

DSW Transmission Projects

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

FY 2027 Work Plan

Neilia Abban
Financial Manager
May 15, 2025



Agenda

- Welcome
- Fiscal Year (FY) 2027 Work Plan introduction
- WAPA Wide and HQ FY 2027 Work Plan
- FY 2025 Execution
- FY 2026 to FY 2027 Work Plan comparison
- Cash Flow and reserve balances
- Transmission System Asset Management
- Revenue requirement analysis



FY 2027 Work Plan

Customer Meeting

John Fileccia

VP of Budget & Analysis

Michelle Gillespie

HQ Financial Manager



Budget Overview

Budget Guidance
Budget vs Guidance
Total Program



Proposed FY 2027 Budget Guidance by Category



FTE & Labor

FTE

- Assumes -15 to authorized FTE levels 1,521
- Optimization of WAPA's human capital, a key initiative in support of WAPA's Strategic Plan 2023-30, targets increased utilization of WAPA's authorized FTE above recent levels (~97% utilization).

Labor

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



Discretionary

Discretionary O&M and Indirect

- Increases expected to be offset in discretionary spend areas
- Limited to FY 2026 +2% (plus previously approved A&E)
- FTE overtime and contractor costs remain discretionary.

Other considerations

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



PPW

Purchase Power & Wheeling

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



Capital

Evaluation

- Additions & Major Upgrades require Project Initiation Documents (PIDs)

Feasibility assessment

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

Project funding

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

Budget vs Guidance Overview



FTE & Labor

FTE

- All regions met guidance

Labor

- All regions met guidance
- 2.8% YoY increase



Discretionary & Other

Discretionary O&M and Indirect

- Above guidance with additions requests:
 - SNR \$2.8M (12.3%)
 - RMR \$0.0M (0.0%)
 - UGP \$1.1M (4.2%)
 - DSW \$1.4M (5.0%)
 - HQ \$.3M (0.5%)
 - CRSP \$.5M (19.3%)
 - Total \$6.1M (3.3%)

Other considerations

- N/A



PPW

Purchase Power & Wheeling

- All regions met guidance
- Above FY24
 - SNR \$222M (111%)
 - CRSP \$172M (331%)
 - UGPR \$114M (73%)
 - DSWR \$40M (80%)
 - RMR -\$26M (-32%)
 - Total \$522M (97%)



Capital

Evaluation

- All regions but UGP met guidance

Feasibility assessment

- Above guidance FY27:
 - UGP \$27M (50%)
 - HQ \$5M (36%)
- Above guidance 5 year window:
 - UGP \$37M (14%)
 - HQ \$14M (22%)
 - DSW \$8M (3%)
 - SNR \$31M (57%)

Total Program Results and Trends

Increases projected in all areas except PPW.

FY22 thru FY27

9.6% annual growth (CAGR)

4 budget categories (CAGR):

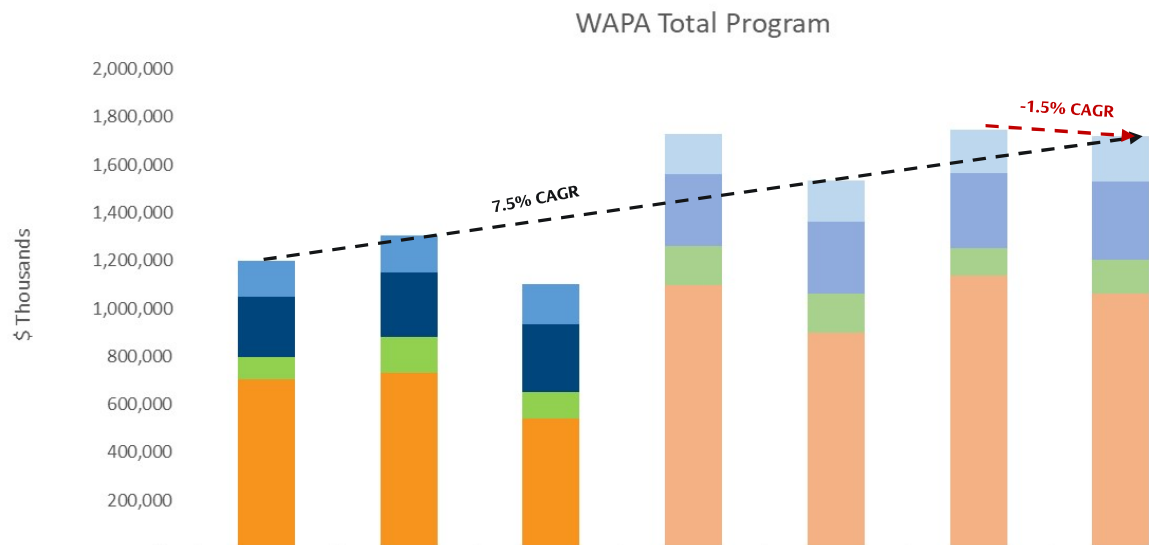
- a) PPW (8.6%)
- b) Capital (9.0%)
- c) Labor (4.9%)
- d) Discretionary (5.3%)

FY27 Year over Year Change

-1.5% projected decrease

4 budget categories:

- a) PPW (-6.6%)
- b) Capital (25%)
- c) Labor (2.8%)
- d) Discretionary (5.9%)
- e) Total (-1.5%, or -\$26M)



Purpose	CAGR Calculations		
	FY22-FY27	Avg-FY27	FY26 - FY27
PPW	8.6%	12.7%	-6.6%
Capital	9.0%	5.0%	25.0%
Fed Labor	4.9%	4.7%	2.8%
Discretionary	5.3%	5.1%	5.9%
Total	7.5%	9.4%	-1.5%

	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Work Plan	FY25 Revalidation	FY26 Work Plan	FY27 Work Plan	FY27 vs 3-Yr Avg	FY27 vs 3-Yr Avg %
Discretionary O&M/Indirect	147,536	155,634	165,666	168,631	170,824	180,091	190,693	34,414	22.0%
Fed Labor	253,993	267,160	284,710	297,895	298,694	314,085	322,953	54,332	20.2%
Capital	93,709	151,453	111,121	165,717	164,923	115,481	144,361	25,600	21.6%
PPW	703,877	732,469	539,862	1,096,369	899,824	1,136,521	1,061,556	402,820	61.2%
Total	1,199,115	1,306,716	1,101,359	1,728,613	1,534,264	1,746,178	1,719,563	517,167	43.0%

43%, or \$520M in total



Total Program Results and Trends (excludes PPW)

Increases projected in all areas.

FY22 thru FY27

5.8% annual growth (CAGR)

3 budget categories (CAGR):

- a) Capital (9.0%)
- b) Labor (4.9%)
- c) Discretionary (5.2%)

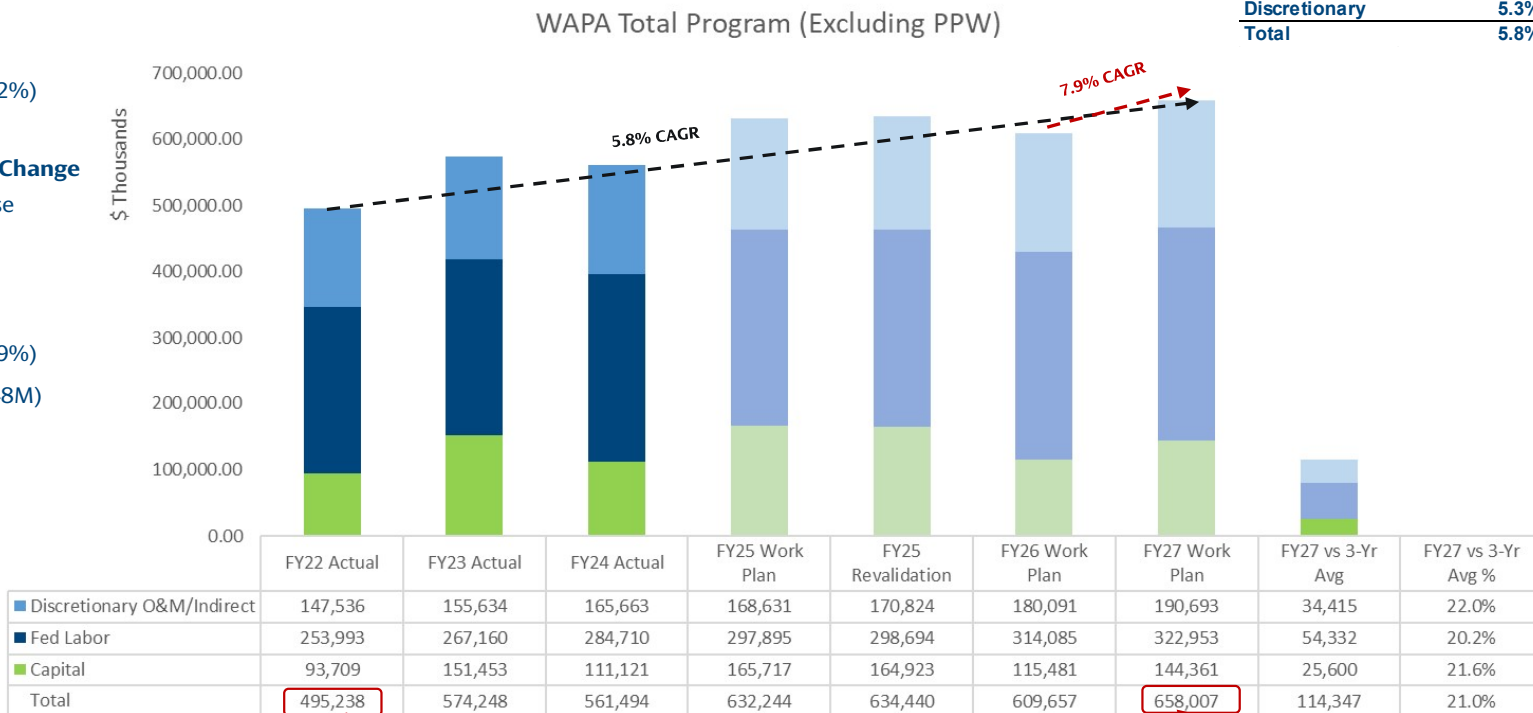
FY27 Year over Year Change

7.9% projected increase

3 budget categories:

- a) Capital (25.0%)
- b) Labor (2.8%)
- c) Discretionary (5.9%)
- e) Total (7.9%, or \$48M)

Purpose	CAGR Calculations		
	FY22-FY27	Avg-FY27	FY26 - FY27
Capital	9.0%	5.0%	25.0%
Fed Labor	4.9%	4.7%	2.8%
Discretionary	5.3%	5.1%	5.9%
Total	5.8%	4.9%	7.9%



33%, or \$162M in total



Federal Labor

Federal Labor Results and Trends

Drivers: FTE increase, labor inflation and full FTE execution assumption

FY22 thru FY27

4.9% annual growth (CAGR)

Drivers:

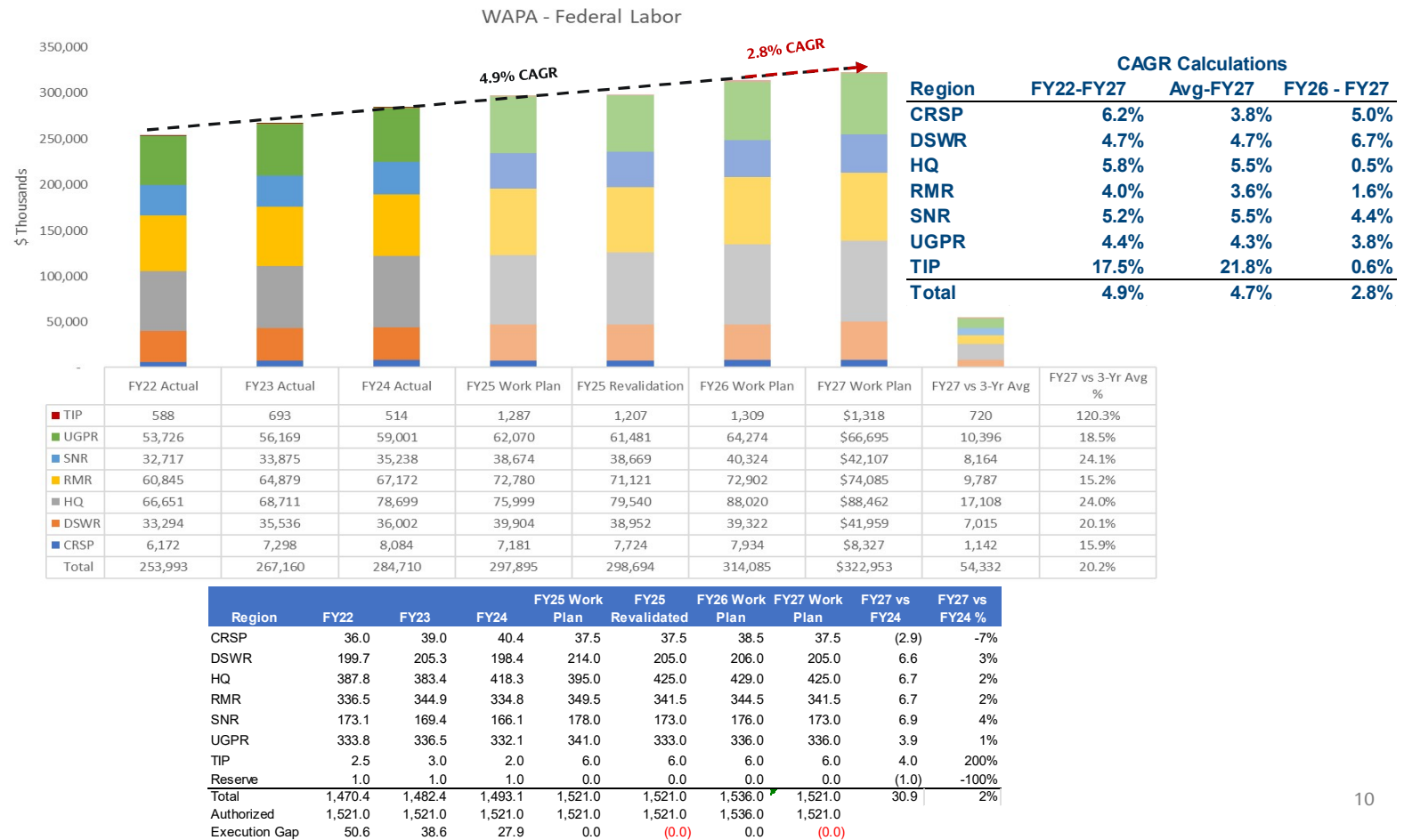
- Inflation in compensation and benefits
- Increases in each pay type including WB, AD, and GS
- Full FTE execution assumption

FY27 Year over Year Change

- 2.8% annual growth (CAGR)
- Consistent with latest OMB guidance
- Removed 15 FTE from FY26 to FY27
- Procurement Reorg (30 FTE)

Challenges/Opportunities:

- FTE execution gap
- Potential for actual growth to outpace budget



Capital

Capital Results and Trends (excludes Fed Labor)

Projecting increase in substations

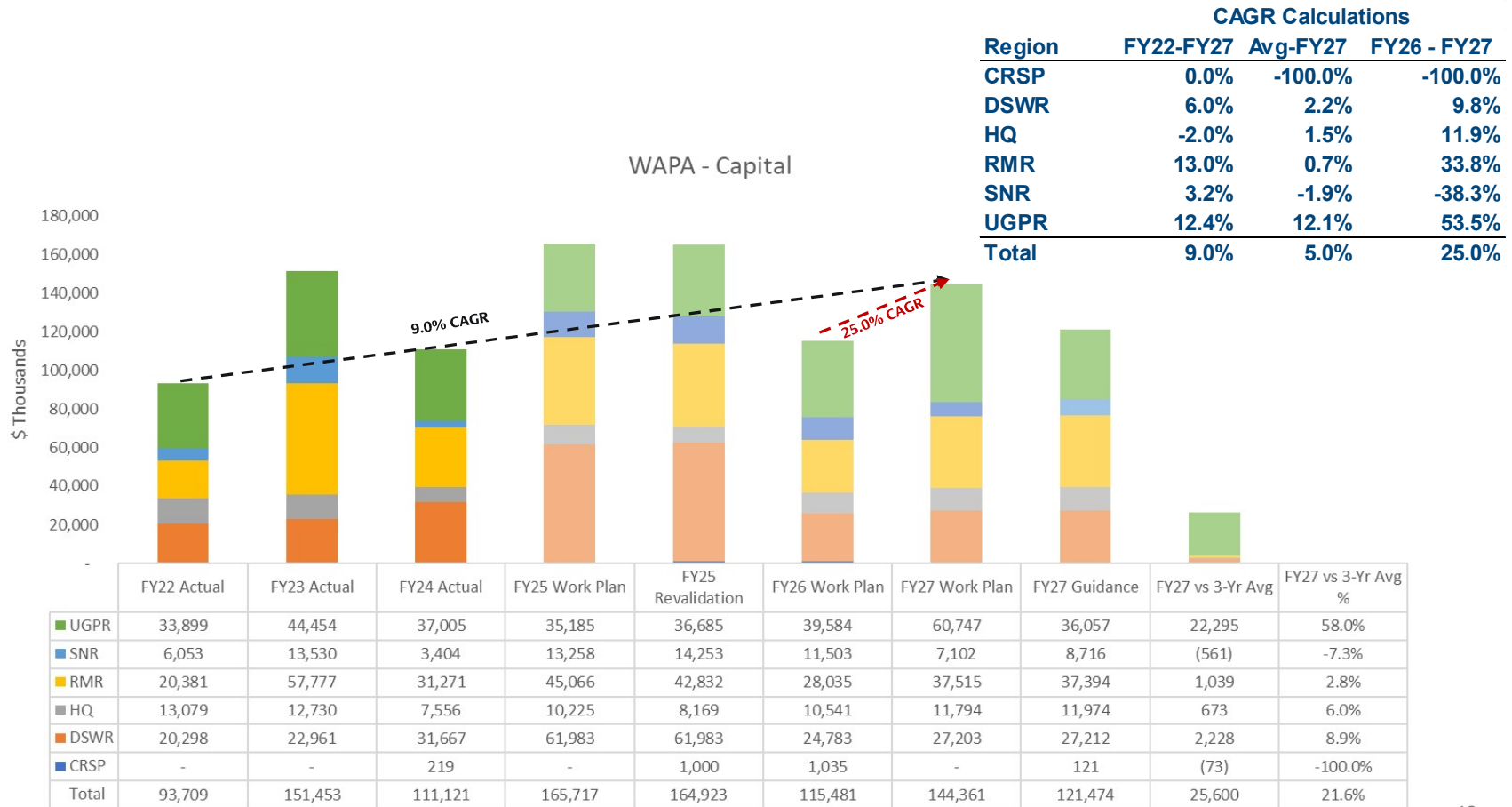
FY22 thru FY27

- 9.0% annual growth (CAGR)
- Large increase to substations

FY27 Year over Year Change

25% annual growth (CAGR)

Driven primarily by substations



Capital 5-Year Window (includes Fed Labor)

Projecting large increases in rate window

5-Year Window

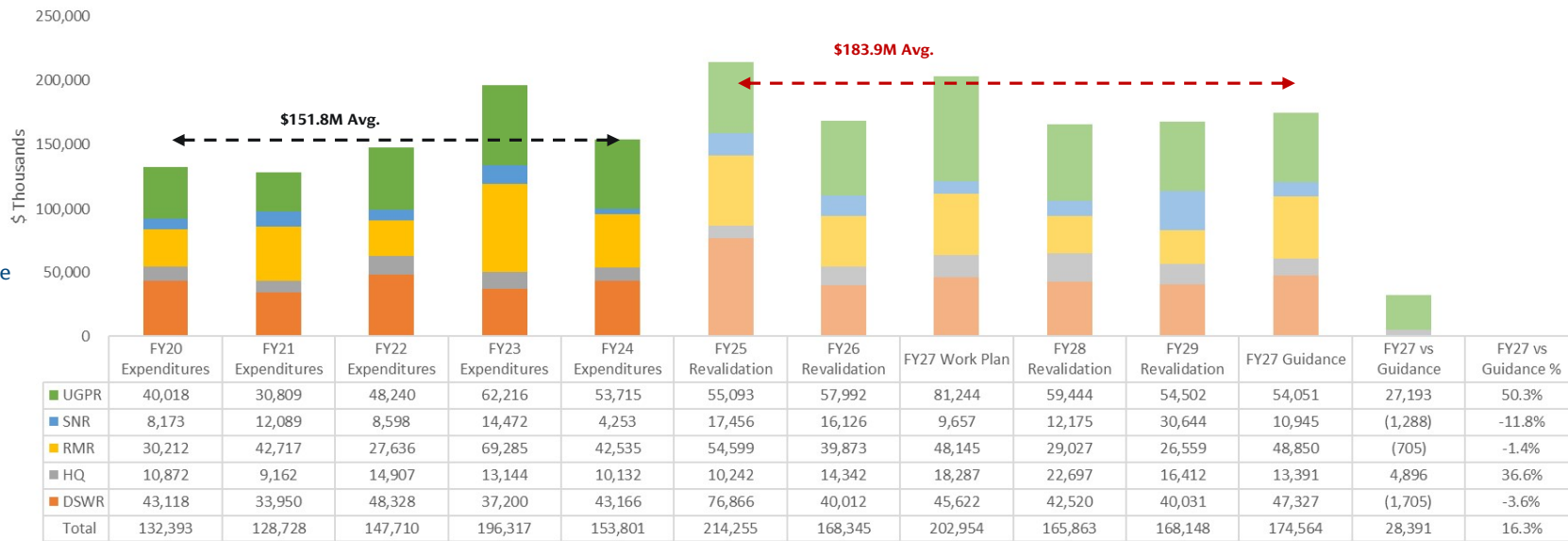
- 21% projected growth or \$160M
- Assumes avg. increase of \$32M execution per year
- FY27 Assumes \$93M in appropriations

Budget Guidance:

- 3-Year Avg of Expenditures +15%
- Applies to FY27 and 5-yr Window
- FY27: HQ and UGP are above guidance
- 5-yr Window: All but RMR are above guidance

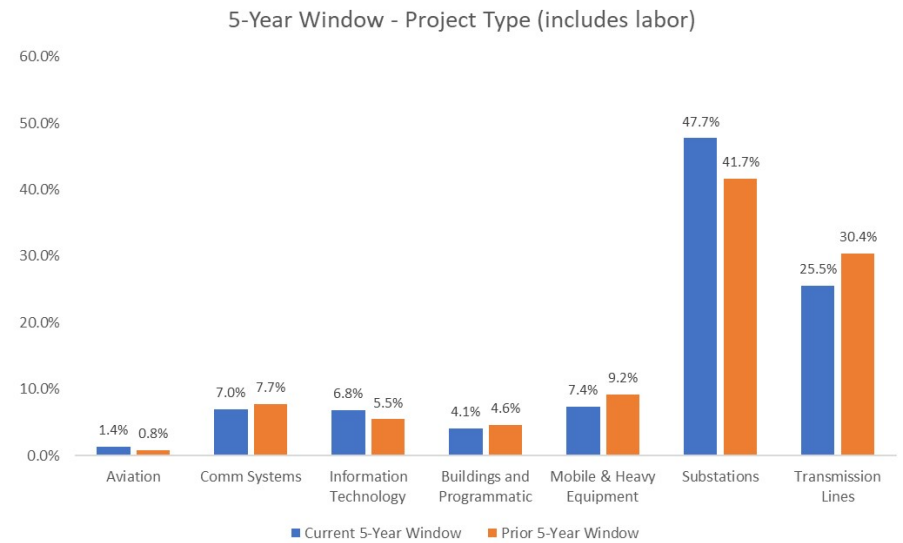
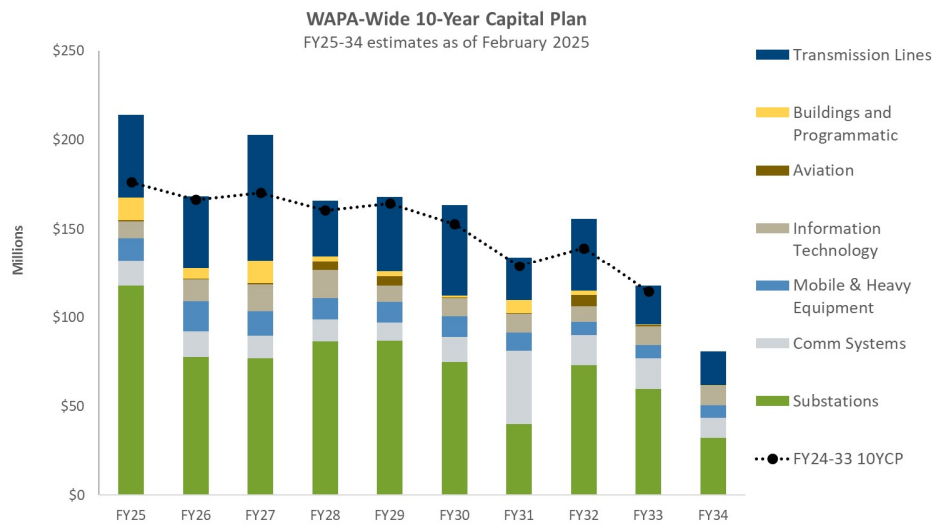
Region	5Yr Actual	5-yr Window	Change	% Change
DSWR	\$ 205,762	\$ 245,051	\$ 39,289	19.1%
HQ	\$ 58,218	\$ 81,980	\$ 23,762	40.8%
RMR	\$ 212,386	\$ 198,202	\$ (14,184)	-6.7%
SNR	\$ 47,585	\$ 86,058	\$ 38,473	80.8%
UGPR	\$ 234,997	\$ 308,276	\$ 73,278	31.2%
Total	\$ 758,949	\$ 919,566	\$ 160,617	21.2%

WAPA 10-Year Plan (5-yr Window)



Capital Planning at a Glance

Shifts from Transmission lines to substations



Discretionary O&M/Indirect

Discretionary Results and Trends

Projecting cost pressures and growth

FY22 thru FY27

5.3% annual growth (CAGR)

Budget Guidance:

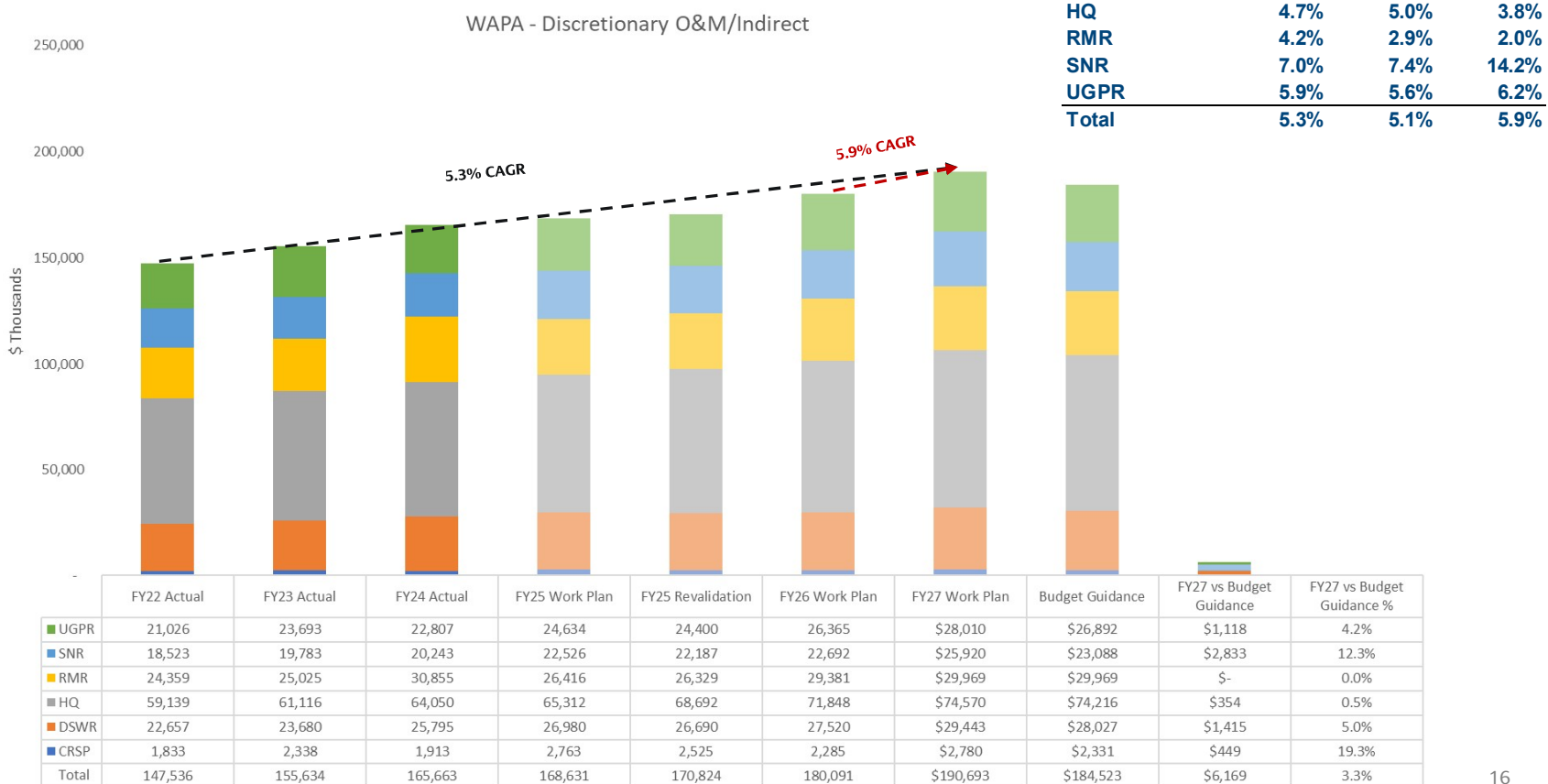
- Limited to FY 2026 +2% (plus previously approved A&E)
- All regions except RMR are above guidance and have additions requests

FY27 Year over Year Change

- 5.9% annual growth (CAGR)

Challenges/Opportunities:

- General inflation
- Execution gap



CAGR Calculations

Region	FY22-FY27	Avg-FY27	FY26 - FY27
CRSP	8.7%	8.2%	21.7%
DSWR	5.4%	5.2%	7.0%
HQ	4.7%	5.0%	3.8%
RMR	4.2%	2.9%	2.0%
SNR	7.0%	7.4%	14.2%
UGPR	5.9%	5.6%	6.2%
Total	5.3%	5.1%	5.9%



HQ Work Plan Overview

FY27 Formulation



HQ Total Program Results and Trends

FY22 thru FY27

4.7% annual growth (CAGR)

3 budget categories (CAGR):

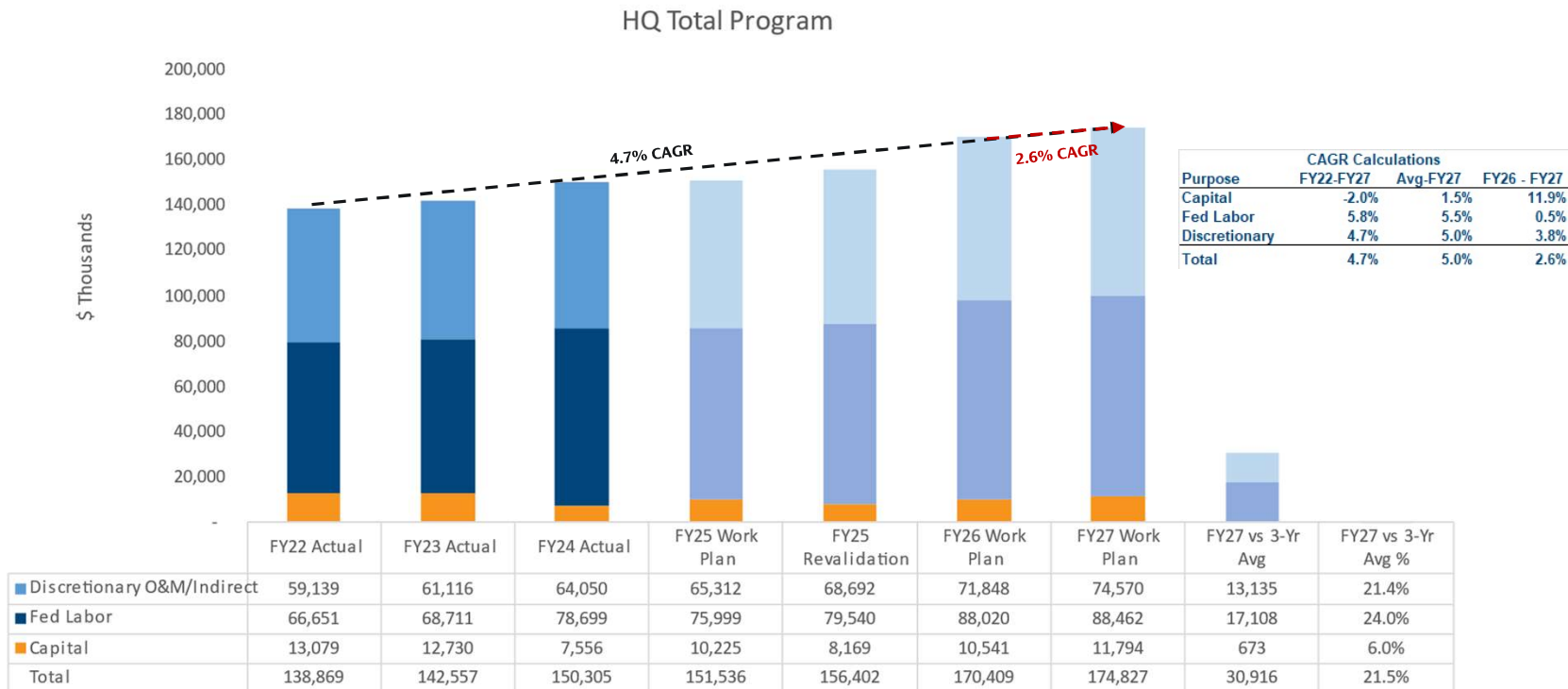
- a) Capital (-2.0%)
- b) Labor (5.8%)
- c) Discretionary (4.7%)

FY27 Year over Year Change

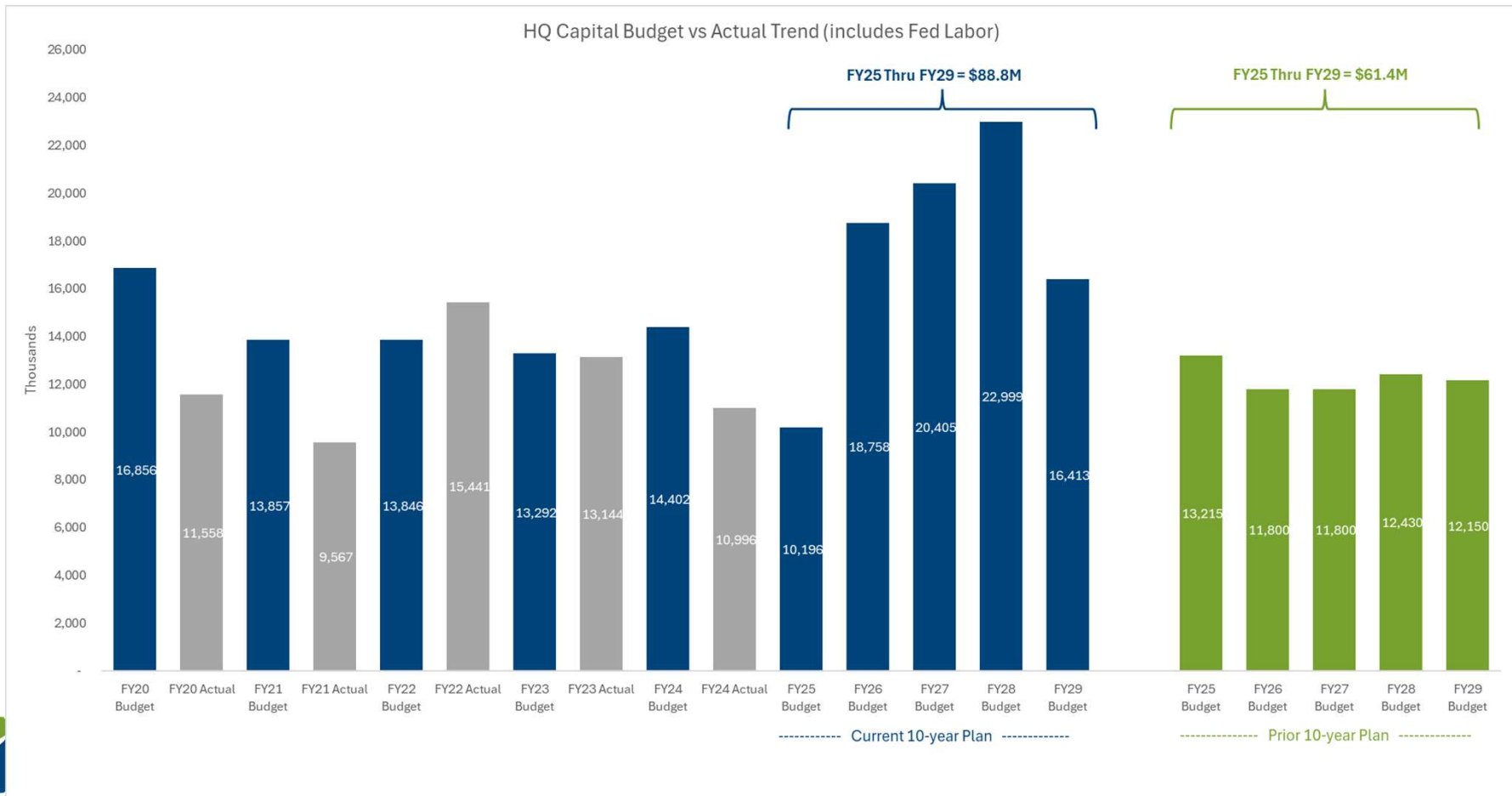
2.6% projected growth in total

3 budget categories:

- a) Capital (11.9%)
- b) Labor (0.5%)
- c) Discretionary (2.6%)
- e) Total (2.6%, or \$4.4M)



HQ Capital Budget vs Actual



HQ 10YCP, \$1M+ Projects

Org	Project	AY25	AY26	AY27	AY28	AY29	AY30	AY31	AY32	AY33	AY34	Total
A26 - Infrastructure	SESC Infrastructure Environment Lifecycle Refresh	1,350,000	0	0	0	0	1,485,000	0	0	0	0	2,835,000
	Total	1,350,000	0	0	0	0	1,485,000	0	0	0	0	2,835,000
A27 - SCADA	Common SCADA/EMS	1,629,565	1,829,554	2,612,310	295,423	0	0	0	0	0	0	6,366,852
	SNR Common EMS Software Lifecycle			2,050,000	1,500,000				2,400,000	1,700,000	0	7,650,000
	Synchrophasor Data Historical Capability	0	0	1,190,000	0	0	0	0	0	0	0	1,190,000
	UGP Common EMS Software Lifecycle				1,275,000	725,000				1,520,000	820,000	4,340,000
	Total	1,629,565	1,829,554	5,852,310	3,070,423	725,000	0	0	2,400,000	3,220,000	820,000	19,546,852
A28 - Enterprise Apps	FIMS Upgrade or Enhancement	0	0	0	1,350,000	1,600,000	0	0	0	0	0	2,950,000
	Maximo Cloud Upgrade (MAS9)	830,000	300,000	0	0	0	0	0	0	0	0	1,130,000
	Total	830,000	300,000	0	1,350,000	1,600,000	0	0	0	0	0	4,080,000
A29 - PMM	Metering Strategy - MV90 Infrastructure Enhancement	0	0	0	0	750,000	750,000	0	0	0	0	1,500,000
	Outage Management Software	0	0	0	1,075,000	2,450,000	0	0	0	0	0	3,525,000
	Power Billing Software System	0	5,914,348	6,085,596	6,050,175	0	0	0	0	0	0	18,050,119
	Total	0	5,914,348	6,085,596	7,125,175	3,200,000	750,000	0	0	0	0	23,075,119
A701 - Aviation	Aviation helicopter life cycle replacement	0	0	0	4,000,000	4,500,000	0	0	5,500,000	0	0	14,000,000
	Total	0	0	0	4,000,000	4,500,000	0	0	5,500,000	0	0	14,000,000
A98 - Logistics	New HQ Office (Fed Center) Rennovation & Move	0	4,400,000	2,000,000	0	0	0	0	0	0	0	6,400,000
	Total	0	4,400,000	2,000,000	0	0	0	0	0	0	0	6,400,000
Total		3,809,565	12,443,902	13,937,906	15,545,598	10,025,000	2,235,000	0	7,900,000	3,220,000	820,000	69,936,971



HQ Discretionary O&M/Indirect Results and Trends

FY22 thru FY27

4.7% annual growth (CAGR)

Budget Guidance:

- Limited to FY 2026 +2% (plus previously approved A&E)

Results:

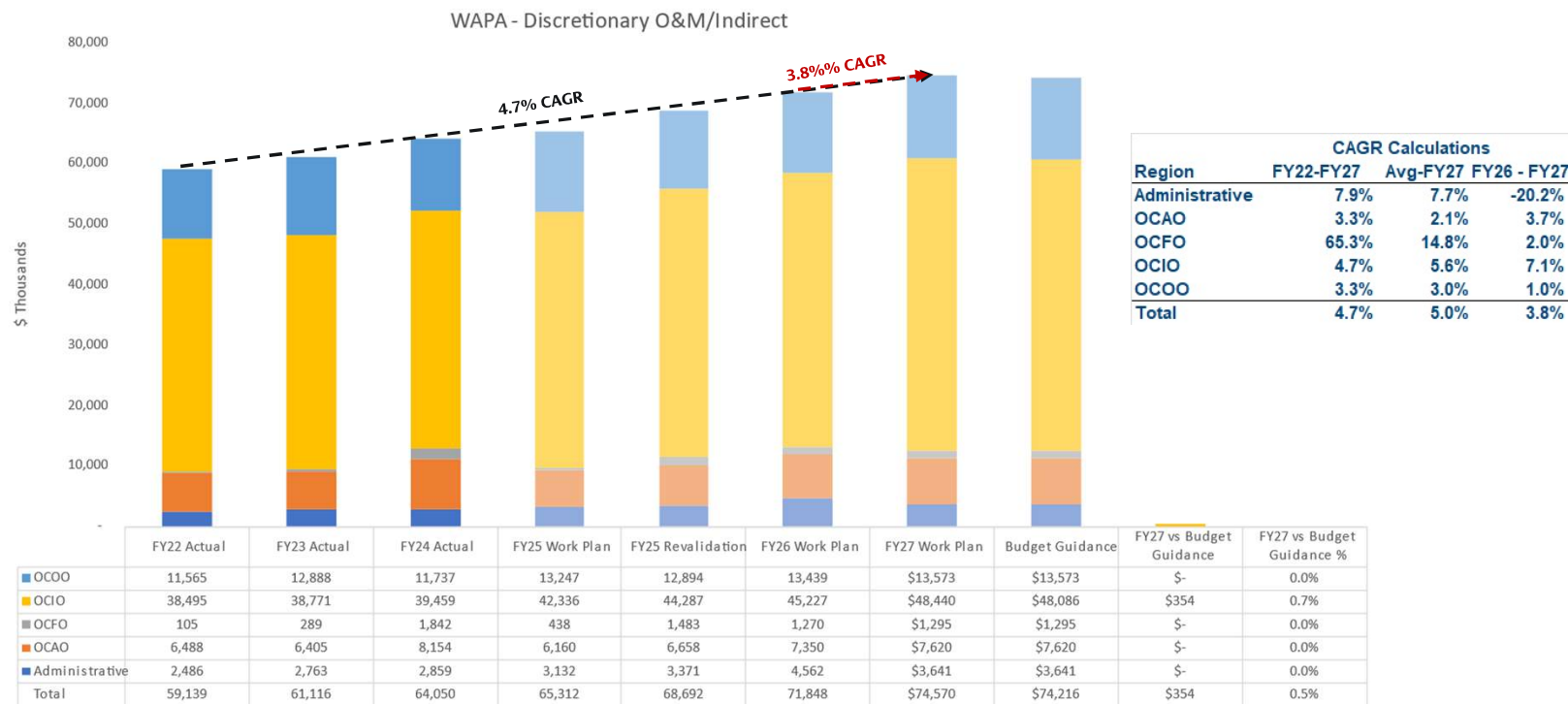
- \$354K over budget guidance due to additional OCIO Cyber Security compliance costs
- Cost growth in line with recent trends

FY27 Year over Year Change

3.8% annual growth (CAGR)

Challenges/Opportunities:

- General inflation



HQ Approved Additions requests

- **\$334K IT Cybersecurity system**

- Security controls to address Zero Trust Architecture Identity pillar requirements from Executive Order 14028 and Office of Management and Budget (OMB) Memorandum 22-09.
- WAPA's way of complying with executive order 14028 – Improving the Nation's Cybersecurity



HQ Discretionary O&M/Indirect

\$ in Thousands										
Object Class Summary	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Revalidatio	FY26 Work Plan	FY27 Work Plan	FY27 WP vs FY24 Actual	FY27 WP vs FY26 WP	FY22-FY27 CAGR (5YR)	FY24-FY27 CAGR (3YR)
257x - IT Maintenance Agreements	16,028	17,303	18,279	22,299	21,763	25,472	7,193	3,709	9.7%	11.7%
251x - Support Services (Contractor)	19,607	17,207	18,714	19,990	20,607	21,095	2,381	489	1.5%	4.1%
25xx - Services (PD)	8,757	9,591	8,319	9,701	11,433	10,093	1,774	(1,340)	2.9%	6.7%
23xx - Rent, Communications, & Utilities	4,935	5,644	5,148	5,038	5,304	5,324	176	20	1.5%	1.1%
31xx - Non-Capitalized Equipment	4,877	4,670	4,677	4,059	4,086	4,147	(530)	61	-3.2%	-3.9%
25xx - Services (Non-PD)	1,161	1,996	4,472	2,677	3,736	2,955	(1,517)	(781)	20.5%	-12.9%
251T - Training	1,067	1,042	1,140	1,510	1,774	1,853	712	79	11.7%	17.6%
21xx - Travel	440	1,180	1,452	1,366	1,419	1,840	388	421	33.1%	8.2%
1151 - Overtime Payments	521	592	661	633	616	645	(16)	29	4.4%	-0.8%
251x - Advisory & Assistance Services (Consultant)	788	872	398	801	437	496	97	59	-8.8%	7.6%
26xx - Supplies & Materials	737	851	659	487	504	488	(171)	(16)	-7.9%	-9.5%
22xx - Transportation	47	36	73	83	74	106	33	32	17.6%	13.3%
24xx - Printing & Reproduction	28	106	33	48	95	57	25	(38)	15.1%	20.6%
31xx - Capitalized Equipment	147	25	-	-	-	-	-	-	-100.0%	0.0%
32xx - Land, Structures & GFE	0	0	26	-	-	-	(26)	-	-100.0%	-100.0%
5/6/7/8/9xxx - Other	-	-	-	-	-	-	-	-	0.0%	0.0%
Grand Total	59,139	61,116	64,050	68,692	71,848	74,570	10,520	2,723	4.7%	5.2%



Contact Information

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DSW Transmission Projects

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

Andrew Pierce
Supervisory Budget Analyst
May 15, 2025



FY 2025 Execution

Andrew Pierce
Supervisory Budget Analyst
May 15, 2025



Parker-Davis Project FY 2025 Execution

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	\$ 27,911,288	\$ 12,024,408	\$ 15,886,880	43%
	Non-Maintenance	\$ 16,627,339	\$ 7,950,863	\$ 8,676,476	48%
	Subtotal O&M	\$ 44,538,627	\$ 19,975,271	\$ 24,563,356	45%
Capital	Prepayment	\$ 48,122,340	\$ 17,174,199	\$ 30,948,140	36%
	Appropriations	\$ 15,932,088	\$ 1,629,350	\$ 14,302,738	10%
	Subtotal Capital	\$ 64,054,428	\$ 18,803,549	\$ 45,250,879	29%
Purchase Power & Wheeling (PPW)		\$ 50,000,000	\$ 11,468,410	\$ 38,531,590	23%
Subtotal PPW		\$ 50,000,000	\$ 11,468,410	\$ 38,531,590	23%
Grand Total		\$ 158,593,055	\$ 50,247,230	\$ 108,345,825	32%



Intertie Project FY 2025 Execution

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	\$ 8,776,382	\$ 3,984,919	\$ 4,791,462	45%
	Non-Maintenance	\$ 5,190,697	\$ 3,082,750	\$ 2,107,947	59%
	Subtotal O&M	\$ 13,967,079	\$ 7,067,670	\$ 6,899,409	51%
Capital	Prepayment	\$ 2,244,864	\$ 313,477	\$ 1,931,387	14%
	Appropriations	\$ 1,426,902	\$ 60,047	\$ 1,366,855	4%
	Subtotal Capital	\$ 3,671,766	\$ 373,523	\$ 3,298,242	10%
Purchase Power & Wheeling (PPW)		\$ 20,000,000	\$ 5,981,757	\$ 14,018,243	30%
Subtotal PPW		\$ 20,000,000	\$ 5,981,757	\$ 14,018,243	30%
Grand Total		\$ 37,638,845	\$ 13,422,950	\$ 24,215,895	36%



Central Arizona Project FY 2025 Execution

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	\$ 2,910,901	\$ 979,082	\$ 1,931,818	34%
	Non-Maintenance	\$ 2,156,824	\$ 736,000	\$ 1,420,824	34%
	Subtotal O&M	\$ 5,067,724	\$ 1,715,082	\$ 3,352,642	34%
Capital	Reimbursable only	\$ 495,586	\$ -	\$ 495,586	0%
	Subtotal Capital	\$ 495,586	\$ -	\$ 495,586	0%
Purchase Power & Wheeling (PPW)		\$ 4,328,000	\$ 167,959	\$ 4,160,041	4%
Subtotal PPW		\$ 4,328,000	\$ 167,959	\$ 4,160,041	4%
(PPW Funds are Reimbursable)					
Grand Total		\$ 9,891,310	\$ 1,883,041	\$ 8,008,269	19%



ED5 - Palo Verde Project FY 2025 Execution

Program	Description	Revalidated Budget	Execution	Remaining Funds	Execution %
O&M	Maintenance	\$ 987,836	\$ 157,326	\$ 830,510	16%
	Non-Maintenance	\$ 2,553,070	\$ 1,468,565	\$ 1,084,505	58%
	Subtotal O&M	\$ 3,540,907	\$ 1,625,891	\$ 1,915,015	46%
Capital	No Capital Projects	\$ -	\$ -	\$ -	0%
	Subtotal Capital	\$ -	\$ -	\$ -	0%
Purchase Power & Wheeling (PPW)		\$ -	\$ -	\$ -	0%
	Subtotal PPW	\$ -	\$ -	\$ -	0%
Grand Total		\$ 3,540,907	\$ 1,625,891	\$ 1,915,015	46%





FY 2027 Work Plan

Andrew Pierce
Supervisory Budget Analyst
May 15, 2025



Parker-Davis Project

FY 2026 to FY 2027 Comparison

Program	Description	FY 2026 Work plan	FY 2027 Work plan	Difference	% change
O&M	Maintenance	\$ 29,543,116	\$ 32,413,329	\$ 2,870,213	10%
	Non-Maintenance	\$ 17,551,266	\$ 18,005,933	\$ 454,667	3%
	Subtotal O&M	\$ 46,740,666	\$ 50,419,262	\$ 3,324,880	7%
Capital	Prepayment	\$ 5,140,560	\$ 19,643,301	\$ 14,502,741	282%
	Appropriations	\$ 18,537,298	\$ 20,633,055	\$ 2,095,758	11%
	Subtotal Capital	\$ 24,865,134	\$ 40,276,356	\$ 15,411,222	62%
Purchase Power & Wheeling (PPW)		\$ 60,000,000	\$ 60,000,000	\$ -	0%
Subtotal PPW		\$ 60,000,000	\$ 60,000,000	\$ -	0%
Grand Total		\$ 131,605,800	\$ 150,695,619	\$ 19,089,818	15%



Intertie Project

FY 2026 to FY 2027 Comparison

Program	Description	FY 2026 Work plan	FY 2027 Work plan	Difference	% change
O&M	Maintenance	\$ 8,748,484	\$ 9,637,603	\$ 889,119	10%
	Non-Maintenance	\$ 5,361,513	\$ 5,141,102	\$ (220,411)	-4%
	Subtotal O&M	\$ 14,109,997	\$ 14,778,705	\$ 668,708	5%
Capital	Prepayment	\$ -	\$ 81,954	\$ 81,954	100%
	Appropriations	\$ 3,368,618	\$ 5,831,477	\$ 2,462,859	73%
	Subtotal Capital	\$ 3,368,618	\$ 5,913,430	\$ 2,544,813	76%
Purchase Power & Wheeling (PPW)		\$ 30,000,000	\$ 30,000,000	\$ -	0%
Subtotal PPW		\$ 30,000,000	\$ 30,000,000	\$ -	0%
Grand Total		\$ 47,478,614	\$ 50,692,135	\$ 3,213,521	7%



Central Arizona Project

FY 2026 to FY 2027 Comparison

Program	Description	FY 2026 Work plan	FY 2027 Work plan	Difference	% change
O&M	Maintenance	\$ 2,710,706	\$ 2,557,383	\$ (153,323)	-6%
	Non-Maintenance	\$ 2,273,968	\$ 2,339,885	\$ 65,917	3%
	Subtotal O&M	\$ 4,984,674	\$ 4,897,268	\$ (87,406)	-2%
Capital	Reimbursable only	\$ 2,133,915	\$ 1,456,026	\$ (677,889)	-32%
	Subtotal Capital	\$ 2,133,915	\$ 1,456,026	\$ (677,889)	-32%
Purchase Power & Wheeling (PPW)		\$ 4,854,062	\$ 4,894,547	\$ 40,485	1%
Subtotal PPW		\$ 4,854,062	\$ 4,894,547	\$ 40,485	1%
(PPW Funds are Reimbursable)					
Grand Total		\$ 11,972,651	\$ 11,247,841	\$ (724,810)	-6%



ED5-Palo Verde Project

FY 2026 to FY 2027 Comparison

Program	Description	FY 2026 Work plan	FY 2027 Work plan	Difference	% change
O&M	Maintenance	\$ 934,887	\$ 506,564	\$ (428,324)	-46%
	Non-Maintenance	\$ 3,766,998	\$ 3,807,478	\$ 40,479	1%
	Subtotal O&M	\$ 4,701,886	\$ 4,314,042	\$ (387,844)	-8%
Capital	No Capital Projects	\$ -	\$ -	\$ -	0%
	Subtotal Capital	\$ -	\$ -	\$ -	0%
Purchase Power & Wheeling (PPW)		\$ -	\$ -	\$ -	0%
	Subtotal PPW	\$ -	\$ -	\$ -	0%
Grand Total		\$ 4,701,886	\$ 4,314,042	\$ (387,844)	-8%



FY 2027 Work Plan Formulation – Highlights

- DSW reduced O&M formulated amounts wherever possible and ensured we are properly budgeting for support of Capital projects.
- Parker-Davis Project Capital increased by 62%, Overall increase of 15%.
- Intertie Project O&M increased 5%, Capital increased by 76%, overall increase of 7%.
- Central Arizona Project O&M decreased by 2%, Capital decreased by 32%, PPW increase of 1%, overall decrease of 6%.
- ED5-Palo Verde O&M decreased 8%, there is no Capital or PPW, overall decrease of 8%.



Prepayment Cash Flow

Maria Gomez
Financial Program Analyst
May 15, 2025



Prepayment Cash Flow

One Transmission Rate
Fiscal Years 2025 Through 2034 Forecast

	Beg Bal	Forecasted FY 2025	Forecasted FY 2026	Forecasted FY 2027	Forecasted FY 2028	Forecasted FY 2029	Forecasted FY 2030	Forecasted FY 2031	Forecasted FY 2032	Forecasted FY 2033
Prepayment Inflows	158,022,581	108,684,214	115,287,567	115,287,567	119,980,627	120,117,567	120,117,567	120,117,567	120,117,567	120,117,567
Outflows										
O&M Budget	31,862,908	67,114,337	60,850,663	65,197,967	67,479,896	69,841,692	72,286,151	74,816,167	77,434,733	80,144,948
Capital O&M (RRADs) Budget	-	-	-	-	-	-	-	-	-	-
Construction	6,248,582	50,367,204	53,663,000	38,966,000	24,452,000	33,896,000	29,987,000	15,564,000	5,500,000	5,000,000
Total Outflows	38,111,490	117,481,541	114,513,663	104,163,967	91,931,896	103,737,692	102,273,151	90,380,167	82,934,733	85,144,948
Net Prepayment Total	119,911,091	(8,797,327)	773,904	11,123,600	28,048,731	16,379,875	17,844,416	29,737,400	37,182,835	34,972,619
Non-Prepayment Inflows	-	41,066,246	41,066,246	41,066,246	41,066,246	41,066,246	41,066,246	41,066,246	41,066,246	41,066,246
Outflows										
Purchased Power Expense	-	70,857,128	94,854,062	94,894,547	94,894,547	94,894,547	94,894,547	94,894,547	94,894,547	94,894,547
Transfers Within Western (Line Loss)	-	-	-	-	-	-	-	-	-	-
Total Outflows	-	70,857,128	94,854,062	94,894,547	94,894,547	94,894,547	94,894,547	94,894,547	94,894,547	94,894,547
Net Non-Prepayment Total	-	(29,790,882)	(53,787,816)	(53,828,301)	(53,828,301)	(53,828,301)	(53,828,301)	(53,828,301)	(53,828,301)	(53,828,301)
Return to Treasury (Non-Prepayment)	-	(29,790,882)	(53,787,816)	(53,828,301)	(53,828,301)	(53,828,301)	(53,828,301)	(53,828,301)	(53,828,301)	(53,828,301)
Return to Treasury (Prepayment)	-	-	-	-	-	-	-	-	-	-
Net Cash	119,911,091	(8,797,327)	773,904	11,123,600	28,048,731	16,379,875	17,844,416	29,737,400	37,182,835	34,972,619
End of Year Cash	119,911,091	111,113,764	111,887,668	123,011,268	151,059,999	167,439,874	185,284,290	215,021,690	252,204,525	287,177,144
Reserve Balances Strategy										
3 years construction		117,081,000	97,314,000	88,335,000	79,447,000	51,051,000	26,064,000	15,500,000	100,000,000	100,000,000
O&M 111 days		20,410,113	18,505,270	19,827,327	20,521,283	21,239,528	21,982,912	22,752,314	23,548,645	24,372,847
Reserve Balances Strategy Total	-	137,491,113	115,819,270	108,162,327	99,968,283	72,290,528	48,046,912	38,252,314	123,548,645	124,372,847



Questions

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Transmission System Asset Management

Tonya Spencer
Director, Transmission and Construction
May 15, 2025

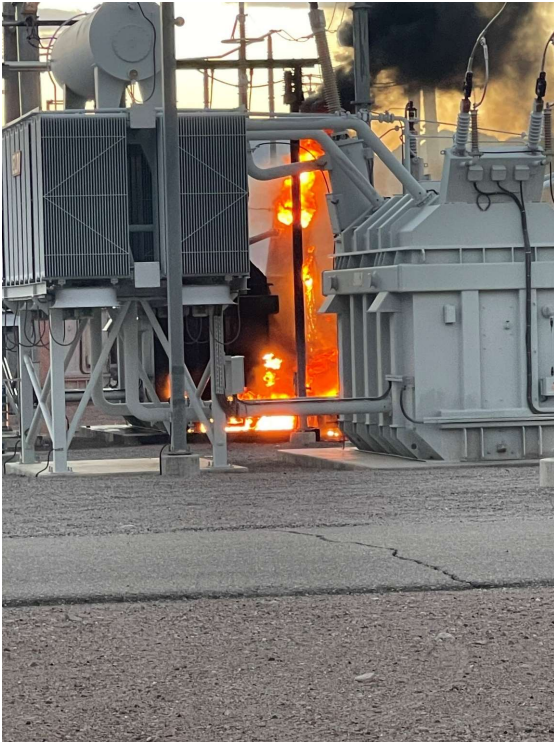


Accomplishments

- Executed critical maintenance and replacements
 - Many breaker replacements
 - Updated Arc Flash rating for many substations
- Repaired roads and water supplies
- Replacing Test Track Transformer
- Construction on Vail-Tortolita rebuild has begun

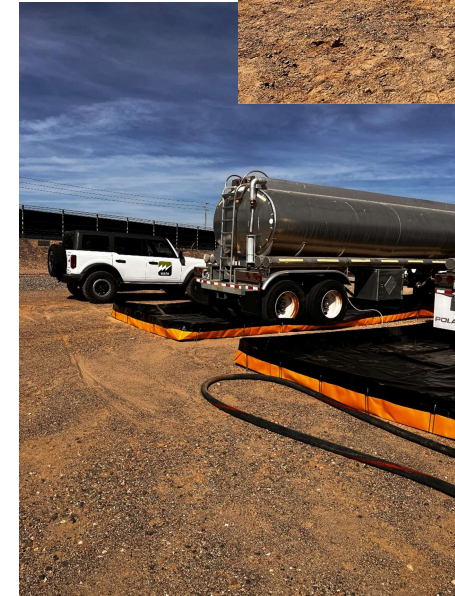
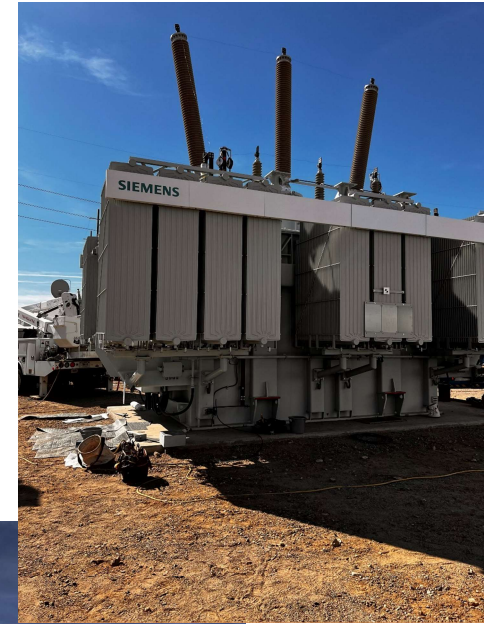


Transformer fires



Test Track Transformer

- Purchased slightly used transformer from APS
- Prepped transformer at APS' West Wing substation
- Moved and installed new breaker
- Plan to energize on May 1, 2025



Current Challenges

- Federal hiring freeze
 - Had 10 vacancies
 - Now have 20 vacancies
- Continuing resolution – Limits our funding to specific tasks such as O&M work rather than replacements



Questions

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Rates

Tina Ramsey
Rates Supervisor
May 15, 2025



PDP Generation Revenue Requirement Analysis

- PDP Cost Apportionment Study allocates work plan data between generation and transmission responsibilities
- Assuming no other changes in formula rate inputs
- FY27 Work Plan increases O&M 13% (\$411k) compared to FY26, but has minimal impact to the PDP Generation Revenue Requirement (\$32.7m)



OTR Revenue Requirement Analysis

- Assuming no other changes in formula rate inputs
- FY27 Work Plan increases O&M component of OTR Revenue Requirement by \$5.1m (8.2%) from FY25
- \$.22/kW-Yr impact for every \$1m increase to FY25 revenue requirement
- Likely to be increase in sales, other revenues, and carryover and decrease in purchase power costs



Questions

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Work Plan Meeting Schedule

- FY25 Budget vs Actual Meeting (Dec 10th, 2025)
 - FY25 Revalidated Budget vs Actual
 - FY27 Strategic Budget Guidance
 - FY27 New FTE Requested
- FY28 Work Plan Meeting (May 14th, 2026)
 - FY23-25 Actuals (via handout)
 - FY26 Execution status
 - FY27 and FY28 Formulated Work Plan
 - FY29-32 Out-Years Work Plan (via handout)



Questions

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