

Coverage	Analysis						
Fiscal Year 2	024-2025		(dollars in millio				
		Pr	eliminary		urrent udget		
		2	024-2025	202	4-2025		
	Net Revenue / (Loss)	\$	7.6	\$	1.1		
	Change in Unrestricted Funds	\$	5.2	\$	(1.1)		
	Debt Service Coverage 1.00X required, 1.20X per policy		1.85		1.28		
	Cash Reserve Amount > <u>Minimum</u> ?		Yes		No		
					NMPPEne	ergy.org	

Energy Charge Analysis

Fiscal Year 2024-2025

		(dollars in millions)					
			Current	Current Preliminary vs. Budget			
Line	Service Schedule M Energy Charge	Preliminary	Budget	\$+/-	% +/-		
	Cash Costs						
А	Purchased Power, net of Debt and Capital in FCRC	65.2	58.2	6.9	12%		
В	Production	16.5	19.3	(2.8)	-15%		
С	Transmission	6.3	6.6	(0.3)	-5%		
D	MEAN Lease Liability Payment	0.9	0.9	-	0%		
Е	Administrative and General - Energy Charge	0.7	-	0.7	100%		
F	Total Cash Costs	89.6	85.1	4.5	5%		
	Rate Offsets						
G	Total Electric Energy Sales, net of Energy Charge SSM	(26.5)	(15.8)	(10.7)	68%		
н	Other Operating Revenues - Energy Charge Cost Offsets	(0.1)	(0.1)	(0.1)	87%		
I.	Investment Return - Operating and Rate Stabilization	(2.4)	(2.2)	(0.3)	13%		
J	Total Rate Offsets	(29.0)	(18.0)	(11.0)	61%		
К	Net Energy Charge Costs	60.5	67.1	(6.6)	-10%		
	Addition to/(Use of) Cash on Hand						
L	Addition to/(Use of) - Operating Fund	4.7	0.3	4.4	1,290%		
М	Total Addition to/(Use of) Cash on Hand	4.7	0.3	4.4	1,290%		
Ν	Total SSM Energy Charge	\$ 65.2	\$ 67.4	\$ (2.2)	-3%		

Fixed Cost Recovery Charge Analysis

Fiscal Year 2024-2025

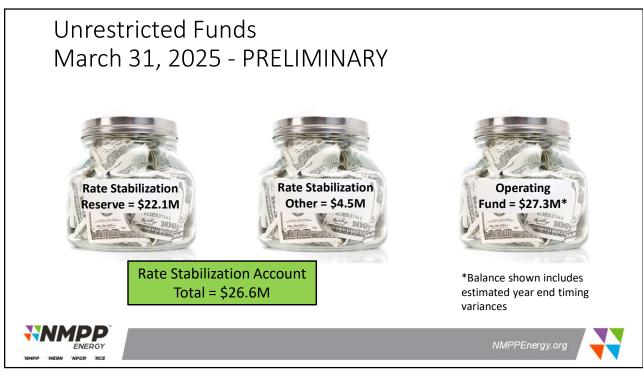
		(dollars in millions)					
			Current	Preliminary	vs. Budget		
Line	Fixed Cost Recovery Charge	Preliminary	Budget	\$+/-	% +/-		
	Cash Costs						
А	Administrative and General - FCRC	11.4	12.2	(0.8)	-7%		
В	MEAN Subscription Liability Payment	0.4	0.4	0.0	4%		
C	MEAN and Owned Generation Capital	4.1	3.4	0.7	22%		
D	Contracted Generation Capital	1.6	2.3	(0.7)	-32%		
E	MEAN Debt Service	10.7	10.7	-	0%		
F	Contracted Generation Debt Service, net	15.8	16.3	(0.5)	-3%		
G	Total Cash Costs	44.0	45.4	(1.4)	-3%		
	Rate Offsets						
н	Other Operating Revenues - FCRC Cost Offsets	(0.9)	(0.7)	(0.2)	27%		
I.	Investment Return - Debt Service	(0.7)	(0.4)	(0.3)	80%		
J	Total Rate Offsets	(1.6)	(1.1)	(0.5)	45%		
К	Net FCRC Costs	42.4	44.3	(1.9)	-4%		
	Addition to/(Use of) Cash on Hand						
L	Addition to / (Use of) Rate Stabilization - Fixed Costs	(1.0)	(1.0)	-	0%		
М	Addition to/(Use of) Operating Fund	1.5	(0.4)	1.9	-451%		
Ν	Total Addition to/(Use of) Cash on Hand	0.5	(1.4)	1.9	-132%		
0	Total Fixed Cost Recovery Charge	\$ 42.9	\$ 42.9	\$ -	0%		

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Cash from Rates and Charges

Fiscal Year 2024-2025

	(dollars in millions)						
	Current Preliminary vs. Curren						
Change in Unrestricted Funds	Prel	iminary		Budget		\$ +/-	% +/-
By Rate Structure Component:							
Fixed Cost Recovery Charge (FCRC)	\$	0.5	\$	(1.4)	\$	1.9	-132%
Energy Charge		4.7		0.3		4.4	1,290%
Total	\$	5.2	\$	(1.1)	\$	6.2	-579%



	Coverage Analysis		
	Target/Requirement	24-25 Preliminary	25-26 Budget
Debt Service Coverage	Policy target of 1.20X; requirement of 1.00X	\checkmark	\checkmark

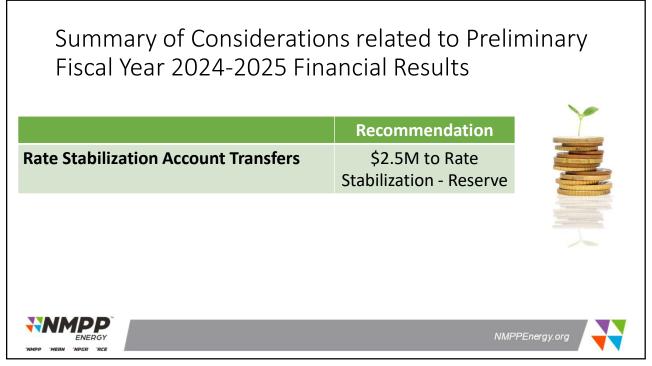
Coverage Analysis						
	Target/Requirement	24-25 Preliminary	25-26 Budget			
Debt Service Coverage	Policy target of 1.20X; requirement of 1.00X	\checkmark	\checkmark			
Rate Stabilization Fund - Reserve	Reserve - 15% of budgeted cash operating expenses, excluding purchased power capital; plus, annual average of preliminary 5-year capital budget, including purchased power capital	\checkmark	×			

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Rate Stabilization Fund - Other	As determined by the Board for items such as debt strategy, resource planning, etc. Goal of \$1.5M annually for 30 years beginning with fiscal year ended March 31, 2022	×	×		

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Operating Fund	Policy target of at least 60 days of budgeted cash operating expenses + at least 45 days of budgeted pass through expenses	\checkmark	×

	24-25 Preliminary	25-26 Budget	
Debt Service Coverage	Policy target of 1.20X; requirement of 1.00X	\checkmark	\checkmark
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Operating Fund	Policy target of at least 60 days of budgeted cash operating expenses + at least 45 days of budgeted pass through expenses	\checkmark	×
Total Cash Reserve Amount	Total should exceed the sum of the Rate Stabilization Fund and Operating Fund minimums	\checkmark	X





	25-26 Budget	After Suggested*	
Debt Service Coverage	Policy target of 1.20X; requirement of 1.00X	\checkmark	\checkmark
Rate Stabilization Fund - Reserve	Reserve - 15% of budgeted cash operating expenses, excluding purchased power capital; plus, annual average of preliminary 5-year capital budget, including purchased power capital	×	\checkmark
Rate Stabilization Fund - Other	As determined by the Board for items such as debt strategy, resource planning, etc. Goal of \$1.5M annually for 30 years beginning with fiscal year ended March 31, 2022	×	×
Operating Fund	Policy target of at least 60 days of budgeted cash operating expenses + at least 45 days of budgeted pass through expenses	×	\checkmark
Total Cash Reserve Amount	Total should exceed the sum of the Rate Stabilization Fund and Operating Fund minimums	×	\checkmark
	*Column reflects impact to both 24-25 Act	uals and 2	5-26 Budget

