# SMUD ANNUAL DISCLOSURE
# For the Year Ended 12/31/2023

## POWER SUPPLY RESOURCES

The following table sets forth information concerning SMUD's power supply resources as of December 31, 2023. Capacity availability reflects rated or nameplate capacities at SMUD's load center, as well as entitlement, firm allocations and contract amounts.

## POWER SUPPLY RESOURCES
## (As of December 31, 2023)

| Source: | Capacity Available (MW)[1] |
|---|---|
| **Generating Facilities:** | |
| Upper American River Project – Hydroelectric | 701 |
| Solano Wind Project – Wind[2] | 70 |
| Hedge Battery[2] | 4 |
| **Sub-total**: | **775** |
| **Local Gas-Fired Plants:** | |
| Cosumnes Power Plant | 576 |
| Carson Project | 103 |
| Procter & Gamble Project | 166 |
| McClellan | 72 |
| Campbell Soup Project | 170 |
| **Sub-total**: | **1,087** |
| **Purchased Power:** | |
| Western Area Power Administration (WAPA) [3] [4] | 395 |
| Grady – Wind[2] | 25 |
| Avangrid (Iberdrola) (PPM) – Wind[2] | 21 |
| Feed-in-Tariff Photovoltaic – Solar[2] | 37 |
| Rancho Seco Solar[2] | 69 |
| NTUA Navajo Drew Solar[2] | 50 |
| Great Valley – Solar[2] | 35 |
| Wildflower Solar[2] | 4 |
| Calpine Geysers – Geothermal | 100 |
| CalEnergy – Geothermal | 26 |
| Patua (Gradient/Vulcan) – Geothermal | 12 |
| Other Long-Term Contracts | 17 |
| ELCC Portfolio Adjustment[2] | 120 |
| Sutter Calpine Thermal | 258 |
| Firm Contract Reserves[4] | 20 |
| Committed Short-Term Purchases [5] | 375 |
| Uncommitted Short-Term Purchases | 29 |
| **Sub-total**: | **1,590** |
| **Total** | **3,452** |

(1) Available capacity is the net capacity available to serve SMUD's system peak load during the month of July.

(2) Capacity values for wind, solar, and storage projects shown are based on resource effective load carrying capability (ELCC) modeling.

(3) Total includes SMUD's Base Resource share and WAPA Customer allocations.

(4) Assumes firm reserves of 5% are included.

(5) Committed Short-Term Purchases are primarily purchased on a year-ahead to season-ahead basis from various sources.

Note: Totals may not add due to rounding.

## PROJECTED REQUIREMENTS AND RESOURCES TO MEET LOAD REQUIREMENTS[1]
## ENERGY REQUIREMENTS AND RESOURCES (GWh)

| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Renewable Resources** | | | | | | | | | | |
| District or Joint Powers Authority Owned: | | | | | | | | | | |
| UARP - Small Hydro[2] | 95 | 92 | 94 | 94 | 94 | 94 | 94 | 94 | 94 | 94 |
| Solano Wind | 776 | 898 | 902 | 836 | 837 | 836 | 836 | 836 | 837 | 836 |
| Cosumnes-Shell Landfill Gas and Digester Gas[3] | 61 | 505 | 582 | 692 | 692 | 692 | 692 | 692 | 692 | 692 |
| **Total** | **932** | **1,495** | **1,578** | **1,622** | **1,623** | **1,622** | **1,622** | **1,622** | **1,623** | **1,622** |
| Purchases | | | | | | | | | | |
| Western (WAPA) – Small Hydro[2] | 27 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Grady – Wind | 900 | 897 | 897 | 897 | 900 | 897 | 897 | 897 | 900 | 897 |
| Avangrid (Iberdrola) (PPM) - Wind | 73 | 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Patua (Gradient/Vulcan) – Geothermal | 113 | 146 | 147 | 147 | 147 | 147 | 147 | 141 | 147 | 147 |
| Geysers – Geothermal | 878 | 876 | 876 | 876 | 878 | 876 | 876 | 876 | 878 | 0 |
| Cal Energy – Geothermal | 224 | 223 | 223 | 223 | 224 | 223 | 223 | 223 | 224 | 223 |
| Great Valley Solar Shares | 170 | 171 | 169 | 169 | 169 | 169 | 166 | 166 | 167 | 163 |
| Rancho Seco - PV2 | 332 | 330 | 328 | 327 | 325 | 323 | 322 | 320 | 319 | 317 |
| Rancho Seco - PV1 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Feed-in-Tariff Photovoltaic – Solar | 209 | 208 | 207 | 206 | 205 | 204 | 203 | 202 | 60 | 0 |
| Navajo Drew (NTUA) Solar | 301 | 298 | 291 | 289 | 288 | 286 | 285 | 284 | 282 | 281 |
| Sloughhouse Solar | 0 | 22 | 125 | 124 | 124 | 123 | 122 | 122 | 121 | 121 |
| Wildflower Solar | 31 | 31 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 |
| CoyoteCreek Solar | 0 | 0 | 507 | 505 | 502 | 500 | 497 | 495 | 492 | 490 |
| Country Acres | 0 | 0 | 710 | 706 | 703 | 699 | 696 | 692 | 689 | 689 |
| Other Long-Term Contracts | 149 | 139 | 29 | 8 | 8 | 6 | 6 | 6 | 6 | 4 |
| Future Uncommitted Renewables | 0 | 0 | 0 | 600 | 1,989 | 3,351 | 4,206 | 4,537 | 5,870 | 5,870 |
| **Total** | **3,430** | **3,411** | **4,580** | **5,147** | **6,534** | **7,875** | **8,717** | **9,030** | **10,225** | **9,271** |
| **Non-Renewable** | | | | | | | | | | |
| District or Joint Powers Authority Owned: | | | | | | | | | | |
| UARP – Large Hydro[3] | 1,536 | 1,578 | 1,610 | 1,618 | 1,625 | 1,635 | 1,625 | 1,617 | 1,626 | 1,635 |
| Cosumnes Power Plant | 4,219 | 3,756 | 3,685 | 2,511 | 1,792 | 675 | 675 | 530 | 528 | 525 |
| Procter & Gamble Project | 855 | 794 | 235 | 123 | 43 | 2 | 3 | 5 | 4 | 4 |
| Carson Project | 391 | 450 | 7 | 3 | 0 | 1 | 3 | 4 | 4 | 2 |
| Campbell Soup Project | 1,018 | 838 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| McClellan | 36 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **8,055** | **7,415** | **5,538** | **4,256** | **3,460** | **2,313** | **2,306** | **2,157** | **2,163** | **2,166** |
| Purchases | | | | | | | | | | |
| Western (WAPA) – Large Hydro[3] | 785 | 485 | 485 | 485 | 485 | 485 | 485 | 485 | 485 | 485 |
| Western (WAPA) Customers (Wheeling)[3] | 46 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| Calpine Sutter | 1,556 | 1,713 | 1,585 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed Purchases | 444 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **2,831** | **2,227** | **2,099** | **514** | **514** | **514** | **514** | **514** | **514** | **514** |
| **Total Resources** | **15,247** | **14,548** | **13,795** | **11,538** | **12,131** | **12,324** | **13,159** | **13,323** | **14,526** | **13,573** |
| Uncommitted Purchases / (Sales) | (4,420) | (3,613) | (2,775) | (399) | (780) | (906) | (1,672) | (1,780) | (2,866) | (1,867) |
| Transmission Losses (COTP/CVP) | (3) | (4) | (48) | (82) | (102) | (129) | (146) | (152) | (179) | (179) |
| **Total Projected Energy Requirements** | **10,825** | **10,932** | **10,973** | **11,058** | **11,250** | **11,289** | **11,340** | **11,391** | **11,481** | **11,527** |
| Energy Efficiency (EE) | 26 | 50 | 74 | 98 | 122 | 141 | 160 | 180 | 197 | 224 |
| Customer PV | 67 | 98 | 133 | 164 | 196 | 228 | 259 | 288 | 317 | 344 |
| Expected Electric Vehicle (EV) Charging | (88) | (167) | (265) | (382) | (514) | (661) | (821) | (980) | (1,157) | (1,357) |
| Electric Building (EB) | (13) | (32) | (54) | (80) | (113) | (156) | (209) | (272) | (343) | (417) |
| Battery Storage (Utility) | (0) | (1) | (118) | (121) | (142) | (188) | (225) | (232) | (266) | (266) |
| Battery Storage (BTM) | (0) | (1) | (1) | (2) | (3) | (5) | (6) | (8) | (10) | (11) |
| **Total Gross Energy Requirements before EE, PV and EV Charging** | **10,816** | **10,880** | **10,741** | **10,734** | **10,795** | **10,648** | **10,498** | **10,367** | **10,219** | **10,044** |

(1) Totals may not sum due to rounding.

(2) Results exclude the potential Carbon Sequestration power purchase agreement currently under review.

(3) 2024 based on current precipitation levels as of December 31, 2023. All other years assume average precipitation.

(4) Includes a biomethane contract counted as renewable (see "POWER SUPPLY AND TRANSMISSION – Fuel Supply – *Renewable Natural Gas Supply*").

## CAPACITY REQUIREMENTS AND RESOURCES[1][4]
## NET CAPACITY – MEGAWATTS

| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Load:** | | | | | | | | | | |
| **Planned Peak** | **2,981** | **2,991** | **2,990** | **3,017** | **3,024** | **3,029** | **3,032** | **3,056** | **3,088** | **3,104** |
| Transmission Losses | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 |
| Dispatchable Demand Resource | (71) | (71) | (165) | (165) | (183) | (202) | (165) | (165) | (165) | (165) |
| **Adjusted Peak** | **2,938** | **2,949** | **2,853** | **2,880** | **2,869** | **2,855** | **2,895** | **2,919** | **2,951** | **2,967** |
| Reserve Margin | 514 | 516 | 499 | 504 | 502 | 500 | 507 | 511 | 516 | 519 |
| **Adjusted Peak with Reserves** | **3,452** | **3,465** | **3,352** | **3,384** | **3,371** | **3,355** | **3,402** | **3,430** | **3,467** | **3,486** |
| **Renewable Resources** | | | | | | | | | | |
| District or Joint Powers Authority Owned: | | | | | | | | | | |
| UARP – Small Hydro | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 45 |
| Solano Wind | 70 | 129 | 128 | 139 | 133 | 134 | 113 | 108 | 115 | 109 |
| Cosumnes – Shell Landfill Gas and Digester Gas[3] | 8 | 68 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |
| **Total** | **123** | **242** | **293** | **304** | **298** | **299** | **278** | **273** | **279** | **273** |
| Purchases | | | | | | | | | | |
| Western (WAPA) – Small Hydro | 11 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Grady – Wind | 25 | 20 | 75 | 68 | 58 | 74 | 72 | 72 | 66 | 67 |
| Avangrid (Iberdrola) (PPM) - Wind | 21 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Patua (Gradient/Vulcan) – Geothermal | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| CalEnergy– Geothermal | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Geysers – Geothermal | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Great Value Solar Shares | 35 | 33 | 12 | 11 | 13 | 11 | 9 | 6 | 7 | 5 |
| Rancho Seco – PV1 | 2 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Rancho Seco – PV2 | 66 | 61 | 22 | 19 | 17 | 14 | 14 | 10 | 10 | 8 |
| Feed-in-Tariff Photovoltaic - Solar | 37 | 31 | 10 | 8 | 7 | 6 | 6 | 4 | 4 | -- |
| Wildflower Solar | 4 | 4 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 |
| Navajo Drew (NTUA) Solar | 50 | 46 | 16 | 12 | 12 | 9 | 8 | 5 | 6 | 4 |
| Sloughhouse Solar | -- | -- | 18 | 15 | 14 | 13 | 13 | 10 | 10 | 8 |
| CoyoteCreek Solar with Storage | -- | -- | 159 | 149 | 142 | 142 | 132 | 130 | 127 | 122 |
| CountryAcres with Storage | -- | -- | 257 | 245 | 236 | 232 | 222 | 220 | 216 | 211 |
| Stand-alone Storage | 4 | 5 | 80 | 601 | 601 | 717 | 757 | 844 | 983 | 1,088 |
| Future Uncommitted Renewables (Solar, Wind, Other) | -- | -- | -- | 51 | 146 | 148 | 184 | 189 | 184 | 193 |
| Future Uncommitted Firm Renewables (Geothermal) | -- | -- | -- | -- | 150 | 150 | 200 | 200 | 200 | 200 |
| Other Long-Term Contracts | 17 | 16 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| **Total** | **410** | **364** | **797** | **1,330** | **1,545** | **1,655** | **1,767** | **1,841** | **1,960** | **1,954** |
| **Non-Renewable** | | | | | | | | | | |
| District or Joint Powers Authority Owned: | | | | | | | | | | |
| UARP – Large Hydro | 656 | 656 | 656 | 656 | 656 | 656 | 656 | 656 | 656 | 656 |
| Cosumnes Power Plant | 568 | 508 | 492 | 492 | 492 | 492 | 492 | 492 | 492 | 492 |
| Carson Project | 103 | 103 | 103 | 103 | 100 | 100 | 100 | 100 | 100 | 100 |
| Procter & Gamble Project | 166 | 166 | 166 | 166 | 166 | -- | -- | 150 | 150 | 150 |
| McClellan | 72 | 72 | 72 | -- | -- | -- | -- | -- | -- | -- |
| Campbell Soup Project | 170 | 170 | 170 | -- | -- | -- | -- | -- | -- | -- |
| **Total** | **1,735** | **1,675** | **1,659** | **1,417** | **1,414** | **1,248** | **1,248** | **1,398** | **1,398** | **1,398** |
| Purchases | | | | | | | | | | |
| Western (WAPA) – Large Hydro | 363 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 | 304 |
| Western (WAPA) Customers (wheeling) | 21 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Sutter Energy Center | 258 | 258 | 258 | -- | -- | -- | -- | -- | -- | -- |
| Firm Contract Reserves[4] | 20 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Committed Purchases | 375 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **Total** | **1,037** | **596** | **596** | **338** | **338** | **338** | **338** | **338** | **338** | **338** |
| **Total Variable Renewal Diversity Benefit/(Risk)** | **120** | **91** | **178** | **219** | **262** | **318** | **353** | **452** | **481** | **482** |
| Uncommitted Purchases / (Sales) | 34 | 503 | (165) | (478) | (482) | (508) | (577) | (867) | (984) | (960) |
| **Total Resources** | **3,458** | **3,470** | **3,357** | **3,131** | **3,376** | **3,360** | **3,407** | **3,435** | **3,472** | **3,486** |

(1) Based on information available as of December 31, 2023. Totals may not sum due to rounding. Capacity values for wind, solar, storage, and future variable renewable projects shown are based on resource effective load carrying capability (ELCC) modeling.

(2) Results exclude the potential Carbon Sequestration power purchase agreement currently under review.

(3) The Cosumnes Power Plant is a 612 MW plant that includes capacity attributable to a biogas contract counted as renewable (see "POWER SUPPLY AND TRANSMISSION – Fuel Supply – *Renewable Natural Gas Supply*").

(4) SMUD assumes that for all firm system purchases, the suppliers will be planning 5% reserves.

**AVERAGE CLASS RATES**

| | SMUD Rates (cents/kWh)[1] | PG&E Rates (cents/kWh)[2] | Percent SMUD is Below PG&E[3] |
|---|---|---|---|
| Residential – Standard | 18.98¢ | 44.67¢ | 57.5% |
| Residential – Low Income | 13.28¢ | 28.31¢ | 53.1% |
| **All Residential** | **18.00¢** | **37.78¢** | **52.4%** |
| Small Commercial (Less than 20 kW) | 18.33¢ | 44.17¢ | 58.5% |
| Small Commercial (21 to 299 kW) | 16.98¢ | 43.80¢ | 61.2% |
| Medium Commercial (300 to 499 kW) | 15.94¢ | 39.95¢ | 60.1% |
| Medium Commercial (500 to 999 kW) | 14.93¢ | 34.52¢ | 56.7% |
| Large Commercial (Greater than 1,000 kW) | 13.30¢ | 25.06¢ | 46.9% |
| Lighting – Traffic Signals | 14.45¢ | 43.60¢ | 66.9% |
| Lighting – Street Lighting | 15.73¢ | 56.32¢ | 72.1% |
| Agriculture | 15.91¢ | 39.50¢ | 59.7% |
| **System Average** | **16.70¢** | **36.57¢** | **54.3%** |

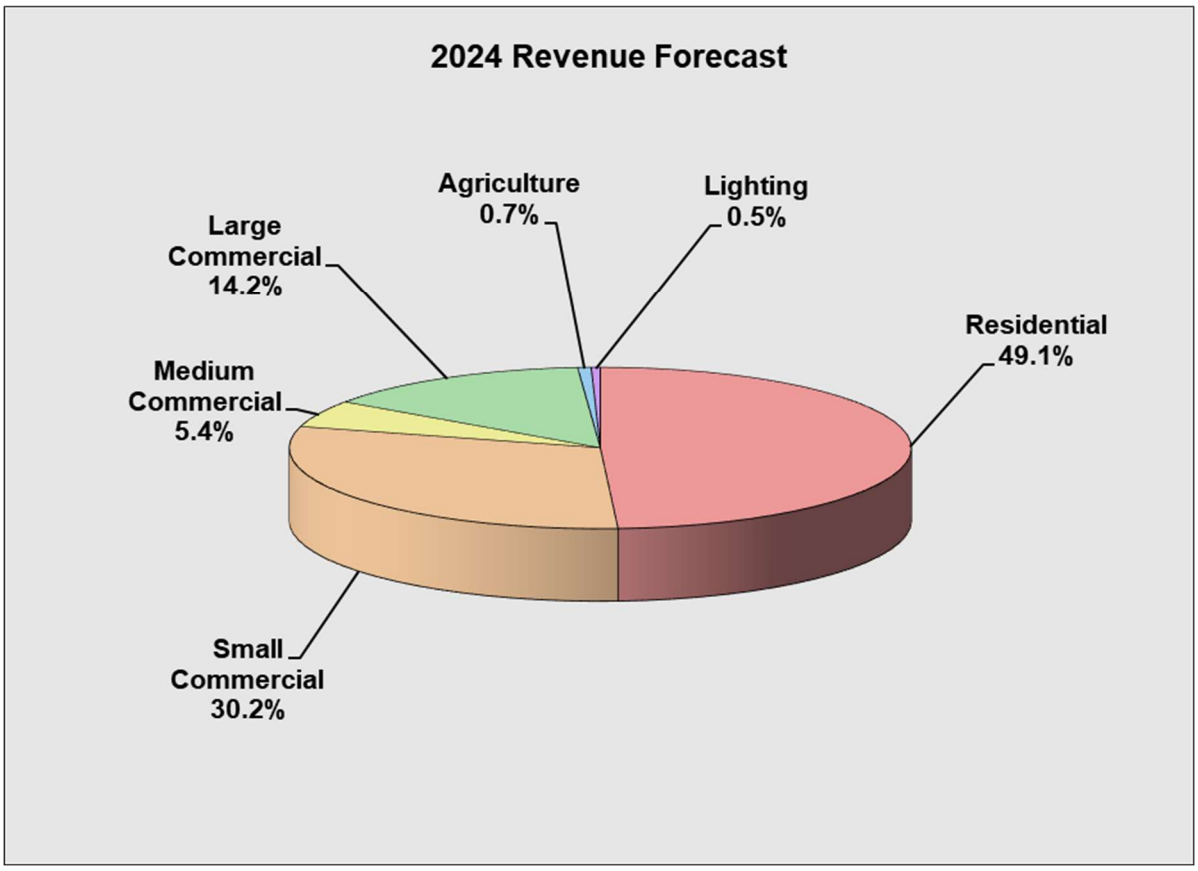
(1) Projected 2024 average prices for SMUD with rates effective January 1, 2024 and May 1, 2024.

(2) PG&E average prices in 2024 reflect rates effective January 1, 2024, per Advice Letter 7116-E dated December 29, 2023.

(3) The rates in the Average Class Rates table are calculated by dividing the total revenue of each class by the total usage of that class in kWh. The actual savings per customer will vary based on their electricity consumption.

## ALLOCATION OF DISTRICT REVENUE BY CUSTOMER CLASS

The following chart sets forth the forecast percentage of SMUD revenues from billed sales associated with each customer class.



## OPERATING DATA

Selected operating data of SMUD for the four years ended December 31, 2020 through 2023 are presented in the following table.

**SMUD SELECTED OPERATING DATA**
**CUSTOMERS, SALES, SOURCES OF ENERGY AND REVENUES**

| | Year Ended December 31, | | | |
|---|---|---|---|---|
| | **2023** | **2022** | **2021** | **2020** |
| **Customers at End of Period:** | | | | |
| Residential | 588,308 | 576,471 | 572,786 | 568,741 |
| Commercial and industrial | 70,147 | 69,512 | 69,426 | 68,628 |
| Other | 7,253 | 7,290 | 7,345 | 7,354 |
| Total | 665,708 | 653,273 | 649,557 | 644,723 |
| **MWh Sales:** | | | | |
| Residential | 4,676,766 | 4,763,277 | 4,749,079 | 4,906,566 |
| Commercial and industrial | 5,374,936 | 5,805,052 | 5,649,474 | 5,453,120 |
| Other | 52,660 | 53,965 | 54,473 | 55,590 |
| Total | 10,104,362 | 10,622,294 | 10,453,026 | 10,415,276 |
| Surplus power/out of area sales | 4,143,139 | 2,493,651 | 2,774,907 | 2,259,991 |
| Total | 14,247,501 | 13,115,945 | 13,227,933 | 12,675,267 |
| **Sources of Energy Sold MWh:** | | | | |
| Generated by SMUD | 7,270,858 | 4,368,126 | 6,776,244 | 6,414,380 |
| Purchased or exchanged | 7,308,120 | 9,162,576 | 6,884,003 | 6,691,279 |
| Total | 14,578,978 | 13,530,702 | 13,660,247 | 13,105,659 |
| Less System losses and SMUD usage | 331,477 | 414,757 | 432,314 | 430,392 |
| Total | 14,247,501 | 13,115,945 | 13,227,933 | 12,675,267 |
| Gross System peak demand (kW)[(1)] | 3,059,000 | 3,263,000 | 3,019,000 | 3,057,000 |
| Average kWh sales per residential customer[(2)] | 8,018 | 8,293 | 8,316 | 8,650 |
| **Average Revenue per kWh Sold:** | | | | |
| Residential[(2)] (cents) | 16.87 | 16.73 | 16.20 | 15.27 |
| Commercial & industrial[(2)] (cents) | 15.00 | 13.97 | 13.95 | 13.17 |

(1) Peak system MW values are measured at the four SMUD interconnection points and exclude SMUD's generation losses. Historical values include the impacts of dispatchable, non-dispatchable, and energy efficiency program capacity savings.

(2) The average kWh sales per residential customer and the average revenue per kWh sold are calculated based upon billed and unbilled sales.

*Source*: SMUD

## SMUD UNCONSOLIDATED FINANCIAL DATA[1]
## (thousands of dollars)

| | Year Ended December 31, | | | |
|---|---|---|---|---|
| | 2023 | 2022 (Restated) | 2021 (Restated) | 2020 |
| ***Summary of Income*** | | | | |
| Operating Revenues[2] | $ 1,918,854 | $ 2,138,655 | $ 1,784,290 | $1,582,979 |
| Operating Expenses | (1,772,503) | (2,102,451) | (1,464,069) | (1,397,845) |
| Operating Income | 146,351 | 36,204 | 320,221 | 185,134 |
| Interest and Other Income | 145,035 | 124,480 | 108,788 | 63,014 |
| Interest Expense | (73,275) | (74,702) | (81,692) | (80,699) |
| Change in Net Position | $ 218,111 | $ 85,982 | $ 347,317 | $ 167,449 |
| ***Selected Statement of Net Position Information*** | | | | |
| Net Plant in Service | $ 3,652,422 | $ 3,682,180 | $ 3,502,335 | $3,234,208 |
| Construction Work in Progress | 587,722 | 323,499 | 365,478 | 460,155 |
| Electric Utility Plant – Net | $ 4,240,144 | $ 4,005,679 | $ 3,867,813 | $3,694,363 |
| Unrestricted Cash | $ 534,157 | $ 591,410 | $ 569,001 | $ 662,155 |
| Rate Stabilization Fund | $ 212,131 | $ 156,016 | $ 188,992 | $ 168,726 |
| Total Assets | $ 6,610,818 | $ 6,447,908 | $ 6,096,865 | $5,826,449 |
| Net Position | $ 2,596,004 | $ 2,377,893 | $ 2,291,910 | $1,944,593 |
| Long-Term Debt[3] | $ 2,305,156 | $ 2,236,824 | $ 2,387,686 | $2,523,921 |
| ***Debt Service Coverage Ratios*** | | | | |
| Parity Debt Service Coverage Ratio | 2.58x | 1.86x | 2.59x | 2.25x |
| Parity and Subordinate Debt Service Coverage Ratio | 2.44x | 1.78x | 2.47x | 2.14x |

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(1) The financial statements of SMUD comprise financial information of SMUD along with its component units, CVFA, SPA, SCA, SFA, NCGA and NCEA. This table includes only financial information of SMUD excluding its component units. Net operating revenues and expenses and Electric Utility Plant and Capitalization of CVFA, SPA, SCA, SFA, NCGA and NCEA are not included in this table, although amounts paid to or received from the Authorities by SMUD are included.

(2) Operating Revenues reflect net transfers to (from) the Rate Stabilization Fund for each full year as follows:

2023 $56.1 million
2022 ($33.0) million
2021 $20.3 million
2020 $25.1 million

Transfers to the Rate Stabilization Fund reduce operating revenues in the year transferred; transfers from the Rate Stabilization Fund increase operating revenues. Transfers from the HGA balancing account in the Rate Stabilization Fund are automatic based on the amount of precipitation received. See "RATES AND CUSTOMER BASE – Rates and Charges" above.

(3) Long-Term Debt includes Long-Term Debt due within one year and unamortized premiums.

## DEBT SERVICE COVERAGE RATIOS

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | **2023** | **2022** | **2021** | **2020** | **2019** |
| Parity Debt Service Coverage Ratio…….. | 2.58 | 1.86x | 2.59x | 2.25x | 2.11x |
| Fixed Charge Ratio…… | 2.41 | 2.93x | 2.55x | 2.17x | 2.02x |

Note: Previously shown figures have been updated to match current Accounting methodology.

## METHOD OF COMPUTATION OF DEBT SERVICE RATIOS
## For the Year Ended 12/31/2023

| | Debt Service Coverage Ratio (Parity Bond Basis) | Fixed Charge Basis |
|---|---|---|
| Operating Revenues [(1)] | $ 1,918,854 | $ 1,918,854 |
| Interest and Other Income | 125,167 | 125,167 |
| Adjustments: | | |
| Build America Bonds rebate | 9,253 | - |
| Net receipts on Series K swap | 1,498 | - |
| CIAC (Cash Proceeds Only) | 19,492 | 19,492 |
| Grant Revenue | 95 | 95 |
| Revenue From Ineffective Gas Swaps | 6,367 | - |
| SB-1 Revenue Recognition | (877) | (877) |
| | 2,079,849 | 2,062,731 |
| Operating Expenses | | |
| Operations & Maintenance (less Rosa accretion and PP&L amortization) | 1,495,794 | 1,500,790 |
| GASB 68 and 75 Adjustment | 19,093 | 19,093 |
| Non-Cash Operating Expense Adjustment | (300) | (300) |
| GASB 87 Reversal | 33,505 | 33,505 |
| | 1,548,092 | 1,553,088 |
| NET REVENUES | $ 531,757 | $ 509,643 |
| Parity Bonds | | |
| Principal | 111,165 | 111,165 |
| Interest | 95,182 | 84,431 |
| Subordinated Bonds Principal and Interest | - | 11,610 |
| Commercial Paper Interest | - | 4,283 |
| Parity Revenue Bond Debt Service | $ 206,347 | $ 211,489 |
| Debt Service Coverage/Fixed Charge Ratio | 2.58 | 2.41 |

**Notes:**
1.) Includes transfer into the rate stabilization fund of: $56,115,000

**RANCHO SECO DECOMMISSIONING (**As of 12/31/2023)

| | $ Millions |
|---|---|
| Total Decommissioning Cost Estimate (Excluding Site Restoration) | 524.4 |
| Total Decommissioning Costs Incurred as of 12/31/2023 | 517.3 |
| Amount Needed for Remaining Decommissioning Costs | 7.1 |
| Balance in Decommissioning Fund[(1)] | 9.4 |
| Contribution to the Decommissioning Trust Fund in 2023 | 0 |
| Estimate for Site Restoration Costs[(1)] | 13.1 |

(1) Expected site restoration costs are not required to be funded per NRC requirements

**ESTIMATED CAPITAL REQUIREMENTS**
**(Dollars in Thousands)**

| | Service Area and Other System Improvements Including Distribution System | Improvements to Existing Generation Plant | General Plant | Special Projects | Total Capital Requirements |
|---|---|---|---|---|---|
| 2024 | $193,180 | $58,070 | $132,454 | $169,315 | $553,019 |
| 2025 | 250,507 | 72,551 | 171,736 | 82,431 | 577,225 |
| 2026 | 237,026 | 108,614 | 138,112 | 64,880 | 548,632 |
| 2027 | 237,026 | 108,614 | 138,112 | 64,880 | 548,632 |
| 2028 | 237,026 | 108,614 | 138,112 | 64,880 | 548,632 |