Service. The billing determinant for this service shall be reduced by any portion of the 3.0% purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

Schedule 7

Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service

Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service will be provided in accordance with SRP's Open Access Transmission Tariff Schedule 7. The Transmission Customer shall compensate SRP each month for Reserved Capacity at prices not to exceed:

Yearly Delivery:	One-twelfth of the demand charge of $36.41/kW-year, billed monthly
Monthly:	$3.03/kW-month
Weekly:	$0.70/kW-week
Daily:	
Monday through Saturday	$0.119/kW-day
Sunday	$0.100/kW-day
Hourly:	
On-Peak*	$7.44/MW-hour
Off-Peak*	$4.16/MW-hour

*On-Peak Hours and Off-Peak Hours are defined by the NERC standards adjusted for daylight savings time.

Schedule 8

Non-Firm Point-to-Point Transmission Service

Non-Firm Point-to-Point Transmission Service will be provided in accordance with SRP's Open Access Transmission Tariff Schedule 8. The Transmission Customer shall compensate SRP for Reserved Capacity at prices not to exceed:

Monthly:	$3.03/kW-month
Weekly:	$0.70/kW-week
Daily:	
Monday through Saturday	$0.119/kW-day
Sunday	$0.100/kW-day
Hourly:	
On-Peak*	$7.44/MW-hour
Off-Peak*	$4.16/MW-hour

*On-Peak Hours and Off-Peak Hours are defined by the NERC standards adjusted for daylight savings time.

Schedules 9/9A

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of an SRP WEIM Non-Participating Resource, located in SRP's Balancing Authority Area, as reflected in the resource component of the Transmission Customer Base Schedule from that generator to: (i) another Balancing Authority Area; or (ii) a load within SRP's Balancing Authority Area.

No proposed changes to these Schedules.

Schedule 10

Real Power Loss Service

No proposed change to Schedule 10.

Schedule 11

[Reserved for Future Use]

No proposed change to Schedule 11.

Schedule 12

Network Integration Transmission Service

No proposed change to Schedule 12.

Attachment H

Annual Transmission Revenue Requirement for Network Integration Transmission Service

The annual transmission revenue requirement for purposes of the Network Integration transmission service shall be $389,804,950.

Cost Support Exhibits and Tables

Exhibit A: Ancillary Service Scheduling, System Control and Dispatch Service

					Source/Comment
1	Scheduling, System Control and Dispatch Costs	$	31,046,755		SRP Acctg Data - FERC 561.1 - 561.4
2	Transmission System Peak		10,705,000	kW	Table 1
3	Annual Charge	$	2.90	/kW-Year	Line 1/Line 2
4	Monthly Charge	$	0.24	/kW-Month	Line 3/12
5	Weekly Charge	$	0.06	/kW-Week	Line 3/52
6	Daily Charge				
	Monday through Saturday	$	0.009	/kW-Day	Line 3/(306)
	Sunday	$	0.008	/kW-Day	Line 3/(365)
7	Hourly Charge				
	On-peak	$	0.59	/MWh	(Line 3/(306*16))*1000
	Off-peak	$	0.33	/MWh	(Line 3/8760)*1000

Exhibit B: Reactive Supply and Voltage Control from Generation Sources Service

					Source/Comment
1	Reactive Supply and Voltage Control Costs	$	26,988,772		Table 3
2	Transmission System Peak		10,705,000	kW	Table 1
3	Annual Charge	$	2.52	/kW-Year	Line 1/Line 2
4	Monthly Charge	$	0.21	/kW-Month	Line 3/12
5	Weekly Charge	$	0.05	/kW-Week	Line 3/52
6	Daily Charge				
	Monday through Saturday	$	0.008	/kW-Day	Line 3/(306)
	Sunday	$	0.007	/kW-Day	Line 3/(365)
7	Hourly Charge				
	On-peak	$	0.51	/MWh	(Line 3/(306*16))*1000
	Off-peak	$	0.29	/MWh	(Line 3/8760)*1000

Exhibit C: Regulation and Frequency Response Service

					Source/Comment
1	Regulation and Frequency Response Costs	$	15,063,989		Table 3
2	SRP annual average hourly load		4,906,064	kW	Table 2
3	Regulation reserve requirement (+/- 50,000kW)		2.94%		144,000 kW/Line 2
4	Hourly Charge	$	11.94	/MWh	Line 1/((Line 2*Line 3)*8760)*1000

Exhibit D: Operating Reserve - Spinning Reserve Service

					Source/Comment
1	Spinning Reserve Costs	$	11,754,552		Table 3
2	SRP annual average hourly load		4,906,064	kW	Table 2
3	Spinning Reserve Requirement		3.00%		WPP Requirement
4	Hourly Charge	$	9.12	/MWh	Line 1/((Line 2*Line 3)*8760)*1000

Exhibit E: Operating Reserve - Supplemental Reserve Service

					Source/Comment
1	Supplemental Reserve Costs	$	11,754,552		Table 3
2	SRP annual average hourly load		4,906,064	kW	Table 2
3	Supplemental Reserve Requirement		3.00%		WPP Requirement
4	Hourly Charge	$	9.12	/MWh	Line 1/((Line 2*Line 3)*8760)*1000

Exhibit F: Firm Point-to-Point Transmission Service

					Source/Comment
1	Annual Transmission Revenue Requirement	$	389,804,950		SRP's Cost Allocation Study, Appendix A
2	Transmission System Peak		10,705,000	kW	Table 1
3	Annual Charge	$	36.41	/kW-Year	Line 1/Line 2
4	Monthly Charge	$	3.03	/kW-Month	Line 3/12
5	Weekly Charge	$	0.70	/kW-Week	Line 3/52
6	Daily Charge				
	Monday through Saturday	$	0.119	/kW-Day	Line 3/(306)
	Sunday	$	0.100	/kW-Day	Line 3/(365)
7	Hourly Charge				
	On-peak	$	7.44	/MWh	(Line 3/(306*16))*1000
	Off-peak	$	4.16	/MWh	(Line 3/8760)*1000

Exhibit G – Non-Firm Point-to-Point Transmission Service

					Source/Comment
1	Annual Transmission Revenue Requirement	$	389,804,950		SRP's Cost Allocation Study, Appendix A
2	Transmission System Peak		10,705,000	kW	Table 1
3	Annual Charge	$	36.41	/kW-Year	Line 1/Line 2
4	Monthly Charge	$	3.03	/kW-Month	Line 3/12
5	Weekly Charge	$	0.70	/kW-Week	Line 3/52
6	Daily Charge				
	Monday through Saturday	$	0.119	/kW-Day	Line 3/(306)
	Sunday	$	0.100	/kW-Day	Line 3/(365)
7	Hourly Charge				
	On-peak	$	7.44	/MWh	(Line 3/(306*16))*1000
	Off-peak	$	4.16	/MWh	(Line 3/8760)*1000

Table 1: Monthly Peaks

Monthly Coincident Peak Demands (MW)	Retail	Wholesale	Total
June-23	6,742	3,132	9,874
July-23	8,030	3,275	11,305
August-23	7,908	3,270	11,178
September-23	7,220	3,243	10,463
4 CP Average	7,475	3,230	10,705

Source:

* Transmission Services

Notes:

* Wholesale includes long-term firm contracted capacity for SRP and Non-SRP

Table 2: Annual Average Hourly Load Fiscal Year 2024

			Source/Comment
1	Sale to ultimate customers (MWh)	41,628,360	System sales for FY24, Management Financial Statements, April 2024 (Blueback 7-1)
2	Transmission losses (@ 3.24%) (MWh)	1,348,759	Line 1 * 3.24%
3	Average hourly load (kW)	4,906,064	((Line 1 + Line 2)/8760) * 1000

Table 3: Revenue Requirements

Revenue requirements for the following:
Reactive Supply and Voltage Control from Generation Sources Service
Regulation and Frequency Response Service
Spinning Reserves
Supplemental Reserves
Fiscal Year 2024 (Year Ending April 30, 2024)

Table 3

Generating Units Providing Ancillary Services

		Source	Coal					Nuclear
			Coronado	Craig	Four Corners	Hayden	Springerville	Palo Verde
	Cost of Plant (Net)							
1	Investment in plant	Plant Data	$ 151,591,412	$ 14,035,904	$ 47,428,342	$ 8,278,541	$ 310,280,614	$ 378,496,385
2	Common Plant (allocated)	Plant Data	$ 18,045,864	$ 2,005,096	$ 5,346,923	$ 1,336,731	$ 37,428,459	$ 41,438,651
3	General Electric Plant	Plant Data	$ 3,592,336	$ 108,320	$ (15)	$ -	$ 1,079,653	$ 483,865
4	Land & Land Rights	Plant Data	$ -	$ -	$ -	$ -	$ 9,810,727	$ 27,273
5	Structures & Improvements	Plant Data	$ 47,801,056	$ (1,364,345)	$ 2,711,117	$ 1,728,196	$ 72,180,428	$ 175,979,200
6	Total Net Plant	Calculated	$ 221,030,667	$ 14,784,975	$ 55,486,367	$ 11,343,467	$ 430,779,881	$ 596,425,374
7	Rate of Return	CAS	6.88%	6.88%	6.88%	6.88%	6.88%	6.88%
8	Annual Capital Related Costs	Calculated	$ 15,206,910	$ 1,017,206	$ 3,817,462	$ 780,431	$ 29,637,656	$ 41,034,066
9	O&M Demand	Prod Exp	$ 31,735,359	$ 5,847,915	$ 8,057,978	$ 2,937,236	$ 22,666,055	$ 81,024,420
10	O&M Fuel	Prod Exp	$ 116,992,542	$ 32,138,465	$ 35,813,259	$ 19,830,168	$ 62,239,838	$ 42,943,409
11	O&M Energy	Prod Exp	$ 21,989,605	$ 7,886,461	$ 3,609,113	$ 1,780,768	$ 27,330,714	$ 21,193,452
12	Property Taxes	Acctg Data	$ 9,467,036	$ 489,615	$ 557,929	$ 288,754	$ 12,975,007	$ 9,562,212
13	Depreciation	Acctg Data	$ 51,925,248	$ 7,442,082	$ 14,213,959	$ 5,076,873	$ 39,914,483	$ 21,789,014
14	Administrative & General	Acctg Data/CAS	$ 22,530,240	$ -	$ -	$ -	$ -	$ -
15	Total Annual Cost	Calculated	$ 269,846,940	$ 54,821,745	$ 66,069,700	$ 30,694,231	$ 194,763,753	$ 217,546,571
16	Total Demand Related Cost	Calculated	$ 130,864,793	$ 14,796,819	$ 26,647,329	$ 9,083,294	$ 105,193,201	$ 153,409,711
17	Reactive Supply and Voltage Control	Ancillary Study	1.49%	0.00%	0.00%	0.00%	1.99%	0.00%
18	Regulation and Frequency Response	Ancillary Study	3.97%	0.00%	0.00%	0.00%	3.24%	0.00%
19	Operating Reserve - Spinning	Ancillary Study	0.70%	0.00%	0.00%	0.00%	0.47%	0.00%
20	Operating Reserve - Supplemental	Ancillary Study	0.70%	0.00%	0.00%	0.00%	0.47%	0.00%
21	Reactive Supply and Voltage Control	Calculated	$ 1,945,081	$ -	$ -	$ -	$ 2,098,230	$ -
22	Regulation and Frequency Response	Calculated	$ 5,191,170	$ -	$ 965	$ -	$ 3,406,828	$ -
23	Operating Reserve - Spinning & Supplemental	Calculated	$ 1,839,034	$ -	$ -	$ -	$ 980,760	$ -
24	System Control & Load Dispatch							
25	Total Ancillary Services	Calculated	$ 8,975,286	$ -	$ 965	$ -	$ 6,485,817	$ -

Sources:
SRP Accounting Data
SRP Supply & Trading Operations Planning Reserves
SRP Generation Planning, Analysis & Renewables

Table 3: Revenue Requirements (Continued)

Revenue requirements for the following:
Reactive Supply and Voltage Control from Generation Sources Service
Regulation and Frequency Response Service
Spinning Reserves
Supplemental Reserves
Fiscal Year 2024 (Year Ending April 30, 2024)

Table 3

Generating Units Providing Ancillary Services

		Source	Agua Fria	Desert Basin	Gila	Natural Gas Kyrene	Mesquite	Santan	Coolidge
	Cost of Plant (Net)								
1	Investment in plant	Plant Data	$ 6,539,946	$ 143,837,330	$ 264,134,877	$ 61,194,693	$ 257,641,615	$ 304,286,057	$ 250,873,068
2	Common Plant (allocated)	Plant Data	$ 12,698,941	$ 24,729,517	$ 22,056,056	$ 11,362,211	$ 24,729,517	$ 30,076,440	$ 24,061,152
3	General Electric Plant	Plant Data	$ 16,619	$ 3,031,763	$ 4,356,613	$ 51,947,916	$ 2,457,133	$ 2,341,812	$ 3,608,605
4	Land & Land Rights	Plant Data	$ -	$ -	$ -	$ -	$ 4,080,702	$ -	$ -
5	Structures & Improvements	Plant Data	$ 317,690	$ 12,653,957	$ 2,979,308	$ 3,040,987	$ 1,443,970	$ 25,836,398	$ -
6	Total Net Plant	Calculated	$ 19,573,196	$ 184,252,568	$ 293,526,854	$ 127,545,806	$ 290,352,937	$ 362,540,706	$ 278,542,825
7	Rate of Return	CAS	6.88%	6.88%	6.88%	6.88%	6.88%	6.88%	6.88%
8	Annual Capital Related Costs	Calculated	$ 1,346,636	$ 12,676,577	$ 20,194,648	$ 8,775,151	$ 19,976,282	$ 24,942,801	$ 19,163,746
9	O&M Demand	Prod Exp	$ 11,386,863	$ 15,699,436	$ 13,664,975	$ 8,623,288	$ 11,765,752	$ 27,654,529	$ 11,026,053
10	O&M Fuel	Prod Exp	$ 19,696,181	$ 90,380,172	$ 129,016,431	$ 36,127,858	$ 95,650,492	$ 170,518,454	$ 22,894,649
11	O&M Energy	Prod Exp	$ 9,999,249	$ 89,413	$ 19,292,491	$ 640,779	$ -	$ 9,199,072	$ 146,255
12	Property Taxes	Acctg Data	$ 605,115	$ 1,481,063	$ 3,307,068	$ 1,932,696	$ 2,659,332	$ 6,801,047	$ 4,801,996
13	Depreciation	Acctg Data	$ 5,840,541	$ 14,284,555	$ 14,074,029	$ 6,981,925	$ 15,967,643	$ 19,439,896	$ 11,643,322
14	Administrative & General	Acctg Data/CAS	$ 8,261,088	$ 6,195,816	$ 13,518,144	$ 4,318,296	$ 4,693,800	$ 14,269,152	$ 4,506,048
15	Total Annual Cost	Calculated	$ 57,135,673	$ 140,807,032	$ 213,067,786	$ 67,399,993	$ 150,713,301	$ 272,824,951	$ 74,182,069
16	Total Demand Related Cost	Calculated	$ 27,440,242	$ 50,337,446	$ 64,758,864	$ 30,631,356	$ 55,062,809	$ 93,107,425	$ 51,141,165
17	Reactive Supply and Voltage Control	Ancillary Study	9.66%	3.62%	3.41%	7.19%	7.38%	9.92%	1.48%
18	Regulation and Frequency Response	Ancillary Study	0.61%	1.93%	3.05%	1.44%	3.50%	0.94%	0.22%
19	Operating Reserve - Spinning	Ancillary Study	0.22%	0.13%	0.04%	1.79%	0.06%	0.01%	7.27%
20	Operating Reserve - Supplemental	Ancillary Study	0.22%	0.13%	0.04%	1.79%	0.06%	0.01%	7.27%
21	Reactive Supply and Voltage Control	Calculated	$ 2,651,036	$ 1,823,522	$ 2,209,987	$ 2,200,867	$ 4,065,848	$ 9,239,107	$ 755,094
22	Regulation and Frequency Response	Calculated	$ 166,890	$ 969,351	$ 1,972,375	$ 442,293	$ 1,926,675	$ 873,598	$ 111,788
23	Operating Reserve - Spinning & Supplemental	Calculated	$ 120,526	$ 134,861	$ 56,457	$ 1,095,101	$ 70,368	$ 20,017	$ 7,433,949
24	System Control & Load Dispatch								
25	Total Ancillary Services	Calculated	$ 2,938,452	$ 2,927,735	$ 4,238,819	$ 3,738,261	$ 6,062,891	$ 10,132,722	$ 8,300,831

Sources:
SRP Accounting Data
SRP Supply & Trading Operations Planning Reserves
SRP Generation Planning, Analysis & Renewables

Table 3: Revenue Requirements (Continued)

Revenue requirements for the following:
Reactive Supply and Voltage Control from Generation Sources Service
Regulation and Frequency Response Service
Spinning Reserves
Supplemental Reserves
Fiscal Year 2024 (Year Ending April 30, 2024)

Table 3

Generating Units Providing Ancillary Services

		Source	Hydro				Retail	System Control	
			Horse Mesa Dam	Mormon Flat	Roosevelt	Stewart Mountain	Interruptible	& Load Dispatch	Total
	Cost of Plant (Net)								
1	Investment in plant	Plant Data	$ 12,667,442	$ 4,270,619	$ 22,528,321	$ 4,681,446			$ 2,242,766,612
2	Common Plant (allocated)	Plant Data	$ 3,059,975	$ 858,032	$ 1,904,773	$ 860,874			$ 261,999,211
3	General Electric Plant	Plant Data	$ 1,113,277	$ -	$ 31,448	$ -			$ 74,169,345
4	Land & Land Rights	Plant Data	$ -	$ -	$ -	$ -			$ 13,918,702
5	Structures & Improvements	Plant Data	$ 24,043,337	$ 6,335,425	$ 984,942	$ 5,959,731			$ 382,631,396
6	Total Net Plant	Calculated	$ 40,884,032	$ 11,464,076	$ 25,449,485	$ 11,502,050			$ 2,975,485,266
7	Rate of Return	CAS	6.88%	6.88%	6.88%	6.88%			
8	Annual Capital Related Costs	Calculated	$ 2,812,821	$ 788,728	$ 1,750,925	$ 791,341			$ 204,713,386
9	O&M Demand	Prod Exp	$ 5,075,365	$ 6,470,718	$ 2,024,889	$ 1,691,099			$ 267,351,929
10	O&M Fuel	Prod Exp	$ 3,122,671	$ 1,769,332	$ 2,520,416	$ 1,077,269			$ 882,731,607
11	O&M Energy	Prod Exp	$ 73,959	$ 37,933	$ 11,646	$ 12,652			$ 123,293,562
									$ -
12	Property Taxes	Acctg Data	$ 47,314	$ 51,993	$ 12,825	$ 8,599			$ 55,049,601
13	Depreciation	Acctg Data	$ 1,439,062	$ 763,893	$ 839,051	$ 399,592			$ 232,035,170
14	Administrative & General	Acctg Data/CAS	$ 1,755,415	$ 1,756,685	$ 967,039	$ 590,165			$ 83,361,888
15	Total Annual Cost	Calculated	$ 14,326,608	$ 11,639,283	$ 8,126,790	$ 4,570,718			$ 1,848,537,144
16	Total Demand Related Cost	Calculated	$ 11,129,978	$ 9,832,018	$ 5,594,728	$ 3,480,796			$ 842,511,974
17	Reactive Supply and Voltage Control	Ancillary Study	0.00%	0.00%	0.00%	0.00%			
18	Regulation and Frequency Response	Ancillary Study	0.01%	0.01%	0.00%	0.00%			
19	Operating Reserve - Spinning	Ancillary Study	28.03%	12.62%	22.63%	0.05%			
20	Operating Reserve - Supplemental	Ancillary Study	28.03%	12.62%	22.63%	0.05%			
21	Reactive Supply and Voltage Control	Calculated	$ -	$ -	$ -	$ -			$ 26,988,772
22	Regulation and Frequency Response	Calculated	$ 1,037	$ 988	$ -	$ 30			$ 15,063,989
23	Operating Reserve - Spinning & Supplemental	Calculated	$ 6,239,242	$ 2,482,481	$ 2,532,068	$ 3,201	$ 501,040		$ 23,509,105
24	System Control & Load Dispatch							$ 31,046,755	$ 31,046,755
25	Total Ancillary Services	Calculated	$ 6,240,280	$ 2,483,469	$ 2,532,068	$ 3,231			$ 96,608,621

Sources:
SRP Accounting Data
SRP Supply & Trading Operations Planning Reserves
SRP Generation Planning, Analysis & Renewables