

# License Compliance & Lands Services

## Q3-Q4 Business Review & Forecast

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Grant PUD Commission Meeting – October 14, 2023



Powering our way of life.

# Departmental Purpose and Goal

- In alignment with Grant PUD's safety, financial, and compliance goals, the License Compliance & Lands Services Department is responsible for the protection of Grant PUD's natural resources through implementation of the Priest Rapids Project license, management of Grant PUD's lands and waters within the Project Boundary, and in providing company-wide real property, permitting, and geographic information system (GIS) services.



# License Compliance & Lands Services 2023 Goals

- Conduct all work in a manner that sends everyone home safely at the end of the day
- Support District projects with high-quality real estate, permitting, and GIS services
- Partner with Public Affairs on Big 3 Key Priority for recreation marketing campaign and website improvements
- Develop a service request procedure for real estate services
- Provide support to users of Grant PUD's new Project Scoping Tool
- Provide permitting education Districtwide
- Identify and resolve reservoir safety issues
- Complete and communicate 5-year analysis for Crescent Bar Golf Course
- Conduct and analyze recreation in-person visitor surveys and usage data

# 2023 Q3 Compliance Review



- Safety

- Recordable incidents = 0
- Injuries = 0
- Non-recordable incidents = 1
- Vehicle incidents = 0
- Safety meeting attendance = 100%
- Job Site Reviews = 4

- Regulatory Review

- FERC filings by Grant PUD = 1
- Filings by third-parties = 0
- FERC approvals/orders/notices = 2

# License Implementation – Q3 Review

- Prepared for and supported FERC environmental compliance inspection
- Completed recreation visitor surveys
- Operated and maintained recreation areas and worked with Security to manage crowds
- Completed Wanapum Visitor Center repairs
- Continued reservoir assessments to identify potential hazards
- Removed 13 unauthorized buoys and hunting blind



# License Implementation – Q3 Review

- Completed designs and specifications for Crescent Bar parking lot improvements
- Expanded Crescent Bar kayak loading area



# License Implementation – Q3 Spotlight

## FERC Environmental Compliance Inspection

- Staff preparation/tour = 454 labor hours
- Inspected all 19 recreation areas
- Presentations on cultural resource/fish & wildlife programs
- Toured Wanapum Heritage Center repository
- Toured Priest Rapids Hatchery
- Toured Wanapum and Priest powerhouses
- Required to complete 10-year update to Public Safety Plan by year's end



# License Implementation – Q3 Spotlight

## Recreation Visitor Surveys

- Gathered a total of 570 recreation visitor surveys
- Survey asked:
  - Location of primary residence and whether they pay Grant PUD bill
  - Activities participated in during their visit
  - What they liked most/least
  - Recommendations for changes

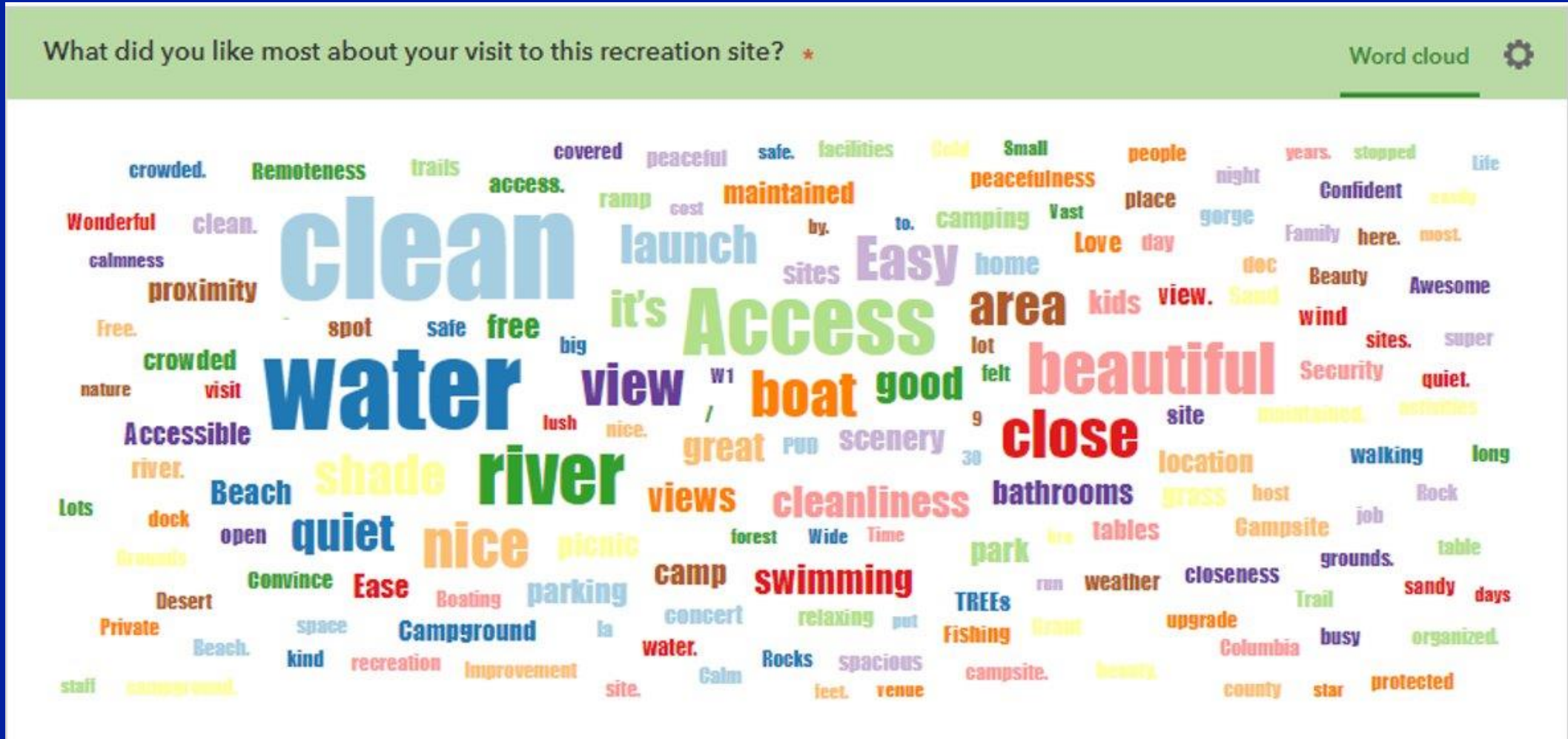


Summer recreation monitoring interns Campbell Grizzel and Alex Moreno



# License Implementation – Q3 Spotlight

Final report will be available in early 2024



# License Implementation – Q4 Preview

- Compile and analyze recreation monitoring data
- Explore mosquito and milfoil solutions
- Complete Rocky Coulee repairs
- Complete Crescent Bar parking lot improvements
- Complete reservoir assessment
- Automate land-use authorization application process
- Continue shoreline monitoring activities



# Lands & Permitting Services – Q3-Q4

- QTEP

- Col-MV, MH Loop 1, MH-RF segments

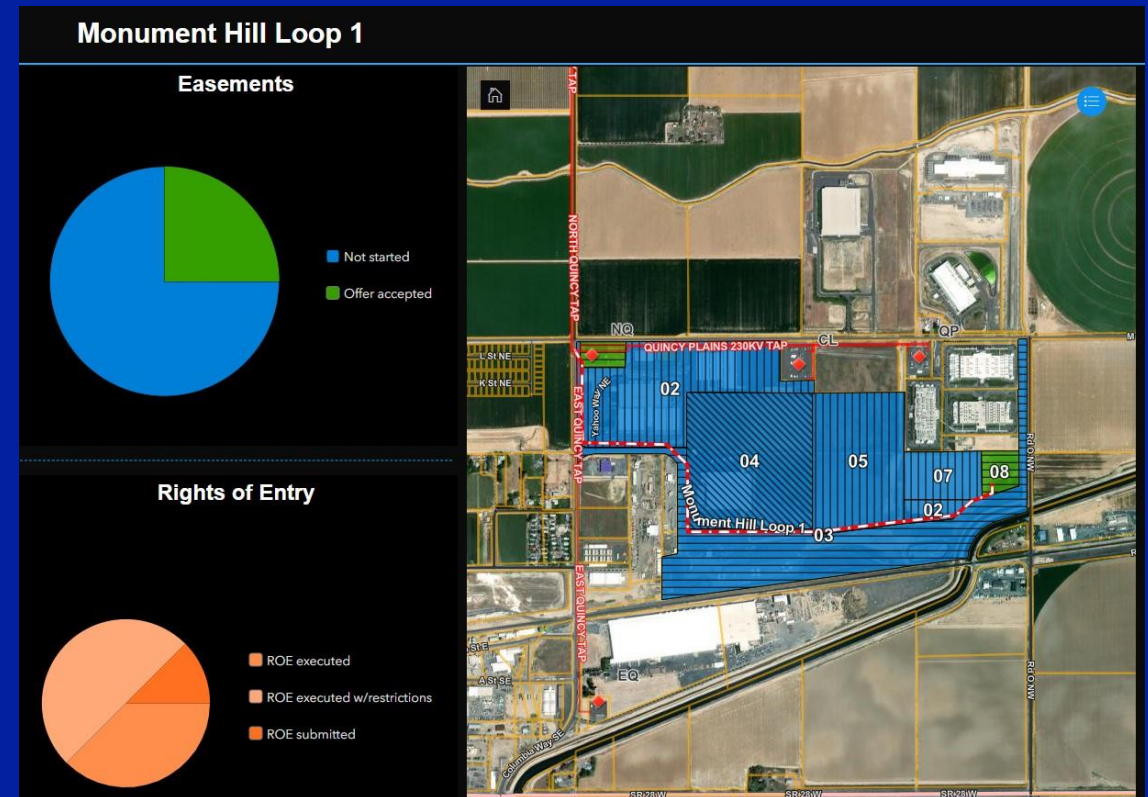
- ✓ Appraisals completed
    - ✓ 26 Rights of Entry obtained
    - ✓ Easement acquisitions underway

- Wan-MV segment

- ✓ Environmental studies underway
    - ✓ Landowner contact ongoing
    - ✓ Anticipating right-of-entry efforts beginning in Q4

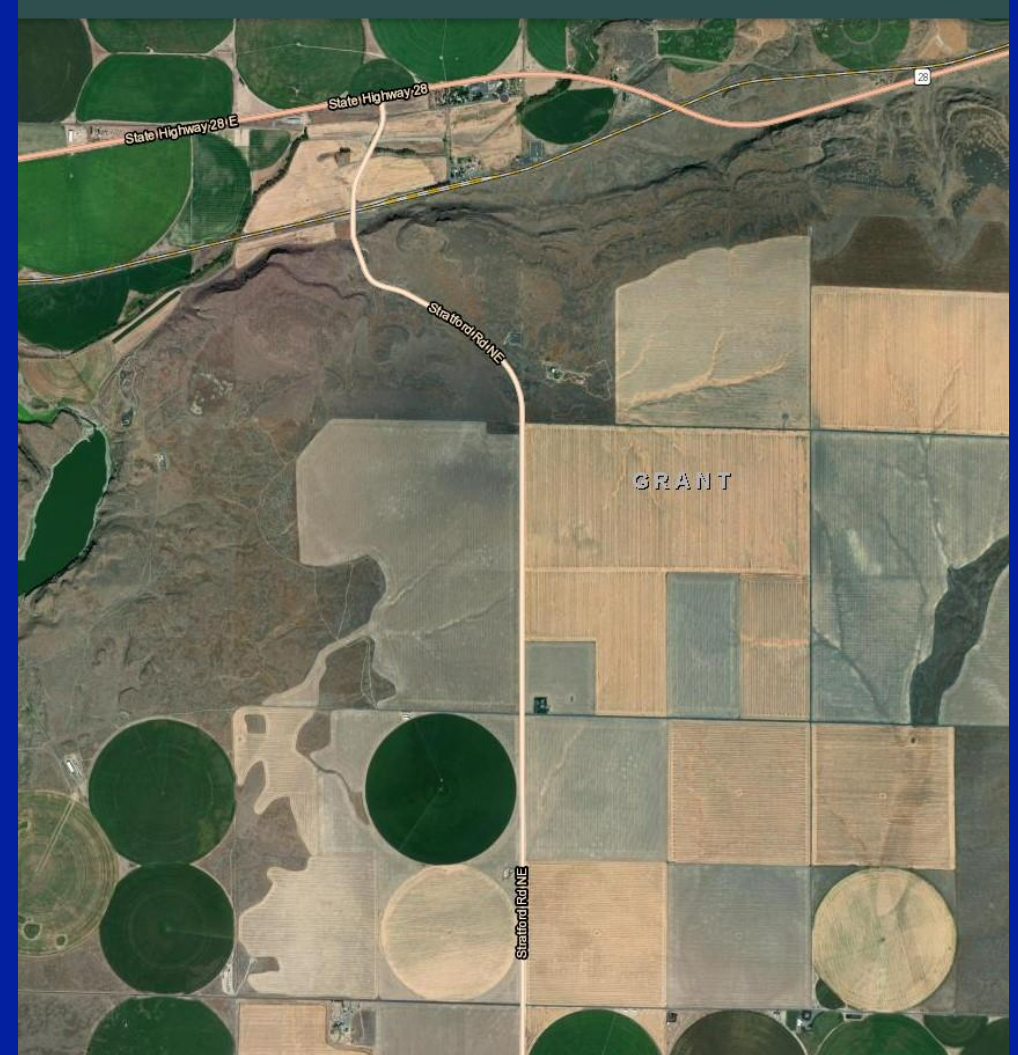
- Power Delivery Facilities

- ✓ Property negotiations continue
  - ✓ Ongoing due-diligence



# Lands & Permitting Services – Q3-Q4

- **Larson/Stratford 115kV relocation**
  - ✓ Lines must be moved outside of Grant County's existing road right-of-way
  - ✓ Opportunity to replace aging infrastructure
  - ✓ Opportunity for power capacity enhancements
- **Group 14 distribution power**
  - ✓ Permitting process underway
  - ✓ Easement coordination support
- **Fiber Expansion**
  - ✓ Ongoing permitting support



# Lands & Permitting Services – Q3-Q4

- **PR Siphon Intake**
  - ✓ Continued permitting agency coordination
- **PR Anchoring Project**
  - ✓ Initiation of NCRRP and permitting support as needed
- **WSDOT franchise consolidation**
- **Environmental Affairs support**
  - ✓ Vantage safety fencing
  - ✓ Rocky Coulee washout repairs
  - ✓ Carlton water rights
  - ✓ Crescent Bar parking lot improvements



**Thank you!**





# Telecom & Fiber Services

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Quarter 3

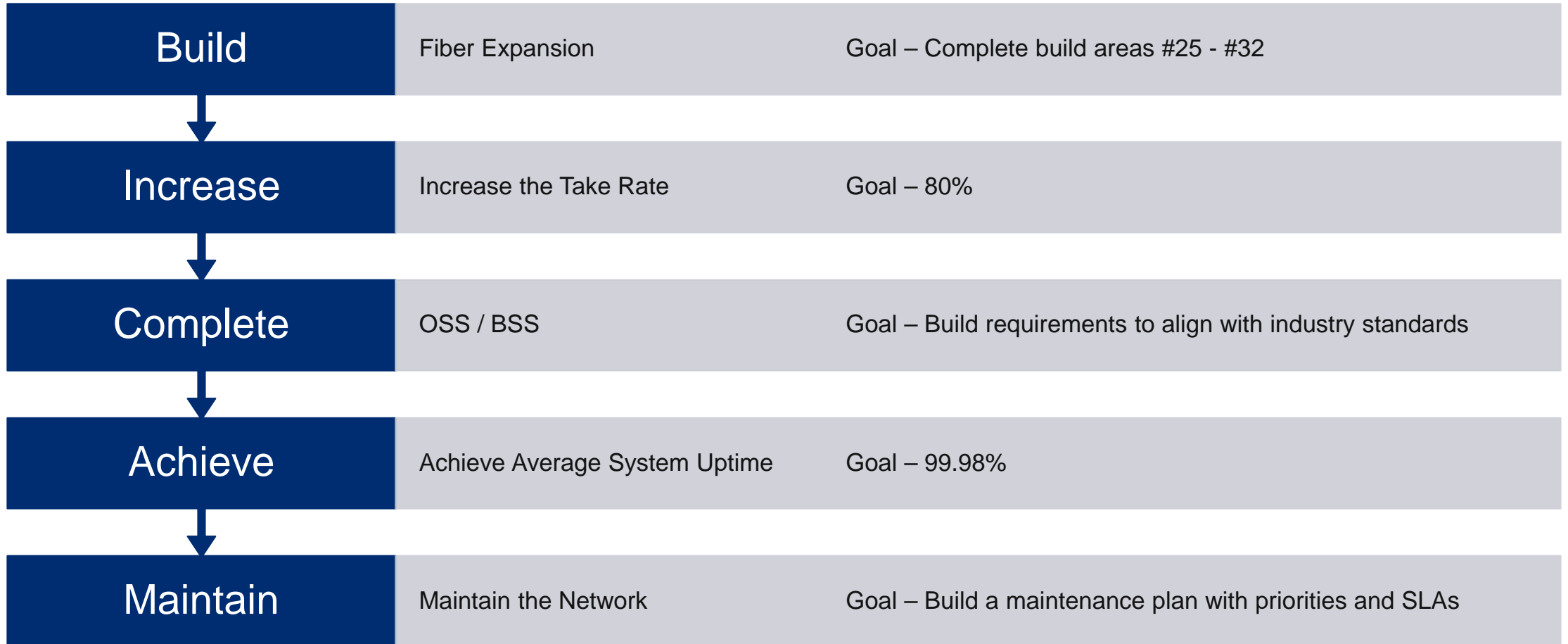
2023 Business Report

October 10, 2023



Powering our way of life.

# Wholesale Fiber Priorities





# Strategic Plan – Objective 7

## Develop A Sustainable Fiber Optic Network

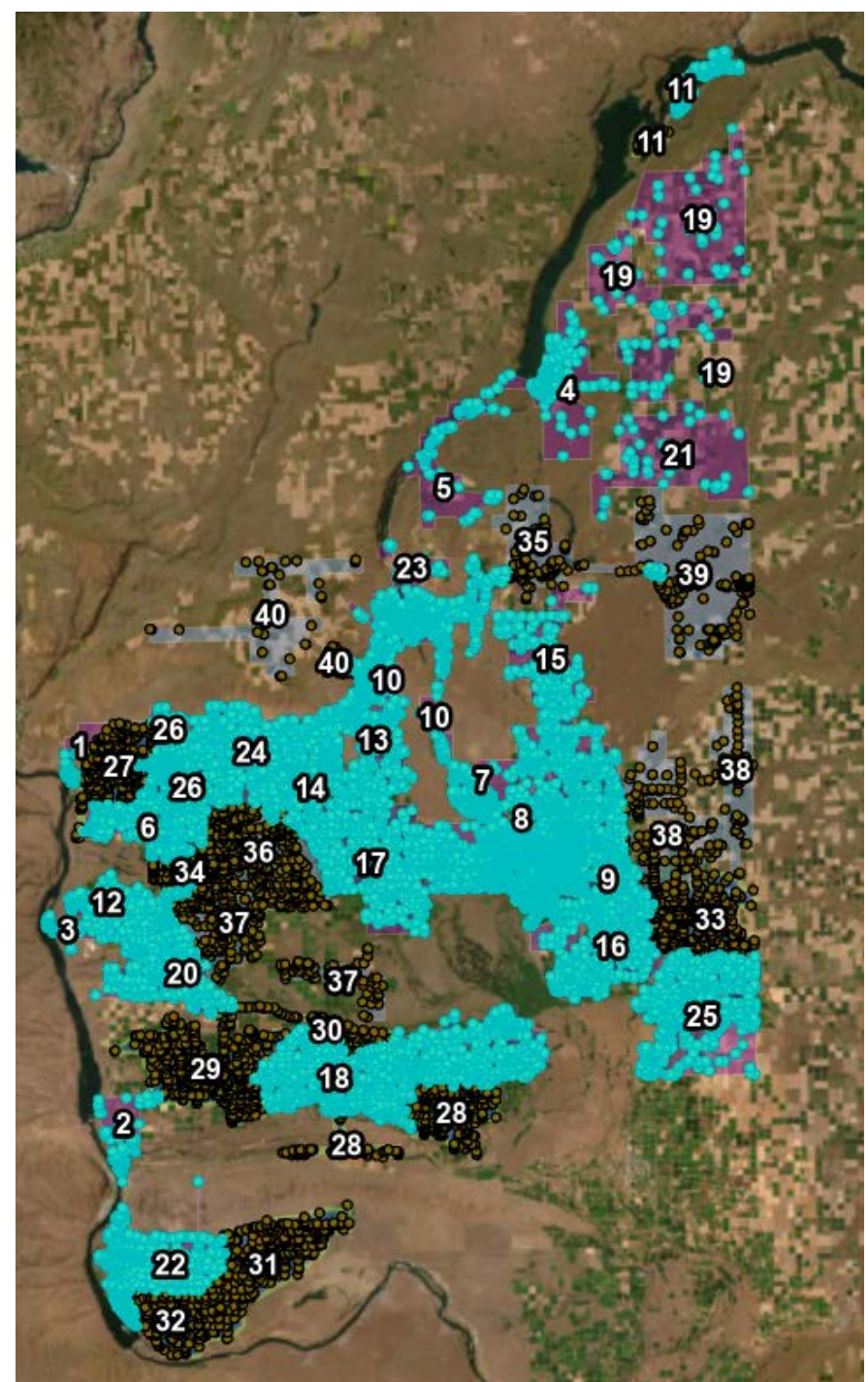
We are committed to expanding and maintaining our wholesale fiber optic network to all the people of Grant County. We seek to identify and offer services that meet customers' needs and increase network revenue for the utility. As with all utility services, we make decisions that best serve present and future generations of customers.

# Fiber Expansion

## 2023 Update

Area	Location	Make Ready Requested	Date
25	Warden Area	Complete	June 13th – 100% Complete
26	North, East and South of Quincy	Complete	June 15th – 100% Complete
27	NW/SW Quincy	Complete	9/15/2023 – 100% Complete
28	Rd A SE/Smyrna	124	9/12/2023
29	Jericho	195	11/7/2023
30	Dodson to Frenchman	20	11/22/2023
31	Wahluke Area East to Mattawa	76	1/2/2024
32	Desert Aire to Rd O	36	1/23/2024

# Fiber Expansion Areas

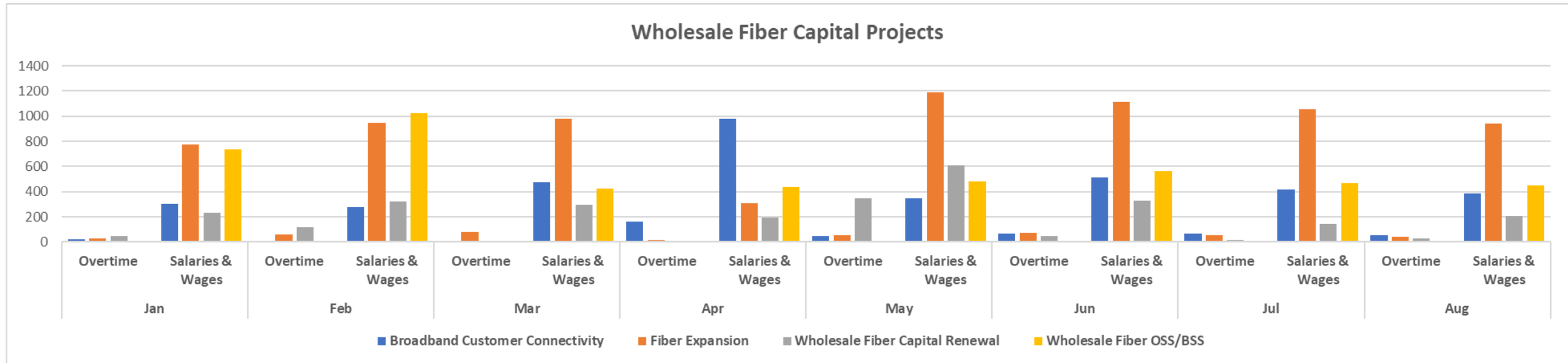


# Active Wholesale Fiber Participation

As of August 31, 2023

Area	Potential Subscribers	Actual Subscribers	Participation Actual
Coulee City	985	584	59.29%
Desert Air	1142	1102	96.50%
Electric City	767	508	66.23%
Ephrata	5309	3883	73.14%
Grand Coulee	663	431	65.01%
Hartline	181	117	64.64%
Mardon	683	475	69.55%
Mattawa	1859	1521	81.82%
Moses Lake	18614	13170	70.75%
Quincy	4036	3018	74.78%
Royal City	1398	961	68.74%
Soap Lake	2541	1621	63.79%
Warden	1523	806	52.92%
Wilson Creek	163	97	59.51%
George-Burke	1052	893	84.89%
	<b>40,916</b>	<b>29,187</b>	<b>71.33%</b>

# Wholesale Fiber Project Workload (Hours)

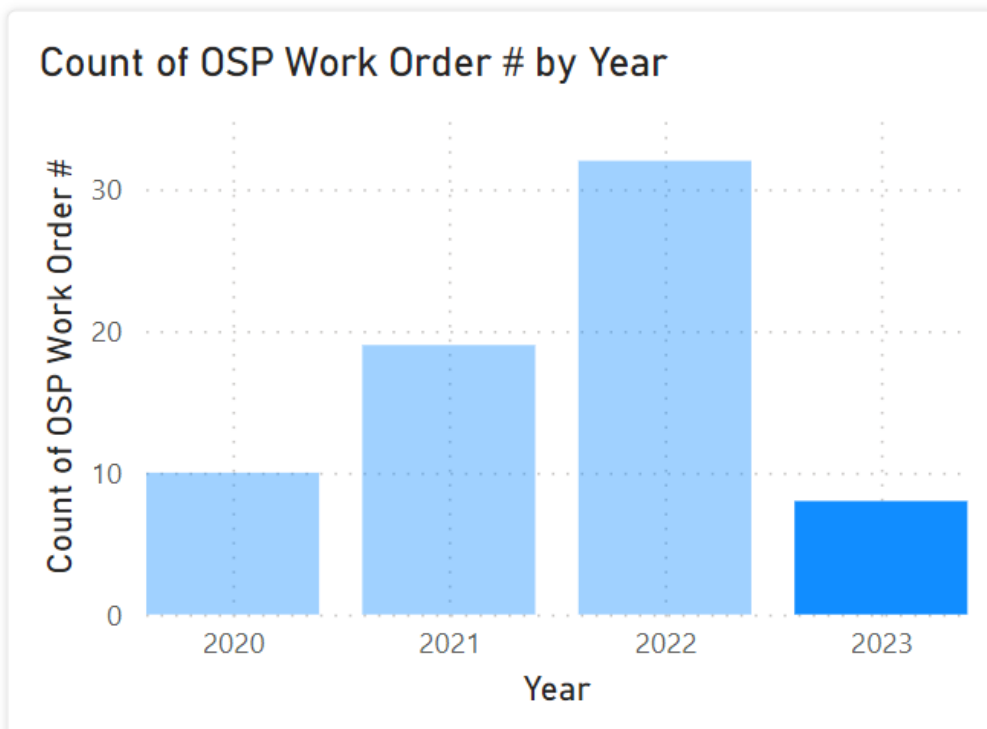


# Achieve Average System Uptime

## Meet or exceed 99.98%

Equipment	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
MPLS Core Uptime	100.00%	100.00%	100.00%	100.00%	100.00%	99.96%	100.00%	100.00%
Distribution Uptime	100.00%	100.00%	100.00%	100.00%	99.97%	100.00%	100.00%	100.00%

# Outside Plant



- **Outside fiber plant is defined as the fiber cable network and associated support infrastructure (i.e., Fiber optic cable, utility pole attachments, strand, conduits, vaults, hand-holes, splice enclosures).**
- **The fiber optic outside plant connects all District facilities for Power Production, Power Delivery and Wholesale Fiber to provide telecommunications services.**
- **Outside plant normally has a patch panel demarcation no more than 50' inside a facility. From that point into the facility, it is considered inside plant and uses materials appropriate for occupied spaces.**

# Construction & Maintenances

Date	Project	Departments
July	Wahlake (Electric) Backbone Cable Replacement (800 ft)	Electronic Technicians Fiber Technicians Telecom Engineering
August	ML 5 Maple Grove (Wholesale Fiber) Expansion	Fiber Technicians Electronic Technicians
August	ML 7 Goodrich (Wholesale Fiber) Expansion	Fiber Technicians Electronic Technician

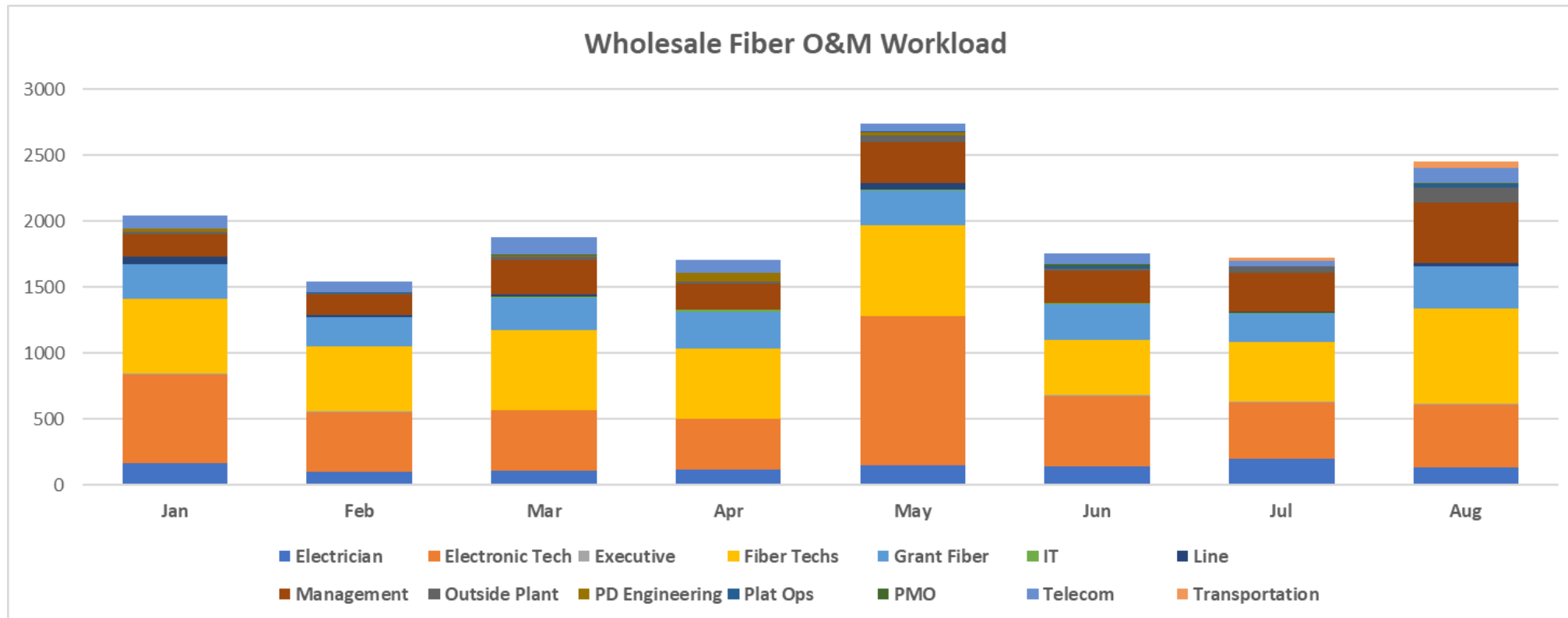


## Passive Optical Network (PON) Proof of Concept (POC)

- The PON POC project commenced on August 14<sup>th</sup> through August 22<sup>nd</sup> with a total of 20 customers that participated in the replacement of gateways on at their houses with new PON ONTs (Optical Network Terminals).
- On average, each replacement took approximately 45 minutes to complete. The new ONTs have been actively monitored for just over a month, no issues with customer service have been reported.

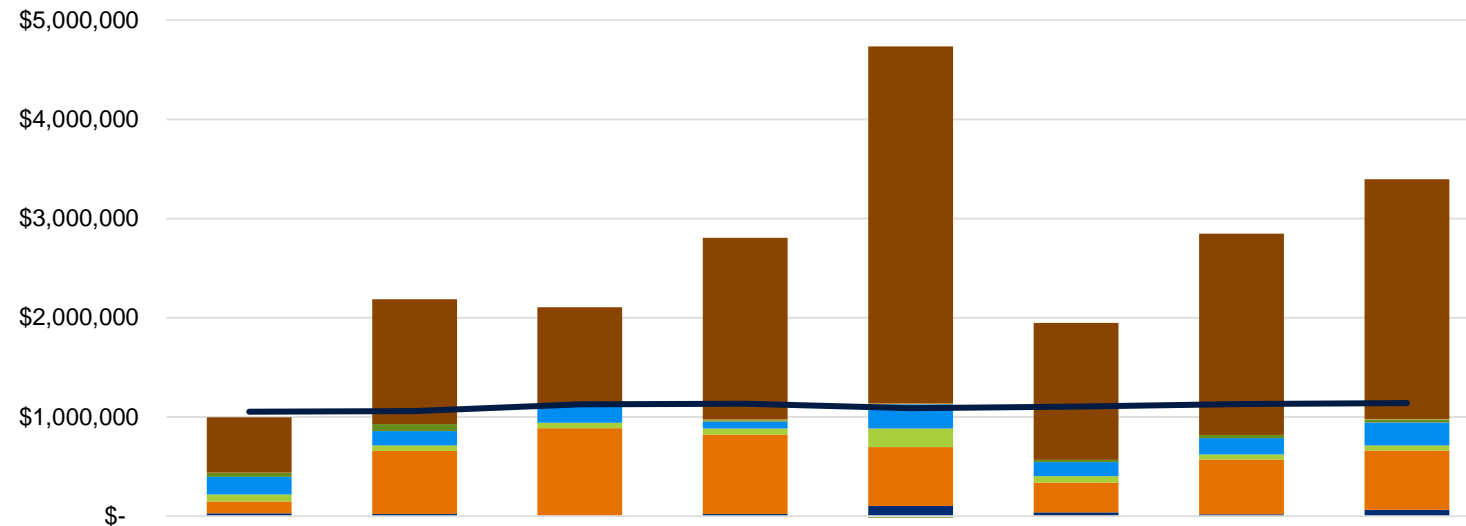


# Wholesale Fiber O&M Workload (Hours)



# 2023 Capital, O&M and Billed Revenue

Wholesale Fiber



\$(1,000,000)

	January	February	March	April	May	June	July	August
Capital Fiber Build	\$556,351	\$1,259,014	\$971,690	\$1,832,864	\$3,601,238	\$1,381,325	\$2,029,234	\$2,420,753
O&M Purchased Services	\$3,875	\$-	\$4,581	\$7,500	\$7,500	\$-	\$193	\$2,493
O&M Equipment & Utilities	\$40,291	\$71,938	\$15,589	\$12,089	\$(16,308)	\$23,024	\$32,338	\$30,280
O&M Labor & GA	\$177,197	\$145,139	\$171,880	\$70,298	\$244,479	\$141,828	\$163,822	\$231,944
Capital OSS / BSS Project	\$70,784	\$53,672	\$54,865	\$61,053	\$186,781	\$64,897	\$53,874	\$51,692
Capital Connect the Customer	\$118,782	\$635,203	\$886,142	\$800,931	\$592,858	\$299,161	\$550,186	\$596,584
Capital Cable Replacement	\$28,209	\$21,740	\$1,276	\$21,546	\$102,474	\$37,555	\$18,774	\$62,973
Wholesale Fiber Revenue	\$1,051,930	\$1,059,149	\$1,127,068	\$1,134,147	\$1,086,919	\$1,104,402	\$1,130,001	\$1,138,864

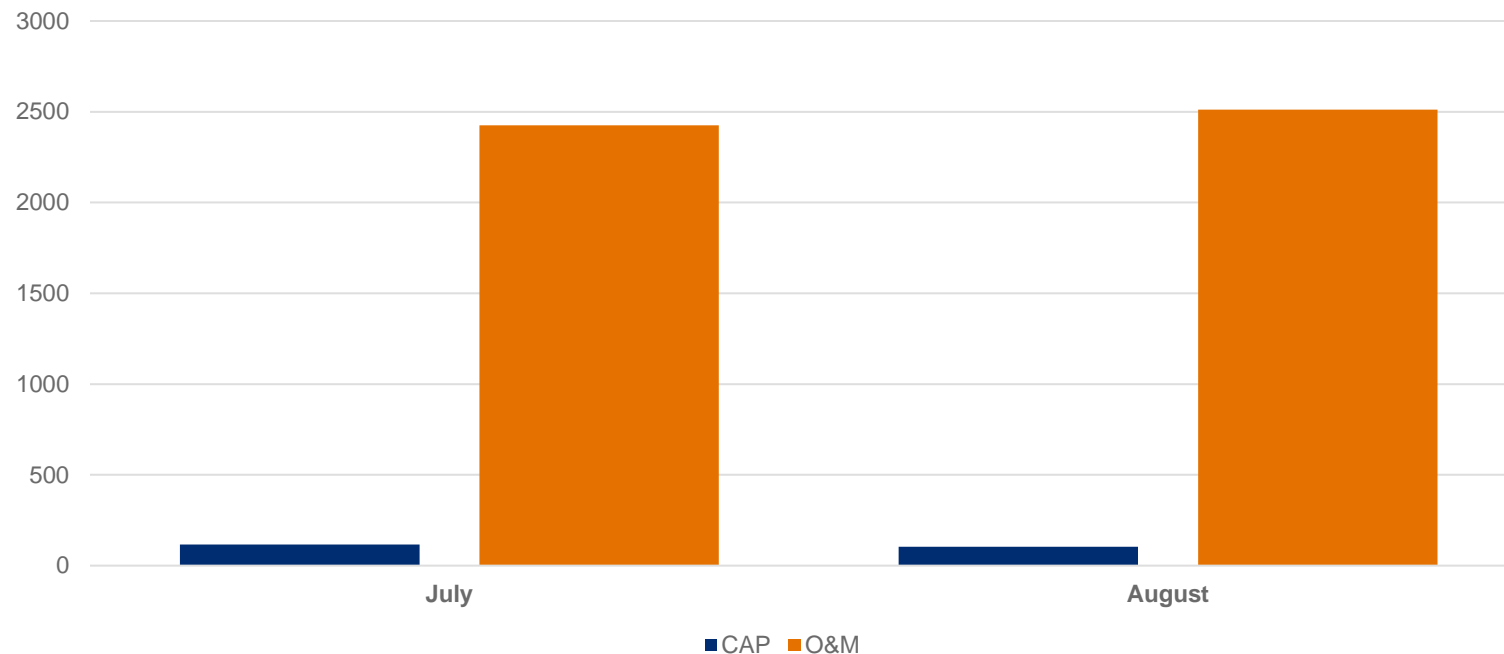
# Electronic Technician Workload Changes

Information Technology (IT) systems	Operational Technology (OT) systems	Fiber Technology (FT)
Foreman – Steve Argo	Foreman – Ted Harris	Foreman – Bill Harrison
<ul style="list-style-type: none"> <li>• Business Routers, Switches, and Networks               <ul style="list-style-type: none"> <li>• Business Wireless and Business Wired Networks</li> </ul> </li> <li>• Phone Systems               <ul style="list-style-type: none"> <li>• Telephony, Cisco UCCX, headsets, voicemail systems, cell phone booster etc...</li> </ul> </li> <li>• Avtech Dispatch Console</li> <li>• Data Center Coordinator(manages the labor effort associated in said location)</li> <li>• Mobile Radio Systems</li> <li>• Business Firewalls</li> <li>• Security Systems, Genetec</li> <li>• A/V and PA systems</li> <li>• DC plants for IT</li> </ul>	<ul style="list-style-type: none"> <li>• SCADA</li> <li>• RTUs/Telemetry</li> <li>• OT Transport/ICON and Transfer Trip Comms</li> <li>• OT Firewalls</li> <li>• EMS</li> <li>• GMS</li> <li>• Power Production Coordinator</li> <li>• DC plants for OT</li> <li>• Microwave Systems</li> <li>• Water Quality and Air Quality monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• The FTTH System               <ul style="list-style-type: none"> <li>• ONTs/Gateways</li> <li>• Hut/Hub</li> <li>• Electronics</li> <li>• DC Plants</li> </ul> </li> <li>• Distribution</li> <li>• Backbone Electric System fiber</li> <li>• AMI media convertors, Transport/Nokia</li> <li>• Wholesale Wireless</li> </ul>

# Electric System Capital & O&M Workload (Hours)



Electric System Project and O&M Hours



# Questions



Powering our way of life.

# Proposed 3-Year 20% Slice Sale

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Rich Flanigan, Sr. Manger of Wholesale Marketing and Supply

Commission Meeting

010/10/2021



Powering our way of life.

# Items for Discussion

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- Future look at Grant's 63.31% Share of the Priest Rapids Project
- Tie to Strategic Plan
- Proposed Slice Details
- Indicative RFP Process
- Q&A



# Grant PUD's 63% Retained Share as of 1/1/2024

Counterparty	Size	Year		
		2024	2025	2026
Avangrid	10%			
Morgan Stanley	33%			
PGE	20%			

# Slice Attributes tie to Strategic Plan

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- Consistent with Strategic Plan Objectives
  - Maintain a Strong Financial Position
    - Revenue certainty (eliminates water risk)
    - Strong premium for ancillary services and non-carbon attributes
    - Favored by bond rating agencies
  - Provide Long Term Low Rates
    - Insulates Grant PUD from hydro variability (operational risk)
    - Maximizes value of Grant PUD Hydro capacity, flexibility, energy, and attributes

# Transaction Terms

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- 20% 3-year slice sale of Priest Rapids Project Output (PRPO) to Portland General Electric (PGE)
  - Starting date of 01/01/2024
  - Ending date of 12/31/2026
- Return firm energy purchase in shape of Grant PUD's retail load

# Deal Structure

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- Very similar to the terms of the other slice contracts
  - PGE is entitled to the following attributes
    - Energy
    - Capacity
    - Pondage
    - Ancillary services
    - Green attributes *(language included to protect under new carbon legislation)*
  - Pseudo-tie (allows for in-hour energy changes)
    - 20% added to current legacy contract amount

# Contract Overview

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- Contract work with PGE
  - Used the existing Avangrid 10%, 3-year contract as the initial template
  - Review from internal council for legal compliance
  - Large internal stakeholder reviews
    - Finance
    - Accounting
    - Dispatch
    - Control Systems Engineering
    - Financial Planning and Analysis
    - Compliance
    - Risk
  - Added language to returned energy to have Western Resource Adequacy Program eligibility

# Indicative RFP Valuation

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- The indicative RFP process was broken down into three (3) components
  1. Fixed amount of shaped energy sold to bidder
  2. Firm Return Energy shaped to Grant PUD's retail load purchased from bidder
  3. Premium (\$/MWh) above shaped energy
  
- The indicative RFP process was broken down into three (3) phases;
  1. Phase I – Indicative bidding round from interested bidders
  2. Phase II – Identify top 2 bidders from Phase I and begin detailed structuring of product.
  3. Phase III – Second indicative bid from top 2 bidder
  4. Phase IV – Bilateral negotiations with top bidder from Phase III

# Questions?

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# 2024 BUDGET PRESENTATION

OUR PLAN FOR DELIVERING VALUE TO OUR CUSTOMERS



Powering our way of life.



# Topics Covered



Strategic Focus



Budget Process



Summary of Results



Appendices

# Budget Public Hearing Schedule

- Budget process follows RCW 54 requirements on notice periods and hearings
- Three public hearings for the 2024 process on the proposed budget at which the Commission may hear public comment:
- The budget is anticipated to be adopted in November
- The projected rate increase review will be separate from the budget

## Public Hearings - 2024 Budget

**Oct. 10, 2 p.m.**

**Ephrata Headquarters Commission Room | 30 C St SW  
Ephrata WA 98823**

**Oct. 10, 6 p.m.**

**Virtual Only Meeting – see website for MS Teams  
Call-in Option: 509.703.5291, Conference ID: 680 513 972#**

**Oct. 12, 6 p.m.**

**Moses Lake Local Office Auditorium | 312 W Third Avenue,  
Moses Lake, WA 98837**

01

Strategic Focus



# Strategic Drivers – Budget Focus

- The District's strategic plan guides in principle key focus areas
- Details our mission, vision, values and key objectives



## OUR KEY OBJECTIVES

- |   |   |   |   |
|---|---|---|---|
| 1 | Achieve and maintain a zero-incident workplace                | 5 | Provide outstanding service to our customers  |
| 2 | Design and sustain an engaging & fulfilling Grant PUD culture | 6 | Operate responsibly by attaining environmental, cultural resource and regulatory compliance |
| 3 | Maintain a strong financial position                          | 7 | Completion and maintenance of a sustainable wholesale fiber optic network                   |
| 4 | Provide long-term low rates                                   |   |   |



### ■ SAFETY

We believe that employee and public safety is paramount

### ■ INNOVATION

We make decisions that best serve present and future generations

### ■ SERVICE

We are committed to excellent customer service

### ■ TEAMWORK

We are one team with the same mission

### ■ RESPECT

We honor the rights and beliefs of those we work with and serve

### ■ INTEGRITY

We hold ourselves and others accountable to professionalism in our actions and words

### ■ HERITAGE

We protect, preserve and perpetuate both the spirit of the Grant PUD and the Wanapum relationship

# District Initiatives

## -Org Strategy & Alignment



Identified an anchor and 5 areas of focus for next 3-5 years



Adding dedicated strategy and resource planning functions



Where possible, flattening unnecessary layers of management

## Our Strategy



### ANCHOR:

Focus on our core electric customers while still ensuring the success of all our customers

Prioritizing our resources around these **5 strategic pillars:**

1



Ensuring long-term affordable rates for our core electric customers

2



Sustaining our focus on engaged, empowered & enabled employees

3



Committing to accurate & responsive customer service

4



Developing an intentional power demand strategy

5



Caring for our communities through active engagement



# Powered by Clean, Renewable Energy

Photo Credit: John Price

## How do our rates compare?

Residential average electricity rates\*



UNITED STATES



WASHINGTON

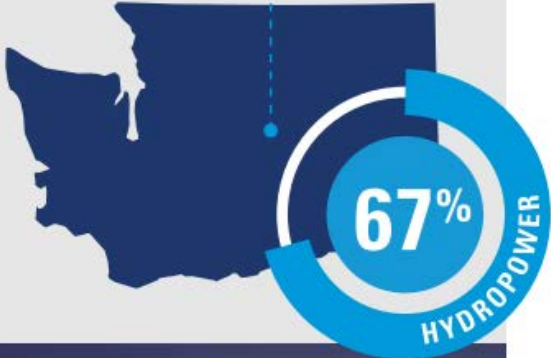


GRANT PUD

\*Source: U.S. Energy Information Administration [June 2023](#) report.

## Leading Washington's Clean Energy Movement

Hydropower is an essential source of generation in our quest for carbon-free energy. According to the Washington Net Electricity Generation by Source (March 2023), **67% comes from hydropower.**



Courtesy NW River Partners



## Powered by Service

Customer Average Interruption Index (CAIDI)	2023 Target	2023
	< 110 min	137 min



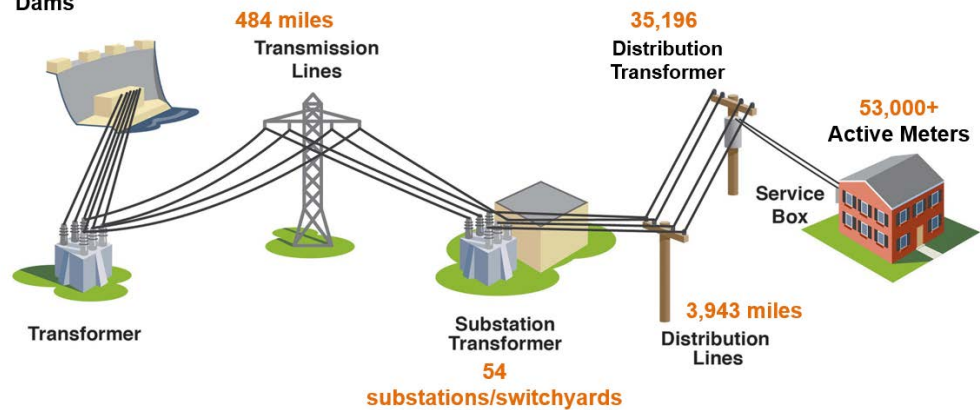
- CAIDI is calculated by dividing the sum of all customer minutes of interruption by the number of customers that experienced interruptions during that period.
- CAIDI is a sustained interruption index so only interruptions lasting longer than 5 minutes are included in the calculation.

Average Service Availability Index (ASAI)	2023 Target	2023
	≥ 99.985%	99.992%



- ASAI is calculated by dividing the total hours in which service is available to customers by the total hours that service is demanded by customers

2,000+ Megawatts  
Dams





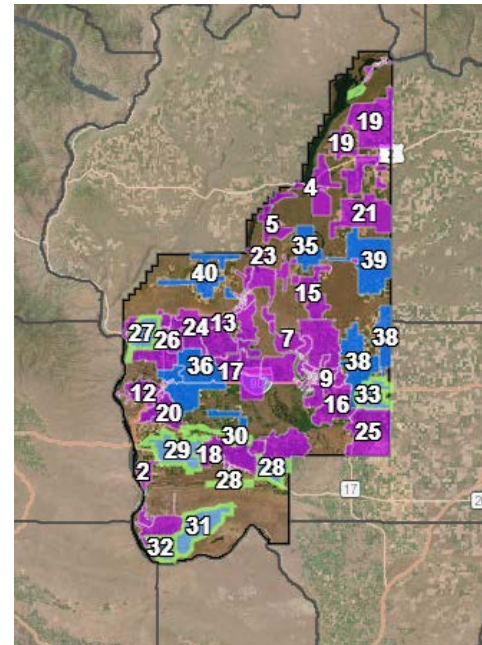
Powered by Fiber

## 2023 AREAS

- 25 Warden Area Completion
- 26 North, East and South of Quincy
- 27 NW and SW of Quincy
- 28 Rd A SE/Smyrna/Crab Creek
- 29 Jericho
- 30 Dodson to Frenchman
- 31 Wahluke Area East of Mattawa
- 32 Desert Aire to Rd O SW

## 2024 AREAS

- 33 I90 Rd U NE/SE
- 34 Hwy 281 N. of I90 to Rd 3
- 35 Stratford/Summer Falls/Billy Clapp
- 36 Adams Road NW to Winchester Wasteway N. of I90 to Rd. 7
- 37 Braden to George and Black Sands
- 38 Ruff
- 39 Wilson Creek Area
- 40 Sagebrush Flats/Johnson Rd. NW



# 90%

of county residents and businesses currently enjoy access to Grant PUD Fiber.

## 29,079

Current Subscribers

and

## 40,916

Potential Subscribers



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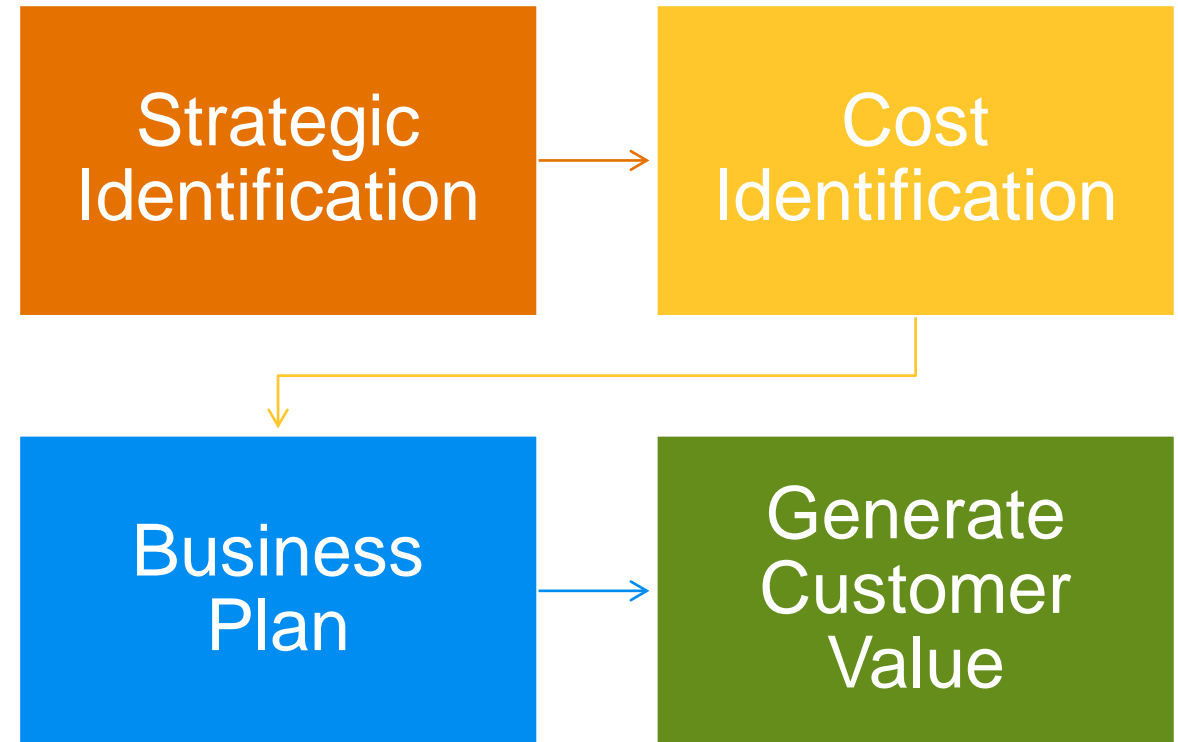
## Budget Process



# Keys for the Budget & Planning Process

## General Aims:

1. Provide value for current and future Grant PUD customers
2. Maintain the utility's financial health



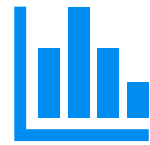
# 2024 Budget Process / Timeline

1. Round 1 – Strategic Focus
  - Identify major cost drivers (internal/external)
  - Inclusion of major forecast items
    - Updated Loads and Revenues, latest Wholesale assumptions, and latest Capital spending assumptions
  - Executive Leadership Team sets overall operating unit budget targets for 2024
2. Round 2 – Tactical Focus and Budget Delivery
  - Budget Area Committees (BAC) refine Labor and non-Labor operating budgets to deliver on strategic initiatives
  - BACs develop, evaluate, and select the most valuable/highest priority business cases
  - Executive Leadership Team and BACs set functional area operating budgets
3. Round 3 – Commission and Public Review
  - Commission review and public outreach
  - Budget adoption

Task	PARTICIPANTS	START	END
<b>PLANNING &amp; Management</b>			
2023 BAC BvA Process	BU Mgrs, Finance	1/2/23	12/31/23
FP&A Major Budget Initiative - Fin Fx Rebuild	Finance	1/2/23	5/5/23
FP&A Lesser Budget Initiatives	Finance	5/23/23	6/16/23
Enterprise-wide communication on 2024 Process	BU SMEs, BU Mgrs, CXOs, Finance	5/26/23	5/26/23
Distribution of Info, Budget Timing, Training expectations, etc.	BU SMEs, BU Mgrs, CXOs, Finance	6/16/23	7/14/23
<b>Round 1 - Strategic and Target Setting Plan</b>		<b>6/9/23</b>	<b>7/28/23</b>
GO#1 - Initial Analytics prep	FP&A	6/9/23	6/30/23
GO#1 - Develop Operating Budget Targets	FP&A, CXOs	7/3/23	7/21/23
GO#1 - Fin Fx Run with Targets & Business Plan Dollars	FP&A, CXOs	7/3/23	7/21/23
GO#2 - Finalize Targets, Contingency and Strategic Spend	CXOs	7/17/23	7/28/23
Finalize Round 1	FP&A	7/24/23	7/28/23
<b>Round 2 - Budget Delivery Plan</b>		<b>8/1/23</b>	<b>9/1/23</b>
GO#1 - Budget Area Week 1 - BAC meeting on Thur 8/3	BAC, BBU Mgrs, Finance	8/1/23	8/7/23
GO#1 - Budget Area Week 2	BAC, BBU Mgrs, Finance	8/7/23	8/11/23
GO#1 - Budget Area Week 3	BAC, BBU Mgrs, Finance	8/14/23	8/18/23
GO#1 - Finalize Operating Budgets by Budget Area	BAC, BU Mgrs, Finance	8/21/23	9/1/23
GO#2 - Financial Fx Review/Decisions - Week 1 (Capital Update)	Finance, EPPM	8/1/23	8/7/23
GO#2 - Financial Fx Review/Decisions - Week 2	Finance, EPPM, Treasury, CXOs	8/9/23	8/11/23
GO#2 - Financial Fx Review/Decisions - Week 3	EPPM, Finance, CXOs	8/16/23	8/18/23
GO#2 - Finalize Financial Fx	CXOs, Finance	8/23/23	8/25/23
Finalize Round 2	CXOs, BACs, Finance	8/30/23	9/1/23
<b>Round 3 - Public Outreach Plan</b>		<b>9/4/23</b>	<b>12/29/23</b>
GO#1 - Prepare and Review Materials for Commission/Public Review	Finance, CXOs, Commission	9/4/23	9/26/23
GO#1 - Public Meetings	Commission, CXOs, FP&A	10/10/23	10/12/23
GO#1 - Budget Adoption	Commission	10/24/23	12/12/23
GO#2 - Budget Upload to Finance Systems	Finance	12/13/23	12/29/23

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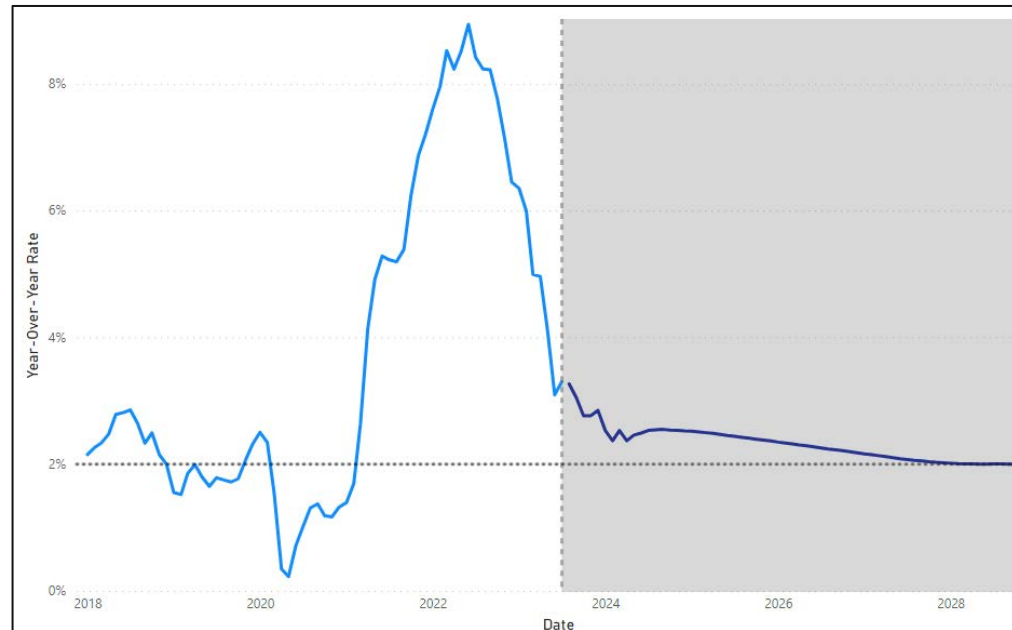
## Summary of Results



# Inflation / Cost Impacts

- Prompt year budget is based on today's dollar program requirements
  - 2024 budget represents varying year over year changes based upon the type of spend (ie capital, operating budgets, benefits/insurance, debt, taxes)
- Post 2024 total O&M is assumed to have a total year over year change of an average of ~3.4% which captures both an assumption on inflation lowering and business initiative/ increased work as the system grows

Projected Consumer Price Index (CPI) Inflation Rate



- 2023 CPI annual average is expected to fall between 3.6% and 4.3%
  - 9/13/23 CPI reported as 3.7% (12- month preceding)
- Statistical models are used to project future inflation outcomes using historical actual inflation rates

## CPI inflation data points

- 4.7% average 2021
- 8.0% average 2022
- 2023 4.7% YTD

# Preliminary Budget Summary – Total Expenditures

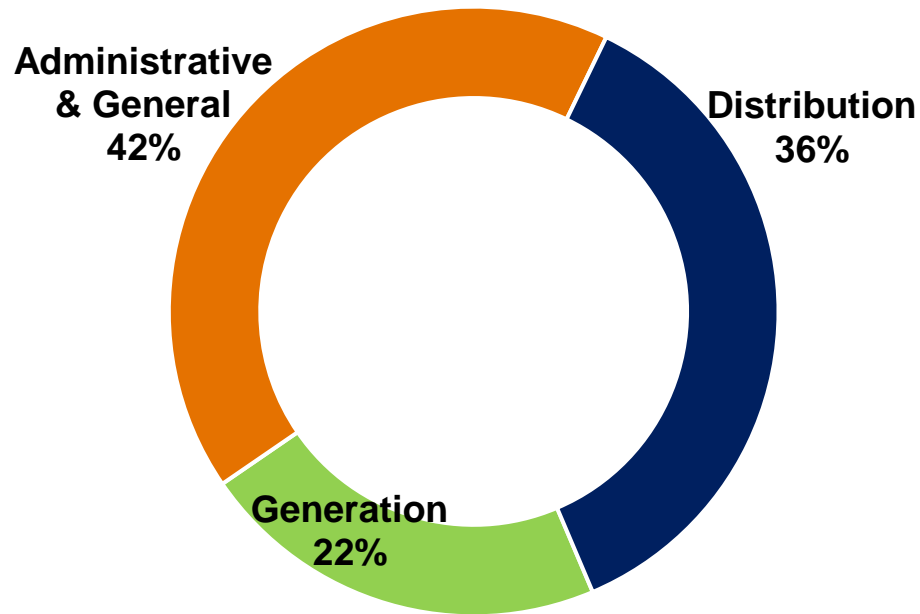
- **Total Budget** for 2024 = \$347.2 million
  - Compared to 2023 budget of \$317.0 million
- **O&M Expense** is an increase of \$13.7M (+7.3%) vs the 2023 budget and \$18.2M (+9.9%) vs current 2023 expectations
- **Capital Spend** is expected to increase by \$17.9M (+11.6%) vs the 2023 budget and \$2.7M (+1.6%) vs current 2023 spend expectations.
  - Capital is based on specific projects in the portfolio by year and is an estimate at the time the budget is set
  - The budget process implements a scaling for fiscal management that factors in timing and likelihood of spend.

## Combined Financial Results

Exhibit A - \$ in thousands	audited	audited	As of Q2 FC		
	Actuals 2021	Actuals 2022	Budget 2023	Forecast 2023	Budget 2024
<b>Budgeted Items</b>					
Total O&M	\$ 165,689	\$ 167,074	\$ 188,170	\$ 183,668	\$ 201,879
Taxes	\$ 20,081	\$ 21,151	\$ 21,556	\$ 22,991	\$ 23,662
Electric Capital	\$ 92,567	\$ 86,550	\$ 80,842	\$ 88,590	\$ 101,017
PRP Capital	\$ 77,146	\$ 69,822	\$ 74,139	\$ 81,637	\$ 71,896
<b>Total Capital</b>	<b>\$ 169,713</b>	<b>\$ 156,372</b>	<b>\$ 154,981</b>	<b>\$ 170,227</b>	<b>\$ 172,913</b>
Debt Service - (net of Rebates)	\$ 74,152	\$ 73,717	\$ 71,986	\$ 73,841	\$ 68,022
<b>Total Expenditures</b>	<b>\$ 429,635</b>	<b>\$ 418,313</b>	<b>\$ 436,693</b>	<b>\$ 450,727</b>	<b>\$ 466,476</b>
<b>Expenditures offsets for deduction</b>					
Contributions in Aid of Construction	\$ (14,110)	\$ (10,781)	\$ (10,713)	\$ (17,544)	\$ (12,257)
Sales to Power Purchasers at Cost	\$ (23,584)	\$ (28,654)	\$ (13,765)	\$ (20,590)	\$ (16,889)
Net Power (+ Expense, -Revenue)	\$ (90,567)	\$ (86,554)	\$ (95,178)	\$ (180,779)	\$ (90,167)
Total Expenditures Offset	\$ (128,261)	\$ (125,989)	\$ (119,656)	\$ (218,914)	\$ (119,312)
<b>Total Budgeted Expenditures</b>	<b>\$ 301,374</b>	<b>\$ 292,324</b>	<b>\$ 317,038</b>	<b>\$ 231,813</b>	<b>\$ 347,163</b>

# 2024 Operating/Enterprise Budgets

## 2024 Combined Operating/Enterprise



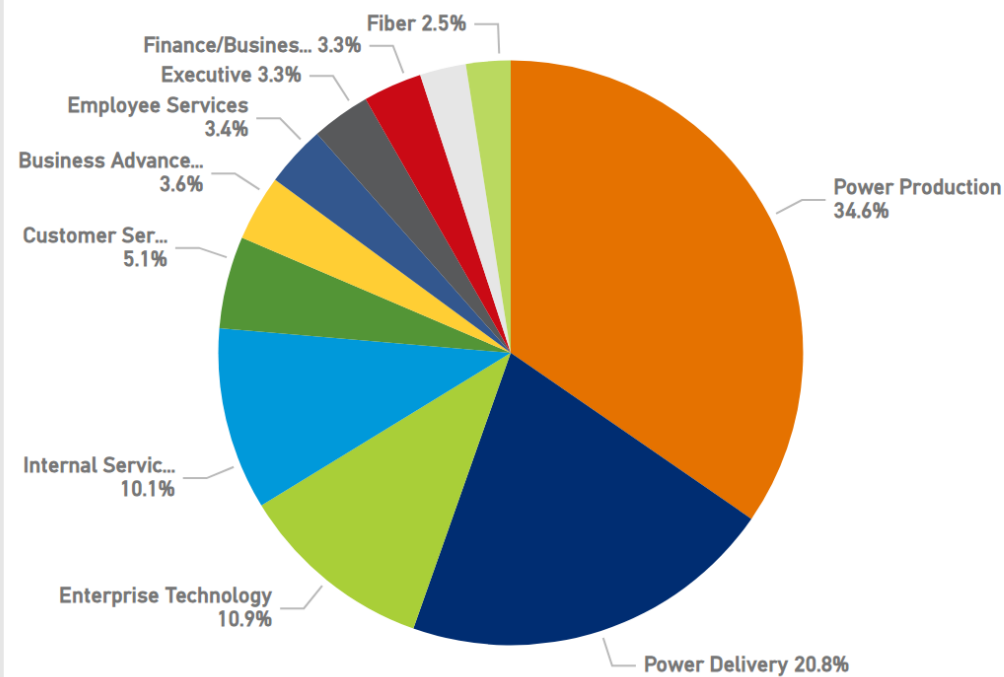
Cost Type	2024	PRP	ELEC
Labor	\$129.8	\$64.2	\$65.6
Purchased Services	\$34.2	\$20.8	\$13.4
General & Administration	\$11.7	\$8.1	\$3.6
Operating Materials and Equipment	\$10.3	\$5.2	\$5.1
Information Technology	\$10.1	\$3.9	\$6.2
Transportation	\$1.4	\$0.5	\$0.9
Utilities	\$0.8	\$0.4	\$0.4
<b>Total</b>	<b>\$198.3</b>	<b>\$103.2</b>	<b>\$95.0</b>

*All figures in millions; non-operational adjustment allocations estimated \$3.6M in utility aggregation adjustments from prior slide*



# 2024 Department Managed Budget (O&M and Labor)

2024 Total Budget by QFR Segment



O&M Budget vs Actuals (Including Cap Labor)

QFR Segment	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
Power Production	\$55,041,630	\$56,284,605	\$60,575,521	7.6%
Power Delivery	\$35,429,250	\$36,015,572	\$36,373,648	1.0%
Enterprise Technology	\$14,720,792	\$16,154,999	\$18,992,547	17.6%
Internal Services	\$16,409,717	\$16,274,439	\$17,658,533	8.5%
Customer Services & Communications	\$7,034,732	\$7,707,168	\$8,917,937	15.7%
Business Advancement	\$6,273,458	\$7,577,602	\$6,377,936	-15.8%
Employee Services	\$5,157,863	\$6,312,070	\$5,934,717	-6.0%
Executive	\$5,356,071	\$5,585,111	\$5,700,183	2.1%
Finance/Business Services	\$5,702,035	\$5,550,273	\$5,694,958	2.6%
Customer/Market Analytics	\$4,360,813	\$6,617,329	\$4,469,280	-32.5%
Fiber	\$3,154,849	\$3,302,938	\$4,300,747	30.2%
<b>Total</b>	<b>\$158,641,209</b>	<b>\$167,382,106</b>	<b>\$174,996,006</b>	<b>4.5%</b>

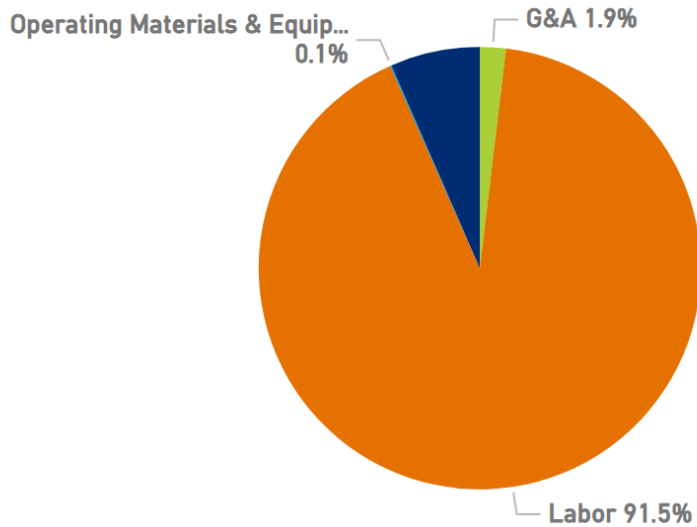
- Operating budgets are those managed directly by the business unit management
  - These are monitored and reported monthly by unit managers.
- Operating budgets include O&M directs and total salaries/wages (regardless if O&M or capital). Does not include capital directs.
- The 2024 budget represents a 4.5% increase over the 2023 budget
- 2023 is outperforming budget spending and projected to be \$8.8 million underspent due to specific initiative scope changes and deferral/timing impacts



QFR Segment

Business Advancement

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input type="checkbox"/> <b>Labor</b>	\$5,552,427	\$5,926,958	\$5,833,136	-1.6%
<input type="checkbox"/> CC001 - Salaries & Wages	\$5,481,359	\$5,887,492	\$5,786,471	-1.7%
<input type="checkbox"/> CC006 - Other Labor	\$67,796	\$38,806	\$46,161	19.0%
<input type="checkbox"/> CC002 - Overtime	\$3,272	\$660	\$504	-23.7%
<input type="checkbox"/> <b>Purchased Services</b>	\$510,051	\$1,438,059	\$417,324	-71.0%
<input type="checkbox"/> <b>G&amp;A</b>	\$194,655	\$181,057	\$121,070	-33.1%
<input type="checkbox"/> <b>Operating Materials &amp; Equipment</b>	\$5,671	\$7,008	\$6,406	-8.6%
<input type="checkbox"/> <b>IT</b>	\$10,605	\$24,520		
<input type="checkbox"/> <b>Transportation</b>	\$59			
<b>Total</b>	<b>\$6,273,469</b>	<b>\$7,577,602</b>	<b>\$6,377,936</b>	<b>-15.8%</b>

**- Main Objective -**

**OPERATIONAL EXCELLENCE:** Mature the OCM, CAP, and CI business capabilities to enable the business to meet its short-term and long-term objectives

**EPMO:** Reduce project delivery risk by driving industry leading safety performance, monitoring and managing quality, and optimizing efficiency.

**PORTFOLIO MANAGEMENT:** Strategy development and data driven portfolio management

**- 2024 Top Initiatives -**

**OPERATIONAL EXCELLENCE (OE)**

- Build OE program strategies and multi-year roadmaps
- Streamline and mature the CAP Program
- Regularly deliver value through improvements and reduced waste via the CI Program
- Mature the OCM Program and continue to effectively manage change

**ENTERPRISE PROJECT MANAGEMENT OFFICE (EPMO)**

- Advance EPMO maturity
- Develop project controls and quality assurance capabilities
- Build out construction management program

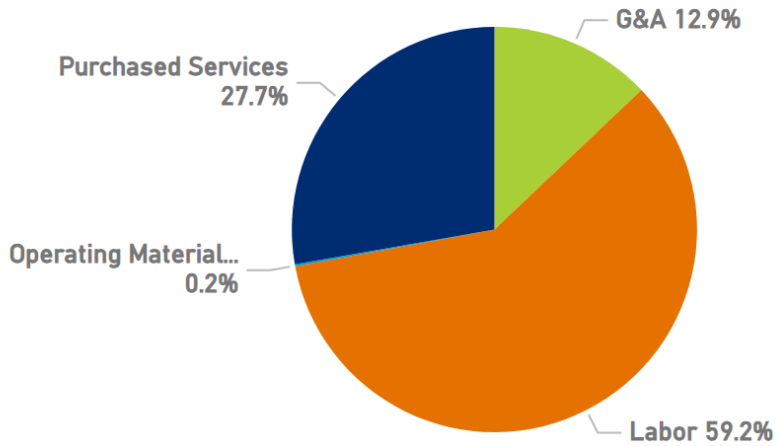
**PORTFOLIO MANAGEMENT**

- Program and employee development with focus on resources balancing and strategic alignment
- Data Quality & Visibility

QFR Segment

Customer Services & Communicatio... ▾

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input type="checkbox"/> Labor	\$4,585,395	\$4,700,071	\$5,277,863	12.3%
<input type="checkbox"/> CC001 - Salaries & Wages	\$4,465,587	\$4,598,679	\$5,161,823	12.2%
<input type="checkbox"/> CC002 - Overtime	\$96,211	\$87,000	\$100,200	15.2%
<input type="checkbox"/> CC006 - Other Labor	\$23,597	\$14,392	\$15,840	10.1%
<input type="checkbox"/> Purchased Services	\$1,973,598	\$2,001,921	\$2,473,691	23.6%
<input type="checkbox"/> G&A	\$462,873	\$964,224	\$1,152,043	19.5%
<input type="checkbox"/> Operating Materials & Equipment	\$11,744	\$20,948	\$14,340	-31.5%
<input type="checkbox"/> IT	\$3,014	\$20,004		
<b>Total</b>	<b>\$7,036,625</b>	<b>\$7,707,168</b>	<b>\$8,917,937</b>	<b>15.7%</b>

**- Main Objective -**

**CUSTOMER SOLUTIONS:** Provide accurate and responsive customer service to all core customers.

**LARGE POWER SOLUTIONS:** Provide accurate and responsive customer service to large general service, industrial and large industrial customers.

**EXTERNAL AFFAIRS:** Ensure our customers are informed and engaged on all Grant PUD activities that impact them.

**- 2024 Top Initiatives -**

**CUSTOMER SOLUTIONS**

- Improve customer service performance on new and changed electric service requests
- Develop systems to better understand needs of our agricultural, small commercial and residential customers
- Provide more opportunities for customers to contact us that fit their needs & preferences
- Provide innovative programs that will benefit our customers as new technology emerges

**LARGE POWER SOLUTIONS**

- Improve accuracy and responsiveness of information provided to customers/potential customers on new service availability
- Provide innovative programs that will benefit our customers as new technology emerges

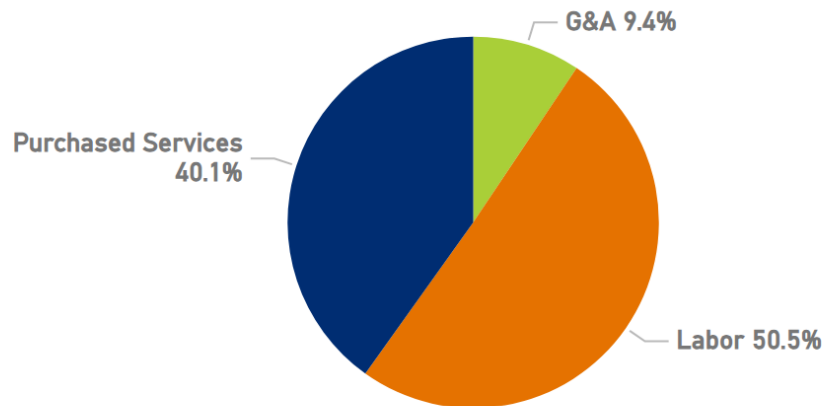
**EXTERNAL AFFAIRS**

- Establish Community Benefit Program to better serve communities in need as well as meet state carbon legislation goals.
- Develop new communication channels (including text messaging) to communicate with customers on outages & other topics
- Government Affairs – build relationships with external stakeholders that allow us to help shape local legislative priorities

QFR Segment

Customer/Market Analytics

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input type="checkbox"/> Labor	\$2,169,707	\$2,137,582	\$2,255,577	5.5%
<input type="checkbox"/> CC001 - Salaries & Wages	\$2,155,392	\$2,129,363	\$2,249,637	5.6%
<input type="checkbox"/> CC006 - Other Labor	\$14,315	\$8,219	\$5,940	-27.7%
<input type="checkbox"/> Purchased Services	\$1,654,182	\$3,751,599	\$1,793,450	-52.2%
<input type="checkbox"/> G&A	\$415,048	\$472,140	\$420,253	-11.0%
<input type="checkbox"/> IT	\$92,076	\$256,008	\$0	-100.0%
<input type="checkbox"/> Utilities	\$44,333			
<b>Total</b>	<b>\$4,375,345</b>	<b>\$6,617,329</b>	<b>\$4,469,280</b>	<b>-32.5%</b>

**- Main Objective -**

**WHOLESALE MARKETING/SUPPLY:** Effectively manage bulk power transactions to contribute to low customer rates.

**RATES & PRICING:** Provide commission with the best information necessary to set fair and equitable rates.

**SPECIAL PROJECTS:** Plan for Grant PUD's long term power supply strategy.

**- 2024 Top Initiatives -**

**WHOLESALE MARKETING/SUPPLY**

- Develop foundation for meeting Washington state's carbon-neutral and zero carbon goals.
- Make key milestone decisions on joining an organized day-ahead market and resource adequacy program

**RATES & PRICING**

- Develop pricing mechanism for growth in excess of the Estimated Unmet District Load (EUDL CRAC)
- Develop long term power contract structure for industrial and large industrial customers

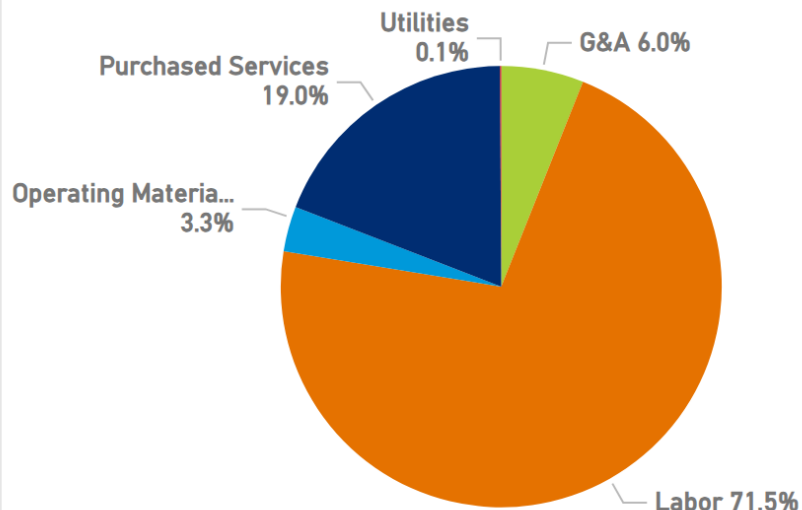
**SPECIAL PROJECTS**

- Finalize effort to establish Grant load in BPA provider of choice process
- Firmly establish Grant PUD position on Columbia River Treaty along with transparent communication protocol with US negotiation team

QFR Segment

Employee Services

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input type="checkbox"/> Labor	\$3,712,276	\$4,272,090	\$4,245,120	-0.6%
<input type="checkbox"/> CC001 - Salaries & Wages	\$3,630,933	\$4,031,633	\$3,894,996	-3.4%
<input type="checkbox"/> CC006 - Other Labor	\$64,782	\$230,461	\$334,451	45.1%
<input type="checkbox"/> CC002 - Overtime	\$16,561	\$9,996	\$15,672	56.8%
<input type="checkbox"/> Purchased Services	\$980,769	\$1,526,261	\$1,129,500	-26.0%
<input type="checkbox"/> G&A	\$295,676	\$315,029	\$358,894	13.9%
<input type="checkbox"/> Operating Materials & Equipment	\$174,320	\$172,690	\$196,000	13.5%
<input type="checkbox"/> Utilities	\$5,314		\$5,203	
<input type="checkbox"/> IT	\$13,009	\$26,000		
<b>Total</b>	<b>\$5,181,364</b>	<b>\$6,312,070</b>	<b>\$5,934,717</b>	<b>-6.0%</b>

**- Main Objective -**

**HUMAN RESOURCES**

- Ensure compliance with employment laws and provide benefits and compensation to attract and retain quality work force

**EMPLOYEE EXPERIENCE**

- Support a workforce that is engaged, enabled and equipped.

**SAFETY**

- Everyone home safe everyday

**- 2024 Top Initiatives -**

**HUMAN RESOURCES**

- Employee handbook and policy development
- Employee wellness focused on reducing health insurance premiums
- Preparation for 2025/2026 collective bargaining agreement negotiations

**EMPLOYEE EXPERIENCE**

- Student & Apprenticeship Program Development
- Leadership Development Progression Paths
- Diversity, Equity, Inclusion & Belonging Program
- Emergent Leadership (Orange & Blue U)

**SAFETY**

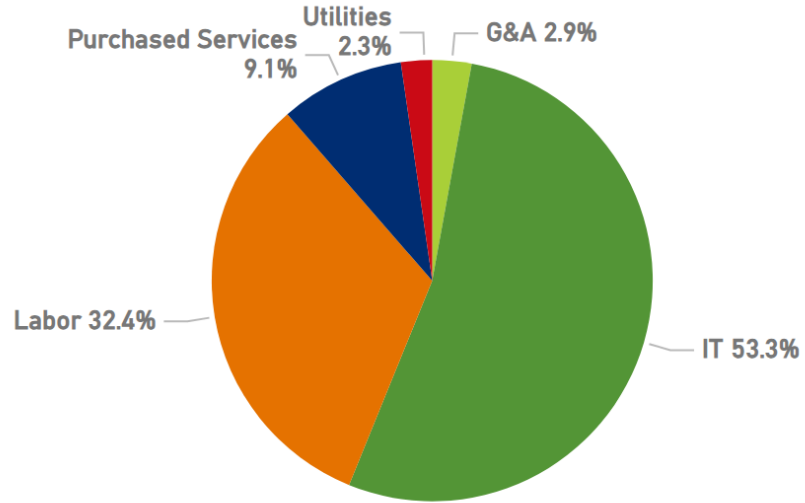
- Continue to refine the Contractor Safety Program
- Full Roll-out of the 2023 JHA Program
- Full Roll-out of CI Team #6 JSR Program



QFR Segment

Enterprise Technology

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input checked="" type="checkbox"/> IT	\$6,226,572	\$7,905,106	\$10,119,901	28.0%
<input checked="" type="checkbox"/> Labor	\$5,693,277	\$5,628,813	\$6,161,216	9.5%
<input checked="" type="checkbox"/> CC001 - Salaries & Wages	\$5,574,681	\$5,541,421	\$6,066,973	9.5%
<input checked="" type="checkbox"/> CC002 - Overtime	\$50,796	\$30,000	\$48,200	60.7%
<input checked="" type="checkbox"/> CC006 - Other Labor	\$67,800	\$57,392	\$46,043	-19.8%
<input checked="" type="checkbox"/> Purchased Services	\$1,966,593	\$1,702,502	\$1,732,674	1.8%
<input checked="" type="checkbox"/> G&A	\$367,918	\$407,682	\$545,820	33.9%
<input checked="" type="checkbox"/> Utilities	\$414,820	\$504,896	\$432,936	-14.3%
<input checked="" type="checkbox"/> Operating Materials & Equipment	\$128,389	\$6,000		
<b>Total</b>	<b>\$14,797,568</b>	<b>\$16,154,999</b>	<b>\$18,992,547</b>	<b>17.6%</b>

### - Main Objective -

Provide enterprise software and hardware solutions, which includes maintenance, and enhancements to meet the District's evolving technology needs.

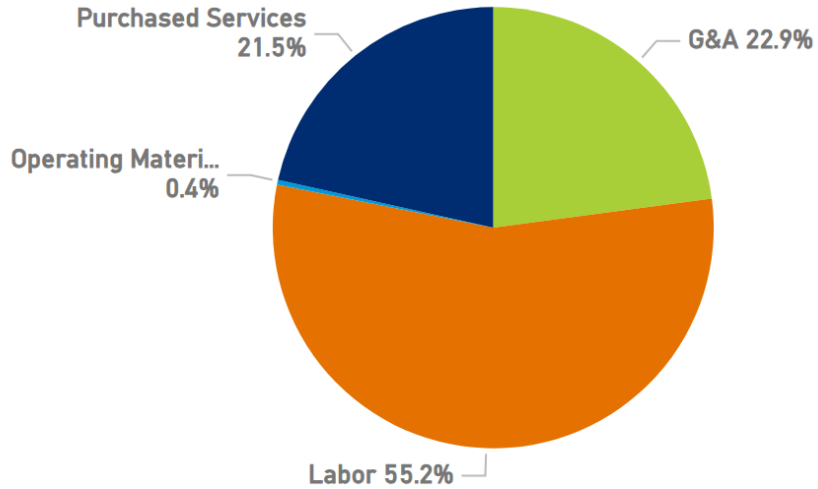
### - 2024 Top Initiatives -

- Continue to work through 5-year technology roadmap
- Begin implementation of our disaster recovery project to provide the District with high availability and reliability in the case of an emergency or widescale disaster event.
- Employee training and development.
- Provide hardware and software for new and existing employees.
- Software cost increases are due to inflationary factors as well as multiple 3- and 5-year agreements being renewed in the 2024 budget year.

QFR Segment

Executive

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input type="checkbox"/> Labor	\$2,944,159	\$3,077,296	\$3,148,401	2.3%
<input type="checkbox"/> CC001 - Salaries & Wages	\$2,908,971	\$3,071,041	\$3,104,772	1.1%
<input type="checkbox"/> CC006 - Other Labor	\$34,498	\$6,255	\$41,829	568.7%
<input type="checkbox"/> CC002 - Overtime	\$690		\$1,800	
<input type="checkbox"/> G&A	\$1,097,438	\$1,327,467	\$1,304,814	-1.7%
<input type="checkbox"/> Purchased Services	\$1,309,777	\$1,159,592	\$1,226,467	5.8%
<input type="checkbox"/> Operating Materials & Equipment	\$7,167	\$20,756	\$20,500	-1.2%
<input type="checkbox"/> IT	\$1,628	\$0		
<input type="checkbox"/> Utilities	\$1,875			
<b>Total</b>	<b>\$5,362,045</b>	<b>\$5,585,111</b>	<b>\$5,700,183</b>	<b>2.1%</b>

## Main Objective

O&M and Labor for Commission and Executive Leadership functions for the District.

## - 2024 Top Initiatives -

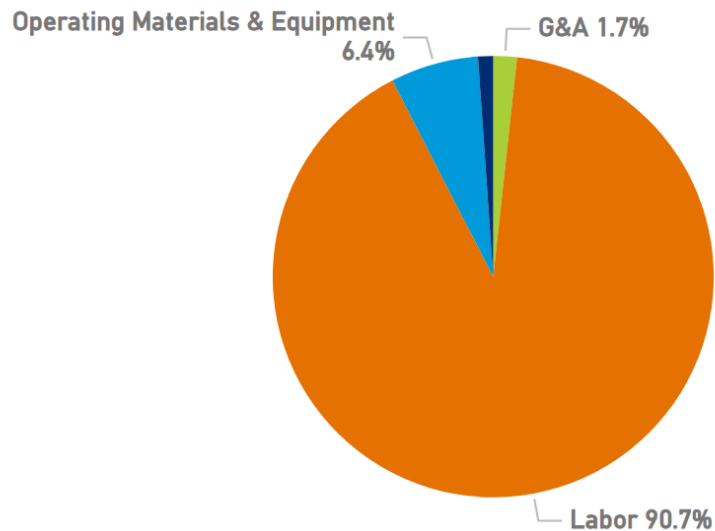
Spending Initiatives:

- Labor
- Trade Association Dues and Memberships
- Purchased Services – Legal, Management Consulting, Training, Recognition
- Travel, Seminars and Conferences
- Election Fees
- Subscriptions and Publications
- Miscellaneous Operating Expenses (business meeting meals)
- Miscellaneous Equipment, Office and Administrative Supplies, Meeting Expenses

QFR Segment

Fiber

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input type="checkbox"/> <b>Labor</b>	\$2,755,638	\$2,857,647	\$3,901,567	36.5%
<input type="checkbox"/> CC001 - Salaries & Wages	\$2,278,527	\$2,306,943	\$3,438,114	49.0%
<input type="checkbox"/> CC002 - Overtime	\$464,770	\$539,336	\$447,672	-17.0%
<input type="checkbox"/> CC006 - Other Labor	\$12,341	\$11,368	\$15,780	38.8%
<input type="checkbox"/> <b>Operating Materials &amp; Equipment</b>	\$336,144	\$322,272	\$277,276	-14.0%
<input type="checkbox"/> <b>G&amp;A</b>	\$29,246	\$38,687	\$74,304	92.1%
<input type="checkbox"/> <b>Purchased Services</b>	\$53,478	\$64,332	\$47,600	-26.0%
<input type="checkbox"/> <b>IT</b>	\$11,094	\$20,000		
<input type="checkbox"/> <b>Utilities</b>	\$2,710			
<b>Total</b>	<b>\$3,188,309</b>	<b>\$3,302,938</b>	<b>\$4,300,747</b>	<b>30.2%</b>

## - Main Objective

Fiber and Telecommunications Services is responsible for designing, constructing, maintaining, and operating Grant PUD's telecommunications infrastructure to serve internal business needs and our wholesale fiber customers.

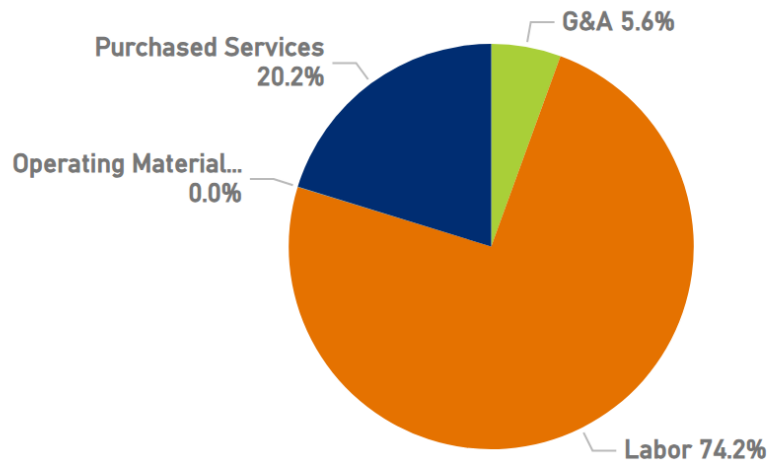
## - 2024 Top Initiatives -

- Assessing/inventorying the health of the existing fiber network
- Employee and apprentice training and development
- Restoring service during outages
- Technology conversion (Active Ethernet to PON)
- Defining roles/responsibilities and developing standard operating procedures

QFR Segment

Finance/Business Services

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input type="checkbox"/> Labor	\$3,975,726	\$4,014,068	\$4,226,039	5.3%
<input type="checkbox"/> CC001 - Salaries & Wages	\$3,921,724	\$3,961,412	\$4,199,170	6.0%
<input type="checkbox"/> CC006 - Other Labor	\$41,074	\$39,062	\$19,968	-48.9%
<input type="checkbox"/> CC002 - Overtime	\$12,928	\$13,594	\$6,902	-49.2%
<input type="checkbox"/> Purchased Services	\$1,148,623	\$1,177,828	\$1,151,054	-2.3%
<input type="checkbox"/> G&A	\$341,223	\$346,457	\$316,465	-8.7%
<input type="checkbox"/> Operating Materials & Equipment	\$3,378	\$6,120	\$1,400	-77.1%
<input type="checkbox"/> IT	\$234,686	\$5,800		
<b>Total</b>	<b>\$5,703,635</b>	<b>\$5,550,273</b>	<b>\$5,694,958</b>	<b>2.6%</b>

**-Main Objective-**

- Financial administration including accounting, treasury, enterprise risk, compliance, and financial planning and budgeting.

**- 2024 Top Initiatives -**

- Functionality is necessary and compliant activities that are financial and regulatory in nature.
- Unique initiatives for 2024 include completion/implementation of financial planning tools, transition of financial contracts, RFP of financial service providers, improved payables processes, and implementation of automated claims/insurance processing.
- 2024 is a reduction in spend compared to 2023 ( 2.6% budget over budget increase) due to the purchase of financial planning software in 2023 with future years managed in the Enterprise Technology Department. Additionally, certain bond issue fees were capitalized in 2023 and will be a department expense in 2024 due to timing/accounting treatment of transaction related costs.

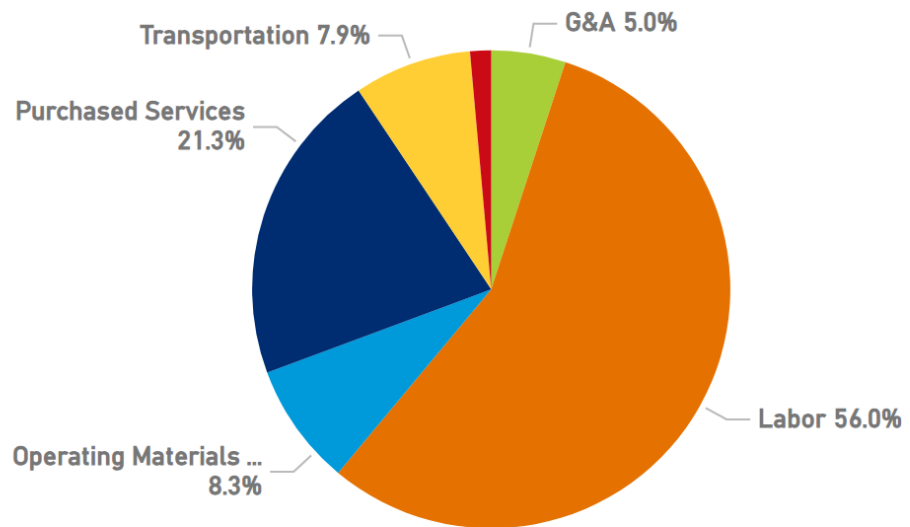




QFR Segment

Internal Services

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input type="checkbox"/> Labor	\$7,869,626	\$7,459,090	\$9,894,462	32.6%
<input type="checkbox"/> CC001 - Salaries & Wages	\$7,263,603	\$6,867,653	\$9,337,322	36.0%
<input type="checkbox"/> CC002 - Overtime	\$559,884	\$540,000	\$503,766	-6.7%
<input type="checkbox"/> CC006 - Other Labor	\$46,139	\$51,437	\$53,375	3.8%
<input type="checkbox"/> Purchased Services	\$4,181,628	\$4,997,597	\$3,764,012	-24.7%
<input type="checkbox"/> Operating Materials & Equipment	\$1,515,559	\$1,152,810	\$1,459,490	26.6%
<input type="checkbox"/> Transportation	\$1,752,056	\$1,606,080	\$1,402,409	-12.7%
<input type="checkbox"/> G&A	\$896,131	\$839,505	\$887,767	5.7%
<input type="checkbox"/> Utilities	\$256,334	\$219,357	\$250,392	14.1%
<input type="checkbox"/> IT	\$41,051		\$0	
<b>Total</b>	<b>\$16,512,383</b>	<b>\$16,274,439</b>	<b>\$17,658,533</b>	<b>8.5%</b>

### - This Group is Responsible For

Providing day-to-day operational support for internal customers. This includes development and maintenance of emergency preparedness and recovery plans, protection of district assets, fleet and equipment availability, clean, safe and reliable facilities for staff and equipment.

### - 2024 Top Initiatives -

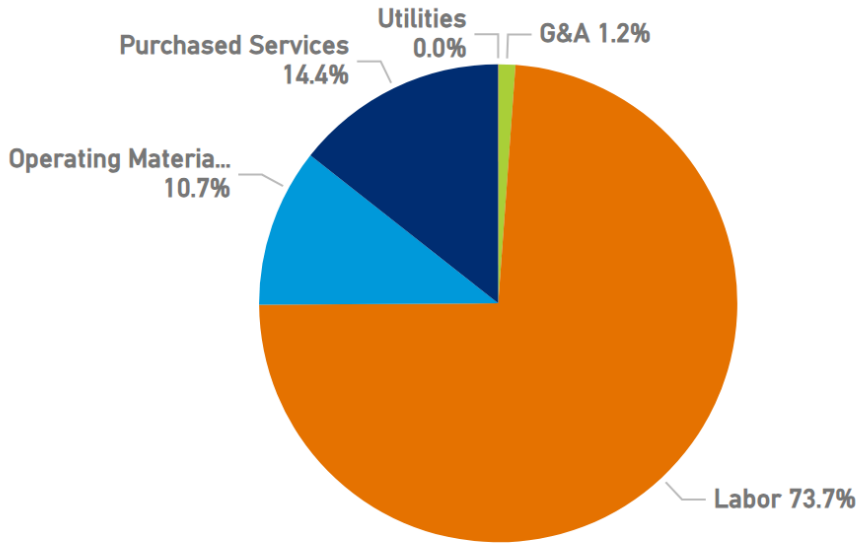
- Transportation Apprenticeship Program
- Vehicle Safety Program
- Maintain adequate and efficient fleet and equipment availability
- Reduce and improve work order response time
- Maintain clean, safe, efficient and functional facilities
- Continue to work through Dept's 5-year roadmaps (Security & Emergency Management)
- Conduct Emergency Management drills & training across district
- Increase security program visibility



QFR Segment

Power Delivery

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input type="checkbox"/> Labor	\$26,226,196	\$25,490,126	\$26,822,582	5.2%
<input type="checkbox"/> CC001 - Salaries & Wages	\$21,210,615	\$21,218,730	\$22,433,954	5.7%
<input type="checkbox"/> CC002 - Overtime	\$4,765,701	\$4,024,816	\$4,170,805	3.6%
<input type="checkbox"/> CC006 - Other Labor	\$249,880	\$246,580	\$217,822	-11.7%
<input type="checkbox"/> Purchased Services	\$4,600,430	\$5,499,756	\$5,226,625	-5.0%
<input type="checkbox"/> Operating Materials & Equipment	\$4,139,585	\$4,418,648	\$3,900,813	-11.7%
<input type="checkbox"/> G&A	\$405,675	\$511,097	\$419,629	-17.9%
<input type="checkbox"/> Utilities	\$42,406		\$4,000	
<input type="checkbox"/> IT	\$98,396	\$95,945		
<input type="checkbox"/> Transportation	\$7,266			
<b>Total</b>	<b>\$35,519,955</b>	<b>\$36,015,572</b>	<b>\$36,373,648</b>	<b>1.0%</b>

### -Main Objective-

Power Delivery is responsible for designing, constructing, maintaining, and operating Grant PUD's transmission, distribution, and substation assets and providing retail electric service to Grant County customers.

### - 2024 Top Initiatives -

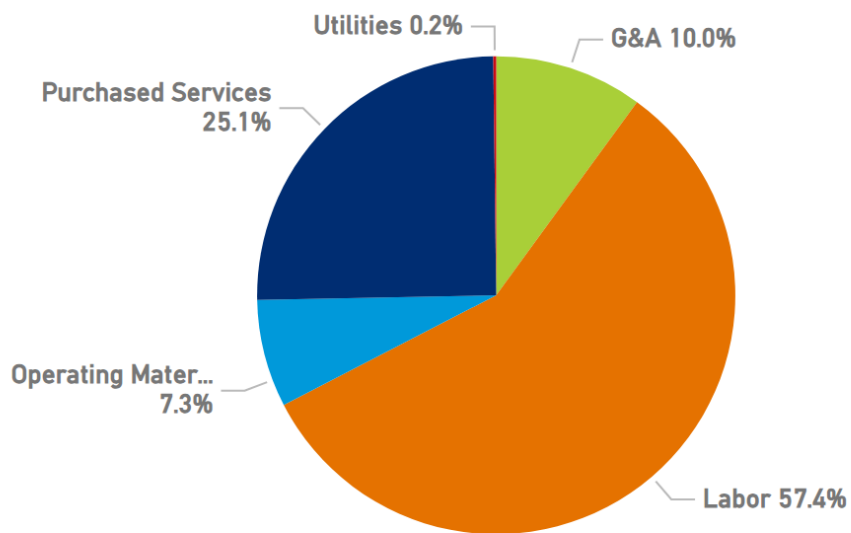
- Correcting low voltage/power quality issues on distribution feeders
- Tree trimming and removal to improve system reliability
- Transmission studies and aerial surveys to address load growth and system reliability
- Testing and maintaining substation transformers, breakers, and relays
- Employee and apprentice training and development
- Service fees paid to external entities (BPA and NWPP)



QFR Segment

Power Production

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<b>Labor</b>	\$32,031,434	\$32,401,667	\$34,765,296	7.3%
+ CC001 - Salaries & Wages	\$29,665,105	\$30,041,299	\$32,361,425	7.7%
+ CC002 - Overtime	\$2,215,163	\$2,240,618	\$2,275,035	1.5%
+ CC006 - Other Labor	\$151,166	\$119,750	\$128,836	7.6%
<b>Purchased Services</b>	\$13,762,268	\$15,065,119	\$15,210,883	1.0%
<b>G&amp;A</b>	\$5,518,594	\$5,925,551	\$6,070,215	2.4%
<b>Operating Materials &amp; Equipment</b>	\$3,415,166	\$2,713,384	\$4,409,171	62.5%
<b>Utilities</b>	\$271,581	\$114,968	\$119,956	4.3%
<b>IT</b>	\$87,625	\$63,916		
<b>Transportation</b>	\$11,447			
<b>Total</b>	\$55,098,116	\$56,284,605	\$60,575,521	7.6%

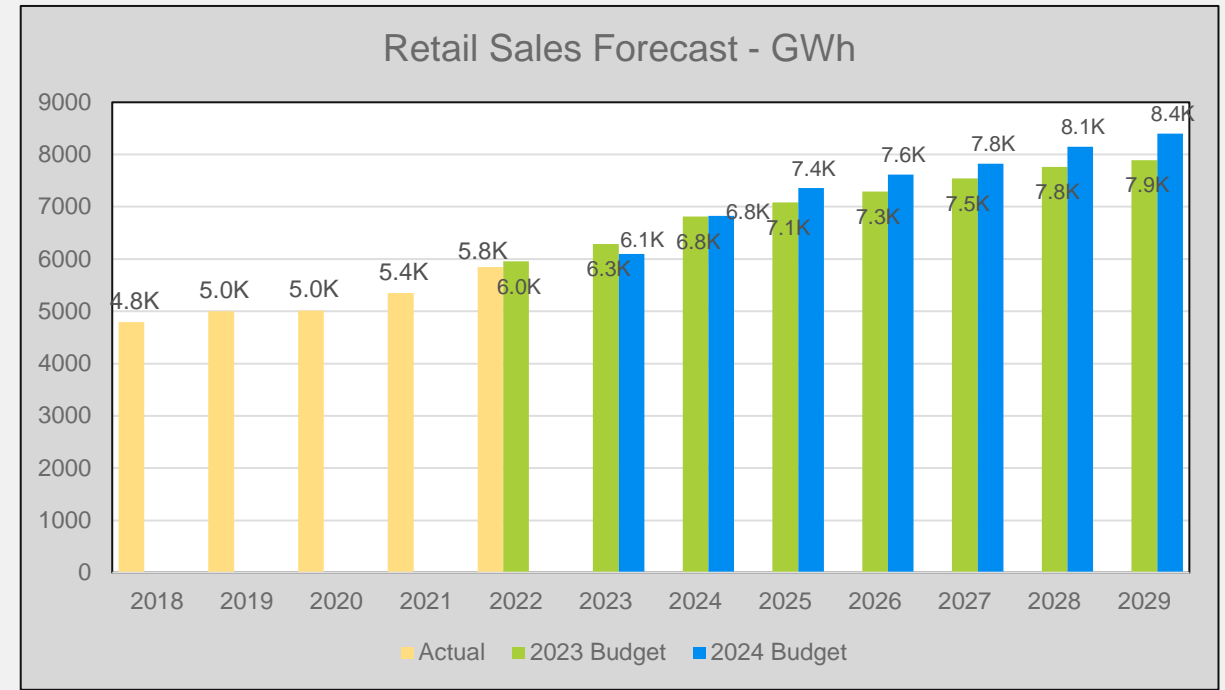
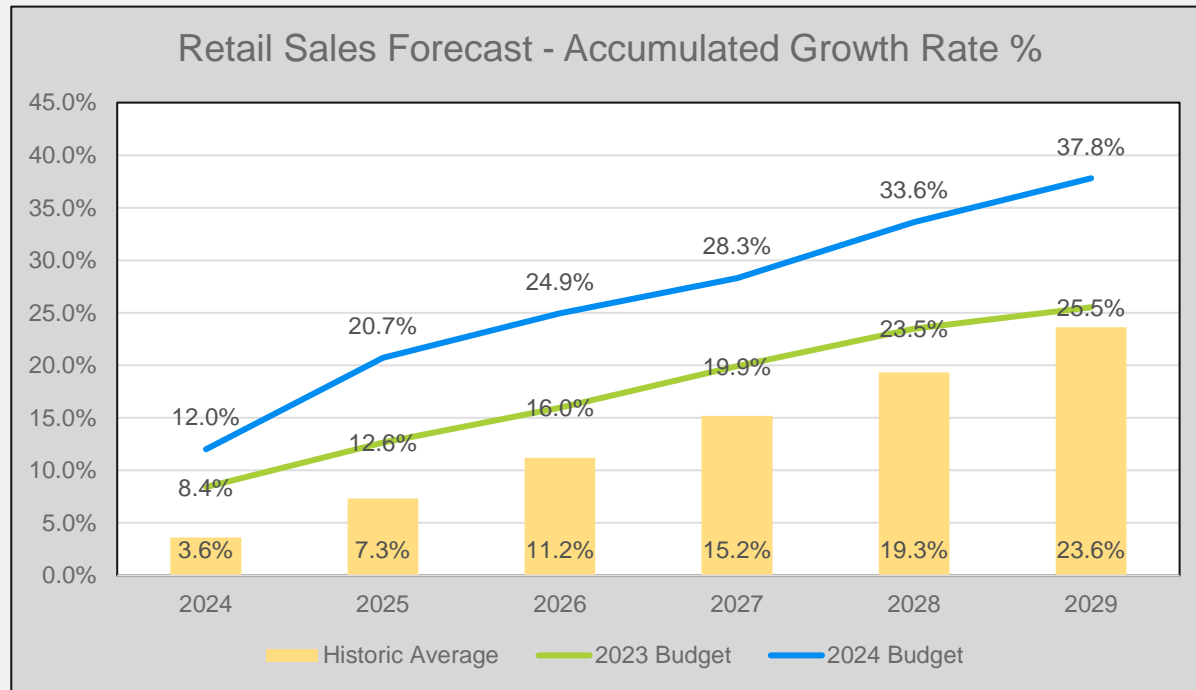
### -Main Objective-

Power Production is responsible for designing, constructing, maintaining, and operating Grant PUD's generation assets and ensuring environmental and cultural resource compliance.

### - 2024 Top Initiatives -

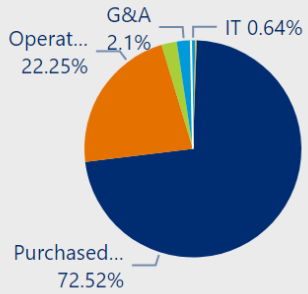
- Federal regulatory fees for hydropower project
- Required independent engineering inspection of Priest Rapids Dam
- Employee training and development
- Routine overhauls of turbine and generators at each plant
- Fish ladder maintenance at each plant

# 2024 Electric System Plan – Load Growth

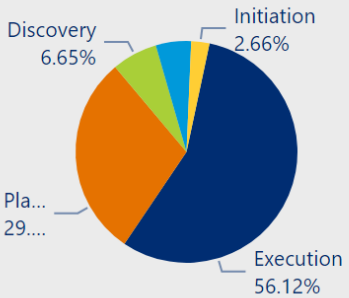


- District load forecast utilizes an econometric model approach for trended customer classes plus input for growth on discrete large loads
- The 2024 growth outpaces the previous forecast by 3.6% (historical growth rate calculated as the average of 2008-2020)
- By 2029 growth rates have diverged by 12.3%
  - 2024 Fx = 5.5% annual growth vs 2023 Fx = 3.9% annual growth
  - The increasing growth rate is associated with an increase in Rate Schedule 15 loads and larger evolving industry loads

## 2024 by Cost Category Type



## 2024 cost by Current Phase



## Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
Power Production	\$78,713,814	\$51,712,069	\$23,332,353	\$75,044,422	(\$3,669,392)	-5%	\$62,330,237	\$54,495,986	\$61,306,987
Power Delivery	\$62,356,215	\$34,824,091	\$31,071,811	\$65,895,902	\$3,539,688	6%	\$40,275,989	\$72,963,387	\$186,914,208
Fiber	\$30,182,620	\$17,854,686	\$13,060,263	\$30,914,949	\$732,329	2%	\$22,158,230	\$24,334,718	\$5,090,000
Technology	\$10,049,345	\$3,230,887	\$6,855,702	\$10,086,589	\$37,244	0%	\$3,501,753	\$7,279,125	\$5,200,000
IS/Facilities	\$7,948,711	\$3,080,802	\$4,620,286	\$7,701,089	(\$247,622)	-3%	\$6,668,733	\$38,068,622	\$80,501,867
Other			\$170,000	\$170,000	\$170,000	Infinity		\$4,007,000	\$0
<b>Total</b>	<b>\$189,250,704</b>	<b>\$110,702,536</b>	<b>\$79,110,416</b>	<b>\$189,812,951</b>	<b>\$562,247</b>	<b>0%</b>	<b>\$134,934,942</b>	<b>\$201,148,839</b>	<b>\$339,013,061</b>

## Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
PR Turbine Upgrade	\$21,844,766	\$25,484,657	\$23,927,036
FMPI - PDF_PD Facilities	\$854,932	\$24,350,800	\$72,645,001
Fiber Expansion	\$24,367,989	\$18,844,718	\$0
DB2 - Red Rock Transmission	\$1,652,873	\$17,624,384	\$3,390,291
PR Generator Rewind	\$9,794,284	\$13,301,640	\$14,593,240
Lar-Strat 115kV Relocation	\$230,606	\$8,956,463	\$151,667
IQ#3 ECBID Ruff Substation	\$1,267,050	\$6,639,040	\$0
Distribution Feeder Lines	\$6,581,811	\$6,602,529	\$3,669,674
Broadband Customer Connectivity	\$6,331,669	\$5,240,000	\$4,840,000
IQ#5 SR Quincy Valley	\$425,133	\$5,222,949	\$6,596,434
Fleet Replacement Program	\$4,489,662	\$4,280,025	\$3,687,600
IQ#1 Invenergy	\$1,449,156	\$4,177,124	\$3,265,102
Customer Line Extensions	\$4,830,686	\$4,050,000	\$4,050,000
<b>Total</b>	<b>\$189,812,951</b>	<b>\$201,148,839</b>	<b>\$339,013,061</b>

- Dollars shown as directs (no allocated internal labor)
- 2024 total capital proposed portfolio is \$201.1 million
  - Most significant projects (top 13 shown to the left)
  - Subsequent slides detail each portfolio
- For financial purposes the District adjusts dollars for fiscal management due to known variances with phase of project and slippages (\$-28.4M adjustment)
- The planned financial impact for 2024 in Exhibit A of the budget = \$172.9M



# Portfolio Summary

Portfolio

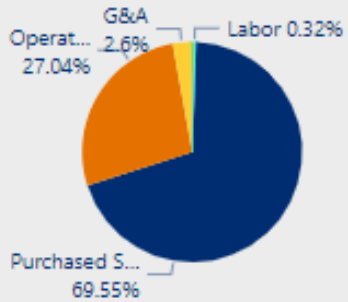


Power Production

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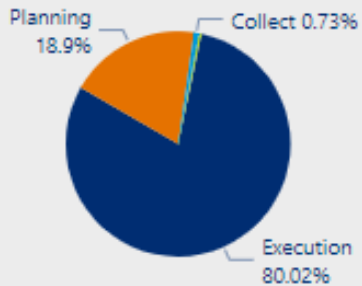
## 2024 by Cost Category Type



## Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
Power Production	\$78,713,814	\$51,712,069	\$23,332,353	\$75,044,422	(\$3,669,392)	-5%	\$62,330,237	\$54,495,986	\$61,306,987
<b>Total</b>	<b>\$78,713,814</b>	<b>\$51,712,069</b>	<b>\$23,332,353</b>	<b>\$75,044,422</b>	<b>(\$3,669,392)</b>	<b>-5%</b>	<b>\$62,330,237</b>	<b>\$54,495,986</b>	<b>\$61,306,987</b>

## 2024 cost by Current Phase



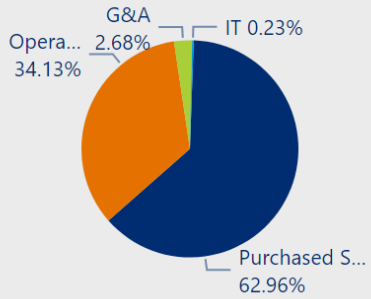
## Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
PR Turbine Upgrade	\$21,844,766	\$25,484,657	\$23,927,036
PR Generator Rewind	\$9,794,284	\$13,301,640	\$14,593,240
PRP Station & Substation Replace	\$3,296,174	\$1,967,996	\$4,935,236
Carlton Acci Facility Wells	\$1,299,581	\$1,762,750	\$0
PR Dam Unit Controls	\$1,260,130	\$1,671,953	\$1,402,564
WAN Left Embankment Improvements	\$1,924,885	\$1,538,144	\$55,181
Wanapum Emergency Diesel Generator	\$52,657	\$1,464,884	\$253,150
CO2 Supplemental Fire Study	\$29,303	\$1,089,400	\$0
WAN Capital Renewal	\$481,762	\$975,000	\$150,000
PR CO2 Supression System at PR	\$29,224	\$927,300	\$0
Eastbank Hatchery ILA	\$711,046	\$650,781	\$0
<b>Total</b>	<b>\$75,044,422</b>	<b>\$54,495,986</b>	<b>\$61,306,987</b>

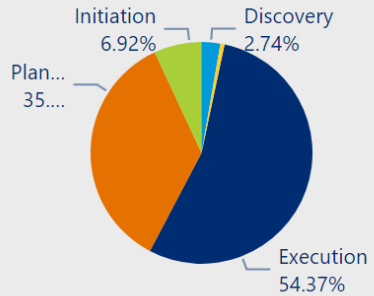
## Major Projects:

- 71% of the Power Production 2024 capital budget is the Priest Rapids Dam turbine and generator project
  - Work began in 2016, 10 units total @ 14 months per unit
  - Extends life and efficiencies of generating asset
- PRP substation, Priest Rapids Unit controls multi year impacts
  - Wanapum left embankment improvement work
- Environmental focused projects:
  - Developing new production and domestic wells at Carlton fish acclimation facility
  - Eastbank Hatchery (partnership with Chelan PUD)

## 2024 by Cost Category Type



## 2024 cost by Current Phase



## Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
Power Delivery	\$62,356,215	\$34,824,091	\$31,071,811	\$65,895,902	\$3,539,688	6%	\$40,275,989	\$72,963,387	\$186,914,208
<b>Total</b>	<b>\$62,356,215</b>	<b>\$34,824,091</b>	<b>\$31,071,811</b>	<b>\$65,895,902</b>	<b>\$3,539,688</b>	<b>6%</b>	<b>\$40,275,989</b>	<b>\$72,963,387</b>	<b>\$186,914,208</b>

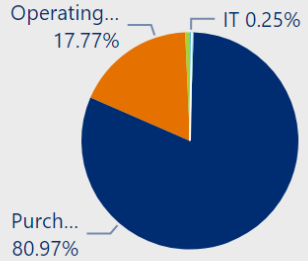
## Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
DB2 - Red Rock Transmission	\$1,652,873	\$17,624,384	\$3,390,291
Lar-Strat 115kV Relocation	\$230,606	\$8,956,463	\$151,667
IQ#3 ECBID Ruff Substation	\$1,267,050	\$6,639,040	\$0
Distribution Feeder Lines	\$6,581,811	\$6,602,529	\$3,669,674
IQ#5 SR Quincy Valley	\$425,133	\$5,222,949	\$6,596,434
IQ#1 Invenergy	\$1,449,156	\$4,177,124	\$3,265,102
Customer Line Extensions	\$4,830,686	\$4,050,000	\$4,050,000
DB2 - South Ephrata Substation	\$5,911,778	\$2,795,038	\$0
QTEP - WAN-MT View 230kV Line	\$668,880	\$2,597,334	\$15,069,751
DB2 - Mountain View Cap Bank	\$1,852,268	\$2,558,614	\$0
QTEP - MT View Breaker &	\$486,462	\$2,297,048	\$26,760,624
<b>Total</b>	<b>\$65,895,902</b>	<b>\$72,963,387</b>	<b>\$186,914,208</b>

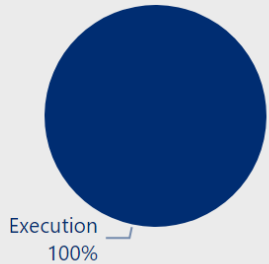
## Major Projects:

- Building new and relocating existing transmission lines to accommodate load growth and county road widening
- Building new and upgrading existing substations to accommodate load growth
- Extending distribution system to serve new customers
- Building new infrastructure to connect a new solar farm customer

## 2024 by Cost Category Type



## 2024 cost by Current Phase



## Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
Fiber	\$30,182,620	\$17,854,686	\$13,060,263	\$30,914,949	\$732,329	2%	\$22,158,230	\$24,334,718	\$5,090,000
<b>Total</b>	<b>\$30,182,620</b>	<b>\$17,854,686</b>	<b>\$13,060,263</b>	<b>\$30,914,949</b>	<b>\$732,329</b>	<b>2%</b>	<b>\$22,158,230</b>	<b>\$24,334,718</b>	<b>\$5,090,000</b>

## Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
Fiber Expansion	\$24,367,989	\$18,844,718	\$0
Broadband Customer Connectivity	\$6,331,669	\$5,240,000	\$4,840,000
Wholesale Fiber Cable Replacement	\$215,292	\$250,000	\$250,000
<b>Total</b>	<b>\$30,914,949</b>	<b>\$24,334,718</b>	<b>\$5,090,000</b>

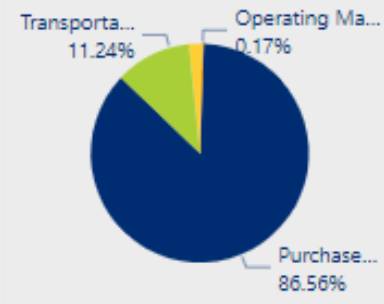
## Major Projects:

- Complete buildout of wholesale fiber network
  - 8 areas completed in 2023 and final 8 areas completed with the 2024 budget
- Annual connectivity and fiber replacement necessary for system

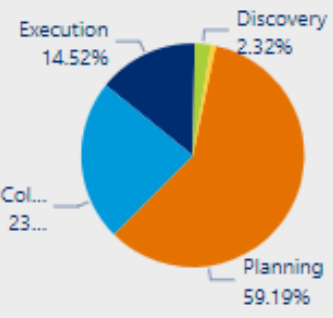




## 2024 by Cost Category Type



## 2024 cost by Current Phase



## Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
IS/Facilities	\$7,948,711	\$3,080,802	\$4,620,286	\$7,701,089	(\$247,622)	-3%	\$6,668,733	\$38,068,622	\$80,501,867
<b>Total</b>	<b>\$7,948,711</b>	<b>\$3,080,802</b>	<b>\$4,620,286</b>	<b>\$7,701,089</b>	<b>(\$247,622)</b>	<b>-3%</b>	<b>\$6,668,733</b>	<b>\$38,068,622</b>	<b>\$80,501,867</b>

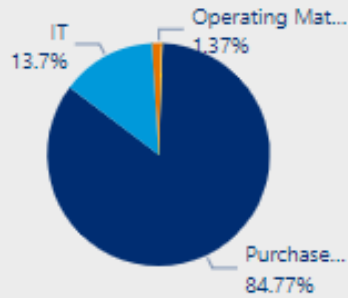
## Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
FMPI - PDF_PD Facilities	\$854,932	\$24,350,800	\$72,645,001
Fleet Replacement Program	\$4,489,662	\$4,280,025	\$3,687,600
Control Center Improvements	\$63,318	\$3,380,189	\$0
Facility Capital Improvement Pool	\$1,507,232	\$1,528,300	\$1,125,600
FMPI - MLLO Relocation	\$0	\$1,389,590	\$0
Royal City Paving Project	\$36,000	\$992,500	\$0
Wanapum Switchyard Well Intertie	\$0	\$870,000	\$0
FMPI - GCSC Surplus	\$53,000	\$668,330	\$123,666
ESC Storage Rack Improvements	\$43,000	\$304,605	\$0
PRD Gates and Security Station	\$0	\$304,283	\$0
<b>Total</b>	<b>\$7,701,089</b>	<b>\$38,068,622</b>	<b>\$80,501,867</b>

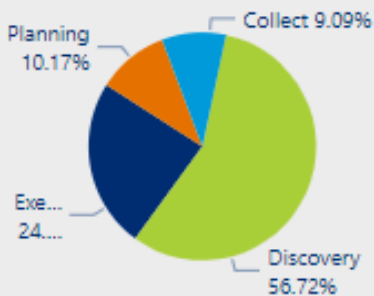
## Major Projects:

- Ephrata Service Center, also referenced as part of the larger Power Delivery Facilities (PDF) project is 64% of the 2024 portfolio
  - Design phase 2024-2025, construction slated 2025-2027
  - More information at [www.grantpudor/key-projects-eph-service-center](http://www.grantpudor/key-projects-eph-service-center)
- Fiber equipment relocation in Moses Lake budgeted
- Balance of portfolio is facility updates needed for safe and compliant work spaces
  - Facilities Cap Pool supports maintenance plan and necessary needed equipment.

## 2024 by Cost Category Type



## 2024 cost by Current Phase



## Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
Technology	\$10,049,345	\$3,230,887	\$6,855,702	\$10,086,589	\$37,244	0%	\$3,501,753	\$7,279,125	\$5,200,000
<b>Total</b>	<b>\$10,049,345</b>	<b>\$3,230,887</b>	<b>\$6,855,702</b>	<b>\$10,086,589</b>	<b>\$37,244</b>	<b>0%</b>	<b>\$3,501,753</b>	<b>\$7,279,125</b>	<b>\$5,200,000</b>

## Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
13.1 Re-engineer Supply Chain	\$0	\$3,850,000	\$3,500,000
Maximo Asset Mgmt for PD	\$0	\$1,000,000	\$1,000,000
Mobile Workforce	\$0	\$400,000	\$0
Transfer Trip Replacement	\$0	\$375,000	\$0
10.14 Network Core Replacements	\$3,531,842	\$314,431	\$0
6.2 Replace Energy Management System	\$2,751,177	\$309,403	\$0
Customer Relationship Mgr (CRM)	\$0	\$200,000	\$0
IT Project Pool - Small Projects	\$200,000	\$200,000	\$200,000
Copy Machine Replacements	\$100,000	\$100,000	\$100,000
SCADA Communication	\$33,333	\$100,000	\$100,000
<b>Total</b>	<b>\$10,086,589</b>	<b>\$7,279,125</b>	<b>\$5,200,000</b>

## Major Projects:

- Replacement of network core components provides stability and reliability for Fiber and operational networks
- Replacement of the Emergency Management System needed for FERC regulatory compliance requirements
- Mobile Workforce software to go live in 2024 - automates the power delivery work orders and replaces non functioning tool
- Expanding the use of Maximo into asset management – enables more efficient management of assets from purchase to retirement
- Customer Relationship Management software slated in 2024 to enhance customer interfaces

# Preliminary Budget Summary – Total Expenditures

## Combined Financial Results

Exhibit A - \$ in thousands	audited	audited	As of Q2 FC		As of '24	As of '24	As of '24	As of '24	As of '24	
	Actuals	Actuals	Budget	Forecast	Budget	Forecast	Budget	Budget	Budget	
Budgeted Items	2021	2022	2023	2023	2024	2025	2026	2027	2028	2029
<b>Total O&amp;M</b>	\$ 165,689	\$ 167,074	\$ 188,170	\$ 183,668	\$ 201,879	\$ 209,102	\$ 216,331	\$ 223,778	\$ 231,455	\$ 239,419
Taxes	\$ 20,081	\$ 21,151	\$ 21,556	\$ 22,991	\$ 23,662	\$ 24,335	\$ 25,010	\$ 25,687	\$ 26,365	\$ 27,045
Electric Capital	\$ 92,567	\$ 86,550	\$ 80,842	\$ 88,590	\$ 101,017	\$ 120,364	\$ 130,595	\$ 126,365	\$ 67,522	\$ 49,438
PRP Capital	\$ 77,146	\$ 69,822	\$ 74,139	\$ 81,637	\$ 71,896	\$ 69,730	\$ 64,773	\$ 53,939	\$ 52,942	\$ 108,675
<b>Total Capital</b>	\$ 169,713	\$ 156,372	\$ 154,981	\$ 170,227	\$ 172,913	\$ 190,094	\$ 195,368	\$ 180,304	\$ 120,464	\$ 158,113
Debt Service - (net of Rebates)	\$ 74,152	\$ 73,717	\$ 71,986	\$ 73,841	\$ 68,022	\$ 78,032	\$ 78,831	\$ 79,513	\$ 88,648	\$ 89,649
<b>Total Expenditures</b>	\$ 429,635	\$ 418,313	\$ 436,693	\$ 450,727	\$ 466,476	\$ 501,564	\$ 515,540	\$ 509,282	\$ 466,932	\$ 514,227
<b>Expenditures offsets for deduction</b>										
Contributions in Aid of Construction	\$ (14,110)	\$ (10,781)	\$ (10,713)	\$ (17,544)	\$ (12,257)	\$ (12,650)	\$ (11,297)	\$ (11,490)	\$ (6,853)	\$ (6,853)
Sales to Power Purchasers at Cost	\$ (23,584)	\$ (28,654)	\$ (13,765)	\$ (20,590)	\$ (16,889)	\$ (7,258)	\$ (7,406)	\$ (7,757)	\$ (8,099)	\$ (7,902)
Net Power (+ Expense, -Revenue)	\$ (90,567)	\$ (86,554)	\$ (95,178)	\$ (180,779)	\$ (90,167)	\$ (69,956)	\$ (58,138)	\$ (49,099)	\$ (31,122)	\$ (22,778)
<b>Total Expenditures Offset</b>	\$ (128,261)	\$ (125,989)	\$ (119,656)	\$ (218,914)	\$ (119,312)	\$ (89,863)	\$ (76,841)	\$ (68,346)	\$ (46,074)	\$ (37,532)
<b>Total Budgeted Expenditures</b>	\$ 301,374	\$ 292,324	\$ 317,038	\$ 231,813	\$ 347,163	\$ 411,701	\$ 438,699	\$ 440,936	\$ 420,858	\$ 476,695

## TOTAL O&M

- 2024 total O&M aggregated 7.2% increase over 2023 budget
- 2023 actual spending is outperforming the budget due to scope reductions and deferrals
- O&M is inflated at ~3.4% annually post 2024

## ELEC & PRP Capital

- Inflation is a significant driver and an impact both the ELEC and PRP systems' capital plans
- Capital projects impact years differently based upon timing and scope, refer to capital detail slides for specifics

## Debt

- Fluctuations in debt service payments result from savings from refinancing in 2024 and out year increase is due to market rate increases
  - 2024 capital projected to be cash funded
  - 2025 forecasted for an external debt issue ~\$125M (and corresponding debt service increase)

## Expenditure Offsets

- The material impact is net power driven from growing load needs over the forecast period. Noted in 2023 is an abnormal influx of revenues from unique market conditions. This trend is not expected to occur and this value to decrease from historical levels.

# Preliminary Budget Summary – Net Position

## Combined Financial Results

Exhibit B - \$ in thousands	restated	restated	As of Q2 FC			As of '24	As of '24	As of '24	As of '24	As of '24
	Actuals	Actuals	Budget	Forecast	Budget	Budget	Budget	Budget	Budget	Budget
	2021	2022	2023	2023	2024	2025	2026	2027	2028	2029
<b>CONSOLIDATED OPERATIONAL PERFORMANCE</b>										
Sales to Power Purchasers at Cost	\$ 23,584	\$ 28,654	\$ 13,765	\$ 20,590	\$ 16,889	\$ 7,258	\$ 7,406	\$ 7,757	\$ 8,099	\$ 7,902
Retail Energy Sales	\$ 231,937	\$ 265,721	\$ 272,425	\$ 276,280	\$ 313,316	\$ 338,774	\$ 348,832	\$ 361,293	\$ 384,482	\$ 398,522
Net Power (Net Wholesale + Other Power Revenue)	\$ 90,567	\$ 86,554	\$ 95,178	\$ 180,779	\$ 90,167	\$ 69,956	\$ 58,138	\$ 49,099	\$ 31,122	\$ 22,778
Fiber Optic Network Sales	\$ 12,046	\$ 12,775	\$ 12,300	\$ 13,257	\$ 13,522	\$ 13,793	\$ 14,069	\$ 14,350	\$ 14,637	\$ 14,930
Other Revenues	\$ 1,758	\$ 3,409	\$ 2,354	\$ 3,295	\$ 3,295	\$ 3,295	\$ 3,295	\$ 3,295	\$ 3,295	\$ 3,295
Operating Expenses	\$ (165,689)	\$ (167,074)	\$ (188,170)	\$ (183,668)	\$ (201,879)	\$ (209,102)	\$ (216,331)	\$ (223,778)	\$ (231,455)	\$ (239,419)
Taxes	\$ (20,081)	\$ (21,151)	\$ (21,556)	\$ (22,991)	\$ (23,662)	\$ (24,335)	\$ (25,010)	\$ (25,687)	\$ (26,365)	\$ (27,045)
<b>Net Operating Income (Loss) Before Depreciation</b>	<b>\$ 174,122</b>	<b>\$ 208,888</b>	<b>\$ 186,296</b>	<b>\$ 287,542</b>	<b>\$ 211,648</b>	<b>\$ 199,638</b>	<b>\$ 190,398</b>	<b>\$ 186,329</b>	<b>\$ 183,814</b>	<b>\$ 180,961</b>
Depreciation and amortization	\$ (79,549)	\$ (80,307)	\$ (77,841)	\$ (84,405)	\$ (89,397)	\$ (94,958)	\$ (100,674)	\$ (105,866)	\$ (109,042)	\$ (113,450)
<b>Net Operating Income (Loss)</b>	<b>\$ 94,574</b>	<b>\$ 128,581</b>	<b>\$ 108,455</b>	<b>\$ 203,137</b>	<b>\$ 122,250</b>	<b>\$ 104,679</b>	<b>\$ 89,725</b>	<b>\$ 80,463</b>	<b>\$ 74,773</b>	<b>\$ 67,511</b>
Interest, debt and other income	\$ (33,733)	\$ (48,948)	\$ (25,485)	\$ (19,534)	\$ (15,875)	\$ (27,260)	\$ (28,486)	\$ (33,245)	\$ (37,732)	\$ (36,027)
CIAC	\$ 14,110	\$ 10,781	\$ 10,713	\$ 17,544	\$ 12,257	\$ 12,650	\$ 11,297	\$ 11,490	\$ 6,853	\$ 6,853
<b>Change in Net Position</b>	<b>\$ 74,951</b>	<b>\$ 90,414</b>	<b>\$ 93,683</b>	<b>\$ 201,147</b>	<b>\$ 118,632</b>	<b>\$ 90,069</b>	<b>\$ 72,536</b>	<b>\$ 58,708</b>	<b>\$ 43,893</b>	<b>\$ 38,337</b>

- Net wholesale is a major driver in out years
- Increasing costs growing with system needs additionally placing pressure on Net Operating Income
- Interest/Debt expense is outperforming prior years due to increased level of earnings on district investment portfolio as a result of current rate environment

## Retail Energy Sales

- Same as reported in Q2 Financial Forecast includes the latest Retail Sales forecast
- 2024 retail sales expected to add \$37.1 million of operating revenues over 2023 (+13%)
- 2024-2028: Significant favorable impact of \$ 22.5M (on an average annual basis) vs the original 2023 Budget forecast.
  - Includes 2.5% rate revenue increase in 2024, and 2% annual increases thereafter (note this is uplift to total revenue, not reflective of actual rate increases)
  - +\$9.1M is Price related, +\$13.4M is Volume related

# Preliminary Budget Summary – Key Metrics

## Combined Financial Results

Financial Metrics	Target	Actuals 2022	Budget 2023	Forecast 2023	Budget 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
<b>Net Position</b>		\$ 90,414	\$ 93,683	\$201,147	\$ 118,632	\$ 90,069	\$ 72,536	\$ 58,708	\$ 43,893	\$ 38,337
<b>Liquidity</b>										
Elect System Liquidity (Rev + R&C)	\$105 MM	\$126,794	\$111,014	\$200,569	\$ 172,095	\$185,952	\$176,228	\$159,745	\$149,836	\$148,748
Days Cash On Hand	> 250	305	273	431	348	358	332	297	273	263
<b>Leverage</b>										
Consolidated DSC	>1.8x	2.57	2.57	3.37	3.17	2.65	2.50	2.50	2.23	2.18
Consolidated Debt/Plant Ratio	<= 60%	48%	48%	45%	43%	45%	42%	39%	37%	35%
<b>Profitability</b>										
Consolidated Return on Net Assets	>4%	3.8%	3.8%	8.2%	4.7%	3.4%	2.7%	2.1%	1.6%	1.3%
Retail Operating Ratio	<=100%	108%	108%	113%	109%	114%	116%	115%	100%	94%

## Dashboard - Financial Metrics/Performance

	2024	2025	2026	2027	2028	2029
Electric Liquidity (R&C + WC)	+	+	+	+	+	+
Consolidated Debt Service Coverage	+	+	+	+	+	+
Consolidated Debt/Plant	+	+	+	+	+	+
Consolidated Return on Net Assets	+	-	-	-	-	-
Retail Operating Ratio	-	-	-	-	◆	+

04

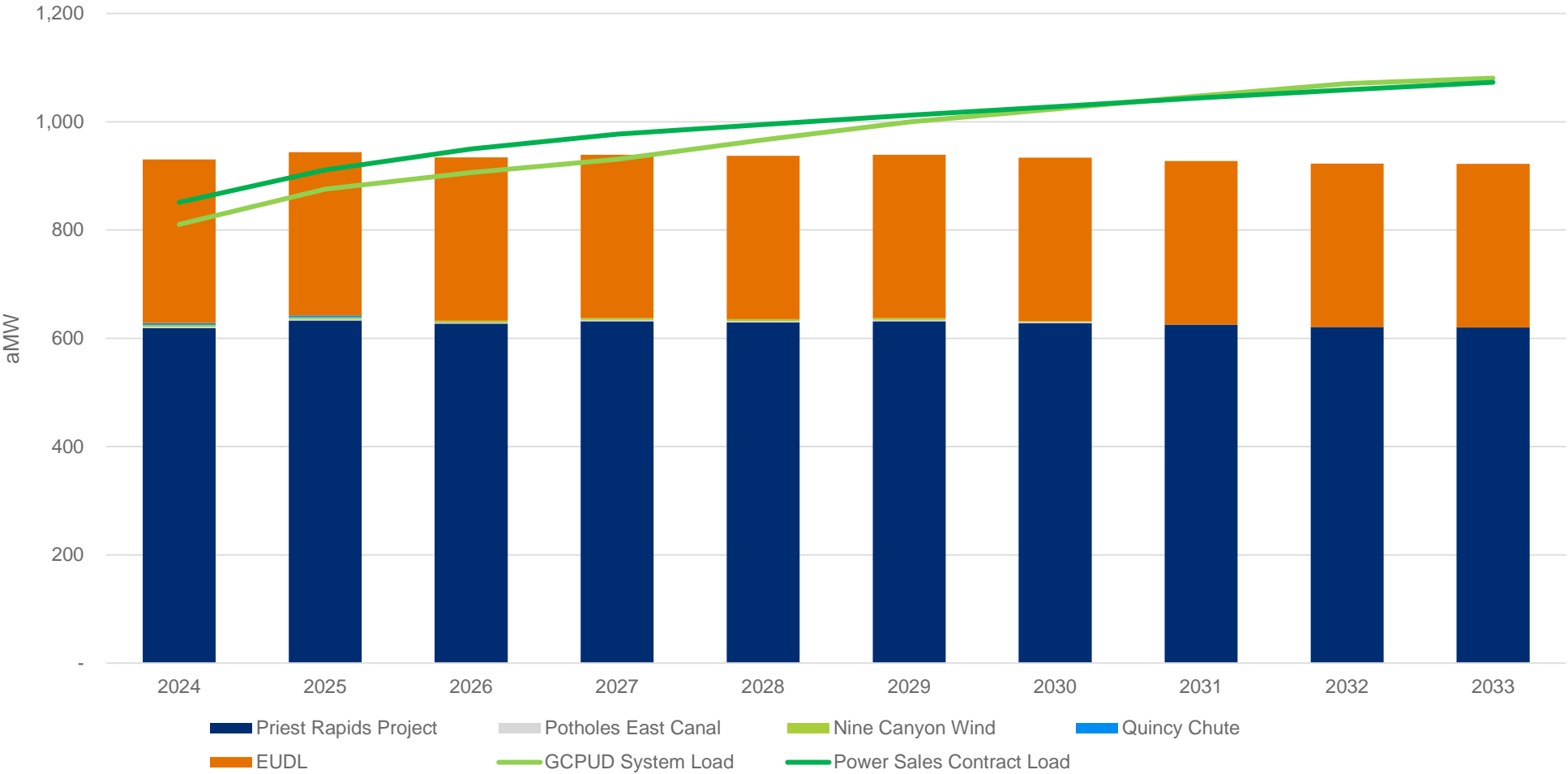
## Appendix A - Scenarios

*Events that could have a significant impact on budget*



# Priest Rapids Project Remaining Availability Load Growth

Load vs Generation (aMW) as of September 2023  
 (For illustration purposes only)



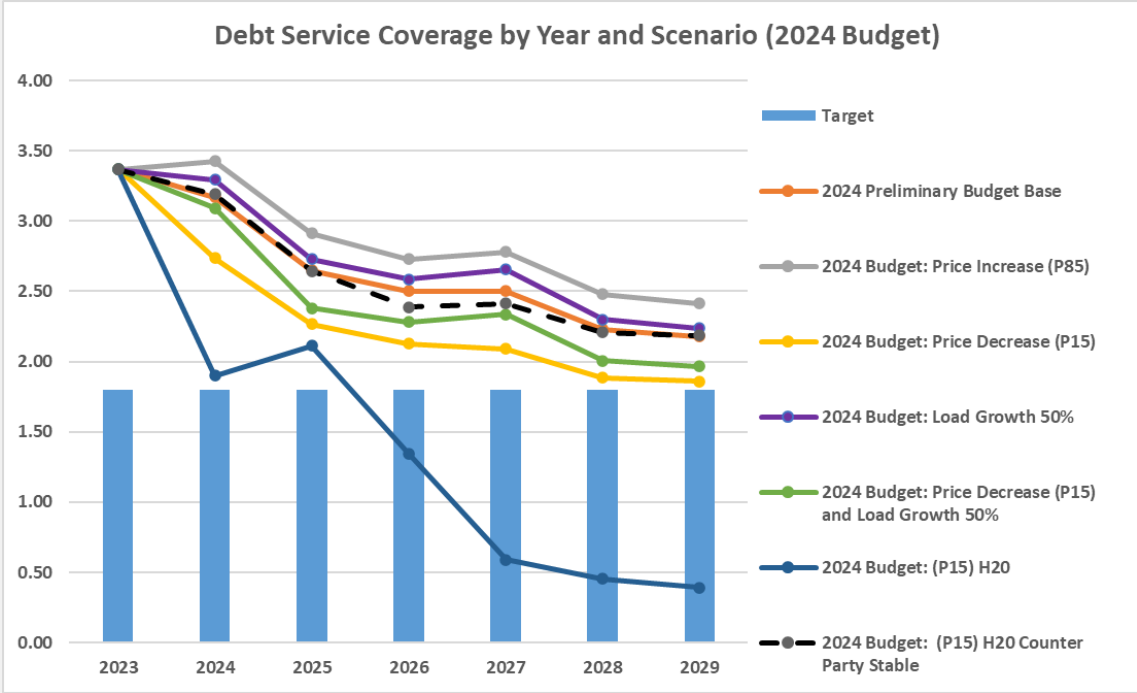
# Operational Scenario Descriptions

## 6 Scenarios – provide metrics impact for movement in volatile parts of Grant PUD operations

- Scenarios that provide insight on Grant PUD's exposure to wholesale prices, that is selling and buying from the market when Grant's resources don't match load needs.
  - High wholesale prices (P85, prices only higher 15% of time)
  - Low wholesales prices (P15, prices only lower 15% of time)
- Scenarios that show how Grant PUD's financial metrics respond when load growth (electricity sales to retail customers) slows down from expected growth.
  - Low load growth at  $\frac{1}{2}$  growth rate of base forecast
  - Low load growth ( $\frac{1}{2}$  Base) combined with low wholesale prices (P15)
- Scenarios that provide the impact of changing water conditions on the Columbia River
  - Low water (P15, water flow at dams only lower 15% of the time) Isolated
  - Low water and Counter Party Stable

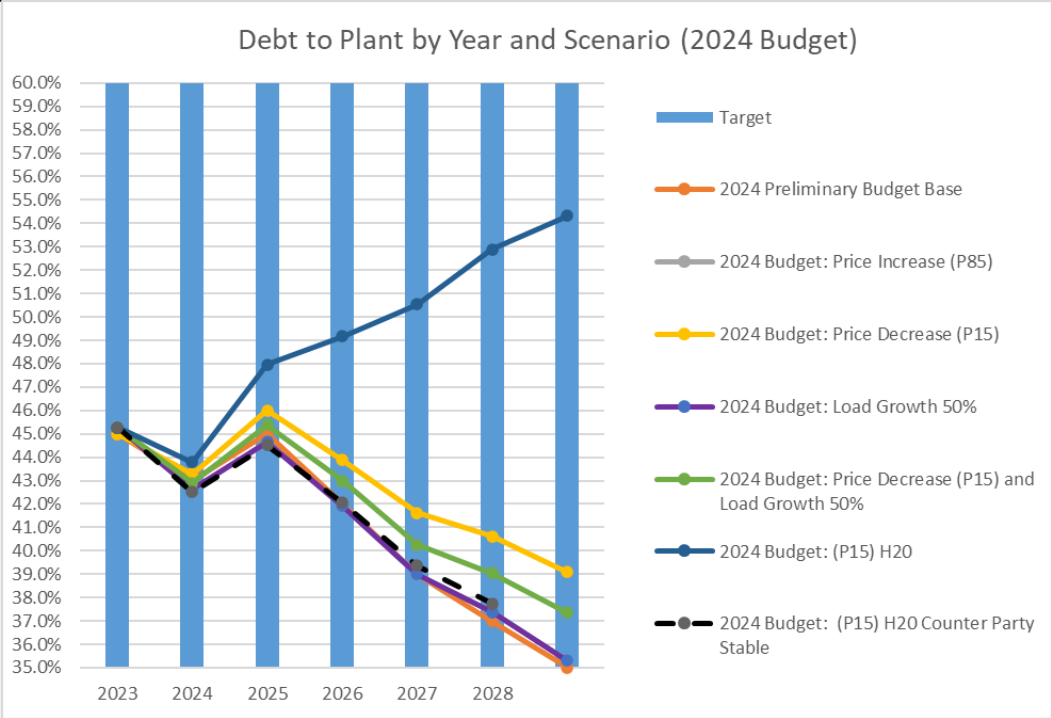


# Operational Scenarios – Comparison to Base Budget



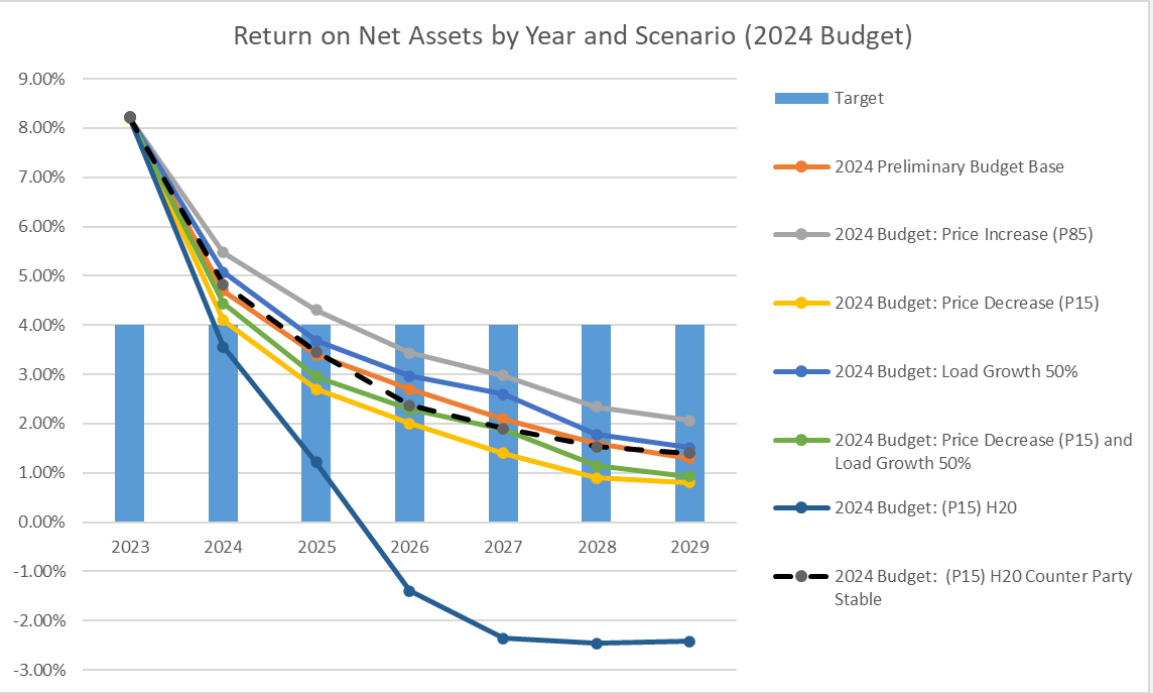
Debt Service Coverage (DSC)	2023	2024	2025	2026	2027	2028	2029
<b>Target</b>	<b>1.80</b>	<b>1.80</b>	<b>1.80</b>	<b>1.80</b>	<b>1.80</b>	<b>1.80</b>	<b>1.80</b>
2024 Preliminary Budget Base	3.37	3.17	2.65	2.50	2.50	2.23	2.18
2024 Budget: Price Increase (P85)	3.37	3.42	2.91	2.73	2.78	2.48	2.41
2024 Budget: Price Decrease (P15)	3.37	2.74	2.27	2.13	2.09	1.88	1.86
2024 Budget: Load Growth 50%	3.37	3.30	2.73	2.58	2.66	2.30	2.24
2024 Budget: Price Decrease (P15) and Load Growth 50%	3.37	3.09	2.38	2.28	2.34	2.00	1.97
2024 Budget: (P15) H2O	3.37	1.90	2.11	1.35	0.59	0.46	0.39
2024 Budget: (P15) H2O Counter Party Stable	3.37	3.19	2.64	2.39	2.41	2.21	2.19

# Operational Scenarios – Comparison to Base Budget



Debt to Net Plant	2023	2024	2025	2026	2027	2028	2029
<b>Target</b>	<b>60.0%</b>	<b>60.0%</b>	<b>60.0%</b>	<b>60.0%</b>	<b>60.0%</b>	<b>60.0%</b>	<b>60.0%</b>
2024 Preliminary Budget Base	45.0%	43.0%	45.0%	42.0%	39.0%	37.0%	35.0%
2024 Budget: Price Increase (P85)	45.3%	42.6%	44.7%	41.9%	39.0%	37.4%	35.3%
2024 Budget: Price Decrease (P15)	45.0%	43.3%	46.0%	43.9%	41.6%	40.6%	39.1%
2024 Budget: Load Growth 50%	45.3%	42.6%	44.7%	41.9%	39.0%	37.4%	35.3%
2024 Budget: Price Decrease (P15) and Load Growth 50%	45.3%	42.9%	45.4%	43.0%	40.3%	39.0%	37.4%
2024 Budget: (P15) H20	45.3%	43.8%	48.0%	49.2%	50.5%	52.9%	54.3%
2024 Budget: (P15) H20 Counter Party Stable	45.3%	42.5%	44.5%	42.1%	39.4%	37.8%	35.6%

# Operational Scenarios – Comparison to Base Budget



Return on Net Assets (RONA)	2023	2024	2025	2026	2027	2028	2029
<b>Target</b>	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
2024 Preliminary Budget Base	8.20%	4.70%	3.40%	2.70%	2.10%	1.60%	1.30%
2024 Budget: Price Increase (P85)	8.22%	5.48%	4.31%	3.44%	2.98%	2.34%	2.07%
2024 Budget: Price Decrease (P15)	8.20%	4.10%	2.70%	2.00%	1.40%	0.90%	0.80%
2024 Budget: Load Growth 50%	8.22%	5.08%	3.68%	2.96%	2.60%	1.77%	1.52%
2024 Budget: Price Decrease (P15) and Load Growth 50%	8.22%	4.44%	2.95%	2.29%	1.89%	1.14%	0.93%
2024 Budget: (P15) H2O	8.22%	3.56%	1.21%	-1.40%	-2.36%	-2.46%	-2.42%
2024 Budget: (P15) H2O Counter Party Stable	8.22%	4.82%	3.45%	2.37%	1.90%	1.53%	1.40%



**Powering our way of life.**

04

## Appendix B – Summarized Budget Reconciliation



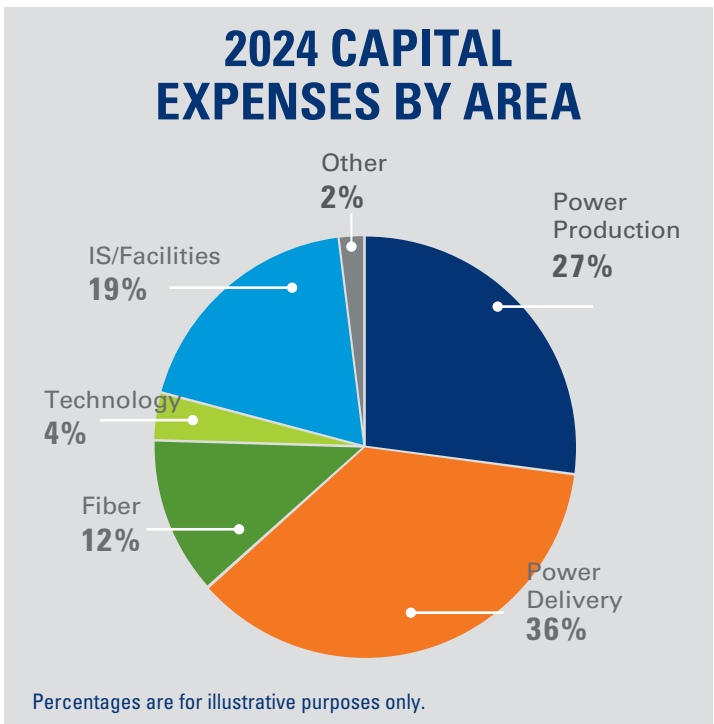
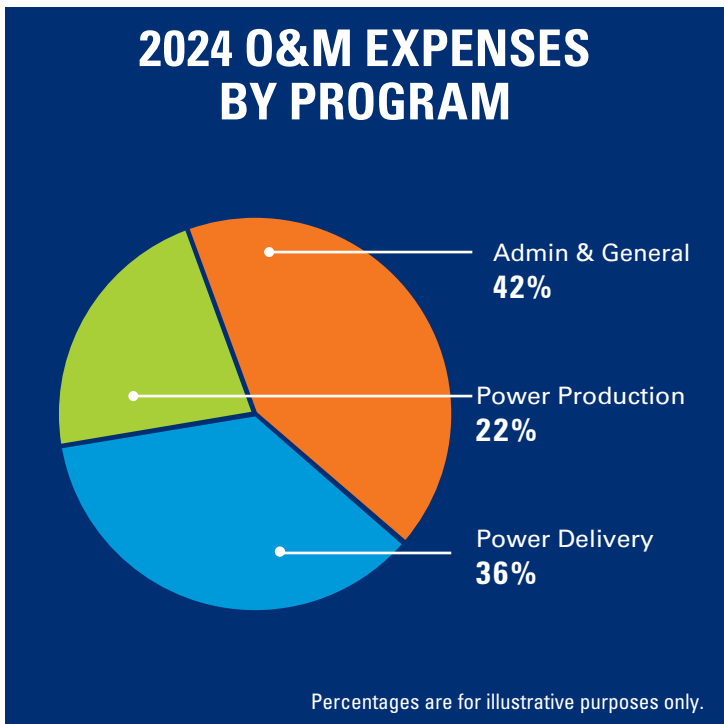
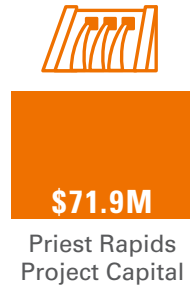
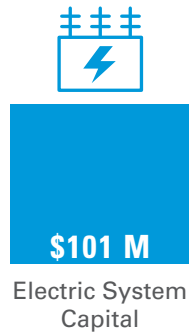
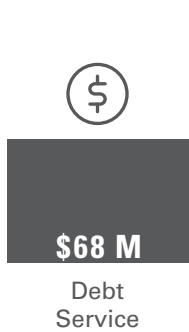
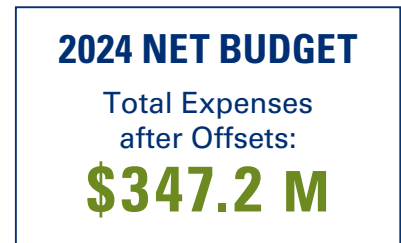
# Appendix – 2024 Budget Comparison QFR BvA items

## Budget Comparison

		2024 Budget ---Preliminary---				
		BU OP Budgets	Enterprise	O&M	12.76% CAP	= Labor-to-CAP TOTAL
Labor	Salaries & Wages	\$ 98,034,658		\$ 85,702,749	\$ 12,331,909	\$ 98,034,658
	Overtime	\$ 7,570,556		\$ 6,413,137	\$ 1,157,419	\$ 7,570,556
	Benefits		\$ 42,154,903	\$ 36,852,183	\$ 5,302,720	\$ 42,154,903
	Other Labor	\$ 926,046	\$ 2,511,140	\$ 3,336,634	\$ 100,551	\$ 3,437,185
	<b>TOTAL</b>	<b>\$ 106,531,260</b>	<b>\$ 44,666,043</b>	<b>\$ 132,304,703</b>	<b>\$ 18,892,599</b>	<b>\$ 151,197,302</b>
Directs	G&A	\$ 11,671,273		\$ 11,671,273		\$ 11,671,273
	IT	\$ 10,119,901		\$ 10,119,901		\$ 10,119,901
	Operating Materials & Equipment	\$ 10,285,396		\$ 10,285,396		\$ 10,285,396
	Purchased Services	\$ 34,173,280		\$ 34,173,280		\$ 34,173,280
	Risk	\$ -	\$ 5,076,589	\$ 5,076,589		\$ 5,076,589
	Transportation	\$ 1,402,409		\$ 1,402,409		\$ 1,402,409
	Utilities	\$ 812,487		\$ 812,487		\$ 812,487
	Capitalized A&G			\$ (4,243,252)	\$ 4,243,252	\$ -
	Business Initiative		\$ 4,105,977	\$ 4,105,977		\$ 4,105,977
	PRP CAP				\$ 62,693,238	\$ 62,693,238
	ELEC CAP				\$ 87,083,840	\$ 87,083,840
		\$ 68,464,746	\$ 9,182,566	\$ 73,404,060	\$ 154,020,330	\$ 227,424,390
	\$ 174,996,006	\$ 53,848,609	\$ 205,708,763	\$ 172,912,929	\$ 378,621,692	
<b>Enterprise TOTALs</b>	<b>\$ 174,996,006</b>	<b>\$ 53,848,609</b>	<b>\$ 205,708,763</b>	<b>\$ 172,912,929</b>	<b>\$ 378,621,692</b>	
<i>Balance Sheet, COGs, &amp; Other Activity</i>				\$ (3,829,996)	\$ (3,829,996)	
<b>Enterprise TOTALs</b>	<b>\$ 174,996,006</b>	<b>\$ 53,848,609</b>	<b>\$ 201,878,768</b>	<b>\$ 172,912,929</b>	<b>\$ 374,791,696</b>	

Exhibit A & B =

# 2024 PROPOSED BUDGET



### FINANCIAL METRICS/PERFORMANCE DASHBOARD

	2024	2025	2026	2027	2028	2029
Electric Liquidity (R&C + WC)	+	+	+	+	+	+
Consolidated Debt Service Coverage	+	+	+	+	+	+
Consolidated Debt/Plant	+	+	+	+	+	+
Consolidated Return on Net Assets	+	-	-	-	-	-
Retail Operating Ratio	-	-	-	-	◆	+

# 2024 BUDGET AT A GLANCE

The proposed 2024 Budget continues our focus on long-term value for all customers so we can continue to provide low-cost, reliable power for future generations.

EXPENSES	2023 BUDGET	2024 BUDGET
Operations & Maintenance (Includes adjustments)	\$188.2 M	\$201.9 M
Taxes	\$21.6 M	\$23.7 M
Electric System Capital	\$80.8 M	\$101.0 M
Priest Rapids Project Capital	\$74.1 M	\$71.9 M
Debt Service	\$72.0 M	\$68.0 M
<b>Total Gross Expenses</b>	<b>\$436.7 M</b>	<b>\$466.5 M</b>
<b>EXPENSE OFFSETS</b>		
Contributions in Aid of Construction	(\$10.7 M)	(\$12.3 M)
Sales to Power Purchasers at Cost	(\$13.8 M)	(\$16.9 M)
Net Power (+ Expense, - Revenue)	(\$95.1 M)	(\$90.2 M)
<b>Total Offsets</b>	<b>(\$119.7 M)</b>	<b>(\$119.3 M)</b>
<b>TOTAL EXPENSES AFTER OFFSETS</b>	<b>\$317.0 M</b>	<b>\$347.2 M</b>

All figures rounded to the nearest 100,000th.

NET POSITION	2023 BUDGET	2024 BUDGET
<b>CONSOLIDATED OPERATIONAL PERFORMANCE</b>		
<b>REVENUE</b>		
Sales to Power Purchasers at Cost	\$13.8 M	\$16.9 M
Retail Energy Sales	\$272.4 M	\$313.3 M
Net Power (Net Wholesale+Other Power Revenue)	\$95.2 M	\$90.2 M
Fiber Optic Network Sales	\$12.3 M	\$13.5 M
Other Revenues	\$2.3 M	\$3.3 M
<b>EXPENSES</b>		
Operating Expenses	(\$188.2 M)	(\$201.9 M)
Taxes	(21.6 M)	(\$23.7 M)
<b>Net Operating Income or Loss Before Depreciation</b>	<b>\$186.3 M</b>	<b>\$211.6 M</b>
Depreciation and amortization	(\$77.8 M)	(\$89.4 M)
<b>NET OPERATING INCOME OR LOSS</b>	<b>\$108.5 M</b>	<b>\$122.3 M</b>
<b>OTHER REVENUES OR EXPENSES</b>		
Interest, debt and other income	(\$25.5 M)	(\$15.9 M)
CIAC (Money paid by customers to build infrastructure)	\$10.7 M	\$12.3 M
<b>CHANGE IN NET POSITION (BOTTOM LINE)</b>	<b>\$93.7 M</b>	<b>\$118.6 M</b>

All figures rounded to the nearest 100,000th.

KEY METRICS	2023 BUDGET	2024 BUDGET
<b>NET INCOME LIQUIDITY</b> (Measured at year end)	\$96,683	\$118,632
Elect System Liquidity (Rev + R&C)	\$111.0 M	\$172.1 M
Days Cash On Hand	273	348
<b>LEVERAGE</b>		
Consolidated Debt Service Coverage	2.6X	3.2X
Consolidated Debt/Plant Ratio	48%	43%
<b>PROFITABILITY</b>		
Cons. Return on Net Assets (chg. in net assets / net plant)	3.8%	4.7%
Retail Op Ratio (assumes baseline capital)	108%	109%

All figures rounded to the nearest 100,000th.