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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 333-212006

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

(Exact name of registrant as specified in its charter)

Colorado	**84-0464189**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
1100 West 116th Avenue	
Westminster , Colorado	**80234**
(Address of principal executive offices)	(Zip Code)

(303) 452-6111

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☐ **No** ☒ (Note: The registrant is not subject to the filing requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), but voluntarily files reports with the Securities and Exchange Commission).

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. **Large accelerated filer** ☐ **Accelerated filer** ☐

Non-accelerated Filer ☒ **Smaller reporting company** ☐ **Emerging growth company** ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** ☐ **No** ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. **The registrant is a membership corporation and has no authorized or outstanding equity securities.**

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.
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FOR THE QUARTER ENDED SEPTEMBER 30, 2026

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GLOSSARY

The following abbreviations and acronyms used in this quarterly report on Form 10-Q are defined below:

Abbreviations or Acronyms	Definition
2022 Revolving Credit Agreement	Amended and Restated Credit Agreement, dated as of April 25, 2022, between Tri-State and CFC, as administrative agent
2023 ERP	Tri-State's 2023 Electric Resource Plan filed with the COPUC
2026 Credit Agreement	Second Amended and Restated Credit Agreement, dated as of April 21, 2026, between Tri-State and CFC, as administrative agent
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Basin	Basin Electric Power Cooperative
Basin Eastern WPC	Amended and Restated Wholesale Power Contract for the Eastern Interconnection, dated September 27, 2017, between Tri-State and Basin
Board	Board of Directors
BYOR	Bring Your Own Resource
CFC	National Rural Utilities Cooperative Finance Corporation
CoBank	CoBank, ACB
Colowyo Coal	Colowyo Coal Company L.P., a subsidiary of Tri-State
COPUC	Colorado Public Utilities Commission
CRPPD	Chimney Rock Public Power District
D.C. Circuit Court of Appeals	United States Court of Appeals for the District of Columbia Circuit
DSR	Debt Service Ratio (as defined in Tri-State's Master Indenture)
ECR	Equity to Capitalization Ratio (as defined in Tri-State's Master Indenture)
EPA	Environmental Protection Agency
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings Inc.
FPA	Federal Power Act, as amended
GAAP	Accounting principles generally accepted in the United States
IRA	Inflation Reduction Act of 2022
Jemez	Jemez Mountains Electric Cooperative, Inc.
kWh	kilowatt hour
LPEA	La Plata Electric Association, Inc.
Master Indenture	Master First Mortgage Indenture, Deed of Trust and Security Agreement, dated effective as of December 15, 1999, between Tri-State and U.S. Bank Trust Company, National Association, as successor trustee
MBPP	Missouri Basin Power Project
MECC	The Midwest Electric Cooperative Corporation
Members	Tri-State's Utility Members and Non-Utility Members
Moody’s	Moody’s Investors Services, Inc.
MW	megawatt
MWh	megawatt hour
New Era Program	USDA's Empowering Rural America Program
Non-Utility Members	Tri-State's non-utility members
NRPPD	Northwest Rural Public Power District
OATT	Open Access Transmission Tariff
PREMA	Panhandle Rural Electric Membership Association
Renewable Revolving Credit Agreement	Renewable Revolving Credit Agreement, dated as of June 18, 2025, between Tri-State and CFC, as administrative agent
RTO	regional transmission organization

RPPD	Roosevelt Public Power District
S&P	S & P Global Ratings
SEC	Securities and Exchange Commission
SPP	Southwest Power Pool
Springerville Partnership	Springerville Unit 3 Partnership LP, a subsidiary of Tri-State
Springerville Unit 3	Springerville Generating Station Unit 3
Term SOFR	the implied rate on the future movement in the Secured Overnight Financing Rate (or "SOFR") over a future reference period
Tri-State, We, Our, Us, the Association	Tri-State Generation and Transmission Association, Inc.
USDA	United States Department of Agriculture
Utility Members	Tri-State's electric distribution member systems
WBPPD	Wheat Belt Public Power District

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains "forward-looking statements." All statements, other than statements of historical facts, that address activities, events or developments that Tri-State expects or anticipates to occur in the future, including matters such as the timing of various regulatory and other actions, future capital expenditures, future resources and generation portfolio, future use of deferred revenue, business strategy, member withdrawals and development, construction, operation, or closure of facilities (often, but not always, identified through the use of words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "forecast," "projection," "target" and "outlook") are forward-looking statements.

Although Tri-State believes that in making these forward-looking statements its expectations are based on reasonable assumptions, any forward-looking statement involves uncertainties and there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
Tri-State Generation and Transmission Association, Inc.
Consolidated Statements of Financial Position (Unaudited)
(dollars in thousands)

	September 30, 2026	December 31, 2025
ASSETS		
Property, plant and equipment		
Electric plant		
In service	$ 6,149,506	$ 6,075,291
Construction work in progress	197,543	143,940
Total electric plant	**6,347,049**	**6,219,231**
Less allowances for depreciation and amortization	(3,005,440)	(2,913,707)
Net electric plant	**3,341,609**	**3,305,524**
Other plant	804,945	853,410
Less allowances for depreciation, amortization and depletion	(725,089)	(760,477)
Net other plant	**79,856**	**92,933**
Total property, plant and equipment	**3,421,465**	**3,398,457**
Other assets and investments		
Investments in other associations	193,696	194,825
Investments in and advances to coal mines	1,138	1,533
Restricted cash and investments	1,468	2,137
Intangible assets, net	166,925	157,915
Other noncurrent assets	12,380	14,674
Total other assets and investments	**375,607**	**371,084**
Current assets		
Cash and cash equivalents	218,696	177,557
Restricted cash and investments	17,940	1,111
Deposits and advances	34,749	32,620
Accounts receivable—Utility Members	94,592	83,743
Other accounts receivable	77,059	32,892
Coal inventory	91,194	124,170
Materials and supplies	105,018	109,146
Total current assets	**639,248**	**561,239**
Deferred charges		
Regulatory assets	824,285	853,834
Deferred income tax asset	3,503	—
Other	55,169	58,546
Total deferred charges	**882,957**	**912,380**
Total assets	**$ 5,319,277**	**$ 5,243,160**
EQUITY AND LIABILITIES		
Capitalization		
Patronage capital equity	$ 891,660	$ 917,276
Accumulated other comprehensive loss	1,285	1,545
Noncontrolling interest	129,358	130,132
Total equity	**1,022,303**	**1,048,953**
Long-term debt	2,859,974	3,093,216
Total capitalization	**3,882,277**	**4,142,169**
Current liabilities		
Utility Member advances	19,965	10,383
Accounts payable	201,994	129,552
Short-term borrowings	181,862	100
Accrued expenses	17,440	28,717
Current asset retirement and environmental remediation obligations	119,979	136,501
Accrued interest	41,912	22,632
Accrued property taxes	30,087	33,505
Current maturities of long-term debt	61,879	80,052
Total current liabilities	**675,118**	**441,442**
Deferred credits and other liabilities		
Regulatory liabilities	510,741	358,446
Deferred income tax liability	—	(254)
Asset retirement and environmental remediation obligations	167,842	200,267
Other	73,544	91,880
Total deferred credits and other liabilities	**752,127**	**650,339**
Accumulated postretirement benefit and postemployment obligations	9,755	9,210
Total equity and liabilities	**$ 5,319,277**	**$ 5,243,160**

The accompanying notes are an integral part of these consolidated financial statements.

Tri-State Generation and Transmission Association, Inc.
Consolidated Statements of Operations (Unaudited)
(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Operating revenues				
Utility Member electric sales	$ 330,210	$ 306,568	$ 861,595	$ 820,217
Non-member electric sales	92,553	54,489	204,720	147,392
Rate stabilization	16,491	57,343	50,700	145,469
Provision for rate refunds	(28,320)	—	(39,893)	2,719
Other	65,263	39,906	170,528	107,836
	476,197	**458,306**	**1,247,650**	**1,223,633**
Operating expenses				
Purchased power	165,790	138,450	401,202	345,999
Fuel	67,929	32,035	140,375	120,378
Production	43,764	44,842	138,008	119,022
Transmission	50,782	51,917	141,050	137,876
General and administrative	38,429	43,905	125,605	123,183
Depreciation, amortization and depletion	44,460	75,647	141,196	219,582
Coal mining	(923)	1,234	9,225	8,406
Other	2,507	2,432	8,377	7,474
	412,738	**390,462**	**1,105,038**	**1,081,920**
Operating margins	**63,459**	**67,844**	**142,612**	**141,713**
Other income				
Interest	2,261	1,998	5,783	7,609
Capital credits from cooperatives	866	856	2,091	1,991
Other income (expense)	990	(135)	5,993	499
	4,117	**2,719**	**13,867**	**10,099**
Interest expense				
Interest	46,198	53,623	138,045	144,278
Interest charged during construction	(1,762)	(6,499)	(5,227)	(16,951)
	44,436	**47,124**	**132,818**	**127,327**
Income tax expense	—	196	—	196
Net margins including noncontrolling interest	**23,140**	**23,243**	**23,661**	**24,289**
Net margin attributable to noncontrolling interest	(54)	(48)	(158)	(143)
Net margins attributable to the Association	**$ 23,086**	**$ 23,195**	**$ 23,503**	**$ 24,146**

The accompanying notes are an integral part of these consolidated financial statements.

Tri-State Generation and Transmission Association, Inc.
Consolidated Statements of Comprehensive Income (Loss) (Unaudited)
(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net margins including noncontrolling interest	$ 23,140	$ 23,243	$ 23,661	$ 24,289
Other comprehensive income:				
Unrealized gain (loss) on securities available for sale	(108)	17	(163)	137
Amortization of actuarial gain on postretirement benefit obligation included in net margin	(100)	—	(100)	—
Amortization of actuarial gain on executive benefit restoration obligation included in net margin	(235)	—	(235)	—
Amortization of prior service cost on executive benefit restoration obligation included in net margin	79	61	238	182
Other comprehensive income	**(364)**	**78**	**(260)**	**319**
Comprehensive income (loss) including noncontrolling interest	**22,776**	**23,321**	**23,401**	**24,608**
Net comprehensive income attributable to noncontrolling interest	(54)	(48)	(158)	(143)
Comprehensive income (loss) attributable to the Association	**$ 22,722**	**$ 23,273**	**$ 23,243**	**$ 24,465**

The accompanying notes are an integral part of these consolidated financial statements.

Tri-State Generation and Transmission Association, Inc.
Consolidated Statements of Equity (Unaudited)
(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Patronage capital equity at beginning of period	$ 868,574	$ 898,371	$ 917,276	$ 912,922
Net margins attributable to the Association	23,086	23,195	23,503	24,146
Retirement of patronage capital	—	—	(49,119)	(15,502)
Patronage capital equity at end of period	**891,660**	**921,566**	**891,660**	**921,566**
Accumulated other comprehensive gain at beginning of period	1,649	1,206	1,545	965
Unrealized gain (loss) on securities available for sale	(108)	17	(163)	137
Reclassification adjustment for actuarial gain on postretirement benefit obligation included in net margin	(100)	—	(100)	—
Reclassification adjustment for actuarial gain on executive benefit restoration obligation included in net margin	(235)	—	(235)	—
Reclassification adjustment for prior service cost on executive benefit restoration obligation included in net margin	79	61	238	182
Accumulated other comprehensive gain at end of period	**1,285**	**1,284**	**1,285**	**1,284**
Noncontrolling interest at beginning of period	129,865	130,330	130,132	130,498
Net comprehensive income attributable to noncontrolling interest	54	48	158	143
Equity distribution to noncontrolling interest	(561)	(296)	(932)	(559)
Noncontrolling interest at end of period	**129,358**	**130,082**	**129,358**	**130,082**
Total equity at end of period	**$ 1,022,303**	**$ 1,052,932**	**$ 1,022,303**	**$ 1,052,932**

The accompanying notes are an integral part of these consolidated financial statements.

Tri-State Generation and Transmission Association, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(dollars in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Operating activities		
Net margins including noncontrolling interest	$ 23,661	$ 24,289
Adjustments to reconcile net margins to net cash provided by operating activities:		
Depreciation, amortization and depletion	141,196	219,582
Gain on sale of non-utility assets	(3,887)	—
Amortization of intangible asset	10,568	10,562
Amortization of NRECA Retirement Security Plan prepayment	—	4,029
Amortization of debt issuance costs	1,944	1,639
Accretion of asset retirement obligations	3,384	5,089
Settlement of asset retirement and environmental remediation obligations	(41,384)	(8,912)
Deposits (refunds) associated with generator interconnection requests	(6,564)	1,486
Provision for rate refund, including accrued interest	40,612	—
Rate stabilization revenue	(50,700)	(145,469)
Capital credit allocations from cooperatives and income from coal mines under refund distributions	1,525	1,923
Amortization of transmission credits	(7,277)	(8,050)
Changes in operating assets and liabilities:		
Accounts receivable	(52,729)	(7,128)
Coal inventory	32,976	(29,541)
Materials and supplies	4,128	(1,773)
Accounts payable and accrued expenses	15,390	(7,813)
Accrued interest	19,280	20,911
Accrued property taxes	(3,418)	(3,563)
Change in environmental remediation obligation	(6,353)	—
Deferred membership withdrawal	208,437	86,033
Other	2,535	(12,617)
Net cash provided by operating activities	**333,324**	**150,677**
Investing activities		
Purchases of plant	(187,635)	(281,782)
Sale of electric plant	7,308	5,917
Sale of non-utility assets	16,044	—
Changes in deferred charges	292	(6,009)
Net cash used in investing activities	**(163,991)**	**(281,874)**
Financing activities		
Changes in Member advances	9,582	424
Payments of long-term debt	(257,178)	(80,823)
Proceeds from issuance of long-term debt	5,737	137,000
Debt issuance costs	(1,389)	(1,106)
Change in short-term borrowings, net	181,662	84,292
Retirement of patronage capital	(49,119)	(19,234)
Equity distribution to noncontrolling interest	(932)	(559)
Other	(397)	(570)
Net cash provided by (used in) financing activities	**(112,034)**	**119,424**
Net increase (decrease) in cash, cash equivalents and restricted cash and investments	**57,299**	**(11,773)**
Cash, cash equivalents and restricted cash and investments – beginning	**180,805**	**233,537**
Cash, cash equivalents and restricted cash and investments – ending	**$ 238,104**	**$ 221,764**
Supplemental cash flow information:		
Cash paid for interest	$ 97,387	$ 92,988
Supplemental disclosure of noncash investing and financing activities:		
Change in plant expenditures included in accounts payable	$ 1,937	$ 798
Lease asset additions	$ 1,141	$ 927

The accompanying notes are an integral part of these consolidated financial statements.

Tri-State Generation and Transmission Association, Inc.
Notes to Unaudited Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2026 and 2025

NOTE 1 – PRESENTATION OF FINANCIAL INFORMATION

The accompanying unaudited consolidated financial statements, which represent the consolidated financial statements of Tri-State Generation and Transmission Association, Inc. (“Tri-State”) and its wholly owned and majority-owned subsidiaries, have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These unaudited consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in Tri-State's annual report on Form 10-K for the year ended December 31, 2025 filed with the SEC. In the opinion of management, all adjustments, consisting of normal recurring accruals considered necessary for a fair presentation, have been included. Tri-State's consolidated financial position as of September 30, 2026, results of operations for the three and nine months ended September 30, 2026 and 2025, and cash flows for the nine months ended September 30, 2026 and 2025 are not necessarily indicative of the results that may be expected for an entire year or any other period.

Basis of Consolidation

Tri-State is a taxable wholesale electric power generation and transmission cooperative operating on a not-for-profit basis serving large portions of Colorado, Nebraska, New Mexico and Wyoming. Tri-State was incorporated under the laws of the State of Colorado in 1952. Tri-State has thirty-nine electric distribution member systems ("Utility Members") who are Class A - utility full requirements members to which it provides power pursuant to long-term wholesale electric service contracts. Tri-State has three non-utility members (“Non-Utility Members”). Tri-State's Class A Utility Members and Non-Utility Members are collectively referred to as its “Members.”

Tri-State provides wholesale power to its Utility Members at rates determined by its Board of Directors ("Board"), subject to FERC approval or acceptance. Rates are designed to recover all costs and provide margins to increase Utility Members' equity and to meet certain financial covenants, including a debt service ratio ("DSR") requirement and equity to capitalization ratio ("ECR") requirement.

Tri-State complies with the Uniform System of Accounts as prescribed by FERC. In conformity with GAAP, the accounting policies and practices applied by Tri-State in the determination of rates are also employed for financial reporting purposes.

The accompanying financial statements reflect the consolidated accounts of Tri-State, its wholly-owned and majority-owned subsidiaries, and certain variable interest entities for which Tri-State or its subsidiaries are the primary beneficiaries. See Note 17 – Variable Interest Entities. Tri-State's consolidated financial statements also include its undivided interests in jointly owned facilities. All significant intercompany balances and transactions have been eliminated in consolidation.

Accounting Pronouncement - Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, Income Statement (Subtopic 220-40): Reporting Comprehensive Income - Expense Disaggregation Disclosures. This standard requires public business entities to disclose, in the notes to the financial statements, additional information about specified categories of expenses included in relevant expense captions presented on the face of the income statement. Required disclosures include amounts related to purchases of inventory, employee compensation, depreciation, intangible asset amortization and depletion for both annual and interim periods. In January 2025, the FASB issued ASU 2025-01 which clarified the effective dates of ASU 2024-03. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Tri-State is currently evaluating the impact of ASU 2024-03 on its consolidated financial statement disclosures. Because the amendments affect disclosure requirements only, Tri-State does not expect adoption to have an impact on its consolidated results of operations, financial position or cash flows. Tri-State expects to adopt the ASU 2024-03 disclosure requirements with its Annual Report on Form 10-K for the year ending December 31, 2027.

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832). ASU 2025-10 establishes authoritative guidance for the accounting and disclosure of government grants received by business entities. Under this amendment, a government grant is recognized when it is probable that the entity will comply with the conditions of the grant and that the grant will be received. Grants related to assets are recognized either as deferred income or as a reduction of the

carrying amount of the related asset, while grants related to income are recognized in earnings either as other income or as a reduction of the related expense. ASU 2025-10 also establishes disclosure requirements intended to provide users of financial statements with information about the nature, terms and financial statement effects of government grants. ASU 2025-10 is effective for public business entities for annual periods beginning after December 15, 2028. Early adoption is permitted. Tri-State is evaluating the impact that adoption of ASU 2025-10 will have on its consolidated financial statements and related disclosures.

In May 2026, the FASB issued ASU 2026-02, Environmental Credits and Environmental Credit Obligations (Topic 818). ASU 2026-02 establishes a comprehensive accounting framework for the recognition, measurement, presentation and disclosure of environmental credits, such as renewable energy credits, and environmental credit obligations. The guidance requires environmental credits that meet specified criteria to be recognized as assets, while obligations that may be settled using environmental credits are recognized as liabilities. ASU 2026-02 also requires expanded qualitative and quantitative disclosures regarding the nature, use, valuation and settlement of environmental credits and related obligations. ASU 2026-02 is effective for public business entities for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years. Tri-State is evaluating the effect of adopting ASU 2026-02 on its consolidated financial statements.

NOTE 2 – ACCOUNTING FOR RATE REGULATION

In accordance with the accounting requirements related to regulated operations, some revenues and expenses have been deferred at the discretion of Tri-State's Board, subject to FERC approval, if based on regulatory orders or other available evidence, it is probable that these amounts will be refunded or recovered through future rates. Regulatory assets are costs that Tri-State expects to recover from its Utility Members based on rates approved by the applicable authority. Regulatory liabilities represent probable future reductions in rates associated with amounts that are expected to be refunded to the Utility Members based on rates approved by the applicable authority. Amounts that are no longer expected to be refunded to the Utility Members are recognized in margins. Tri-State recognizes regulatory assets as expenses and regulatory liabilities as operating revenue, other income, or a reduction in expense concurrent with their recovery through rates. Tri-State doesn't earn a rate of return on regulatory items.

Regulatory assets and liabilities are as follows (dollars in thousands):

	September 30, 2026	December 31, 2025
Regulatory assets		
Deferred income tax expense (benefit) (1)	$ —	$ (254)
Deferred prepaid lease expense – Springerville Unit 3 Lease (2)	68,252	69,970
Deferred debt prepayment transaction costs (3)	82,689	89,160
Deferred Holcomb expansion impairment loss (4)	61,940	65,446
New Horizon Mine environmental obligation (5)	40,980	42,326
Colowyo asset retirement and environmental remediation obligations (6)	72,427	79,860
Unrecovered plant (7)	497,662	507,250
Other	335	76
Total regulatory assets	**824,285**	**853,834**
Regulatory liabilities		
Interest rate swap - realized gain (8)	641	924
Deferred income tax benefit (1)	3,503	—
Membership withdrawal (9)	99,104	30,236
Withdrawal related transmission credit (10)	397,378	315,786
Formula rate settlement (11)	10,115	11,500
Total regulatory liabilities	**510,741**	**358,446**
Net regulatory asset	**$ 313,544**	**$ 495,388**

(1) A regulatory asset or liability associated with deferred income taxes generally represents the future increase or decrease in income taxes payable that will be received or settled through future rate revenues.
(2) Represents deferral of the loss on acquisition related to the Springerville Generating Station Unit 3 (“Springerville Unit 3”) prepaid lease expense upon acquiring a controlling interest in the Springerville Unit 3 Partnership LP (“Springerville

Partnership") in 2009. The regulatory asset for the deferred prepaid lease expense is being amortized to depreciation, amortization and depletion expense in the amount of $2.3 million annually through the 47-year period ending in 2056.

(3) Represents transaction costs incurred related to the prepayment of long-term debt in 2014. These costs are being amortized to depreciation, amortization and depletion expense in the amount of $8.6 million annually over the 21.4-year period ending in 2036.

(4) Represents deferral of the impairment loss related to development costs for the expansion of the Holcomb Generating Station. The regulatory asset for the deferred impairment loss is being amortized to depreciation, amortization and depletion expense in the amount of $4.7 million annually over the 20-year period ending in 2039.

(5) Represents $44.9 million of New Horizon Mine environmental obligation expense that was recognized as a regulatory item in 2023. The regulatory asset for the deferred environmental obligation expense is being amortized to depreciation, amortization and depletion expense in the amount of $1.8 million annually over 25 years ending in 2049.

(6) Represents deferral of net expenses from the Colowyo Mine asset retirement and environmental remediation obligations related to the transition from mining to full reclamation as of October 2025. The regulatory asset for the deferred Colowyo Mine asset retirement obligation expense is being amortized to depreciation, amortization and depletion expense in the amount of $4.0 million annually over 19 years, its original expected useful life, ending in 2044.

(7) Represents deferral of the impairment losses and other closure costs related to the early retirement of the Escalante, Rifle and Craig Generating Station Units 2 and 3. The deferred impairment loss for Escalante Generating Station is being amortized to depreciation, amortization and depletion expense in the amount of $12.2 million annually over the 25-year period ending in December 2045, which was the depreciable life of the Escalante Generating Station. The deferred impairment loss for Rifle Generating Station is being amortized to depreciation, amortization and depletion expense in the amount of $0.6 million annually through December 2028, which was the depreciable life of the Rifle Generating Station. Tri-State recognized the early retirement of Craig Station Units 2 and 3 which resulted in the recognition of an impairment loss of $261.6 million. The impairment loss was deferred in accordance with accounting for rate regulation. The deferred impairment loss will be amortized to depreciation, amortization and depletion expense beginning in October 2028 through 2039 for Craig Generating Station Unit 2 and January 2030 through 2043 for Craig Generating Station Unit 3. The annual amortization is expected to approximate the former annual Craig Generating Station Unit 2 and 3 depreciation for the remaining life of the asset.

(8) Represents deferral of a realized gain of $4.6 million related to the October 2017 settlement of a forward starting interest rate swap. This realized gain was deferred as a regulatory liability and is being amortized to interest expense over the 12–year term of the First Mortgage Obligations, Series 2017A and refunded to the Utility Members through reduced rates when recognized in future periods.

(9) Represents the remaining balance of the deferred recognition of other operating revenues related to the withdrawal of former Utility Members from membership in Tri-State. During the nine months ended September 30, 2026, $50.7 million was recognized in operating revenues as part of Tri-State's rate stabilization measures. See Note 13 - Revenue.

(10) Represents the remaining amount of transmission credits from former Utility Members. A portion of withdrawing members' contract termination payments is deferred as a regulatory liability for future transmission service as required by Tri-State's contract termination payment tariff. The transmission credit, plus interest at FERC's prescribed interest rate, is credited on a straight-line amortized basis against the former Utility Member's bill for ongoing transmission service related to Tri-State. If the former Utility Member's transmission bill for a given month is lower than the credit due, the difference is forfeited by the former Utility Member and is recognized in other operating revenues on Tri-State's consolidated statement of operations. Certain elements of the transmission credit remain subject to ongoing proceedings.

(11) Represents the settlement amount Tri-State has agreed to in the settlement agreement, which was accepted by FERC in December 2025, related to Tri-State's Class A wholesale rate schedule (A-41) and the unbundling of certain ancillary services with the Utility Members, net of amortization.

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

Tri-State's property, plant and equipment on its consolidated statements of financial position consists of electric plant and other plant.

ELECTRIC PLANT: As of September 30, 2026, Tri-State's investment in electric plant and the related annual rates of depreciation or amortization calculated using the straight-line method are as follows (dollars in thousands):

	Annual Depreciation Rate			Plant In Service	Accumulated Depreciation	Net Book Value
Generation plant	1.14 %	to	4.14 %	$ 3,367,291	$ (1,908,476)	$ 1,458,815
Transmission plant	1.17 %	to	1.84 %	2,254,630	(839,831)	1,414,799
General plant	1.20 %	to	11.60 %	278,372	(151,543)	126,829
Other	2.75 %	to	10.00 %	249,213	(105,590)	143,623
Electric plant in service (at cost)				**$ 6,149,506**	**$ (3,005,440)**	**3,144,066**
Construction work in progress						197,543
Electric plant						**$ 3,341,609**

As of December 31, 2025, Tri-State's investment in electric plant and the related annual rates of depreciation or amortization calculated using the straight-line method are as follows (dollars in thousands):

	Annual Depreciation Rate			Plant In Service	Accumulated Depreciation	Net Book Value
Generation plant	1.14 %	to	4.14 %	$ 3,375,766	$ (1,836,220)	$ 1,539,546
Transmission plant	1.17 %	to	1.84 %	2,174,345	(828,367)	1,345,978
General plant	1.20 %	to	11.60 %	278,735	(146,589)	132,146
Other	2.75 %	to	10.00 %	246,445	(102,531)	143,914
Electric plant in service (at cost)				**$ 6,075,291**	**$ (2,913,707)**	**3,161,584**
Construction work in progress						143,940
Electric plant						**$ 3,305,524**

JOINTLY OWNED FACILITIES: Tri-State's share in each jointly owned facility is as follows as of September 30, 2026 (these electric plant in service, accumulated depreciation and construction work in progress amounts are included in the electric plant table above) (dollars in thousands):

	Tri-State Share	Electric Plant in Service	Accumulated Depreciation	Construction Work In Progress
Yampa Project - Craig Generating Station Units 1 and 2	24.00 %	$ 392,523	$ 383,905	$ —
MBPP - Laramie River Station	28.50 %	546,356	367,881	3,616
Total		**$ 938,879**	**$ 751,786**	**$ 3,616**

OTHER PLANT: Other plant consists of mine assets (discussed below) and non-utility assets which consist of facilities not in service, land and irrigation equipment. The depreciation basis for all other plant assets is the straight-line method.

Tri-State owns 100 percent of Elk Ridge Mining and Reclamation, LLC (“Elk Ridge”), organized for the purpose of acquiring coal reserves and supplying coal for electric generation. Elk Ridge is the owner of the Colowyo Mine, a surface coal mine near Craig, Colorado, and the New Horizon Mine near Nucla, Colorado. The New Horizon Mine is in post-reclamation monitoring and no longer produces coal. The Colowyo Mine is in final reclamation and no longer produces coal. The expenses related to the Colowyo Mine coal used by Tri-State are included in fuel expense on Tri-State's consolidated statements of operations.

Other plant assets are as follows (dollars in thousands):

	September 30, 2026	December 31, 2025
Colowyo Mine assets	$ 247,255	$ 297,636
New Horizon Mine assets	6,287	6,287
Accumulated depreciation and depletion	(197,058)	(232,575)
Net mine assets	**56,484**	**71,348**
Non-utility assets	551,402	549,487
Accumulated depreciation	(528,030)	(527,902)
Net non-utility assets	**23,372**	**21,585**
Net other plant	**$ 79,856**	**$ 92,933**

NOTE 4 – INVESTMENTS IN OTHER ASSOCIATIONS

Investments in other associations include investments in the patronage capital of other cooperatives and other required investments in the organizations. Tri-State's investment in a cooperative increases when a cooperative allocates patronage capital credits to Tri-State and it decreases when Tri-State receives a cash retirement of the allocated capital credits from the cooperative. A cooperative allocates its patronage capital credits to Tri-State based upon its patronage (amount of business done) with the cooperative.

Investments in other associations are as follows (dollars in thousands):

	September 30, 2026	December 31, 2025
Basin Electric Power Cooperative	$ 142,457	$ 142,457
National Rural Utilities Cooperative Finance Corporation - patronage capital	12,836	12,755
National Rural Utilities Cooperative Finance Corporation - capital term certificates	14,395	14,395
CoBank, ACB	18,846	20,050
Other	5,162	5,168
Investments in other associations	**$ 193,696**	**$ 194,825**

Tri-State's investments in other associations are considered equity securities without readily determinable fair values, and as such are measured at cost minus impairment. Tri-State has evaluated these investments for indicators of impairment. There were no impairments of these investments recognized during the nine months ended September 30, 2026 or during 2025.

NOTE 5 – CASH, CASH EQUIVALENTS AND RESTRICTED CASH AND INVESTMENTS

Tri-State considers highly liquid investments with an original maturity of three months or less to be cash equivalents. The fair value of cash equivalents approximates their carrying values due to their short-term maturity.

Restricted cash and investments represent funds designated by Tri-State's Board for specific uses and funds restricted by contract or other legal reasons. A portion of the funds are amounts that have been restricted by contract that are expected to be settled within one year. These funds are therefore classified as current on Tri-State's consolidated statements of financial position. The other funds are for amounts restricted by contract or other legal reasons that are expected to be settled beyond one year. These funds are classified as noncurrent and are included in other assets and investments on Tri-State's consolidated statements of financial position.

The following table provides a reconciliation of cash, cash equivalents and restricted cash and investments reported within Tri-State's consolidated statements of financial position that sum to the total of the same such amount shown in its consolidated statements of cash flows (dollars in thousands):

	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 218,696	$ 177,557
Restricted cash and investments - current	17,940	1,111
Restricted cash and investments - noncurrent	1,468	2,137
Cash, cash equivalents and restricted cash and investments	**$ 238,104**	**$ 180,805**

NOTE 6 – CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract Assets

A contract asset represents an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance). Tri-State had no contract assets as of September 30, 2026 and December 31, 2025.

Accounts Receivable

Tri-State records accounts receivable for its unconditional rights to consideration arising from its performance under contracts with the Members and other parties. Uncollectible amounts, if any, are identified on a specific basis and charged to expense in the period determined to be uncollectible. See Note 13 – Revenue.

Contract liabilities (unearned revenue)

A contract liability represents an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. Tri-State has received deposits from others and these deposits are reflected in unearned revenue (included in other deferred credits and other liabilities on Tri-State's consolidated statements of financial position) before revenue is recognized, resulting in contract liabilities. During the nine months ended September 30, 2026, Tri-State recognized $0.3 million of this unearned revenue in other operating revenues on its consolidated statements of operations.

Tri-State's contract assets and liabilities consist of the following (dollars in thousands):

	September 30, 2026	December 31, 2025
Accounts receivable - Utility Members	**$ 94,592**	**$ 83,743**
Other accounts receivable - trade:		
Non-member electric sales and transmission	47,985	20,921
Other	6,981	3,807
Total other accounts receivable - trade	**54,966**	**24,728**
Other accounts receivable - non-trade	22,093	8,164
Total other accounts receivable	**$ 77,059**	**$ 32,892**
Contract liabilities (unearned revenue)	**$ 2,807**	**$ 3,182**

NOTE 7 – OTHER DEFERRED CHARGES

The following other deferred charges are reflected on Tri-State's consolidated statements of financial position (dollars in thousands):

	September 30, 2026	December 31, 2025
Preliminary surveys and investigations	$ 12,527	$ 12,988
Advances to operating agents of jointly owned facilities	10,919	11,210
Lease right-of-use assets	10,405	10,955
Financial asset - reclamation	17,638	17,027
Other	3,680	6,366
Total other deferred charges	**$ 55,169**	**$ 58,546**

Tri-State makes expenditures for preliminary surveys and investigations for the purpose of determining the feasibility of contemplated generation and transmission projects. If construction results, the preliminary survey and investigation expenditures are reclassified to electric plant - construction work in progress. If the work is abandoned, the related preliminary survey and investigation expenditures are charged to the appropriate operating expense account, or the expense could be deferred as a regulatory asset to be recovered from the Utility Members through rates subject to approval by Tri-State's Board and FERC.

Tri-State makes advance payments to the operating agents of jointly owned facilities to fund its share of costs expected to be incurred under each project including MBPP – Laramie River Station, and Yampa Project – Craig Generating Station Units 1 and 2. Tri-State also makes advance payments to the operating agent of Springerville Unit 3.

A right-of-use asset represents a lessee’s right to control the use of the underlying asset for the lease term. Right-of-use assets are included in other deferred charges and presented net of accumulated amortization. See Note 15 – Leases.

Financial asset - reclamation represents a receivable from the joint owners of the Yampa Project - Craig Generating Station for their share of reclamation costs at that facility in which they have undivided interests.

NOTE 8 – LONG-TERM DEBT

As of September 30, 2026, Tri-State had $2.9 billion of long-term debt which consists of mortgage notes payable, pollution control revenue bonds and the Springerville certificates. The mortgage notes payable and pollution control revenue bonds are secured on a parity basis by a Master First Mortgage Indenture, Deed of Trust and Security Agreement (“Master Indenture”). Substantially all of Tri-State's assets, rents, revenues and margins are pledged as collateral. The Springerville certificates are secured by the assets of Springerville Unit 3. All long-term debt contains certain restrictive financial covenants, including a DSR requirement on an annual basis and an ECR requirement of at least 18 percent at the end of each fiscal year. Other than long-term debt for the Springerville certificates that has a DSR requirement of at least 1.02 on an annual basis, all other long-term debt contains a DSR requirement of at least 1.10 on an annual basis. A DSR below 1.025 under the Master Indenture would require Tri-State to transfer all cash to a special fund managed by the trustee of the Master Indenture.

Tri-State has a secured revolving credit facility with National Rural Utilities Cooperative Finance Corporation (“CFC”), as lead arranger and administrative agent, in the amount of $650 million ("2026 Credit Agreement") that expires on April 21, 2031, unless extended as provided therein, and includes swingline loan and letter of credit sublimits of $150 million each. As of September 30, 2026, Tri-State had $463 million in availability (including $145 million under the letter of credit sublimit) under the 2026 Credit Agreement.

Tri-State has a secured renewable revolving credit facility with CoBank, as lead arranger, and CFC, as administrative agent, in the amount of $250 million ("Renewable Revolving Credit Agreement") that expires on June 18, 2030. As of September 30, 2026, Tri-State had borrowed $189 million in adjusted Term SOFR rate loans and $61 million of availability remained.

Long-term debt consists of the following (dollars in thousands):

	September 30, 2026	December 31, 2025
Total debt	$ 2,937,156	$ 3,188,697
Less debt issuance costs	(16,036)	(16,591)
Less debt discounts	(7,827)	(8,071)
Plus debt premiums	8,560	9,232
Total debt adjusted for debt issuance costs, discounts and premiums	**2,921,853**	**3,173,268**
Less current maturities	(61,879)	(80,052)
Long-term debt	**$ 2,859,974**	**$ 3,093,216**

NOTE 9 – SHORT-TERM BORROWINGS

Tri-State has a commercial paper program under which it issues unsecured commercial paper. As of September 30, 2026, the commercial paper aggregate amounts outstanding shall not exceed the lesser of $600 million or the amount available under the 2026 Credit Agreement. The commercial paper issuances are used to provide an additional financing source for short-term liquidity needs. The maturities of the commercial paper issuances vary but may not exceed 397 days from the date of issue. The commercial paper notes are classified as current and are included in current liabilities as short-term borrowings on the consolidated statements of financial position.

Short-term borrowings consisted of the following (dollars in thousands):

	September 30, 2026	December 31, 2025
Commercial paper outstanding, net of discounts	$ 181,762	$ —
Short-term borrowings - other	$ 100	$ 100
Weighted average interest rate	4.24 %	— %

As of September 30, 2026, $418 million of the $600 million commercial paper program limit set by Tri-State's current commercial paper program remained available.

NOTE 10 – ASSET RETIREMENT AND ENVIRONMENTAL REMEDIATION OBLIGATIONS

Tri-State accounts for current obligations associated with the future retirement of tangible long-lived assets and environmental remediation in accordance with the accounting guidance relating to asset retirement and environmental obligations. This guidance requires that legal obligations associated with the retirement of long-lived assets be recognized at fair value at the time the liability is incurred and capitalized as part of the related long-lived asset. Over time, the liability is adjusted to its present value by recognizing accretion expense and the capitalized cost of the long-lived asset is depreciated in a manner consistent with the depreciation of the underlying physical asset. In the absence of quoted market prices, Tri-State determines fair value by using present value techniques in which estimates of future cash flows associated with retirement activities are discounted using a credit adjusted risk-free rate and market risk premium. Upon settlement of an asset retirement obligation, Tri-State will apply payment against the estimated liability and incur a gain or loss if the actual retirement costs differ from the estimated recorded liability.

Environmental remediation costs are accrued based on management’s best estimate at the end of each period of the costs expected to be incurred. Such cost estimates may include ongoing care, maintenance and monitoring costs. Changes in reclamation estimates are reflected in earnings in the period an estimate is revised.

Coal mines: Tri-State has asset retirement obligations for the final reclamation costs and environmental obligations for post-reclamation monitoring related to the Colowyo Mine and the New Horizon Mine. The New Horizon Mine is currently in post-reclamation monitoring. The Colowyo Mine is in final reclamation.

Generation: Tri-State has asset retirement obligations related to equipment, dams, ponds, wells and underground storage tanks at its generating stations.

Aggregate carrying amounts of asset retirement obligations and environmental remediation obligations are as follows (dollars in thousands):

	Nine Months Ended September 30, 2026
Obligations at beginning of period	$ 336,768
Liabilities settled	(41,384)
Accretion expense	2,839
Change in estimate	(10,401)
Total obligations at end of period	**$ 287,821**
Less current obligations at end of period	(119,979)
Long-term obligations at end of period	**$ 167,842**

The New Horizon Mine environmental remediation liability balance is $62.5 million as of September 30, 2026. Of this amount, $24.7 million is recorded on a discounted basis, using a discount rate of 6.73 percent, with total estimated undiscounted future cash outflows of $36.6 million. Environmental obligation expense is included in other operating expenses on Tri-State's consolidated statements of operations.

Tri-State also has asset retirement obligations with indeterminate settlement dates. These are made up primarily of obligations attached to transmission and other easements that are considered by Tri-State to be operated in perpetuity and therefore the measurement of the obligation is not possible. A liability will be recognized in the period in which sufficient information exists to estimate a range of potential settlement dates as is needed to employ a present value technique to estimate fair value.

In May 2024, the Environmental Protection Agency ("EPA") published a final rule regarding groundwater monitoring, corrective action, closure, and post-closure care requirements for all coal combustion residuals management units under the Resource Conservation and Recovery Act. Tri-State is progressing through the initial implementation phases for coal combustion residuals management units. Depending on the applicable results, changes to the applicable asset retirement obligations may be required. In February 2026, the EPA published an extension rule and in April 2026 the EPA published draft amendments applicable to coal combustion residual management units. Tri-State is evaluating to determine if there are any material impacts to its facilities. Depending on the final amendment language, changes to the applicable asset retirement obligations may be required. As of September 30, 2026, no changes to recorded asset retirement or environmental remediation obligations have been recognized.

NOTE 11 – OTHER DEFERRED CREDITS AND OTHER LIABILITIES

The following other deferred credits and other liabilities are reflected on Tri-State's consolidated statements of financial position (dollars in thousands):

	September 30, 2026	December 31, 2025
Transmission easements	$ 14,976	$ 15,373
OATT deposits	24,929	32,129
Financial liabilities - reclamation	10,468	10,837
Customer deposits	6,860	16,517
Contract liabilities (unearned revenue) - noncurrent	2,807	3,182
Lease liabilities - noncurrent	6,038	6,473
Other	7,466	7,369
Total other deferred credits and other liabilities	**$ 73,544**	**$ 91,880**

In 2015, Tri-State renewed transmission right-of-way easements on tribal nation lands where certain of its electric transmission lines are located. Tri-State will pay $21.0 million for these easements from 2027 through the individual easement terms ending between 2035 and 2047 (prior to the easement termination event described below). The present values for the remaining easement payments were $15.0 million as of September 30, 2026 and $15.4 million as of December 31, 2025, respectively, which are recorded as other deferred credits and other liabilities. In April 2025, Tri-State submitted a notice of its intent to early terminate a portion of one of its easements on tribal nation lands related to decommissioning of a segment of the

transmission line located on that right-of-way. The timing of decommissioning work is subject to ongoing coordination with the tribe and Bureau of Indian Affairs.

OATT deposits represent refundable transmission customer deposits related to interconnection and transmission requests from third parties. An OATT deposit is refundable as provided in Tri-State's Open Access Transmission Tariff ("OATT").

Financial liabilities - reclamation represent financial obligations that Tri-State has for its share of reclamation costs at jointly owned facilities in which Tri-State has undivided interests.

A lease liability represents a lessee’s obligation to make lease payments over the lease term. The long-term portion of Tri-State's lease liabilities are included in other deferred credits and other liabilities and the current portion of Tri-State's lease liabilities are included in current liabilities. See Note 15 – Leases.

A contract liability represents an entity’s obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. Tri-State has received deposits from others and these deposits are reflected in contract liabilities (unearned revenue) until recognized in other operating revenues over the life of the agreement. Tri-State has received deposits from various parties and those that may still be required to be returned are a liability and these are reflected in customer deposits.

NOTE 12 – EMPLOYEE BENEFIT PLANS

Postretirement Benefits Other Than Pensions

Tri-State sponsors three medical plans for all non-bargaining unit employees under the age of 65. Two of the plans provide postretirement medical benefits to full-time non-bargaining unit employees and retirees who receive benefits under those plans, who have attained age 55, and who elect to participate. All three of these non-bargaining unit medical plans offer post employment medical benefits to employees on long-term disability. The plans were unfunded as of September 30, 2026, are contributory (with retiree premium contributions equivalent to employee premiums, adjusted annually) and contain other cost-sharing features such as deductibles. As of June 30, 2021, the plans ceased to provide postretirement medical benefits for employees who retire after June 30, 2021.

The postretirement medical benefit and post employment medical benefit obligations are determined annually (during the fourth quarter) by an independent actuary. The postretirement medical benefit and post employment medical benefit obligations are included in accumulated postretirement benefit and post employment obligations on Tri-State's consolidated statements of financial position as follows (dollars in thousands):

	Nine Months Ended September 30, 2026
Postretirement medical benefit obligation at beginning of period	$ 347
Interest cost	16
Benefit payments (net of contributions by participants)	(170)
Postretirement medical benefit obligation at end of period	**$ 193**
Postemployment medical benefit obligation at end of period	99
Total postretirement and postemployment medical obligations at end of period	**$ 292**

In accordance with the accounting standard related to postretirement benefits other than pensions, actuarial gains and losses are not recognized in income but are instead recorded in accumulated other income on Tri-State's consolidated statements of financial position. If the unrecognized amount is in excess of 10 percent of the projected benefit obligation, amounts are reclassified out of accumulated other comprehensive income and included in net income as the excess is amortized over the average remaining service lives of the active plan participants. Unrecognized actuarial gains and losses have been determined per actuarial studies for the postretirement medical benefit obligation.

The net unrecognized actuarial gain related to the postretirement medical benefit obligations is included in accumulated other comprehensive income as follows (dollars in thousands):

	Nine Months Ended September 30, 2026
Amounts included in accumulated other comprehensive income at beginning of period	$ 161
Amortization of actuarial gain into other income	(100)
Amounts included in accumulated other comprehensive income at end of period	**$ 61**

Defined Benefit Plans

Tri-State participates in the NRECA Pension Restoration Plan and the NRECA Executive Benefit Restoration Plan, both of which are intended to provide a supplemental benefit to the defined benefit plan for an eligible group of highly compensated employees. Eligible employees include the Chief Executive Officer and any other employees that become eligible. All of Tri-State's executive employees with a hire date prior to May 1, 2021 participate in one of the following pension restoration plans: the NRECA Pension Restoration Plan or the NRECA Executive Benefit Restoration Plan. Eligibility is determined annually and is based on January 1 base salary that exceeds the limits of the defined benefit plan. Employees hired May 1, 2021 or later are not eligible for either plan.

The NRECA Executive Benefit Restoration Plan obligations are determined annually (during the first quarter of the subsequent year) by an NRECA actuary. The executive benefit restoration obligation is included in accumulated postretirement benefit and post employment obligations on Tri-State's consolidated statements of financial position as follows (dollars in thousands):

	Nine Months Ended September 30, 2026
Executive benefit restoration obligation at beginning of period	$ 8,534
Service cost	375
Interest cost	319
Executive benefit restoration at end of period	**$ 9,228**
Fair value of plan assets at beginning of period	$ 10,360
Actual return on plan assets	35
Fair value of plan assets at end of period	**$ 10,395**
Net asset at end of period	**$ 1,167**

Tri-State has an irrevocable trust with an independent third party to fund the NRECA Executive Benefit Restoration Plan. The trust is funded quarterly to the prior year obligation as determined by the NRECA actuary.

In accordance with the accounting standard related to defined benefit pension plans, actuarial gains and losses are not recognized in income but are instead recorded in accumulated other income on Tri-State's consolidated statements of financial position. If the unrecognized amount is in excess of 10 percent of the projected benefit obligation, amounts are reclassified out of accumulated other comprehensive income and included in net income as the excess is amortized over the average remaining service lives of the active plan participants. Unrecognized actuarial gains and losses have been determined per actuarial studies for the executive benefit restoration obligation.

The net unrecognized actuarial gain and prior service cost related to the executive benefit restoration obligations are included in accumulated other comprehensive income as follows (dollars in thousands):

	Nine Months Ended September 30, 2026
Prior service cost at beginning of period	$ (1,176)
Amortization of prior service cost into other income	238
Prior service cost at end of period	$ (938)
Unrecognized actuarial gain at beginning of period	$ 2,545
Amortization of actuarial gain	(235)
Unrecognized actuarial gain at end of period	$ 2,310
Accumulated other comprehensive income at end of period	**$ 1,372**

Net Periodic Benefit Cost

Components of net periodic benefit cost for the nine months ended September 30, 2026 are as follows (dollars in thousands):

	Postretirement Benefits	Executive Benefit Restoration	Total Periodic Benefit Cost
Service cost	$ —	$ 375	$ 375
Interest cost	16	319	335
Amortization of prior service cost	—	238	238
Amortization of actuarial gain	(100)	(235)	(335)
Net periodic benefit cost	$ (84)	$ 697	$ 613

The service cost component of Tri-State's net periodic benefit cost is included in operating expenses on its consolidated statements of operations. The components of net periodic benefit cost other than the service cost component are included in other income (expense) on Tri-State's consolidated statements of operations.

NOTE 13 – REVENUE

Revenue from Contracts with Customers

Tri-State's electric sales revenues are derived from wholesale electric service sales to the Utility Members and non-member purchasers.

Member electric sales.

Tri-State's Class A rate schedule (A-41) for power sales to the Utility Members on file with FERC includes a formulary rate, which can be adjusted annually based on the budget approved by Tri-State's Board, including an annual true-up mechanism. Tri-State's A-41 rate includes energy and demand components.

Energy and demand have the same pattern of transfer to the Utility Members and are both measurements of the power provided to the Utility Members. Therefore, the provision of power to Utility Members is one performance obligation. Prior to Utility Members' requirement for power, Tri-State does not have a contractual right to consideration as Tri-State is not obligated to provide power until the Utility Member requires each incremental unit of power. Tri-State transfers control of the power to Utility Members over time and Utility Members simultaneously receive and consume the benefits of the power. Progress toward completion of Tri-State's performance obligation is measured using the output method: meter readings are taken at the end of each month for billing purposes, energy and demand are determined after the meter readings and Utility Members are invoiced based on the meter reading. Payments from Utility Members are received in accordance with the wholesale electric service contracts' terms, which is less than 30 days from the invoice date. Utility Member electric sales revenue is recorded as Utility Member electric sales on Tri-State's consolidated statements of operations and Accounts receivable – Utility Members on Tri-State's consolidated statements of financial position.

In addition to Utility Member electric sales, Tri-State has non-member electric sales, transmission revenue and other operating revenue which consist of several revenue streams. On April 1, 2026, certain of Tri-State's load and transmission facilities in the Western Interconnection became part of Southwest Power Pool's ("SPP") expansion of its regional transmission organization into the Western Interconnection. Certain of Tri-State's load and generating facilities participate in SPP's integrated

marketplace. The following revenue is reflected on Tri-State's consolidated statements of operations as follows (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Non-member electric sales:				
Long-term contracts	$ 44,766	$ 39,011	$ 136,900	$ 114,284
Short-term contracts	47,787	15,478	67,820	33,108
Rate stabilization	16,491	57,343	50,700	145,469
Provision for rate refunds	(28,320)	—	(39,893)	2,719
Transmission revenue	51,633	25,771	128,746	60,769
Lease revenue	12,602	7,771	36,529	22,329
Coal sales	—	1,249	—	13,714
Other	1,028	5,115	5,253	11,024
Total non-member electric sales and other operating revenue	**$ 145,987**	**$ 151,738**	**$ 386,055**	**$ 403,416**

Non-member electric sales

Revenues from wholesale power sales to non-members are primarily from long-term contracts and short-term market sales. Prior to Tri-State's customers' demand for energy, Tri-State does not have a contractual right to consideration as it is not obligated to provide energy until the customer demands each incremental unit of energy. Tri-State transfers control of the energy to its customer over time and its customer simultaneously receives and consumes the benefits of the power. Progress toward completion of Tri-State's performance obligation is measured using the output method. Payments are received in accordance with the contract terms, which is less than 30 days after the invoice is received by the customer.

Rate Stabilization

Rate stabilization represents revenue recognition from withdrawal of former Utility Members from membership in Tri-State that was previously deferred in accordance with accounting requirements related to regulated operations. Tri-State recognized $50.7 million of deferred membership withdrawal income for the nine months ended September 30, 2026 compared to $145.5 million of deferred membership withdrawal income being recognized for the nine months ended September 30, 2025.

Provision for Rate Refunds

Tri-State is subject to ongoing proceedings at FERC regarding the return on equity and other inputs used in transmission rates of transmission owners under the SPP's OATT related to the expansion of SPP's regional transmission organization into the Western Interconnection. FERC accepted proposed rates subject to refund and established hearing and settlement procedures. These settlement discussions are ongoing and the matter has not been fully resolved. Pending the ultimate outcome of settlement discussions, Tri-State has recorded an estimated provision for rate refund for such amounts that are subject to refund to transmission customers.

Lease Revenue

Lease revenue is from lease agreements where Tri-State is the lessor primarily for certain generation facilities with third parties. Tri-State has tolling agreements with third parties for certain combustion turbine units at Knutson, Pyramid and Limon Generating Stations that were determined to be leases as the third parties have the right to the economic benefits of applicable unit and the third parties control the use of such unit by its contractual rights, including the ability to direct the timing of dispatch of energy. See Note 15 - Leases.

Transmission revenue

Transmission revenue is received for reservation of capacity or transmission of electricity over Tri-State's transmission facilities, including revenue from SPP related to Tri-State's transmission facilities. Each of these services are provided over time and progress toward completion of Tri-State's performance obligations is measured using the output method.

Other operating revenue

Other operating revenue includes income from various dark fiber agreements that Tri-State has with third parties for the use of certain of Tri-State's telecommunication assets and sales of excess intangible assets.

NOTE 14 – INCOME TAXES

Tri-State is a taxable cooperative subject to federal and state taxation. As a taxable electric cooperative, Tri-State is allowed a tax exclusion for margins allocated as patronage capital. Tri-State utilizes the liability method of accounting for income taxes which requires that deferred tax assets and liabilities be determined based on the expected future income tax consequences of events that have been recognized in the consolidated financial statements. Tri-State and its subsidiaries use the flow-through method for recognizing deferred income taxes whereby changes in deferred tax assets or liabilities result in the establishment of a regulatory asset or liability, as approved by Tri-State's Board and FERC. A regulatory asset or liability associated with deferred income taxes generally represents the future increase or decrease in income taxes payable that will be settled or received through future rate revenues. Under this regulatory accounting approach, any income tax expense or benefit on Tri-State's consolidated statements of operation includes only the current portion.

Under ASC 740-270, Tri-State calculates an estimate of the provision for income taxes during interim reporting periods by applying an estimate of the annual effective tax rate for the full fiscal year to income or loss (pretax income or loss excluding unusual or infrequently occurring discrete items) for the reporting period, after regulatory affect. Tri-State's consolidated statements of operations included no income tax expense or benefit for the nine months ended September 30, 2026 and $0.2 million of current income tax expense for the comparable period in 2025. Tri-State is continuing to evaluate the tax impacts of the contract termination payment received in 2026 from a former Utility Member. Any current tax expense expected to be realized as a result of the contract termination payment, if any, will be recorded in the fourth quarter of 2026 when the amount of deferred revenue recognized will be known.

NOTE 15 – LEASES

Leasing Arrangements as Lessee

Tri-State determines if an arrangement is a lease upon commencement of the contract. If an arrangement is determined to be a long-term lease (greater than 12 months), Tri-State recognizes a right-of-use asset and lease liability based on the present value of the future minimum lease payments over the lease term at the commencement date. As most of Tri-State's leases do not provide an implicit rate, it uses its incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. Tri-State's lease terms may also include options to extend or terminate the lease when it is reasonably certain that those options will be exercised. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Right-of-use assets are included in other deferred charges, the current portion of lease liabilities is included in accrued expenses and the long-term portion of lease liabilities is included in other deferred credits and other liabilities on Tri-State's consolidated statements of financial position.

Tri-State has elected to apply the short-term lease exception for contracts that have a lease term of twelve months or less and do not include an option to purchase the underlying asset. Therefore, Tri-State does not recognize a right-of-use asset or lease liability for such contracts. Tri-State recognizes short-term lease payments as expense on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or rate are recognized as expense.

Operating Leases

Tri-State has lease agreements as lessee for the right to use various facilities and operational assets. Rent expense for all short-term and long-term operating leases was $0.6 million for the three months ended September 30, 2026 and $1.1 million for the comparable period in 2025. Rent expense for all short-term and long-term operating leases was $2.0 million for the nine months ended September 30, 2026 and $3.5 million for the comparable period in 2025. Rent expense is included in various categories of operating expenses on Tri-State's consolidated statements of operations based on the type and purpose of the lease.

Tri-State's consolidated statements of financial position include the following lease components (dollars in thousands):

	September 30, 2026	December 31, 2025
Operating leases:		
Operating lease right-of-use assets	$ 14,119	$ 13,807
Less: Accumulated amortization	(3,714)	(2,874)
Net operating lease right-of-use assets	**$ 10,405**	**$ 10,933**
Operating lease liabilities - current	$ (951)	$ (803)
Operating lease liabilities - noncurrent	(6,038)	(6,473)
Total operating lease liabilities	**$ (6,989)**	**$ (7,276)**
Finance leases:		
Finance lease right-of-use assets	$ —	$ 95
Less: Accumulated amortization	—	(73)
Net finance lease right-of-use assets	$ —	$ 22
Finance lease liabilities - current	$ —	$ (13)
Finance lease liabilities - noncurrent	—	—
Total finance lease liabilities	$ —	$ (13)
Lease Term and Discount Rate:		
Weighted-average remaining lease term (in years)		
Operating leases	27.0	26.9
Finance leases	0	0.5
Weighted-average discount rate		
Operating leases	6.83 %	6.82 %
Finance leases	—%	6.99%

Future expected minimum lease commitments under operating leases are as follows (dollars in thousands):

	Operating Leases
Year 1	$ 1,226
Year 2	868
Year 3	739
Year 4	657
Year 5	603
Thereafter	11,614
Total lease payments	**$ 15,707**
Less imputed interest	(8,718)
Total	**$ 6,989**

Energy Storage Agreements

Tri-State has entered into agreements for 500 MWs of electrical storage capacity with estimated commercial operation dates starting from 2028 to 2030 and terminating by 2052. These agreements include a fixed monthly capacity price for the right to use the storage capacity of the facilities and are expected to be accounted for as leases. Total undiscounted contractual payments over the agreements' terms are estimated to be $1.6 billion.

Leasing Arrangements as Lessor

Tri-State has lease agreements as lessor primarily for certain combustion turbine units. The revenue from these lease agreements of $12.6 million and $7.8 million for the three months ended September 30, 2026 and 2025 and $36.5 million and $22.3 million for the nine months ended September 30, 2026 and 2025 are included in other operating revenue on Tri-State's consolidated statements of operations.

Tri-State has entered into tolling agreements with third parties related to certain combustion turbine units, including at Knutson, Limon and Pyramid Generating Stations, for all capacity and energy through the operation of the contracted units. One such agreement commenced in January 2026. In substance these agreements were determined to be leases.

The lease arrangement with the Springerville Partnership is not reflected in Tri-State's lease right-of-use asset or liability balances as the associated revenues and expenses are eliminated in consolidation. See Note 17 - Variable Interest Entities. However, as the non-controlling interest associated with this lease arrangement generates book-tax differences, a deferred tax asset and liability have been recorded.

NOTE 16 – FAIR VALUE

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in the principal market, or in the most advantageous market when no principal market exists. The fair value measurement accounting guidance emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability (market participants are assumed to be independent, knowledgeable, able and willing to transact an exchange and not under duress). In considering market participant assumptions in fair value measurements, a three-tier fair value hierarchy for measuring fair value was established which prioritizes the inputs used in measuring fair value as follows:

Level 1 inputs are based upon quoted prices for identical instruments traded in active (exchange-traded) markets. Valuations are obtained from readily available pricing sources for market transactions (observable market data) involving identical assets or liabilities.

Level 2 inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques (such as option pricing models, discounted cash flow models) for which all significant assumptions are observable in the market.

Level 3 inputs consist of unobservable market data which is typically based on an entity’s own assumptions of what a market participant would use in pricing an asset or liability as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Executive Benefit Restoration Plan Trust

Tri-State has an irrevocable trust with an independent third party to fund the NRECA Executive Benefit Restoration Plan. The trust is funded quarterly to the prior year obligation as determined by the NRECA actuary. The trust consists of investments in equity and debt securities and are measured at fair value on a recurring basis. Changes in the fair value of investments in equity securities are recognized in earnings and changes in fair value of investments in debt securities classified as available-for-sale are recognized in other comprehensive income until realized. The estimated fair value of the investments is based upon their active market value (Level 1 inputs) and is included in other noncurrent assets on Tri-State's consolidated

statements of financial position. The cost and fair values of Tri-State's marketable securities related to the executive benefit restoration plan trust are as follows (dollars in thousands):

	September 30, 2026		December 31, 2025	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Executive benefit restoration plan trust	$ 10,609	$ 10,395	$ 10,337	$ 10,360

Deferred Compensation

Tri-State holds marketable securities in connection with the directors' and executives' elective deferred compensation plans which consist of investments in stock funds, bond funds and money market funds. These securities are measured at fair value on a recurring basis with changes in fair value recognized in earnings. The estimated fair value of the investments is based upon their active market value (Level 1 inputs) and is included in other noncurrent assets on Tri-State's consolidated statements of financial position. The cost and fair values of Tri-State's marketable securities related to the deferred compensation plans are as follows (dollars in thousands):

	September 30, 2026		December 31, 2025	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Deferred compensation	$ 654	$ 738	$ 597	$ 637

Cash Equivalents

Tri-State invests portions of its cash and cash equivalents in commercial paper, money market funds, and other highly liquid investments. The fair value of these investments approximates Tri-State's cost basis in the investments. In aggregate, the fair value was $177.0 million as of September 30, 2026 and $137.0 million as of December 31, 2025.

Asset Retirement and Environmental Remediation obligations

Accounting for asset retirement and environmental remediation obligations requires legal obligations associated with the retirement of long-lived assets to be recognized at fair value when incurred and capitalized as part of the related long-lived asset. In the absence of quoted market prices, Tri-State estimates the fair value of its asset retirement obligations using present value techniques, in which estimates of future cash flows associated with retirement activities are discounted using a credit-adjusted risk-free rate. Estimating the amount and timing of future expenditures includes, among other things, making projections of when assets will be retired and ultimately decommissioned, the amount of decommissioning costs, and how costs will escalate with inflation.

Debt

The fair values of long-term debt were estimated using discounted cash flow analyses based on the current incremental borrowing rates for similar types of borrowing arrangements. These valuation assumptions utilize observable inputs based on market data obtained from independent sources and are therefore considered Level 2 inputs (quoted prices for similar assets, liabilities (adjusted) and market corroborated inputs). The principal amounts and fair values of debt are as follows (dollars in thousands):

	September 30, 2026		December 31, 2025	
	Principal Amount	Estimated Fair Value	Principal Amount	Estimated Fair Value
Total long-term debt	$ 2,937,156	$ 2,647,691	$ 3,188,697	$ 3,068,509

NOTE 17 – VARIABLE INTEREST ENTITIES

The following is a description of Tri-State's financial interests in variable interest entities that it considers significant. This includes an entity for which Tri-State is determined to be the primary beneficiary and therefore consolidate.

Consolidated Variable Interest Entity

Springerville Partnership: Tri-State owns a 51 percent equity interest, including the 1 percent general partner equity interest, in the Springerville Partnership, which is the 100 percent owner of Springerville Unit 3 Holding LLC ("Owner Lessor"). The Owner Lessor is the owner of Springerville Unit 3. Tri-State, as general partner of the Springerville Partnership,

has the full, exclusive and complete right, power and discretion to operate, manage and control the affairs of the Springerville Partnership and take certain actions necessary to maintain the Springerville Partnership in good standing without the consent of the limited partners. Additionally, the Owner Lessor has historically not demonstrated an ability to finance its activities without additional financial support. The financial support is provided by Tri-State's remittance of lease payments in order to permit the Owner Lessor, the holder of the Springerville Unit 3 assets, to pay the debt obligations and equity returns of the Springerville Partnership. Tri-State has the primary risk (expense) exposure in operating the Springerville Unit 3 assets and is responsible for 100 percent of the operation, maintenance and capital expenditures of Springerville Unit 3 and the decisions related to those expenditures including budgeting, financing and dispatch of power. Based on all these facts, it was determined that Tri-State is the primary beneficiary of the Owner Lessor. Therefore, the Springerville Partnership and Owner Lessor have been consolidated by Tri-State.

Assets and liabilities of the Springerville Partnership that are included in Tri-State's consolidated statements of financial position are as follows (dollars in thousands):

	September 30, 2026	December 31, 2025
Net electric plant	$ 605,335	$ 635,777
Noncontrolling interest	129,358	130,132
Long-term debt	171,657	172,158
Accrued interest	1,999	4,997

Tri-State's consolidated statements of operations include the following Springerville Partnership expenses for the three and nine months ended September 30, 2026 and 2025 (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Depreciation, amortization and depletion	$ 10,147	$ 10,147	$ 30,442	$ 30,442
Interest	2,828	2,839	8,493	8,525

The revenue associated with the Springerville Partnership lease has been eliminated in consolidation. Income, losses and cash flows of the Springerville Partnership are allocated to the general and limited partners based on their equity ownership percentages. The net income or loss attributable to the 49 percent non-controlling equity interest in the Springerville Partnership is reflected on Tri-State's consolidated statements of operations.

NOTE 18 – LEGAL

Other than as disclosed below or in Tri-State's annual report on Form 10-K for the year ended December 31, 2025 filed with the SEC, Tri-State does not expect any litigation or proceeding pending or threatened against it to have a potential material effect on its financial condition, results of operations or cash flows.

NRPPD Section 206 Complaint: On March 25, 2024, Northwest Rural Public Power District ("NRPPD") filed a Federal Power Act ("FPA") section 206 proceeding with FERC, Docket No. EL24-93, against Tri-State and Basin Electric Power Cooperative ("Basin") asking FERC to exercise primary jurisdiction over the interpretation of FERC's December 19, 2023 order related to Tri-State's contract termination payment tariff and Tri-State's Amended and Restated Wholesale Power Contract for the Eastern Interconnection with Basin ("Basin Eastern WPC"). In particular, NRPPD requested that FERC hold that NRPPD’s withdrawal from Tri-State is permissible under the Basin Eastern WPC and that NRPPD’s contract termination payment calculation is the appropriate contract termination payment. On December 5, 2024, FERC issued an order denying NRPPD's complaint because NRPPD failed to satisfy its burden under FPA section 206. FERC's order also determined that NRPPD's withdrawal from Tri-State does not cause a breach of the Basin Eastern WPC ("FERC NRPPD Order"). On February 13, 2025, Basin filed a petition for review of the FERC NRPPD Order, Case No. 25-1060, with the United States Court of Appeals for the District of Columbia Circuit ("DC Circuit Court of Appeals"). On March 17, 2025, Tri-State filed a notice of intervention in Basin's petition for review. On October 2, 2026, the DC Circuit Court of Appeals issued an opinion denying Basin's petitions for review and affirming FERC's determination that NRPPD's withdrawal from Tri-State does not cause a breach of the Basin Eastern WPC.

Las Tusas Fire. In the first quarter of 2026, Tri-State was added as a co-defendant to an existing lawsuit against its Utility Member, Mora San Miguel Electric Cooperative, Inc. (“MSMEC”), relating to the Las Tusas fire that occurred in May 2023 in San Miguel County, New Mexico. Tri-State’s operations, assets or personnel are not alleged to be the cause of the fire.

Rather, it is alleged that MSMEC's facilities started the fire and that Tri-State had influence over or oversight of MSMEC's activities. Tri-State filed an answer to the amended complaint on May 20, 2026. Tri-State plans a vigorous defense in close coordination with its insurance carrier and with primary defense costs covered by insurance. It is not possible to predict the outcome of this matter or whether Tri-State will incur any resulting liability.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Tri-State is a taxable wholesale electric power generation and transmission cooperative operating on a not-for-profit basis. Tri-State was formed by its Utility Members for the purpose of providing wholesale power and transmission services to its Utility Members (which are distribution electric cooperatives and public power districts) for resale to their retail consumers. Utility Members serve large portions of Colorado, Nebraska, New Mexico and Wyoming. Tri-State also sells a portion of its generated power to other utilities pursuant to long-term contracts and short-term sale arrangements. Utility Members provide retail electric service to suburban and rural residences, farms and ranches, cities, towns and communities, as well as large and small businesses and industries.

Tri-State is owned entirely by its forty-two Members of which thirty-nine are Utility Members. Thirty-five of the Utility Members are not-for-profit, electric distribution cooperative associations. Four Utility Members are public power districts, which are political subdivisions of the State of Nebraska. Tri-State also has three Non-Utility Members. Tri-State is regulated as a public utility under Part II of the FPA.

Tri-State supplies and transmits its Utility Members' power requirements through a portfolio of resources, including generation and transmission facilities, long-term purchase contracts and short-term energy purchases. Tri-State owns, leases, has undivided interests in, or long-term purchase contracts with respect to various generating facilities. Tri-State's diverse generation portfolio has a maximum available power of 4,948 MWs, of which approximately 1,959 MWs comes from renewables.

During the nine months ended September 30, 2026, Tri-State's operating results benefited from continued Utility Member load growth, a 6.8 percent increase in the formulary rate charged to Utility Members, strong market demand for surplus energy sales and participation in wholesale energy markets, including the expansion of SPP's RTO to the Western Interconnection beginning April 1, 2026. Tri-State sold 13.7 million MWhs for the nine months ended September 30, 2026, of which 75.5 percent was to Utility Members. Total revenue from electric sales was $1.1 billion for the nine months ended September 30, 2026 of which 80.8 percent was from Utility Member sales. Non-member electric sales and transmission revenues benefited from higher bilateral and market activity. These increases in operating revenues were partially offset by higher purchased power and fuel costs and recognition of an estimated provision for transmission rate refunds associated with ongoing FERC proceedings regarding transmission rates of other transmission owners under SPP's OATT.

On April 1, 2026, LPEA withdrew from membership in Tri-State and paid its contract termination obligation. Consistent with prior Board actions regarding contract termination payments, a substantial portion of the withdrawal proceeds was deferred as regulatory liabilities for future rate stabilization and transmission credit obligations. Additionally, Tri-State executed a Membership Withdrawal Agreement with NRPPD in September 2026 and continues to evaluate the potential effects of withdrawal notices received from additional Nebraska and New Mexico Utility Members.

Tri-State continues to execute its long-term resource transition strategy while maintaining reliability and financial strength. FERC accepted Tri-State's High Impact Load Tariff, creating a framework to evaluate new high impact load opportunities, including data centers. Tri-State also continues to advance renewable and energy storage initiatives. Management believes its liquidity position, available credit facilities, commercial paper program, and anticipated future contract termination proceeds provide sufficient resources to fund operations, capital expenditures, and debt obligations.

Wholesale Electric Service Contracts

Tri-State's Bylaws require each Utility Member, unless otherwise specified in a written agreement or the terms of the Bylaws, to purchase from Tri-State power and energy as provided in the Utility Member's all-requirements wholesale electric service contract with Tri-State. Each contract obligates Tri-State to sell and deliver to the Utility Member, and the Utility Member to purchase and receive from Tri-State, all energy and capacity required for the operation of the Utility Member's system, as modified by two programs accepted by FERC (a self-supply percentage and the BYOR Program). See also "Item 1 – BUSINESS — MEMBERS" in Tri-State's annual report on Form 10-K for the year ended December 31, 2025.

Thirty-two Utility Members have wholesale electric service contracts with an initial expiration date of December 31, 2066. Seven Utility Members have wholesale electric service contracts with an initial expiration date of December 31, 2050.

Member Withdrawals and Relationship with Members

Pursuant to Tri-State's Bylaws, a Member may only withdraw from membership in Tri-State upon compliance with such equitable terms and conditions as Tri-State's Board may prescribe provided, however, that no Member shall be permitted to withdraw until it has met all its contractual obligations to Tri-State. Tri-State's contract termination payment tariff on file with FERC as Rate Schedule No. 281 provides a process should a Utility Member elect to withdraw from membership in Tri-State and terminate its wholesale electric service contract. The tariff process includes requirements for a two-year notice and the payment to Tri-State of a contract termination payment. See also "Item 1 – BUSINESS – MEMBERS - Contract Termination Payment and Relationship with Members" in Tri-State's annual report on Form 10-K for the year ended December 31, 2025.

On April 1, 2026, LPEA withdrew from membership in Tri-State and pursuant to Tri-State's contract termination payment tariff and a membership withdrawal agreement, terminated its wholesale electric service contract with Tri-State. In accordance with the membership withdrawal agreement, LPEA paid Tri-State a final payment of $159.3 million, consisting of a total contract termination payment of $208.4 million, less a $49.1 million credit for the discounted value of LPEA's patronage capital in Tri-State. Of the total contract termination payment, $88.9 million was deferred as a regulatory liability for future transmission service as required by the contract termination payment tariff. The remaining $119.5 million membership withdrawal income was deferred as a regulatory liability for future rate stabilization. Tri-State also sold LPEA certain assets for $7.3 million that closed on April 24, 2026.

In December 2024, NRPPD, which is electrically served in the Eastern Interconnection, provided Tri-State a non-conditional notice to withdraw from membership in Tri-State, with a January 1, 2027, withdrawal effective date. In September 2026, Tri-State filed with FERC a Membership Withdrawal Agreement containing the parties' agreement on terms of NRPPD's withdrawal. In reliance upon a July 2026 letter from Basin representing that neither NRPPD nor Tri-State owe Basin an exit fee or other payment as a result of NRPPD's withdrawal from Tri-State, the Membership Withdrawal Agreement includes an estimated final payment from Tri-State to NRPPD of approximately $4.1 million, reflecting payment for the discounted value of NRPPD's patronage capital net of estimated amounts owed by NRPPD to Tri-State for the purchase of certain assets and for Tri-State's costs incurred for NRPPD's previous attempt to withdraw from Tri-State in 2024. The final payment amount is subject to revision for final amounts, including if Basin provides new or additional information indicating a change to the amount Tri-State owes to Basin.

In November 2025, three Nebraska Utility Members provided Tri-State non-conditional notices to withdraw from membership in Tri-State, including CRPPD, which is electrically served in both the Eastern and Western Interconnections; PREMA, which is electrically served in the Eastern Interconnection; and RPPD, which is electrically served in the Western Interconnection, each with a December 1, 2027, withdrawal effective date. In March 2026, WBPPD, which is electrically served in both the Eastern and Western Interconnections, and Jemez, which is electrically served in the Western Interconnection, each provided Tri-State a non-conditional notice to withdraw from membership in Tri-State, with an April 1, 2028, withdrawal effective date. In May 2026, MECC, which is electrically served in the Eastern Interconnection, provided Tri-State a non-conditional notice to withdraw from membership in Tri-State, with a June 1, 2028, withdrawal effective date.

Tri-State cannot predict if any of these seven Utility Members will actually withdraw from membership in Tri-State. These seven Utility Members comprised 10.4 percent of Tri-State's Utility Member revenue for the nine months ended September 30, 2026 and 8.7 percent of Tri-State's Utility Member revenue for the year ended December 31, 2025.

Certain elements of Tri-State's contract termination payment tariff remain subject to an ongoing proceeding at the United States Court of Appeals for the Tenth Circuit. See Item 1 – BUSINESS – MEMBERS - Contract Termination Payment and Relationship with Members" in Tri-State's annual report on Form 10-K for the year ended December 31, 2025 for further information.

Consistent with prior withdrawals of Utility Members, Tri-State anticipates that some or all of contract termination payments received may be deferred as regulatory liabilities, subject to Tri-State's Board's discretion, and the contract termination payments may be recognized as revenue in future periods to offset the revenue otherwise recoverable from Utility Members. See also "Item 1 – BUSINESS – MEMBERS - Contract Termination Payment and Relationship with Members" and "RISK FACTORS - Members and Regulatory Risks" in Tri-State's annual report on Form 10-K for the year ended December 31, 2025.

Recent Developments

In March 2026, Tri-State filed with FERC a new High Impact Load Tariff and pro forma agreement to create a repeatable process to address requests to serve high impact loads that have large load requirements, including data centers. In

August 2026, FERC accepted Tri-State's tariff and pro forma agreement. In September 2026, Tri-State commenced its first review cycle for proposed high impact load projects. Tri-State has received and is reviewing applications for seven projects with approximately five gigawatts of potential incremental load by 2034 under the high impact load cycle and associated BYOR projects under the BYOR Program. Results of Tri-State's evaluation processes, including screening for reliability, affordability, responsibility and transmission planning impacts, are expected in the first half of 2027. Tri-State cannot predict whether any proposed projects and resources will pass the evaluations, and if so, whether they will reach commercial operation.

In March 2025, Wyoming enacted House Bill 192, "Public utilities-wildfire mitigation and liability limits," which establishes liability and damages limitations for utilities that maintain Wildfire Mitigation Plans approved by the Wyoming Public Service Commission. Tri-State filed its Wildfire Mitigation Plan with the Wyoming Public Service Commission in March 2026, and the plan was approved in August 2026.

On September 25, 2026, Tri-State, the other joint owners, and SPP received an emergency order from the Department of Energy under Section 202(c) of the FPA directing that Craig Generating Station Unit 1 be available to operate through December 25, 2026, and for SPP to employ economic dispatch of Craig Generating Station Unit 1 to minimize costs to ratepayers.

Changing Environmental Regulations

Tri-State is subject to various federal, state and local laws, rules and regulations with regard to air quality, including greenhouse gases, water quality and other environmental matters. These environmental laws, rules and regulations are complex and change frequently.

For a discussion regarding potential effects on Tri-State's business from environmental regulations, see "Item 1 – BUSINESS — ENVIRONMENTAL REGULATION" and "Item 1 – RISK FACTORS" in Tri-State's annual report on Form 10-K for the year ended December 31, 2025 and "Item 2– MANAGEMENT'S DISCUSSION AND ANALYSIS" in Tri-State's quarterly report on Form 10-Q for the quarter ended March 31, 2026.

Critical Accounting Policies

The preparation of Tri-State's financial statements in conformity with GAAP requires that its management make estimates and assumptions that affect the amounts reported in its consolidated financial statements. Tri-State based these estimates and assumptions on information available as of the date of the financial statements and they are not necessarily indicative of the results to be expected for the year. As of September 30, 2026, there were no material changes in Tri-State's critical accounting policies as disclosed in its annual report on Form 10-K for the year ended December 31, 2025.

Factors Affecting Results

Master Indenture

As of September 30, 2026, Tri-State had approximately $2.9 billion of secured indebtedness outstanding under its Master Indenture. Substantially all of Tri-State's tangible assets and certain of its intangible assets are pledged as collateral under its Master Indenture. Tri-State's Master Indenture requires Tri-State to establish rates annually that are reasonably expected to achieve a DSR of at least 1.10 on an annual basis and permits Tri-State to incur additional secured obligations as long as, after giving effect to the additional secured obligation, it will continue to meet the DSR requirement on both a historical and pro forma basis. Tri-State's Master Indenture also requires Tri-State to maintain an ECR of at least 18 percent at the end of each fiscal year. Pursuant to Tri-State's Master Indenture, the DSR and ECR are calculated based on unconsolidated Tri-State financials and calculated in accordance with the system of accounts proscribed by FERC.

Margins and Patronage Capital

Tri-State operates on a cooperative basis and, accordingly, seeks only to generate revenues sufficient to recover its cost of service and to generate margins sufficient to meet certain financial requirements and to establish reasonable reserves. Revenues in excess of current period costs in any year are designated as net margins in Tri-State's consolidated statements of operations. Net margins are treated as advances of capital by the Members and are allocated to its Utility Members on the basis of revenue from electricity purchases from Tri-State and to the Non-Utility Members as provided in their respective membership agreement.

Tri-State's Board Policy for Financial Goals and Capital Credits sets guidelines to achieve margins and retain patronage capital sufficient to maintain a sound financial position and to allow for the orderly retirement of capital credits

allocated to the Members. On a periodic basis, Tri-State's Board determines whether to retire patronage capital, and in what amounts, to its Members.

Tri-State's Board Policy for Financial Goals and Capital Credits includes three financial ratio goals for which Tri-State sets rates: (i) a minimum DSR of at least 1.15, (ii) a minimum ECR of at least 20 percent, and (iii) a minimum net margin attributable to Tri-State in each fiscal year of at least $20 million. Tri-State's Board Policy also provides that any extraordinary funds, such as contract termination payments, received by Tri-State will be recorded (a) in the year received to increase net margins, subject to loan agreement restrictions, (b) in the year received with the same amount of regulatory assets written off in the same fiscal year, resulting in no net change in net margins, or (c) deferred as a regulatory liability in the year received and recognized as revenue in future period or periods, with the oldest vintage year used first. Tri-State recognized $50.7 million of previously deferred membership withdrawal income during the nine months ended September 30, 2026.

Rates and Regulation

Tri-State's electric sales revenues are derived from wholesale electric service sales to the Utility Members and non-member purchasers. Revenues from power sales to the Utility Members are primarily from Tri-State's Class A wholesale rate schedule filed with FERC. Revenues from wholesale power sales to Tri-State's non-member purchasers are primarily pursuant to Tri-State's market-based rate authority.

Tri-State's Class A wholesale rate schedule (A-41) for power sales to its Utility Members on file with FERC is a postage stamp rate, with the same rate components for all Utility Members, and incorporates a formulary rate, which can be adjusted annually based on the budget approved by Tri-State's Board, and includes an annual true-up mechanism. The A-41 rate includes both energy-based and demand-based components. For further information, see "Item 1 – BUSINESS — RATE REGULATION" in Tri-State's annual report on Form 10-K for the year ended December 31, 2025.

In September 2026, Tri-State's Board approved the 2027 budget, which is expected to result in a wholesale rate increase to the Utility Members of 6.5 percent for 2027.

Tri-State's Board may, from time to time, subject to FERC approval, create new regulatory assets or liabilities or modify the expected recovery period through rates of existing regulatory assets or liabilities.

Tax Status

Tri-State is a taxable cooperative subject to federal and state taxation. As a taxable electric cooperative, Tri-State is allowed a tax exclusion for margins allocated as patronage capital. Tri-State utilizes the liability method of accounting for income taxes which requires that deferred tax assets and liabilities be determined based on the expected future income tax consequences of events that have been recognized in the consolidated financial statements. Tri-State and its subsidiaries use the flow-through method for recognizing deferred income taxes whereby changes in deferred tax assets or liabilities result in the establishment of a regulatory asset or liability, as approved by Tri-State's Board. A regulatory asset or liability associated with deferred income taxes generally represents the future increase or decrease in income taxes payable that will be settled or received through future rate revenues.

Results of Operations

General

Tri-State's electric sales revenues are derived from wholesale electric service sales to its Utility Members and non-member purchasers. See "Factors Affecting Results – Rates and Regulation" for a description of Tri-State's energy and demand rates to its Utility Members. Long-term contract sales to non-members generally include energy and demand components. Short-term sales to non-members are sold at market prices after consideration of incremental production costs. Demand billings to non-members are typically billed per kilowatt of capacity reserved or committed to that customer.

Weather has a significant effect on the peak demand and total usage of electricity and consequently, on revenues. Relatively higher summer or colder winter temperatures tend to increase the usage of electricity for heating, air conditioning and irrigation. Mild weather generally reduces the usage of electricity. The amount of precipitation during the growing season (generally May through September) impacts irrigation use. Other factors affecting the Utility Members' usage of electricity include:

- the amount, size and usage of machinery and electronic equipment;
- the expansion or contraction of operations among the Utility Members' commercial and industrial customers;
- the general growth in population; and
- economic conditions.

Other Impacts

Tri-State's ability to meet its Utility Members' power requirements and complete its capital projects is dependent on maintaining an efficient supply chain. The procurement and delivery of materials and equipment have been impacted by domestic and global supply chain disruptions. Tri-State is experiencing longer lead-times on procurement of certain materials and equipment. Supply chain inflation and tariffs have contributed to higher prices for materials and equipment. Tariffs are far reaching, widespread, and changing, making it difficult for Tri-State and its suppliers to plan for, avoid or mitigate the impacts of higher costs throughout the supply chain. Tri-State continues to monitor potential impacts to its operations and estimated capital expenditures and timing of projects related to inflationary pressures, tariffs, and supply chain disruptions.

Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

Operating Revenues

Tri-State's operating revenues are primarily derived from power sales to its Utility Members and non-member purchasers. Other operating revenue consists primarily of transmission and lease revenue. The following is a comparison of Tri-State's operating revenues and energy sales in MWh by type of purchaser for the three months ended September 30, 2026 and 2025 (dollars in thousands):

	Three Months Ended September 30,		Period-to-period Change	
	2026	2025	Amount	Percent
Operating revenues				
Utility Member electric sales	$ 330,210	$ 306,568	$ 23,642	7.7 %
Non-member electric sales	92,553	54,489	38,064	69.9 %
Rate stabilization	16,491	57,343	(40,852)	(71.2)%
Provision for rate refunds	(28,320)	—	(28,320)	100.0 %
Other	65,263	39,906	25,357	63.5 %
Total operating revenues	**$ 476,197**	**$ 458,306**	**$ 17,891**	3.9 %
Energy sales (in MWh):				
Utility Member electric sales	3,897,984	3,873,290	24,694	0.6 %
Non-member electric sales	1,346,274	788,982	557,292	70.6 %
	5,244,258	**4,662,272**	**581,986**	12.5 %

- Utility Member electric sales was higher during the three months ended September 30, 2026 compared to the same period in 2025 primarily due to a 7.0 percent increase in the average rates charged to Utility Members and higher energy sales to continuing Utility Members. Energy sales to continuing Utility Members resulted in an increase of $39.1 million or 218,279 MWhs for the three months ended September 30, 2026 compared to the same period in 2025. The favorable impact of the rate increase and higher continuing Utility Member load growth was partially offset by a loss of energy sales of $15.5 million or 193,585 MWhs to a former Utility Member.
- Non-member electric sales revenue increased primarily due to higher sales into wholesale energy markets, including the expansion of SPP's RTO to the Western Interconnection beginning April 1, 2026, and higher long-term sales. Wholesale energy market sales increased 392,005 MWhs for the three months ended September 30, 2026 compared to the same period in 2025. Long-term sales increased 164,175 MWhs to 622,546 MWhs for the three months ended September 30, 2026 compared to 458,371 MWhs for the same period in 2025.
- Tri-State recognized $16.5 million of previously deferred membership withdrawal income during the three months ended September 30, 2026 compared to $57.3 million of deferred membership withdrawal income being recognized during the same period in 2025 as part of its rate stabilization measures.
- Provision for rate refunds reduced revenues during the three months ended September 30, 2026 compared to the same period in 2025 due to the recording of estimated refunds for ongoing proceedings at FERC regarding inputs used in transmission rates of other transmission owners under SPP's OATT related to the expansion of SPP's RTO into the Western Interconnection.
- Other operating revenue increased primarily due to higher transmission revenue and an increase in lease revenue related to a tolling agreement for one combustion turbine unit that began in January 2026.

Operating Expenses

Tri-State's operating expenses are primarily comprised of the costs that Tri-State incurs to supply and transmit its Utility Members' power requirements through a portfolio of resources, including generation and transmission facilities, long-term purchase contracts and short-term energy purchases and the costs associated with any sales of power to non-members.

The following is a summary of the components of Tri-State's operating expenses for the three months ended September 30, 2026 and 2025 (dollars in thousands):

	Three Months Ended September 30,		Period-to-period Change	
	2026	2025	Amount	Percent
Operating expenses				
Purchased power	$ 165,790	$ 138,450	$ 27,340	19.7 %
Fuel	67,929	32,035	35,894	112.0 %
Production	43,764	44,842	(1,078)	(2.4)%
Transmission	50,782	51,917	(1,135)	(2.2)%
General and administrative	38,429	43,905	(5,476)	(12.5)%
Depreciation, amortization and depletion	44,460	75,647	(31,187)	(41.2)%
Coal mining	(923)	1,234	(2,157)	(174.8)%
Other	2,507	2,432	75	3.1 %
Total operating expenses	**$ 412,738**	**$ 390,462**	**$ 22,276**	5.7 %

- Purchased power expense increased during the three months ended September 30, 2026 compared to the same period in 2025 primarily due to higher average costs of purchased power of 14.7 percent.
- Fuel expense increased during the three months ended September 30, 2026 compared to the same period in 2025 primarily due to an increase of 223,843 MWh in generation from Tri-State's natural gas-fired generating facilities.
- Depreciation, amortization and depletion expense decreased primarily due to Colowyo Mine related assets reaching the end of their useful lives which reduced depreciation, amortization and depletion expense by $28.4 million in the third quarter of 2026 compared to the same period in 2025.

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

Operating Revenues

The following is a comparison of Tri-State's operating revenues and energy sales in MWh by type of purchaser for the nine months ended September 30, 2026 and 2025 (dollars in thousands):

	Nine Months Ended September 30,		Period-to-period Change	
	2026	2025	Amount	Percent
Operating revenues				
Utility Member electric sales	$ 861,595	$ 820,217	$ 41,378	5.0 %
Non-member electric sales	204,720	147,392	57,328	38.9 %
Rate stabilization	50,700	145,469	(94,769)	(65.1)%
Provision for rate refunds	(39,893)	2,719	(42,612)	100.0 %
Other	170,528	107,836	62,692	58.1 %
Total operating revenues	**1,247,650**	**1,223,633**	**$ 24,017**	2.0 %
Energy sales (in MWh):				
Utility Member electric sales	10,308,457	10,484,083	(175,626)	(1.7)%
Non-member electric sales	3,372,411	2,244,786	1,127,625	50.2 %
	13,680,868	**12,728,869**	**951,999**	7.5 %

- Utility Member electric sales was higher during the nine months ended September 30, 2026 compared to the same period in 2025 primarily due to a 6.8 percent increase in the average rates charged to Utility Members and higher energy sales to continuing Utility Members. Energy sales to continuing Utility Members resulted in an increase of

$75.9 million or 283,224 MWhs for the nine months ended September 30, 2026 compared to the same period in 2025. The favorable impact of the rate increase and higher continuing Utility Member load growth was partially offset by a loss of energy sales of $34.5 million or 458,850 MWhs to former Utility Members.

- Non-member electric sales revenue increased primarily due to higher sales into wholesale energy markets and higher long-term sales. Wholesale energy market sales increased 678,172 MWhs for the nine months ended September 30, 2026 compared to the same period in 2025. Long-term sales increased 483,296 MWhs to 1,942,422 MWhs for the nine months ended September 30, 2026 compared to the same period in 2025.
- Tri-State recognized $50.7 million of deferred membership withdrawal income during the nine months ended September 30, 2026 compared to $145.5 million of deferred membership withdrawal during the same period in 2025 as part of its rate stabilization measures.
- Provision for rate refunds reduced revenues during the nine months ended September 30, 2026 compared to the same period in 2025 due to the recording of estimated refunds for ongoing proceedings at FERC regarding inputs used in transmission rates of other transmission owners under SPP's OATT related to the expansion of SPP's RTO into the Western Interconnection.
- Other operating revenue increased primarily due to higher transmission revenue and an increase in lease revenue related to a tolling agreement for one combustion turbine unit that began in January 2026.

Operating Expenses

The following is a summary of the components of Tri-State's operating expenses for the nine months ended September 30, 2026 and 2025 (dollars in thousands):

	Nine Months Ended September 30,		Period-to-period Change	
	2026	2025	Amount	Percent
Operating expenses				
Purchased power	401,202	345,999	$ 55,203	16.0 %
Fuel	140,375	120,378	19,997	16.6 %
Production	138,008	119,022	18,986	16.0 %
Transmission	141,050	137,876	3,174	2.3 %
General and administrative	125,605	123,183	2,422	2.0 %
Depreciation, amortization and depletion	141,196	219,582	(78,386)	(35.7)%
Coal mining	9,225	8,406	819	9.7 %
Other	8,377	7,474	903	12.1 %
Total operating expenses	**$ 1,105,038**	**$ 1,081,920**	**$ 23,118**	2.1 %

- Purchased power expense increased during the nine months ended September 30, 2026 compared to the same period in 2025 primarily due to higher average costs of 11.5 percent and higher energy purchases of 428,241 MWh, or 5.4 percent.
- Fuel expense increased during the nine months ended September 30, 2026 compared to the same period in 2025 primarily due to higher average fuel costs of 10.2 percent and a different mix of generating resources used to serve load. Generation from Tri-State's coal fired generating facilities decreased 320,184 MWhs for the nine months ended September 30, 2026, while generation from natural gas-fired and internal combustion facilities increased 246,430 MWhs. These changes resulted in increased fuel expense for the nine months ended September 30, 2026 compared to the same period in 2025.
- Production expense increased during the nine months ended September 30, 2026 compared to the same period in 2025 primarily due to increased maintenance expenses at Tri-State's coal-fired generating facilities.
- Depreciation, amortization and depletion expense decreased primarily due to Colowyo Mine related assets reaching the end of their useful lives which reduced depreciation, amortization and depletion expense by $79.5 million for the nine months ended September 30, 2026 compared to the same period in 2025.

Financial Condition as of September 30, 2026 Compared to December 31, 2025

The principal changes in Tri-State's financial condition from December 31, 2025 to September 30, 2026 were due to increases and decreases in the following:

Assets

- Construction work in progress increased $53.6 million, or 37.2 percent, to $197.5 million as of September 30, 2026

compared to $143.9 million as of December 31, 2025. The increase was primarily due to capital expenditures for various transmission and generation projects.

- Restricted cash and investments-current increased $16.8 million to $17.9 million as of September 30, 2026 compared to $1.1 million as of December 31, 2025. The increase was primarily due to $16.8 million deposited with Tri-State's Master Indenture trustee in September 2026 in advance of its October 1, 2026 debt service payments for the 2014 private placement and Moffat County Pollution Control Bonds. In accordance with Tri-State's Master Indenture, Tri-State is required to fund the account one day prior to debt service payments.

Liabilities

- Utility Member advances increased $9.6 million, or 92.3 percent, to $20.0 million as of September 30, 2026 compared to $10.4 million as of December 31, 2025. Utility Member advances represents the principal amount of funds received from Utility Members for prepayment of their monthly power bills. The balance varies depending on the amount Utility Members elect to apply to their power bill each month and or to roll to a future month. Utility Member prepaid balances earn a stated rate of interest.
- Accounts payable increased $72.5 million, or 55.9 percent, to $202.0 million as of September 30, 2026 compared to $129.5 million as of December 31, 2025. The increase was primarily due to a $40.6 million increase in the provision for rate refunds related to accruing for an estimated refund of SPP transmission revenue, a $6.1 million increase in transmission credits payable to former Utility Members, and timing of payment of trade and other payables.
- Short-term borrowings increased $181.8 million to $181.9 million as of September 30, 2026 compared to $0.1 million as of December 31, 2025. The increase was due to issuance of commercial paper to support capital expenditures and to repay the $160 million balance on Tri-State's 2022 Revolving Credit Agreement.
- Accrued interest increased $19.3 million, or 85.2 percent, to $41.9 million as of September 30, 2026 compared to $22.6 million as of December 31, 2025 due to timing of interest payments.
- Regulatory liabilities increased $152.3 million, or 42.5 percent, to $510.7 million as of September 30, 2026 compared to $358.4 million as of December 31, 2025. The increase was primarily due to LPEA's withdrawal from membership in Tri-State and the termination of its wholesale electric service contract with Tri-State. Regulatory liabilities was also impacted by the recognition of deferred membership withdrawal income of $50.7 million and amortization of transmission credit from former Utility Members of $7.3 million during the nine months ended September 30, 2026.

Liquidity and Capital Resources

Tri-State finances its operations, working capital needs and capital expenditures from operating revenues and issuance of short-term and long-term borrowings. As of September 30, 2026, Tri-State had $218.7 million in cash and cash equivalents. Tri-State's committed credit arrangement as of September 30, 2026 is as follows (dollars in thousands):

	Authorized Amount	Available September 30, 2026	
2026 Credit Agreement	$ 650,000	$ 462,843	(1)

(1) The portion of this facility that was unavailable as of September 30, 2026 was $187 million which was dedicated to support outstanding commercial paper and letters of credit.

Tri-State has a secured 2026 Revolving Credit Agreement with aggregate commitments of $650 million. The 2026 Credit Agreement includes swingline loan and letter of credit sublimits of $150 million each, of which $150 million of the swingline loan sublimit and $145 million of the letter of credit sublimit remained available as of September 30, 2026. As of September 30, 2026, Tri-State had $462.8 million of availability under the 2026 Revolving Credit Agreement.

The 2026 Credit Agreement is secured under Tri-State's Master Indenture. Funds advanced under the 2026 Credit Agreement bear interest either at Term SOFR rates or alternate base rates, at Tri-State's option. The Term SOFR rate is the Term SOFR rate for the term of the advance plus a margin (1.250 percent as of September 30, 2026) based on Tri-State's credit ratings. Base rate loans bear interest at the alternate base rate plus a margin (0.250 percent as of September 30, 2026) based on Tri-State's credit ratings. The alternate base rate is the highest of (a) the federal funds rate plus 0.50 percent, (b) the prime rate, and (c) the Term SOFR rate plus 1.00 percent.

Tri-State has a commercial paper program under which it issues unsecured commercial paper. Under Tri-State's commercial paper program, the commercial paper aggregate amounts outstanding shall not exceed the lesser of $600 million or the amount available under the 2026 Credit Agreement, thereby providing 100 percent dedicated support for any commercial paper outstanding. As of September 30, 2026, Tri-State had $182 million commercial paper outstanding.

Tri-State has a secured Renewable Revolving Credit Agreement with CoBank as lead arranger and CFC as administrative agent, in the amount of $250 million. The proceeds from this facility are required to be used for eligible green investments, as defined in the Renewable Revolving Credit Agreement. As of September 30, 2026, Tri-State had borrowed $189 million in adjusted Term SOFR rate loans under such facility and $61 million of availability remained. Tri-State is required to use any investment tax credits received from the green investments to pay down amounts outstanding on this facility.

The Renewable Revolving Credit Agreement is secured under the Master Indenture and has a maturity date of June 18, 2030. The adjusted Term SOFR rate is the Term SOFR rate for the term of the advance plus 0.10 percent plus a margin (1.200 percent as of September 30, 2026) based on Tri-State's credit ratings. Base rate loans bear interest at the alternate base rate plus a margin (0.125 percent as of September 30, 2026) based on Tri-State's credit ratings. The alternate base rate is the highest of (a) the federal funds rate plus 0.50 percent, (b) the prime rate, and (c) the adjusted Term SOFR rate plus 1.00 percent.

The 2026 Credit Agreement and Renewable Revolving Credit Agreement contain customary representations, warranties, covenants, events of default and acceleration, including financial DSR and ECR requirements in line with the covenants contained in the Master Indenture. A violation of these covenants would result in the inability to borrow under the facilities.

In September 2023, Tri-State submitted a Letter of Interest to apply for a funding award of low-cost loans and grants through the New ERA Program, a $9.7 billion USDA program funded by the IRA. Tri-State's portfolio proposed in its Letter of Interest was the result of resource and financial modeling performed in connection with Tri-State's preferred IRA scenario as part of Phase I of its 2023 ERP. Tri-State has signed award commitment letters from USDA related to low-cost loans and grants through the New ERA Program. There is no guarantee as to the scope, amounts of funds, and the timing of such disbursements, if any.

Tri-State may, from time to time, raise additional capital through debt financing or retire outstanding debt through cash purchases. Such financing or purchases, if any, will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. The amounts involved may be material. Tri-State is mindful of its debt and its maturities, and continually evaluates options to ensure that the balance sheet and capital structure are aligned with the business and the long-term health of the cooperative.

Tri-State believes it has sufficient liquidity to fund operations and capital financing needs from projected cash on hand, the commercial paper program, the 2026 Credit Agreement, and expected contract termination payments from withdrawing Utility Members.

Cash Flow

Cash is provided by operating activities and issuance of debt. Capital expenditures comprise a significant use of cash.

Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

Operating activities. Net cash provided by operating activities was $333.3 million for the nine months ended September 30, 2026 compared to $150.7 million for the same period in 2025, an increase in net cash provided by operating activities of $182.6 million. The increase in net cash provided by operating activities was due to LPEA's final payment of $159.3 million. Additionally, cash provided by operating activities was impacted by the timing of cash collected from Utility Member and nonmember accounts receivable and the payment of trade payables and accrued expenses.

Investing activities. Net cash used in investing activities was $164.0 million for the nine months ended September 30, 2026 compared to $281.9 million for the same period in 2025, a decrease in net cash used in investing activities of $117.9 million. The decrease in net cash used in investing activities was due to lower capital expenditures in the current year compared to prior year. The higher capital expenditures during 2025 were primarily related to construction of the Axial Basin and Dolores Canyon solar facilities. Capital expenditures during the nine months ended September 30, 2026 related to various transmission and generation projects.

Financing activities. Net cash used in financing activities was $112.0 million for the nine months ended September 30, 2026 compared to net cash provided by financing activities of $119.4 million for the same period in 2025, a decrease in net cash provided by financing activities of $231.4 million. The decrease was primarily due to payments of long-term debt of $257.2 million including $160 million for Tri-State's 2022 Revolving Credit Agreement and retirement of patronage capital of $49.1 million related to LPEA's withdrawal from membership. These decreases were partially offset by the issuance of

commercial paper to support capital expenditures and to repay the $160 million balance on Tri-State's 2022 Revolving Credit Agreement.

Capital Expenditures

Tri-State forecasts capital expenditures annually as part of its long-term planning, and its annual capital budget is approved by Tri-State's Board and long-term capital plan is reviewed by the Board. Tri-State regularly reviews these projections to update calculations to reflect changes in its future plans, facility closures, facility costs, market factors, and other items affecting its forecasts. In the years 2027 through 2029, Tri-State's Board approved capital plan forecasts investments of approximately $1.21 billion in new facilities and upgrades to existing facilities. Tri-State estimates total 2026 capital expenditures to be between $250 million and $270 million.

Tri-State's capital expenditures depend on a variety of factors, including assumptions related to Tri-State's 2023 ERP, Utility Member load growth, Utility Member withdrawals, BYOR Program, availability of necessary permits, regulatory changes, environmental requirements, inflation, tariffs, construction delays and costs, receipt of federal funding, and ability to access capital in credit markets. Thus, actual capital expenditures may vary significantly from Tri-State's capital budget forecasts.

Rating Triggers

Tri-State's current senior secured ratings are “Baa2 (stable outlook)” by Moody’s, “BBB (stable outlook)” by S&P, and “BBB+ (stable outlook)” by Fitch. Tri-State's current short-term ratings are “A-2” by S&P and “F1” by Fitch.

Tri-State's 2026 Credit Agreement includes a pricing grid related to the Term SOFR spread, commitment fee and letter of credit fees due under the facility. Tri-State's Renewable Revolving Credit Agreement includes a pricing grid related to the Term SOFR spread and commitment fee. Certain of Tri-State's other loan agreements also include a pricing grid related to the Term SOFR spread. A downgrade of Tri-State's senior secured ratings could result in an increase in each of these pricing components. Tri-State does not believe that any such increase would have a material adverse effect on the financial condition or future results of operations. However, a downgrade of Tri-State's senior secured ratings could impact the costs associated with incurring additional debt and could make accessing the debt markets on favorable terms more difficult.

Tri-State currently has contracts and other obligations that require adequate assurance of performance. These include organized markets contracts, power contracts, natural gas supply contracts and financial risk management contracts. Some of the contracts are directly tied to Tri-State maintaining investment grade credit ratings by S&P and Moody’s. Tri-State may enter into additional contracts which may contain adequate assurance requirements. If Tri-State is required to provide adequate assurances, it may impact Tri-State's liquidity and the amount of adequate assurance required will be dependent on Tri-State's credit ratings.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to market risks during the most recent fiscal quarter from those reported in Tri-State's annual report on Form 10-K for the year ended December 31, 2025.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, under the supervision and with the participation of Tri-State's management, including its principal executive officer and principal financial officer, Tri-State conducted an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based on this evaluation, Tri-State's principal executive officer and principal financial officer concluded that its disclosure controls and procedures are effective.

Changes in Internal Controls

There have been no changes in Tri-State's internal controls over financial reporting that occurred during the most recent fiscal quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, Tri-State's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information required by this Item is contained in Note 18 to the Unaudited Consolidated Financial Statements in Item 1.

Item 5. Other Information

On November 2, 2026, Tri-State received notice from its Chief Executive Officer, Duane Highley, that he intends to retire in April 2027 after 8 years of service with Tri-State. Tri-State's Board plans to initiate a search for its next Chief Executive Officer.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
10.1	Membership Withdrawal Agreement, between Tri-State Generation and Transmission Association, Inc. and Northwest Rural Public Power District, dated September 25, 2026
31.1	Rule 13a-14(a)/15d-14(a) Certification, by Duane Highley (Principal Executive Officer).
31.2	Rule 13a-14(a)/15d-14(a) Certification, by Bryan R. Davis (Principal Financial Officer).
32.1	Certification Pursuant to 18 U.S.C. 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Duane Highley (Principal Executive Officer).
32.2	Certification Pursuant to 18 U.S.C. 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Bryan R. Davis (Principal Financial Officer).
101	XBRL Interactive Data File.
104	Cover Page Interactive Data File, formatted in Inline XBRL

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Tri-State Generation and Transmission Association, Inc.

Date: November 6, 2026

By: /s/ Duane Highley
Duane Highley
Chief Executive Officer

Date: November 6, 2026

/s/ Bryan R. Davis
Bryan R. Davis
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)