

Government Affairs Strategic Work Update

October 27, 2026

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Powering our way of life.

Agenda & Executive Summary

1 Review of 2026 Engagements

2 Planning for 2027 Balanced Scorecard Events

3 Issue Deep Dive: Policy look at transmission siting & permitting

4 Possible legislative solutions

Commission Rankings

Category Specific Rankings

1st
Tier

Resource development – Natural Gas

Resource Development - Batteries

**CETA – timing for compliance & potential risk to grid stability across the state

Resource development – Natural Gas

**Resource development - SMR

2nd
Tier

- Permitting process streamlining
- **CETA – timing for compliance & potential risk to grid stability across the state
- **Resource development – SMR
- Federal Regulation / Permitting Form (i.e. NEPA, ESA)

- Transmission procurement improvements
- Columbia River Treaty – Overall Agreement in Principle (International Issue)
- Hydropower tax incentives
- Permitting process streamlining

3rd
Tier

- Transmission application “shot clock” with state agencies
- State permitting reform (SEPA other environmental requirements)
- Land acquisition / and use (generation/transmission)
- Land mitigation requirements (i.e. land swaps)
- Hydropower Relicensing Reform

- Day-ahead energy markets
- Columbia River Treaty – CE allocation for Mid-Cs (Domestic Issue)
- Transmission application “shot clock” with state agencies
- Land mitigation requirements (i.e. land swaps)



= Matching issue within tier



= Top issue for both (different tier)

Supporting the Strategic Focus

GRANT PUD

MISSION

To safely, efficiently and reliably provide electric power and fiber optic broadband services to our customers.

VISION

EXCELLENCE IN SERVICE AND LEADERSHIP
We continually ask how we can improve safety, service quality, reliability and stewardship of our resources in the most cost-effective manner.

COMMISSION

MISSION

To meet our customers’ evolving utility (energy & broadband) needs while preserving our customer-owners’ values.

VISION

We collaborate with and inspire key partners (local, state, federal, etc.) to promote and perpetuate Grant PUD’s legacy of premier utility services.

Review of 2026 Planning & Engagements

Areas of Focus



**Resource
Development**



**Improving
Permitting**



**Regulatory
Refinements**

2025/26 Key Events Planner

First six months

		Tom	Larry	Judy	Nelson	Terry	John	Ty	Jeff	Staff
Dec-25 1 Event	☒ Meeting with 13th District Members - EHQ (Dec. 17)	x	x	x	x	x	x			x
Jan-26 1 Event	☒ PUD Legislative Reception - Olympia (Jan. 14)	x	x	x	x					
Feb-26 3 Events	☒ Grant PUD Federal delegation & agency meetings - Washington D.C. (Hold for February 2-5)	x	x		x	x	x			x
	☒ PUD Day on the hill - Olympia (Feb. 11-12)			x	x		x			x
	☒ APPA/WPUDA Legislative Rally- Washington D.C. (February 23-26)	x		x		x				x
Mar-26 No Events										
Apr-26 1 Event	☒ Mid-C Clean Energy Expo - Wenatchee, WA (Scheduled for April 22)	x	x	x	x	x			x	x
May-26 No Events										
Jun-26 1 Event	☐ APPA National Conference - Boston, MA (June 26- July 1)									x

Last six months

2025/26 Key Events Planner

		Tom	Larry	Judy	Nelson	Terry	John	Ty	Jeff	Staff
Jul-26	No Events									
Aug-26	No Events									
Sep-26	☒ AWB Policy Summit - Spokane, WA (Sept. 15-17) 1 Event		x							x
Oct-26	☐ PPC FUEL Meeting - Portland, OR (Thurs. Oct. 15) 1 Event									
Nov-26	☐ PPC and NWRP Annual Meetings - Portland, OR (November 4- 5) 1 Events									
Dec-26	☐ Tri-Cities Region Legislative District Meetings (Exact timing TBD) 1 Event									

2026 Engagements

To Date: Commissioner Meeting Involvement

	Member meetings	Agency interactions
State level	12 – Meetings / Engagements	2 – meetings/tours
Federal level	13 – Our Mtgs/tours	2 – meetings

Additional Support Items & Connection Items

- Commission Teams channel, “Commission Strategy”
- Monthly Government Affairs Strategy Updates
- Policy and Issue Updates & Reviews
- Library: Reference Documents – Position Papers – One Pager Leave Behinds

2027 Planning

Results Check-in Survey

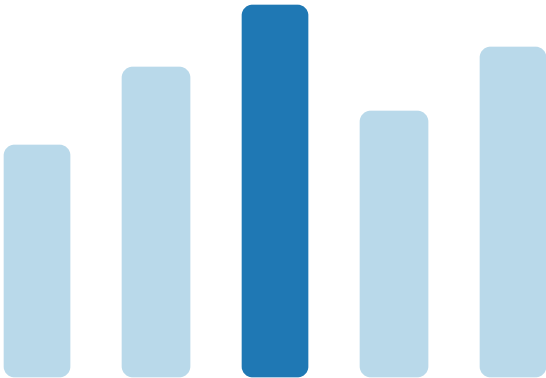
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TOP TOPIC IN RECENT SURVEY

Transmission applications “shot clock”

[4.75 out of 5]

Based on scale of 1 to 5



Today’s “Deep Dive” update will provide more background and a look at policy options for the upcoming session related to this topic

2

SECOND RANKED TOPIC

[Streamline Permitting Process]

[4.7]

Today’s “Deep Dive” will also provide additional information and options related to this

3

THIRD RANKED TOPIC

[Resource Development: Natural Gas & SMRs]

[4.25]

Both topics scored the same and will be opportunities for additional engagements in 2027

Types of Engagements That Provides Most Value

State and federal legislative meetings (with staff and/or members)

Tours with targeted individuals and groups

Board updates and deep dives into various issues and topics

Meetings and interactions with regulatory agencies either at the state or federal level

Desired outcomes:

- Build trust and relationships with decision makers
- Communicate Grant PUD's priorities and impacts early
- Look to shape policy before positions are finalized
- Provide practical utility-level and local insights and solutions

Proposed: 2027 BSC Engagement Tracker

Date	Event	Location	Category	Scheduled By
Jan. 2027	WPUDA Legislative Reception	Olympia, WA	State	External
Feb. 2027	Federal delegation & agency meetings	Washington, D.C.	Federal	Grant PUD
Mar. 2027	State delegation & agency meetings	Olympia, WA	State	Grant PUD
May 2027	NWPPA	Boise, ID	Regional	External
June 2027	APPA National Conference	Orlando, FL	Federal	External
Sept. 2027	AWB Policy Summit or Energy Meeting	Spokane, WA	Regional	Grant PUD
Nov. 2027	PPC and NWRP Annual Meetings	Portland, OR	Federal	External
Dec. 2027	In-District Legislative Meetings	Ephrata, WA	Regional	External
TBD	Floater Activity - To be finalized	TBD	State/Federal	TBD
TBD	Floater Activity - To be finalized	TBD	State/Federal	TBD

Transmission Siting & Permitting 101

The Challenge

- Washington has established ambitious targets for the state's electric utilities to achieve carbon neutrality by 2030 and to eliminate fossil fuels from retail electricity supply by 2045.
- At the same time, the state and the broader region are facing unprecedented load growth that, together with resource retirements, present an elevated risk for power supply shortfalls by 2030.
- **New transmission** is needed both to meet the state's clean energy goals and to preserve grid reliability, but faces an onerous, lengthy, and often unpredictable siting and permitting process.

Federal Framework

Federal Power Act (FPA)

- Federal Energy Regulatory Commission (FERC) jurisdiction is generally limited to ***interstate*** transmission facilities
- The FPA generally reserves ***intrastate*** transmission and distribution of electricity to the states
- **Exception:** Grants FERC authority to issue permits to construct or modify a transmission facility located in a National Interest Electric Transmission Corridor (NIETC) under certain conditions (no NIETCs designated to date)

Basic Process



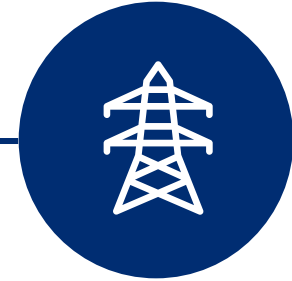
Secure Land Rights

- **Easements** – Rights that allow the location of Grant PUD facilities on property owned by others
- **Rights-of-Way (ROW)** – Permissions granted by ROW owners (e.g., WSDOT)
- **Land purchases** – acquisitions needed to support new facilities



Environmental Review & Permits

- **State Environmental Policy Act (SEPA) Review** – Required state or local government actions, unless categorically exempt
- **National Environmental Policy Act (NEPA) Review** – Required for federal agency actions, unless categorically excluded
- **Permits** – e.g. land-use & construction permits, etc.



Construction

- **Construct** facility & **perform** any required environmental remediation or mitigation

Securing Land Rights: Considerations

Federal Lands

- NEPA review and federal permits are required for any proposed crossing on federally-administered lands and easements
- In addition to NEPA, each affected agency has its own rules, policies, & procedures, i.e. U.S. Bureau of Land Management (BLM) rules on electric power lines ROW under the Federal Land Policy and Management Act Strategic drivers informing the need for the work

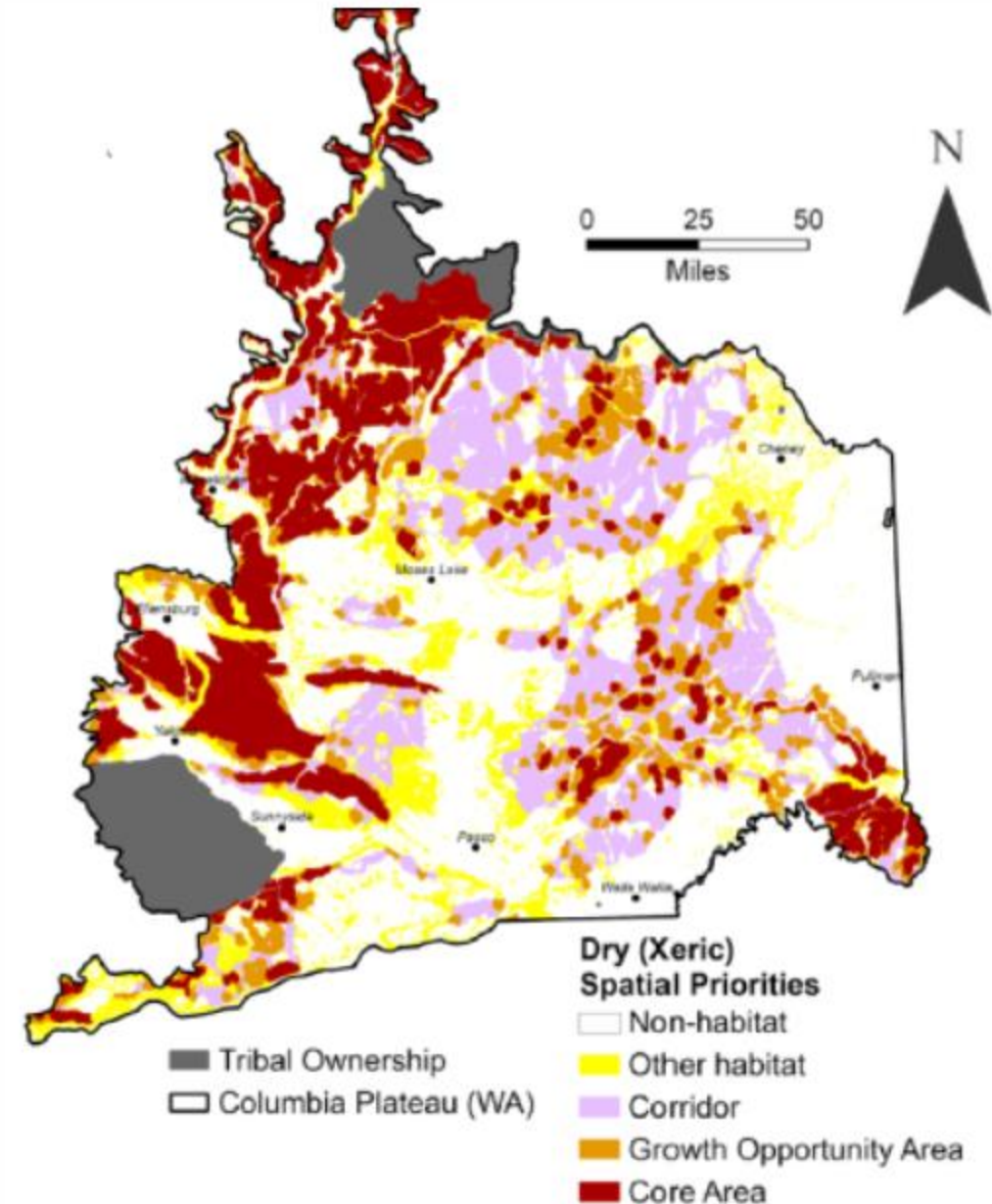


Wildlife & Habitat

- Wildlife & habitat considerations play a role in every stage of siting/permitting process
- WA Dept. of Fish & Wildlife (WDFW) establishes ***compensatory mitigation*** guidelines & recommendations for any unavoidable temporary or permanent impacts
 - WDFW guidelines are a matter of internal policy rather than RCW or WAC
 - [1999 WDFW POL-M5002](#): “[Mitigation ratios] shall be greater than 1:1 to compensate for temporal losses, uncertainty of performance, and differences in functions and values.”
 - No transmission-specific guidelines
 - Most recent: [2025 Guidelines for Utility-Scale Solar and Onshore Wind Energy Development in Washington State](#)

Shrubsteppe Habitat

- WDFW does not consider areas identified as Core Areas or Corridors under the WA Shrubsteppe Restoration & Resiliency Initiative (WSRRI) as favorable for development
- WDFW's compensatory mitigation guidelines for wind & solar facilities vary based on:
 - Types of habitats & wildlife impacted (i.e., Priority Habitats & Species + WSRRI land designations)
 - Duration of impact (temporary vs. permanent)
 - The project's proposed mitigation strategy



SEPA Review & Permitting Pathways

Pathway for Permitting Transmission

State Environmental Policy Act (SEPA)

1

Local Jurisdiction(s)

2

**Energy Facility Site
Evaluation Council
(EFSEC)**

3

**Dept. of Ecology
Clean Energy
Coordinated
Permitting Process**

Pathways for Permitting Transmission

Process	Potential Benefits	Potential Drawbacks
<i>Local Government-Led Process</i>	Local control enables Grant PUD, as SEPA lead agency, to leverage its local relationships & understanding of the local legal & regulatory context	As SEPA lead agency, Grant PUD responsible for all federal coordination & outreach to, and consultation, with Tribes & overburdened communities
<i>EFSEC Process</i>	- EFSEC responsible for Tribal engagement & consultation, notifying DAHP - EFSEC notifies relevant federal agencies, invites them to participate in process - Most state & local permits issued as part of process - EFSEC can preempt county & local ordinances	- Process often exceeds 12-month target - Cost reimbursement required - State-level process can attract non-local interests and attention - Ultimate decision rests in the hands of the Governor
<i>Ecology's Clean Energy Coordinated Permit Process</i>	- Grant PUD remains SEPA lead agency - Ecology responsible for Tribal engagement & consultation, notifying DAHP - Ecology identifies overburdened communities & verifies engagement - Ecology notifies relevant federal agencies, invites them to participate in process	- Requires detailed project information before developing a work plan & schedule - Ecology has limited institutional expertise in energy projects - Cost reimbursement required - Process still untested—no project developer has used to date

Recent Washington Legislation

Recent Washington Legislation

Bill Number	Brief Summary
HB 1812 (2022)	• Modernized the EFSEC organic statute and established EFSEC as a separate state agency • Clarified provisions for expedited processing • Established a pre-application study & review process
HB 1216 (2023)	• Established the Interagency Clean Energy Siting Coordinating Council • Established a new “Clean Energy Projects of Statewide Significance” (CEPSS) designation • <i>Note: Unlike Economic Developments Projects of Statewide Significance, the CEPSS designation does not include expedited permit processing or expedited SEPA processing</i> • Established the Ecology Clean Energy Coordinated Permit Process • Directed Ecology to develop Programmatic Environmental Impact Statements (PEIS) for clean energy projects (solar, onshore wind, green hydrogen) • Added provisions to SEPA specific to clean energy project proposals
SB 5165 (2023)	• Directed EFSEC to prepare a PEIS for high-voltage transmission
SB 6355 (2026)	• Established a Washington Electric Transmission Authority (WETA) • Directs the Dept. of Commerce to complete a high-priority transmission corridor identification study by October 30, 2027 • Directs Commerce and the Governor’s Office of Indian Affairs to develop a tribal consultation framework for transmission by December 1, 2026 • <i>Note: Did not include SEPA categorical exemption for reconductoring, GETs</i>

Possible Solutions

Federal Lands

Concept/Idea:

1. Encourage Governor Ferguson to enter into a Memorandum of Understanding (MOU) with the Federal Permitting Council under the FAST-41 Program.

About FAST-41

- Provides covered projects (including transmission) with a Coordinated Project Plan and comprehensive federal permitting timetable publicly posted on the federal infrastructure permitting dashboard
- Since August 2025, 9 states have entered into statewide MOUs with the Federal Permitting Council to synchronize state and federal permitting and post state permitting actions on the Federal Permitting Dashboard
 - In return, the Federal Permitting Council commits to providing a variety of dedicated federal permitting support, including focused technical assistance, accountability, and predictability in the permitting process for eligible projects in the state

Wildlife & Habitat

Concept/Idea:

- (1) Consider legislation to establish compensatory mitigation ratios for certain energy facilities in statute rather than by WDFW internal policy.
 - (2) Consider legislation modeled on California's recently-passed AB 550.
- Legislation could establish a defined range (min & max) of applicable compensatory mitigation ratios to cover a range of probable impacts
 - Leverage PEISs for high-voltage transmission, solar, onshore wind, & green hydrogen
 - California AB 550 (2026): If a species proposed for listing under the state Endangered Species Act becomes listed, then further authorization or approval by the state is not required for a take of that species if certain conditions are met, including that the incidental take is caused by a renewable electrical generation facility.

SEPA Review & Permitting Pathways

Concept/Idea:

- (1) Consider legislation to make the “Clean Energy Projects of Statewide Significance” designation more procedurally meaningful, modeled on the existing statute for Economic Development Projects of Statewide Significance.
- (2) Work with stakeholders to address or resolve concerns regarding SEPA categorical exemptions for reconductoring, grid-enhancing technologies, & other transmission upgrades within existing rights-of-way.
- (3) Consider legislation modeled on proposed Oregon HB 4090 (2024).

Proposed Oregon HB 4090 (2024)

- Sponsored by Rep. Julie Fahey (D-Speaker of the House)
- Would have excluded renewable energy facilities or transmission lines proposed wholly on federal lands and subject to NEPA review from additional state-level review

Key Takeaways

Closing Summary

- Transmission siting and permitting will remain a key constraint to infrastructure development.
- Grant County's concentration of public lands and critical habitat creates unique local challenges.
- Washington's existing permitting pathways offer different tradeoffs.
- Legislative progress has been incremental, leaving opportunities for further reform.
- Grant PUD can focus its advocacy on practical, targeted changes
- The objective is to create greater predictability, efficiency, and optionality for future transmission development.

Thank you!



Financial Report

October 27, 2026

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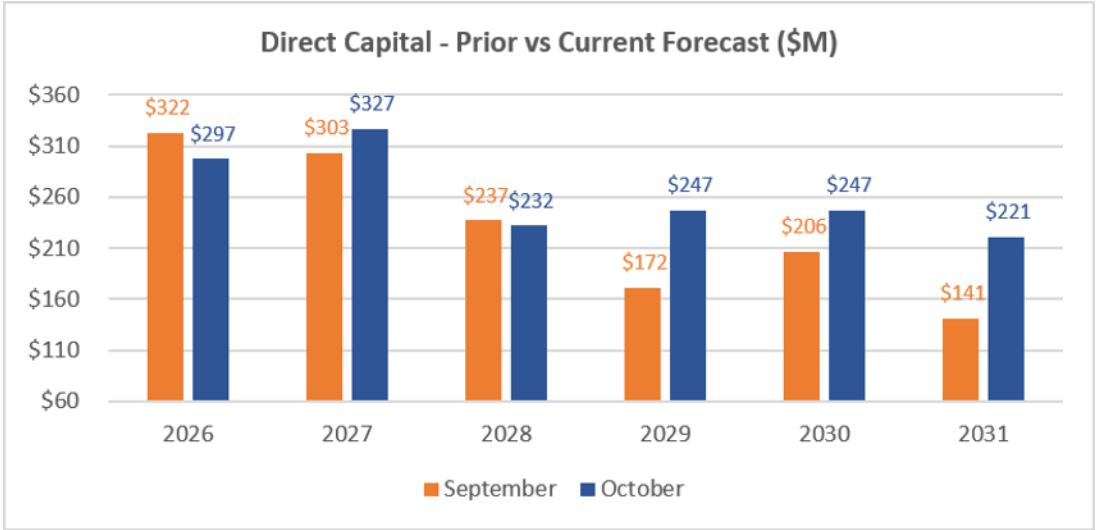
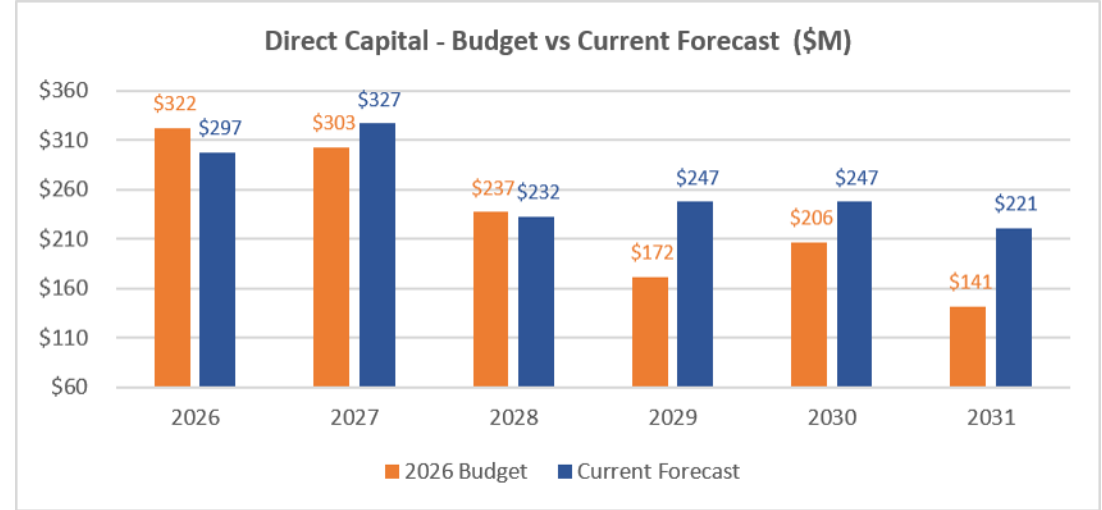


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Agenda

- **Key Updates**
 - Capital Plan
 - Net Wholesale
 - Retail Forecast
 - Interest Income
 - O&M Expense
- **Forecast Results**
 - Exhibit A – Summary of Budgetary Items
 - Exhibit B – Consolidated Operational Performance
- **Financial Metrics**
- **Financial Scenarios**
- **Key Takeaways**
- **Net Power Report**
- **Gross Power Margin Report**

Capital Plan



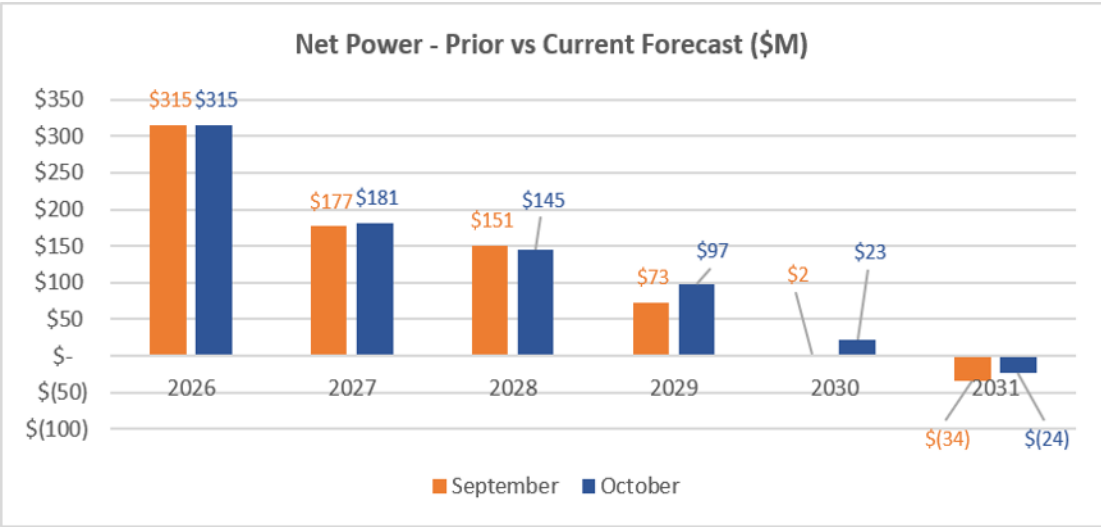
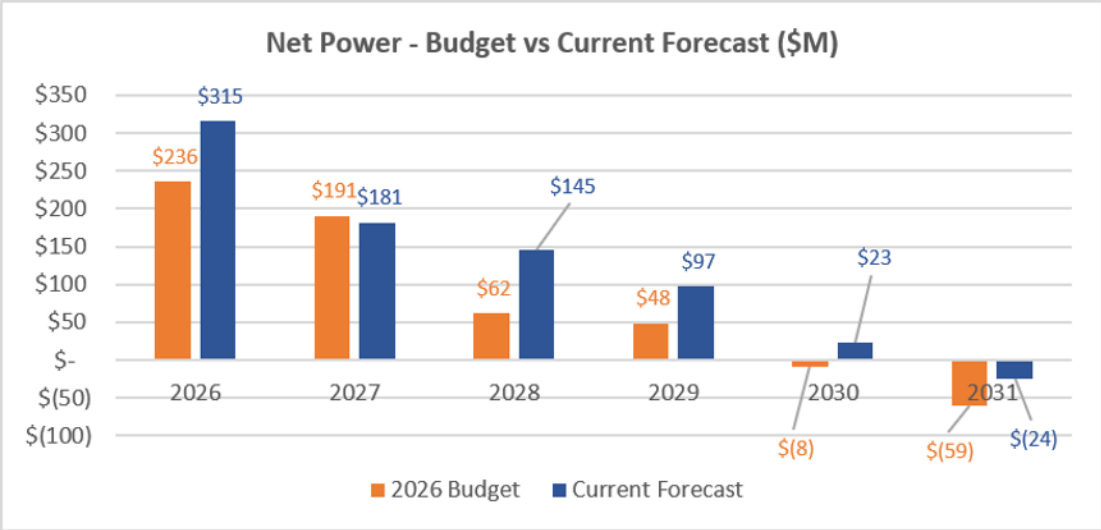
2026 Budget vs Current

- 2026: Current 2026 Year End Projection for Capital Directs is \$297M, -\$24.9M (-8%) favorable to 2026 Budget projections of \$322.0M.
- 2027-2031: Current October forecast is +\$42.9M (+20%) unfavorable to 2026 Budget forecast on an average annual basis.

Prior vs Current

- 2026: Current 2026 Year End Projection for Capital Directs is -\$24.9M (-8%) favorable to the September projection.
- 2027-2031: Current October forecast is +\$42.9M (+20%) unfavorable to the September forecast on an average annual basis.

Net Power



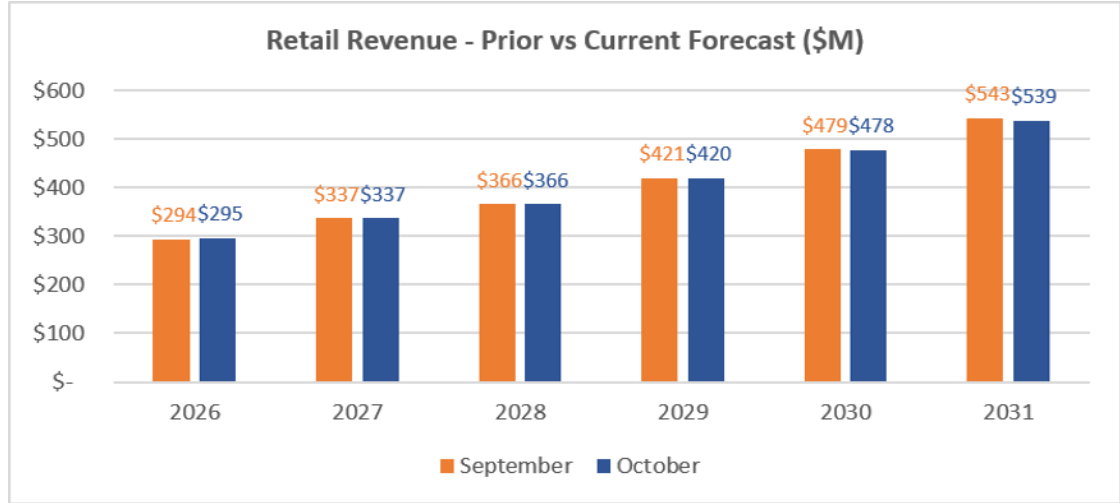
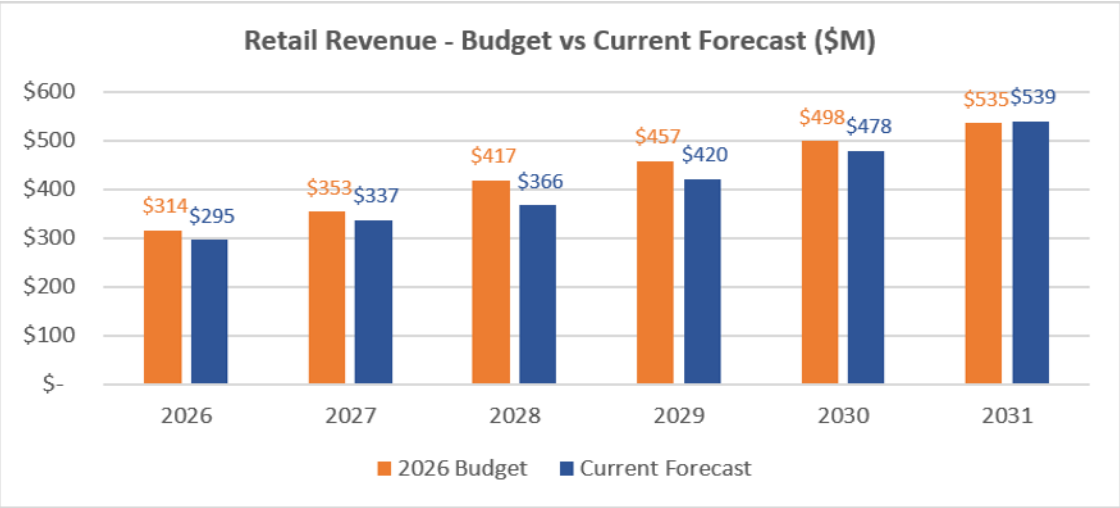
2026 Budget vs Current

- 2026: Current 2026 Year End Projection for Net Power is \$315.3M, +\$79.5M (+34%) favorable to the 2026 Budget forecast of \$235.8M.
- 2027-2031: Current October forecast is +\$37.8M (+81%) favorable to the 2026 Budget forecast on an average annual basis

Prior vs Current

- 2026: Current 2026 Year End Projection for Net Power is +\$0.6M (+0%) flat to the September projection.
- 2027-2031: Current October forecast is +\$10.8M (+15%) favorable to the September forecast on an average annual basis.

Retail Revenue



2026 Budget vs Current

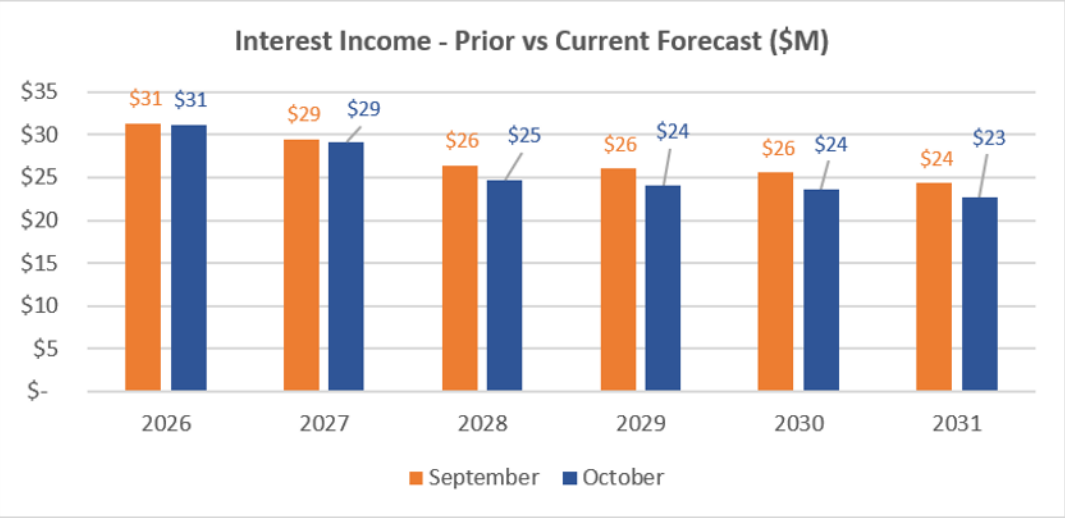
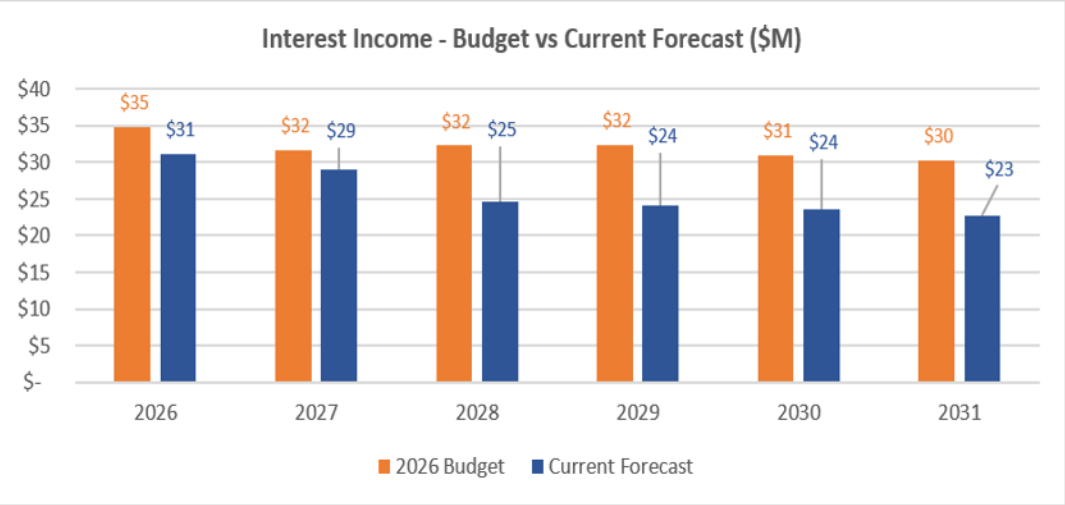
- 2026: Current 2026 Year End Projection for Retail Revenue is \$295.4M, $-\$19.0\text{M}$ (-6%) unfavorable to the 2026 Budget forecast of \$314.4M.
- 2027-2031: Current October forecast is $-\$24.1\text{M}$ (-5%) unfavorable to the 2026 Budget forecast on an average annual basis.

Prior vs Current

- 2026: Current 2026 Year End Projection for Retail Revenue is $+\$1.0\text{M}$ (+0%) flat to the September projection.
- 2027-2031: Current October forecast is $-\$1.2\text{M}$ (-0%) flat to the September forecast on an average annual basis

2026-2031 Rates: As adopted by Commission (2026 as adopted by commission as rate class - 2027-2031 set at 3.5% core and 9.5% noncore).

Interest Income



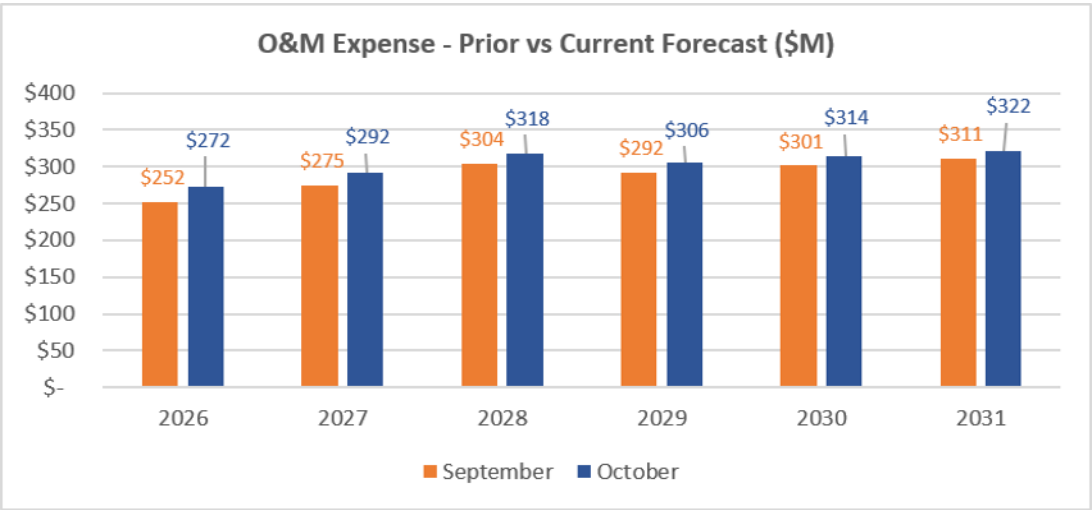
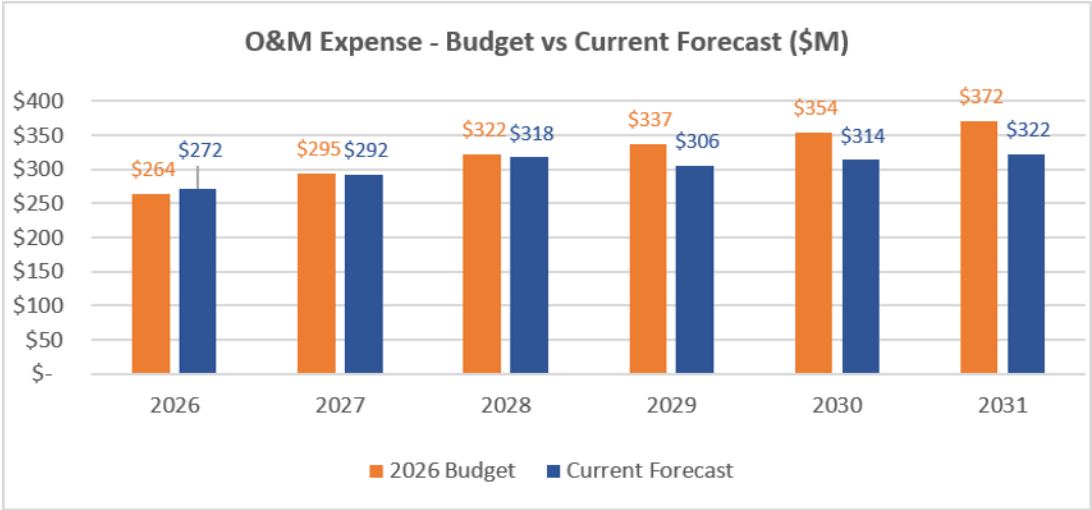
2026 Budget vs Current

- 2026: Current 2026 Year End Projection for Interest Income is \$31.2M, -\$3.7M (-11%) unfavorable to the 2026 Budget forecast of \$34.9M.
- 2027-2031: Current October forecast is -\$6.7M (-21%) unfavorable to the 2026 Budget forecast on an average annual basis.

Prior vs Current

- 2026: Current 2026 Year End Projection for Interest Income is -\$0.1M (-0%) flat to the September projection.
- 2027-2031: Current October forecast is -\$1.5M (-6%) unfavorable to the September forecast on an average annual basis.

O&M Expense



2026 Budget vs Current

- 2026: Current 2026 Year End Projection for O&M Expense is \$272.0M, +\$8.0M (+3%) unfavorable to the 2026 Budget forecast of \$264.0M.
- 2027-2031: Current October forecast is -\$25.6M (-8%) favorable to the 2026 Budget forecast on an average annual basis.

Prior vs Current

- 2026: Current 2026 Year End Projection for O&M Expense is +\$19.7M (+8%) favorable to the September projection.
- 2027-2031: Current October forecast is +\$13.5M (+5%) unfavorable to the September forecast on an average annual basis.

Combined Financial Results

Exhibit A - \$ in thousands

Budgeted Items	Budget YTD 2026	Actuals YTD 2026	Budget 2026	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Total O&M	\$ 170,706	\$ 154,743	\$ 264,034	\$ 272,003	\$ 291,764	\$ 317,532	\$ 305,533	\$ 314,002	\$ 321,869
Taxes	\$ 16,337	\$ 15,985	\$ 24,505	\$ 24,162	\$ 24,646	\$ 25,139	\$ 25,641	\$ 26,154	\$ 26,677
Electric Capital	\$ 165,753	\$ 113,743	\$ 257,922	\$ 223,342	\$ 239,070	\$ 151,939	\$ 145,714	\$ 131,609	\$ 162,599
PRP Capital	\$ 54,985	\$ 44,007	\$ 89,724	\$ 98,966	\$ 115,809	\$ 108,397	\$ 130,703	\$ 145,792	\$ 89,236
Total Capital	\$ 220,738	\$ 157,750	\$ 347,646	\$ 322,308	\$ 354,879	\$ 260,336	\$ 276,418	\$ 277,401	\$ 251,834
Debt Service - (net of rebates)	\$ 63,159	\$ 63,120	\$ 67,136	\$ 67,583	\$ 64,561	\$ 69,742	\$ 80,604	\$ 92,067	\$ 93,331
Total Expenditures	\$ 470,940	\$ 391,598	\$ 703,322	\$ 686,056	\$ 735,850	\$ 672,749	\$ 688,196	\$ 709,625	\$ 693,713
Expenditures offsets for deduction									
Contributions in Aid of Construction	\$ 8,827	\$ 10,241	\$ 13,240	\$ 11,337	\$ 4,383	\$ 3,287	\$ 2,630	\$ 2,411	\$ 2,191
Sales to Power Purchasers at Cost	\$ 22,885	\$ 20,559	\$ 34,327	\$ 31,904	\$ 38,765	\$ 22,544	\$ 19,697	\$ 20,226	\$ 20,732
Net Power (+ Expense, -Revenue)	\$ 186,010	\$ 249,129	\$ 235,820	\$ 315,273	\$ 181,476	\$ 144,858	\$ 97,251	\$ 22,556	\$ (24,298)
Total Expenditures Offset	\$ 217,722	\$ 279,929	\$ 283,387	\$ 358,513	\$ 224,624	\$ 170,690	\$ 119,578	\$ 45,192	\$ (1,374)
Total Budgeted Expenditures	\$ 253,218	\$ 111,670	\$ 419,934	\$ 327,543	\$ 511,226	\$ 502,059	\$ 568,618	\$ 664,432	\$ 695,087

Expenditures offsets for deduction

- **CIAC** – Decrease of (-\$1.9M) to 2026 budget
- **Sales to Power Purchasers** – Decrease of (-\$2.4M) to budget

Debt Service – (net of rebates)

- Monthly CREBs sinking fund set-asides are included in the debt service line above. These monthly set-asides have been reflected in debt service since the respective debt issuances.
- The release of cash for the \$90 million CREBs 2010M bullet payment maturing in January 2027 previously included has been reduced above.

Combined Financial Results

Exhibit B - \$ in thousands

	Budget YTD 2026	Actuals YTD 2026	Budget 2026	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
CONSOLIDATED OPERATIONAL PERFORMANCE									
Sales to Power Purchasers at Cost	\$ 22,885	\$ 20,559	\$ 34,327	\$ 31,904	\$ 38,765	\$ 22,544	\$ 19,697	\$ 20,226	\$ 20,732
Retail Energy Sales	\$ 206,117	\$ 194,385	\$ 314,449	\$ 295,448	\$ 336,902	\$ 366,006	\$ 419,642	\$ 477,999	\$ 538,931
Net Power (Net Wholesale + Other Power Revenue)	\$ 186,010	\$ 249,129	\$ 235,820	\$ 315,273	\$ 181,476	\$ 144,858	\$ 97,251	\$ 22,556	\$ (24,298)
Fiber Optic Network Sales	\$ 9,379	\$ 11,363	\$ 14,069	\$ 17,123	\$ 17,465	\$ 17,814	\$ 18,171	\$ 18,534	\$ 18,905
Other Revenues	\$ 2,701	\$ 1,888	\$ 4,051	\$ 3,062	\$ 3,123	\$ 3,186	\$ 3,249	\$ 3,314	\$ 3,381
Operating Expenses	\$ (170,706)	\$ (154,743)	\$ (264,034)	\$ (272,003)	\$ (291,764)	\$ (317,532)	\$ (305,533)	\$ (314,002)	\$ (321,869)
Taxes	\$ (16,337)	\$ (15,985)	\$ (24,505)	\$ (24,162)	\$ (24,646)	\$ (25,139)	\$ (25,641)	\$ (26,154)	\$ (26,677)
Net Operating Income (Loss) Before Depreciation	\$ 240,050	\$ 306,596	\$ 314,177	\$ 366,643	\$ 261,322	\$ 211,738	\$ 226,836	\$ 202,472	\$ 209,104
Depreciation and amortization	\$ (60,264)	\$ (62,562)	\$ (90,258)	\$ (94,570)	\$ (92,505)	\$ (97,018)	\$ (102,139)	\$ (107,869)	\$ (113,889)
Net Operating Income (Loss)	\$ 179,786	\$ 244,033	\$ 223,919	\$ 272,073	\$ 168,817	\$ 114,720	\$ 124,697	\$ 94,603	\$ 95,215
Interest and other income (expenses)	\$ 25,098	\$ 18,913	\$ 38,547	\$ 31,168	\$ 29,078	\$ 24,635	\$ 24,098	\$ 23,658	\$ 22,718
Debt expense net of federal rebates	\$ (18,579)	\$ (18,974)	\$ (27,854)	\$ (28,250)	\$ (23,921)	\$ (29,742)	\$ (31,822)	\$ (35,760)	\$ (38,293)
CIAC	\$ 8,827	\$ 10,241	\$ 13,240	\$ 11,337	\$ 4,383	\$ 3,287	\$ 2,630	\$ 2,411	\$ 2,191
Change in Net Position	\$ 195,132	\$ 254,214	\$ 247,852	\$ 286,329	\$ 178,357	\$ 112,900	\$ 119,602	\$ 84,912	\$ 81,832
Forecasted Debt									
Electric				2026	2027	2028	2029	2030	2031
PRP						\$ 175,000	\$ 195,000		\$ 115,000
JLB					\$ 130,000				

Net Operating Income (before depreciation)

- Favorable impact of +\$52.4M vs the 2026 Budget forecast.
 - Main driver is Net Power, reflecting increased wholesale activity and updated market assumptions, including excess energy sales into the market and approximately \$51.6M of unbudgeted Climate Commitment Act revenues recognized within Wholesale Revenue.

Interest, debt and other income

- CREBs 2010M Bullet Payment Matures 1/2027 (\$90M)
 - Annual Interest that ends in 2026 ~\$5M per year

Combined Financial Results

Financial Metrics - \$ in thousands	Target	Budget 2026	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Net Position		\$ 247,852	\$ 286,329	\$ 178,357	\$ 112,900	\$ 119,602	\$ 84,912	\$ 81,832
Liquidity								
Elect System Liquidity (Rev + R&C)	\$215 M	\$ 251,308	\$ 426,654	\$ 273,042	\$ 273,250	\$ 292,586	\$ 297,302	\$ 272,367
Days Cash On Hand	> 250	332	474	308	307	314	321	257
Leverage								
Consolidated DSC	>1.8x	5.44	5.78	4.66	4.81	4.55	3.93	3.97
Consolidated Debt/Plant Ratio	<= 60%	30%	30%	24%	30%	32%	30%	33%
Profitability								
Consolidated Return on Net Assets	>4%	8.3%	9.8%	5.6%	3.4%	3.4%	2.3%	2.1%
Retail Operating Ratio	<=100%	128%	151%	143%	142%	133%	120%	119%

Dashboard - Financial Metrics/Performance

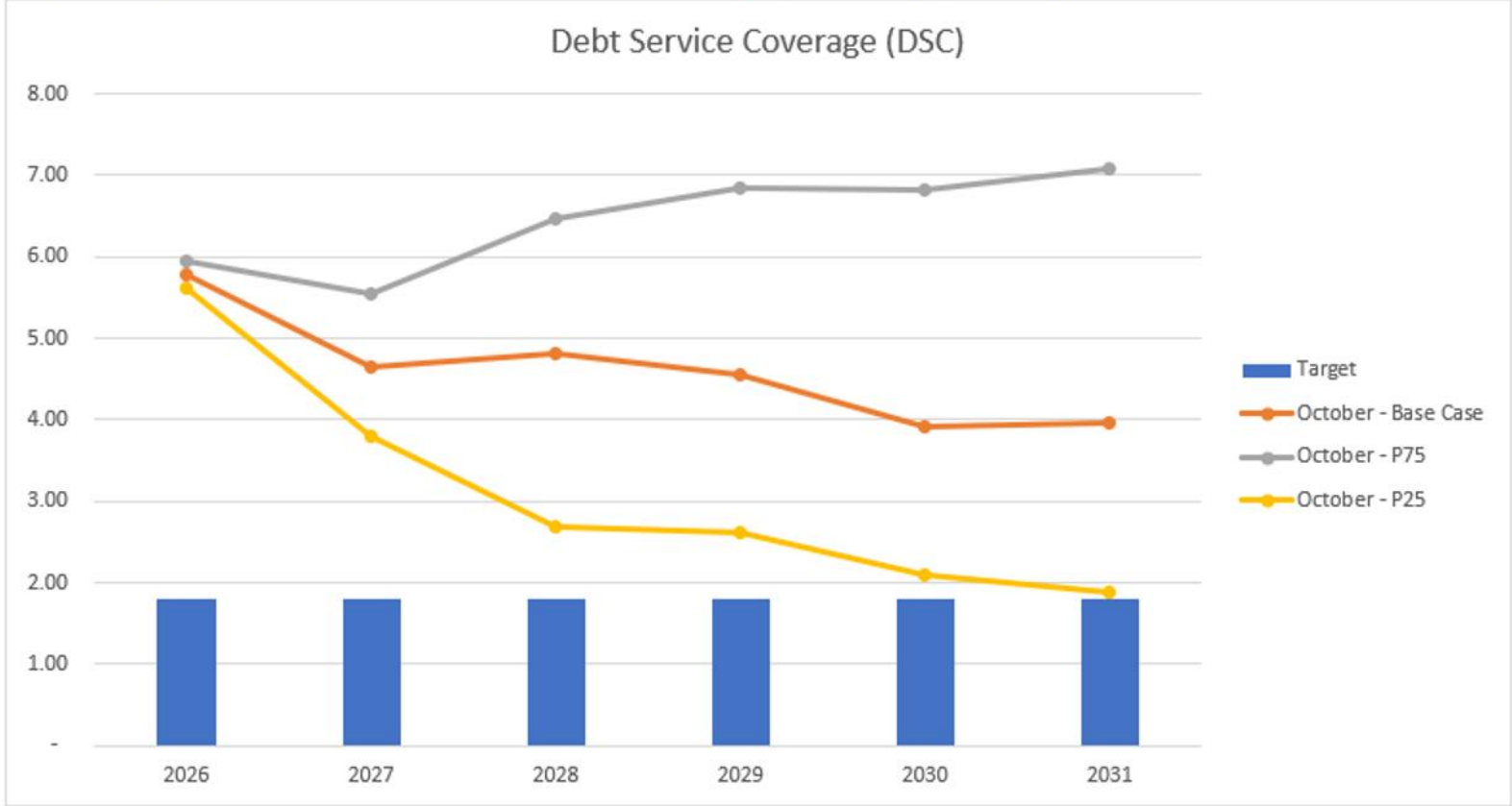
		2026	2027	2028	2029	2030	2031
Liquidity Metrics	Elect System Liquidity	+	+	+	+	+	+
	Days Cash On Hand	+	+	+	+	+	+
Leverage Metrics	Debt Service Coverage	+	+	+	+	+	+
	Debt-to-Plant Ratio	+	+	+	+	+	+
Profitability Metrics	Return on Net Assets	+	+	-	-	-	-
	Retail Operating Ratio	-	-	-	-	-	-

Electric System Liquidity

- Climate Commitment Act (CCA) Allowance Fund: \$323.4M (not included in Electric System liquidity balance)

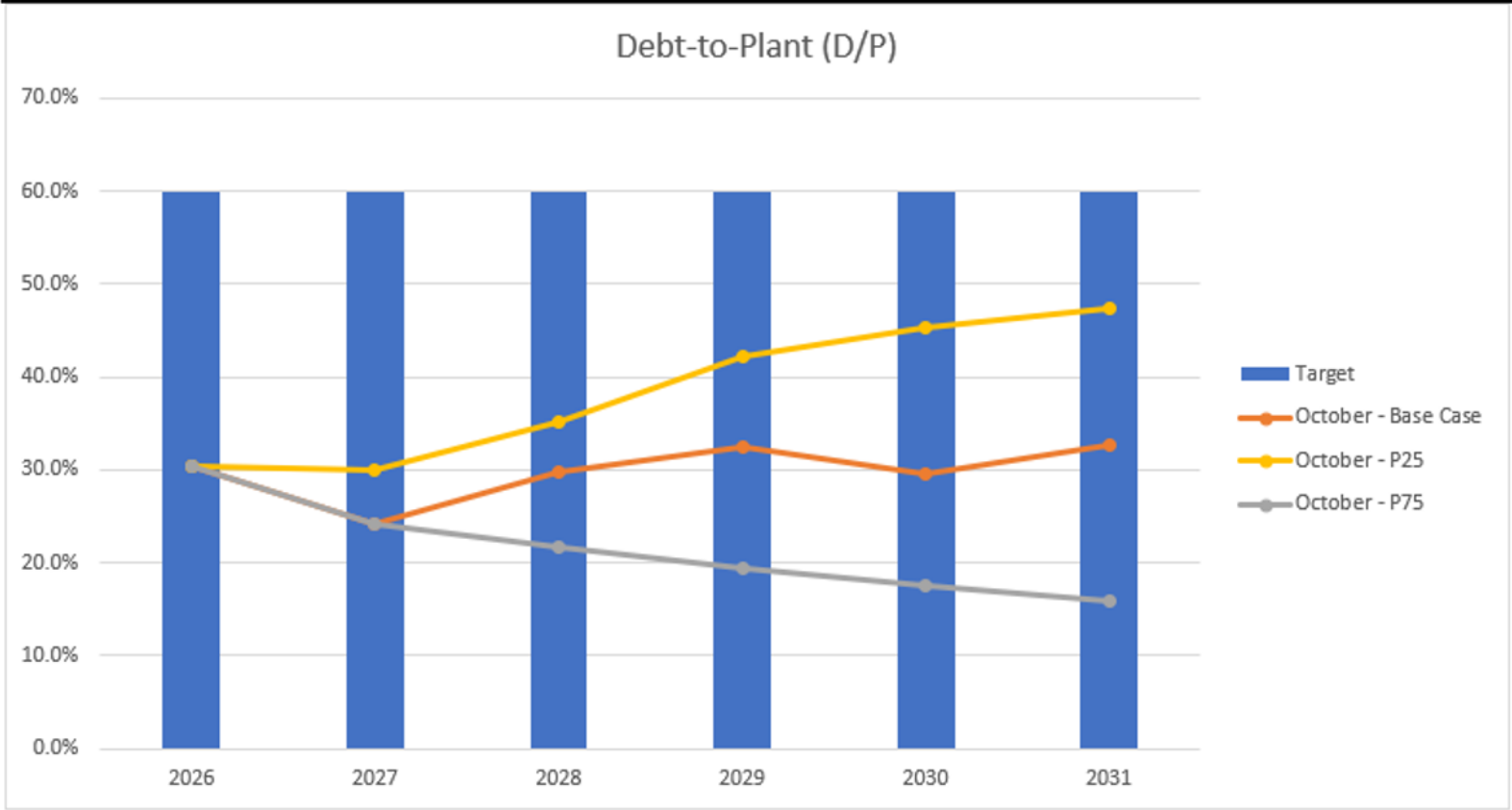
Forecast Scenarios-DSC

Debt Service Coverage (DSC)	2026	2027	2028	2029	2030	2031
Target	1.80	1.80	1.80	1.80	1.80	1.80
October - Base Case	5.78	4.66	4.81	4.55	3.93	3.97
October - P75	5.94	5.54	6.46	6.84	6.81	7.08
October - P25	5.62	3.80	2.68	2.62	2.09	1.89



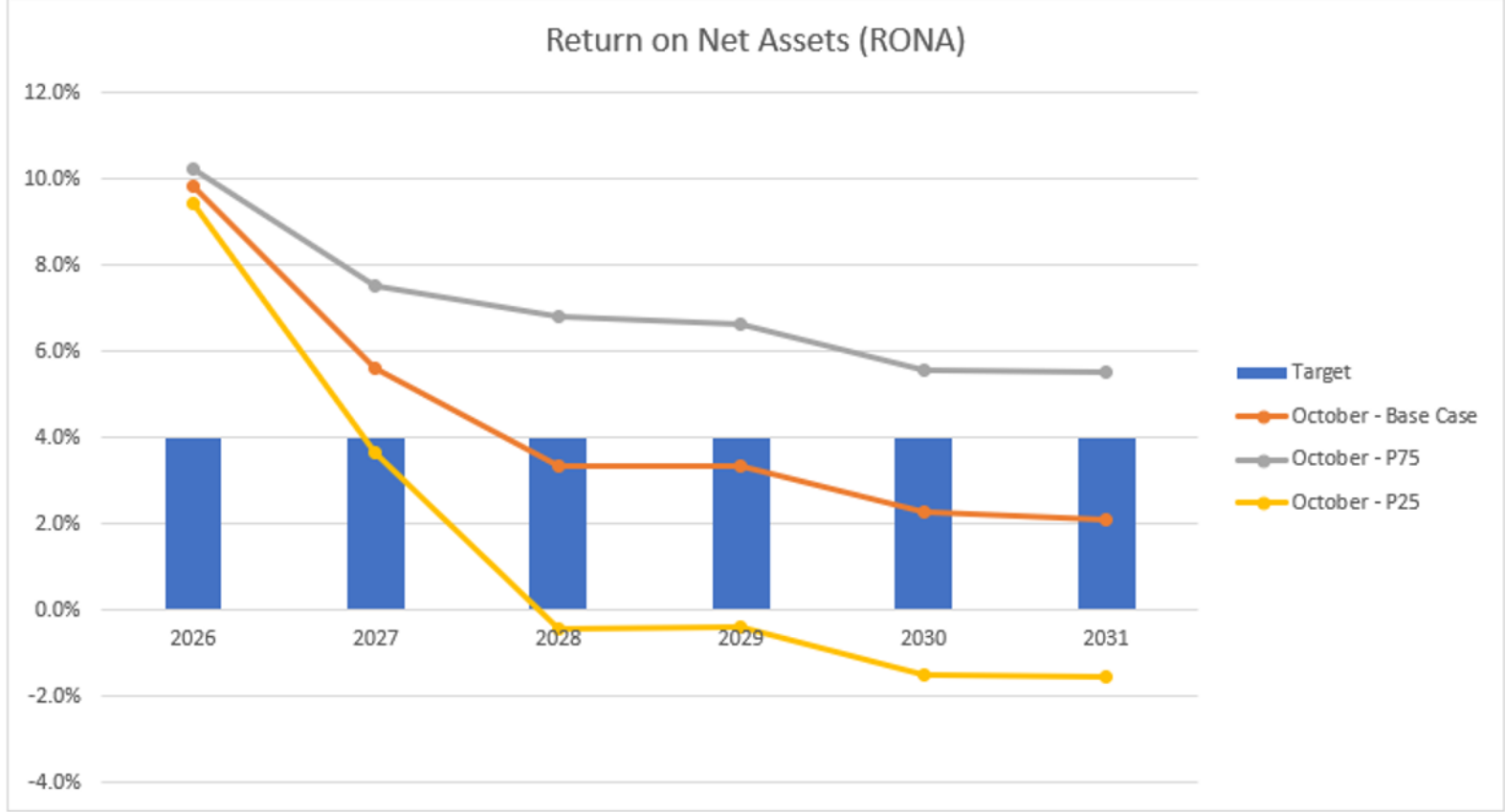
Forecast Scenarios-D/P

Debt-to-Plant (D/P)	2026	2027	2028	2029	2030	2031
Target	60%	60%	60%	60%	60%	60%
October - Base Case	30.4%	24.2%	29.8%	32.4%	29.6%	32.6%
October - P75	30.4%	24.2%	21.7%	19.4%	17.5%	15.9%
October - P25	30.4%	30.1%	35.2%	42.3%	45.4%	47.3%



Forecast Scenarios-RONA

Return on Net Assets (RONA)	2026	2027	2028	2029	2030	2031
Target	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
October - Base Case	9.8%	5.6%	3.4%	3.4%	2.3%	2.1%
October - P75	10.2%	7.5%	6.8%	6.6%	5.6%	5.5%
October - P25	9.4%	3.7%	-0.4%	-0.4%	-1.5%	-1.6%



Financial Takeaways – Key Drivers

Current Year (2026)

The October forecast projects Change in Net Position of approximately \$286.3 million, or \$38.5 million favorable to the 2026 budget. The favorable position is driven primarily by Net Power, approximately \$79.5 million above budget, including approximately \$57.0 million of unbudgeted Climate Commitment Act revenues included in the 2026 forecast. This is partially offset by Retail Energy Sales approximately \$19.0 million below budget, along with higher Operating Expenses and lower Interest and Other Income.

Five-Year Outlook (2027–2031)

Compared with the forecasted out-year assumptions established at the time of the 2026 budget, Change in Net Position is approximately \$10.3 million unfavorable in 2027, then improves to approximately \$31.8 million favorable in 2028, \$41.8 million favorable in 2029, \$46.9 million favorable in 2030, and \$90.7 million favorable in 2031.

Across the outlook, the key drivers are lower Retail Energy Sales, stronger Net Power, and lower Operating Expenses relative to those prior out-year forecasts as of the 2026 budget. Retail Energy Sales remain below previously forecasted levels through much of the period, while Net Power provides significant support, particularly from 2028 forward. Lower O&M also becomes an increasingly favorable driver in the later years, helping offset reduced investment income, lower Contribution in Aid of Construction, and higher financing costs associated with the updated capital plan.

Bottom line: The forecast remains strongly favorable to the adopted 2026 budget in the current year, is modestly below the prior out-year forecast in 2027 and then improves materially from 2028 through 2031 as favorable Net Power and lower O&M more than offset weaker Retail Energy Sales and other financing-related pressures.

Net Power Report

Net Power Reporting

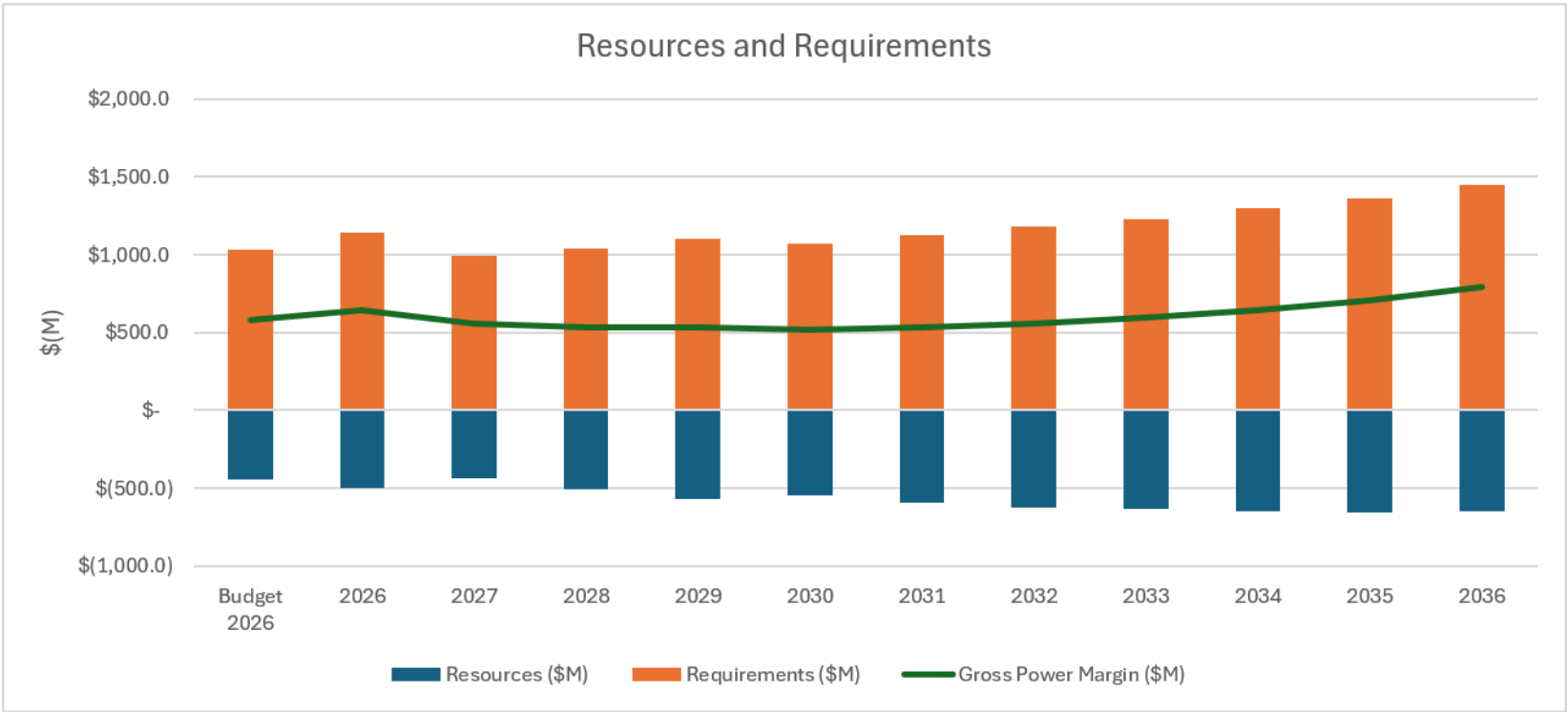
All Products – Dollars

	2026 Total Budget	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
Resources							
Generation-ES Share	-	-	-	-	-	-	-
LTF Purchases	(17,944,150)	(16,546,722)	(23,463,769)	(125,540,926)	(170,945,289)	(186,769,201)	(201,609,192)
STF Purchases	(225,558,246)	(302,713,971)	(195,760,533)	(121,085,706)	(127,198,543)	(83,556,240)	(105,265,179)
Transmission	1,428,000	7,475,111	4,508,285	4,258,301	4,258,301	4,258,301	4,258,301
Requirements							
Retail Sales	314,448,828	295,447,843	336,902,444	366,005,997	419,642,386	477,998,761	538,931,389
PRP Requirements & Sales to Purch at Cost	293,156,567	290,732,892	243,158,877	275,016,820	265,048,816	247,262,830	230,144,244
Reasonable Portion Auction Section - NPRM	277,105,346	276,858,069	225,537,762	255,936,051	245,352,050	227,036,810	209,411,854
Converters/Exchangers Section - NPRM	16,458,256	16,847,061	17,838,023	19,297,676	19,913,673	20,442,927	20,949,297
PSC Cost Mechanics Section - NPRM	(407,035)	(2,972,238)	(216,907)	(216,907)	(216,907)	(216,907)	(216,907)
Pooling/Slices/Exchanges	138,905,450	190,688,689	54,235,018	-	-	-	-
STF Sales	80,152,613	120,564,933	124,112,010	121,303,117	132,333,496	61,578,997	68,898,797
Other Financial	7,200	56,975,292	13,451,251	13,451,251	13,451,251	7,200	7,200
Retail Sales	314,448,828	295,447,843	336,902,444	366,005,997	419,642,386	477,998,761	538,931,389
Sales to Power Purchasers at Cost	34,327,337	31,903,663	38,765,048	22,544,431	19,696,766	20,226,020	20,732,390
Net Power	235,820,096	315,272,562	181,476,090	144,858,425	97,251,266	22,555,867	(24,298,219)

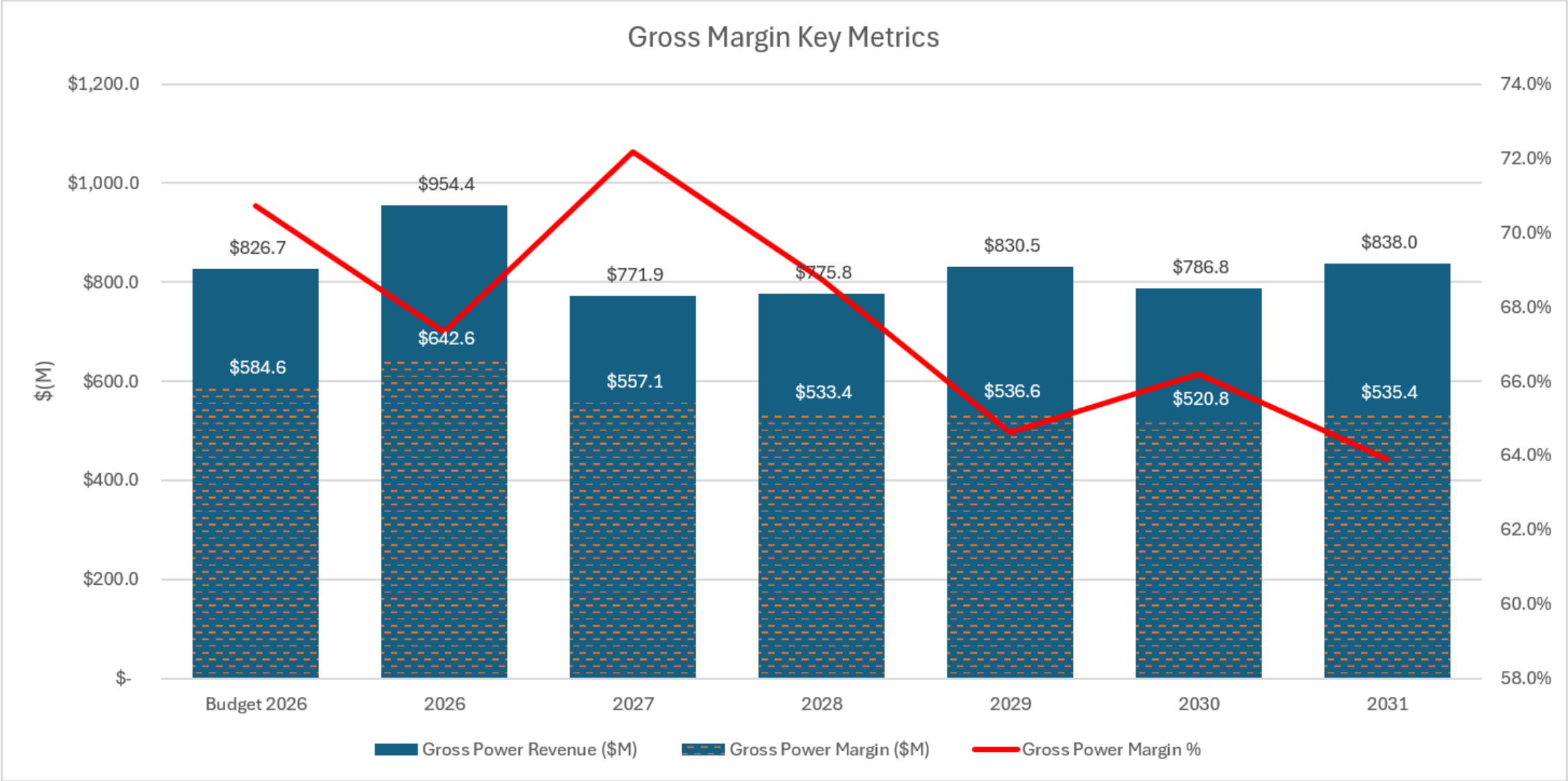
Gross Power Margin Report

Gross Power Margin Report

	2026 Budget		2026		2027		2028		2029		2030		2031													
	\$	MWh	\$/MWh	\$	MWh	\$/MWh	\$	MWh	\$/MWh	\$	MWh	\$/MWh	\$	MWh	\$/MWh											
Retail Sales	314,448,828	\$	-	295,447,843	\$	-	336,902,444	6,926,459	\$	48.64	366,005,997	7,010,921	\$	52.21	419,642,386	7,498,509	\$	55.96	477,998,761	7,950,899	\$	60.12	538,931,389	8,334,372	\$	64.66
PRP Requirements & Sales to Purch at Cost	34,327,337	\$	-	31,903,663	\$	-	38,765,048	1,340,870	\$	28.91	22,544,431	725,824	\$	31.06	19,696,766	611,497	\$	32.21	20,226,020	615,284	\$	32.87	20,732,390	614,074	\$	33.76
RP Auction Proceeds	\$ 18,276,116	\$	-	\$ 18,028,839	\$	-	\$ 21,143,933	727,292	\$	29.07	\$ 3,463,663	110,451	\$	31.36	\$ 0	0	\$	-	\$ 0	0	\$	-	\$ 0	0	\$	-
Converters/Exchangers	\$ 16,458,256	\$	-	\$ 16,847,061	\$	-	\$ 17,838,023	613,578	\$	29.07	\$ 19,297,676	615,373	\$	31.36	\$ 19,913,673	611,497	\$	32.57	\$ 20,442,927	615,284	\$	33.23	\$ 20,949,297	614,074	\$	34.12
PSC Cost Mech	\$ (407,035)	\$	-	\$ (2,972,238)	\$	-	\$ (216,907)	-	\$	-	\$ (216,907)	-	\$	-	\$ (216,907)	-	\$	-	\$ (216,907)	-	\$	-	\$ (216,907)	-	\$	-
Net Power	235,820,096	\$	-	315,272,562	\$	-	181,476,090	10,990,511	\$	16.51	144,858,425	10,171,216	\$	14.24	97,251,266	10,769,334	\$	9.03	22,555,867	9,932,288	\$	2.27	(24,298,219)	10,484,344	\$	(2.32)
Gross Power Revenue \$ =	\$ 826,670,657			\$ 954,409,649			\$ 771,859,600			\$ 775,777,185			\$ 830,475,949			\$ 786,847,787			\$ 837,981,630			\$ 837,981,630				
Gross Power Margin \$ =	\$ 584,596,261			\$ 642,624,068			\$ 557,143,582			\$ 533,408,854			\$ 536,590,418			\$ 520,780,647			\$ 535,365,560			\$ 535,365,560				
Gross Power Margin % =	70.7%			67.3%			72.2%			68.8%			64.6%			66.2%			63.9%			63.9%				



Gross Power Margin Report

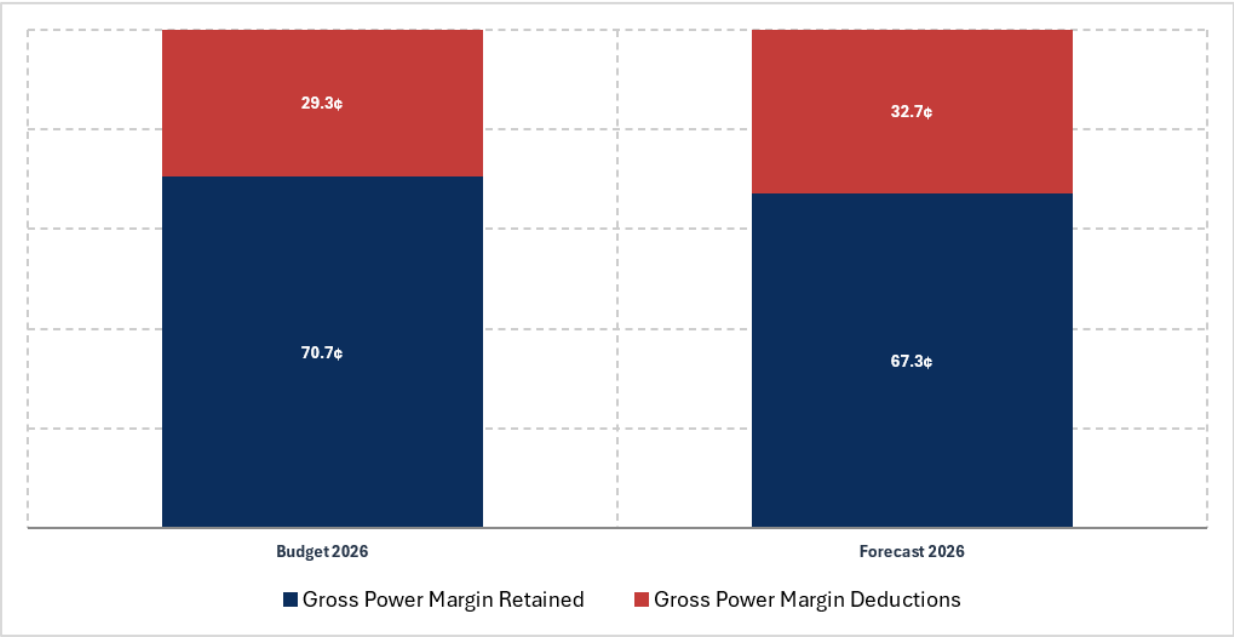


Gross Power Margin Report

Gross Power Margin Outlook Budget 2026 to 2026

Gross Power Margin \$ =	Gross Power Margin % =	Gross Power Revenue \$ =
\$584.6M → \$642.6M	70.7% → 67.3%	\$826.7M → \$954.4M
+\$58.0M	(3.4 pts)	+\$127.7M

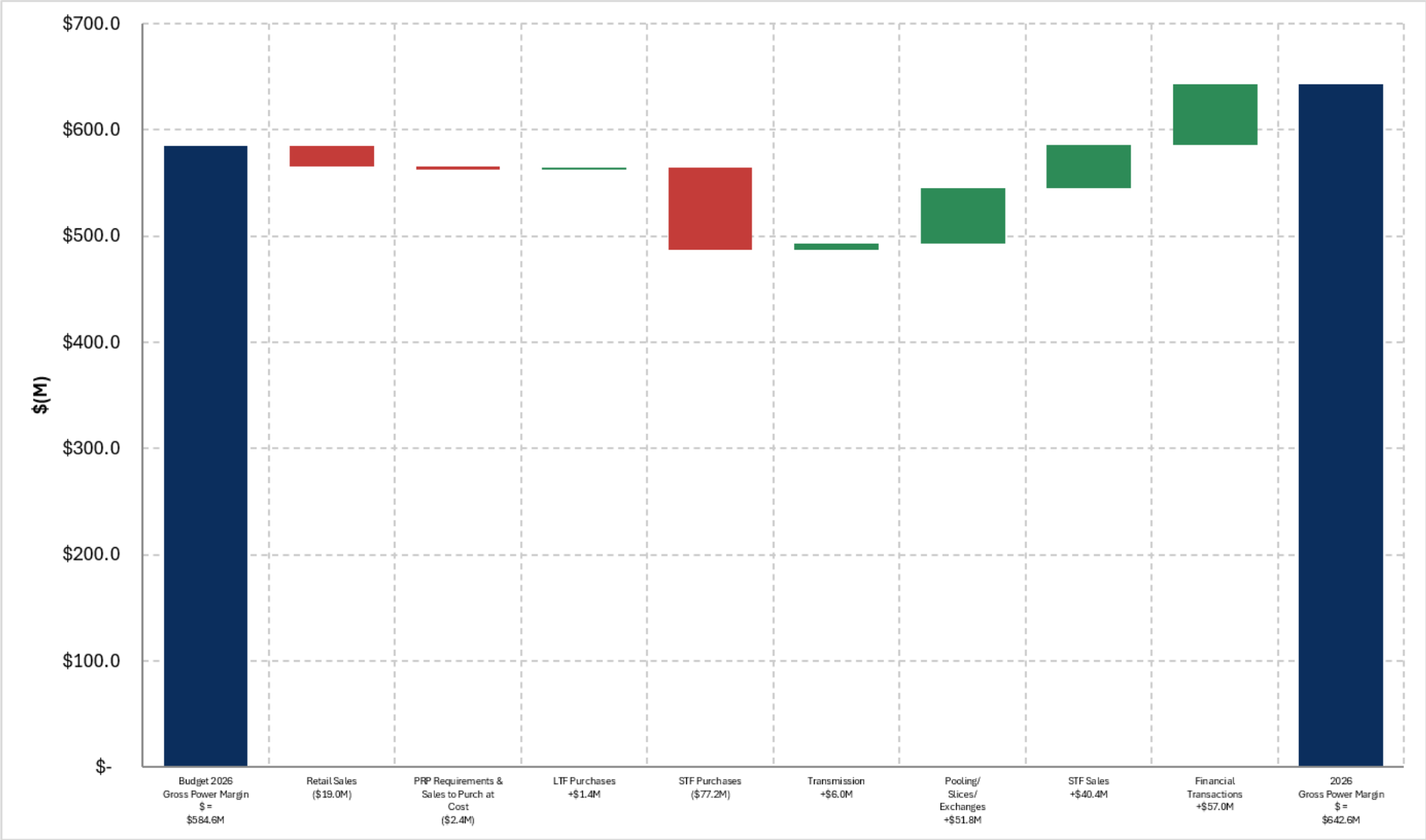
Gross Margin Retention per \$1 of Gross Revenue | Budget 2026 to 2026



Gross Margin is before other Grant PUD O&M, corporate expenses, depreciation, debt service, and capital requirements.

Gross Power Margin Report

Gross Power Margin \$ = Bridge | Budget 2026 to 2026



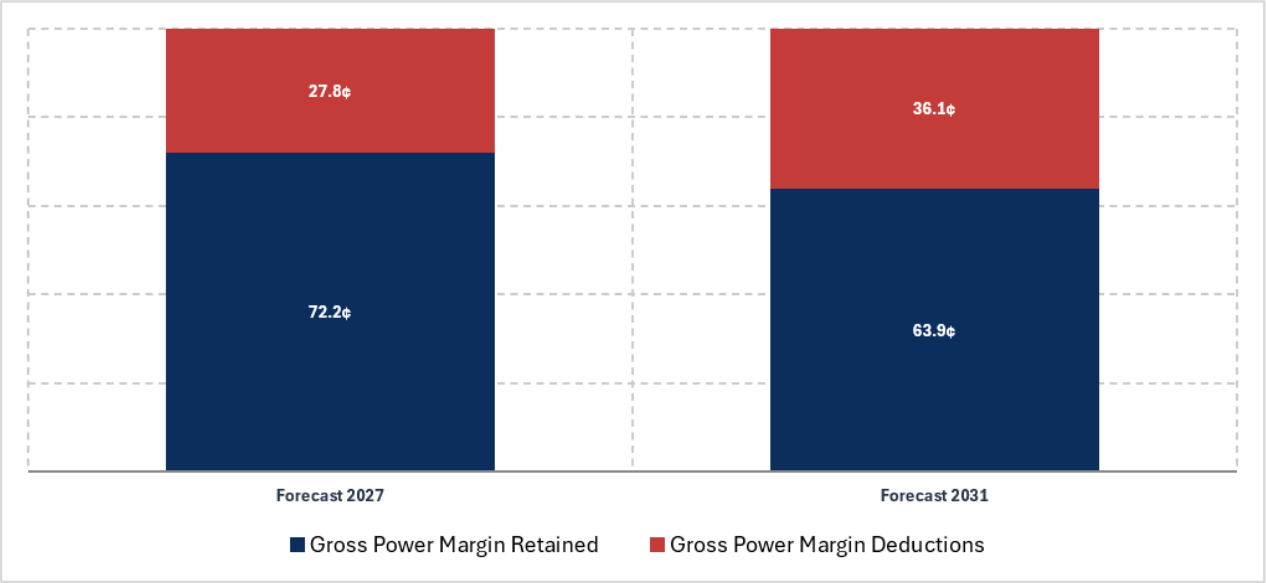
Gross Power Margin Report

Gross Power Margin Outlook 2027 to 2031

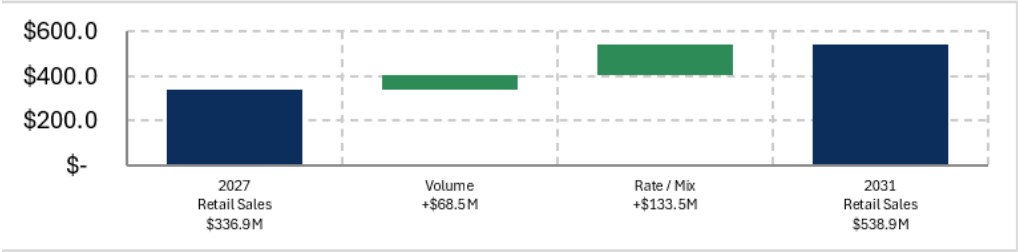
Gross Power Margin \$ =	Gross Power Margin % =	Gross Power Revenue \$ =
\$557.1M → \$535.4M	72.2% → 63.9%	\$771.9M → \$838.0M
(\$21.8M)	(8.3 pts)	+\$66.1M

Retail Sales	Net Power
\$336.9M → \$538.9M	\$181.5M → (\$24.3M)
+\$202.0M	(\$205.8M)

Gross Margin Retention per \$1 of Gross Revenue | 2027 to 2031



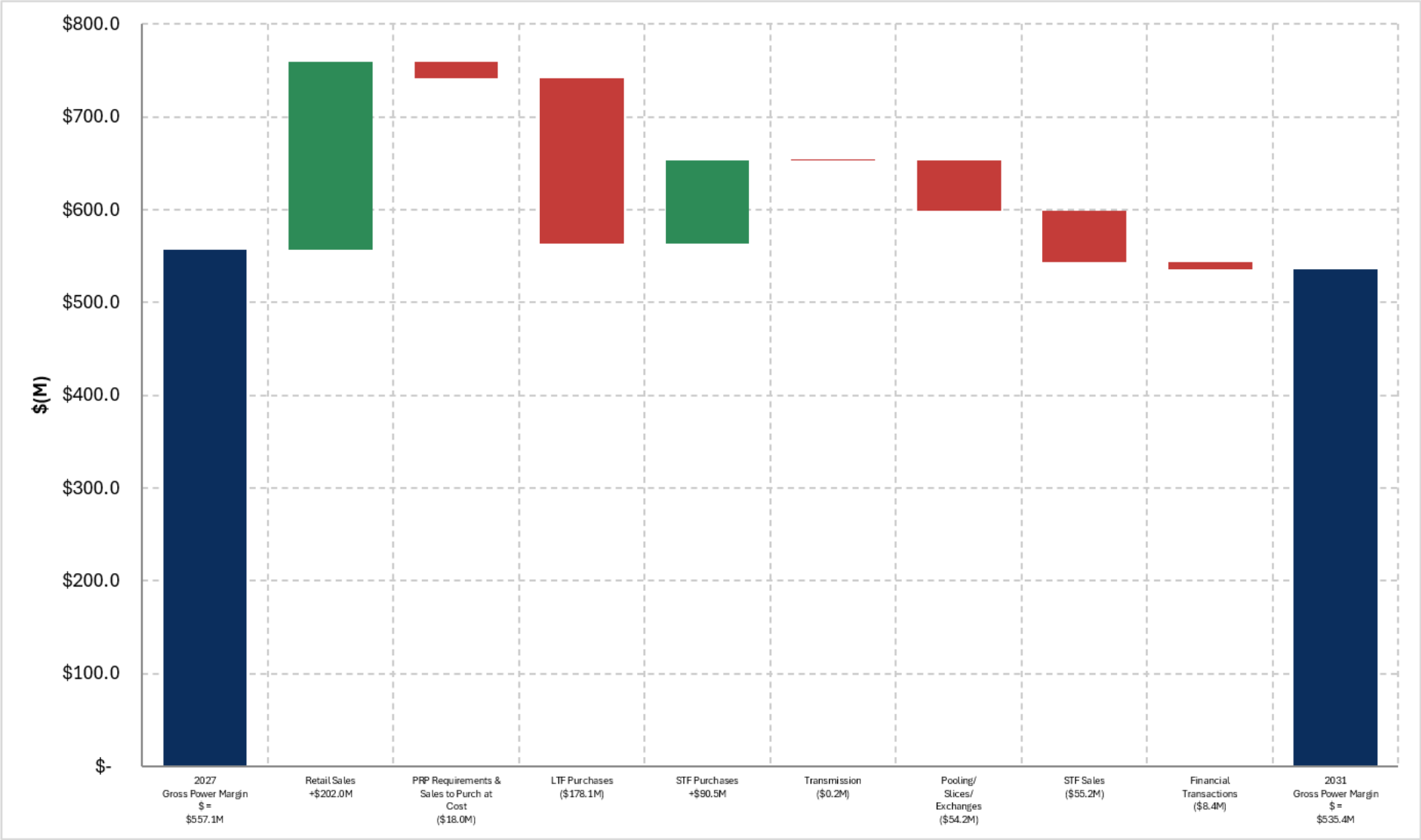
Retail Sales Growth | Volume vs. Rate / Mix



Retail Sales (MWh)	Retail Sales (\$/MWh)	Retail Sales Change
6.93M → 8.33M	\$48.64 → \$64.66	\$202.0M
+20%	+33%	+\$202.0M

Gross Power Margin Report

Gross Power Margin \$ = Bridge | 2027 to 2031



Thank you!

APPENDIX

District Financial Overview

AUGUST 2026

O&M DIRECTS YTD			
YTD BUDGET	ACTUALS	YTD VARIANCE	YTD VAR %
\$55,083K	\$57,843K	\$2,761K	5.0%

O&M DIRECTS YE PROJECTION			
TOTAL BUDGET	YEP	YE VARIANCE	YE VAR %
\$91,623K	\$99,715K	\$8,092K	8.8%

LABOR YTD			
YTD BUDGET	ACTUALS	YTD VARIANCE	YTD VAR %
\$92,552K	\$87,899K	(\$4,653K)	-5.0%

LABOR YE PROJECTION			
TOTAL BUDGET	YEP	YE VARIANCE	YE VAR %
\$142,097K	\$135,941K	(\$6,156K)	-4.3%

COST CATEGORY TYPE	YTD BUDGET	ACTUALS	YTD VARIANCE	YTD VAR %
IT	\$4,576,047	\$5,127,395	\$551,348	12.0%
Risk	\$4,212,119	\$6,474,249	\$2,262,129	53.7%
Total	\$8,788,167	\$11,601,644	\$2,813,477	32.0%

O&M Directs YTD: \$2,761K Unfavorable | Outside of Target; driven primarily by unplanned litigation, TEA membership and Technology software and licensing costs

Labor YTD : \$4,653K Favorable | Outside of Target; Hiring delays and continued vacancies.

District Capital Overview

AUGUST 2026

Budget	YEP	Budget Variance
\$317,909,996	\$325,009,548	\$7,099,552

Budget	Approved Spend	Budget & Approved Spend Variance
\$317,909,996	\$320,931,613	\$3,021,617

Initiative	Capital Approved Spend	YTD Actuals	Projections	YEP	Approved Spend Variance
IN410 - PDF_Power Delivery Facilities	\$93,502,346	\$43,727,970	\$49,774,376	\$93,502,346	(\$0)
IN214 - PR Turbine Upgrade	\$35,773,603	\$10,355,624	\$23,686,637	\$34,042,261	(\$1,731,342)
IN203 - PR Spillway Stability Improvements	\$28,976,475	\$12,968,154	\$19,771,953	\$32,740,107	\$3,763,632
IN291 - QTEP - MT View Breaker & Half	\$26,483,880	\$11,684,796	\$15,598,792	\$27,283,587	\$799,707
IN349 - IQ#5 SR Quincy Valley	\$9,148,710	\$1,405,232	\$5,650,271	\$7,055,503	(\$2,093,207)
IN245 - QTEP - Monument Hill	\$7,857,640	\$3,392,193	\$6,200,345	\$9,592,538	\$1,734,898
IN348 - IQ#1 Invenergy	\$7,793,599	\$267,568	\$4,184,272	\$4,451,839	(\$3,341,760)
IN263 - IQ#3 ECBID	\$6,510,423	\$2,757,482	\$3,475,345	\$6,232,827	(\$277,596)
IN243 - QTEP - WAN-MT View 230kV Line	\$5,258,549	\$1,240,563	\$4,356,687	\$5,597,249	\$338,700
IN504 - ERP Plus Implementation	\$5,226,919	\$1,914,130	\$3,073,769	\$4,987,898	(\$239,021)
Total	\$320,931,613	\$139,004,289	\$186,005,259	\$325,009,548	\$4,077,936

The table displays the largest initiatives; smaller initiatives are included in the total but not shown. Variance explanations provided by Strategic Portfolio Management.

IQ#1 Invenergy: 3.34M Favorable | Due to timing shifts in engineering, procurement, and construction activities.

P R Spillway Stability Improvements: 3.76M Unfavorable | Construction activities are advancing faster than originally budgeted and the variance reflects accelerated execution.

QTEP: 534K Unfavorable | Earlier execution on Monument Hill, COL-MTV and Mt View Breaker & Half is partially offset by MH-RF and other schedule-driven delays.

Appendix - Key Assumptions

Actuals Through:

August

Drivers	Forecast Based on
O&M	September Year End Projections
Labor	September Year End Projections
Net Power	September Ascend Output - OATI Trades thru July
Net Power Scenarios	September Ascend Output - OATI Trades thru July
Interest Income	August Month End Portfolio
Retail Rev	July Load Forecast
Load Forecast Actual/Plan HLH and LLH	July Load Forecast
Capital	2027 Capital Methodology and Assumption Update
CIAC	January Forecast w/ YTD Actuals
Taxes	Actuals plus adder (1% current 2% future years)
CCA Revenues	Goose Prairie Solar Costs
Transmission Revenues (Avista Only and Legacy)	Actuals plus adder (1% current 2% future years)
Fiber Revenue	Actuals plus adder (1% current 2% future years)
Other Revenue	Actuals plus adder (1% current 2% future years)
Debt	Last Issuance - January - See Exhibit B for forecast

Appendix – Enterprise to Budget Reconciliation (2026)

Enterprise to Budget Reconciliation

		2026 Final Budget					October 2026 Financial Report					Delta				
		15.17% = Labor-to-CAP (no benefits)					15.20% = Labor-to-CAP					0.03% = Labor-to-CAP				
		BU OP Budgets	Corporate	O&M	CAP	TOTAL	BU OP Budgets	Corporate	O&M	CAP	TOTAL	BU OP Budgets	Corporate	O&M	CAP	TOTAL
Labor	Salaries & Wages	\$ 113,282,629		\$ 113,282,629	\$ 17,092,794	\$ 130,375,423	\$ 100,244,656		\$ 100,244,656	\$ 15,209,787	\$ 115,454,444	\$ (13,037,972)	\$ -	\$ (13,037,972)	\$ (1,883,007)	\$ (14,920,979)
	Overtime	\$ 7,254,533		\$ 7,254,533	\$ 1,310,704	\$ 8,565,237	\$ 8,473,720		\$ 8,473,720	\$ 1,448,547	\$ 9,922,266	\$ 1,219,186	\$ -	\$ 1,219,186	\$ 137,842	\$ 1,357,029
	Benefits	\$ -	\$ 46,970,808	\$ 46,970,808	\$ 6,893,825	\$ 53,864,633	\$ -	\$ 53,473,465	\$ 53,473,465	\$ 8,247,442	\$ 61,720,906	\$ -	\$ 6,502,657	\$ 6,502,657	\$ 1,353,616	\$ 7,856,273
	Leave Cashouts	\$ -	\$ 2,477,232	\$ 2,477,232	\$ -	\$ 2,477,232	\$ -	\$ 2,471,083	\$ 2,471,083	\$ -	\$ 2,471,083	\$ -	\$ (6,149)	\$ (6,149)	\$ -	\$ (6,149)
	Other Labor	\$ 785,945		\$ 785,945	\$ -	\$ 785,945	\$ 901,058		\$ 901,058	\$ -	\$ 901,058	\$ 115,113	\$ -	\$ 115,113	\$ -	\$ 115,113
	TOTAL	\$ 121,323,107	\$ 49,448,040	\$ 170,771,146	\$ 25,297,324	\$ 196,068,470	\$ 109,619,434	\$ 55,944,548	\$ 165,563,982	\$ 24,905,775	\$ 190,469,757	\$ (11,703,672)	\$ 6,496,508	\$ (5,207,164)	\$ (391,548)	\$ (5,598,712)
Directs	G&A	\$ 12,506,450	\$ -	\$ 12,506,450		\$ 12,506,450	\$ 13,093,934	\$ -	\$ 13,093,934		\$ 13,093,934	\$ 587,483	\$ -	\$ 587,483	\$ -	\$ 587,483
	Travel	\$ 2,563,968	\$ -	\$ 2,563,968		\$ 2,563,968	\$ 2,036,399	\$ -	\$ 2,036,399		\$ 2,036,399	\$ (527,569)	\$ -	\$ (527,569)	\$ -	\$ (527,569)
	IT	\$ 9,506,102	\$ -	\$ 9,506,102		\$ 9,506,102	\$ 8,896,037	\$ -	\$ 8,896,037		\$ 8,896,037	\$ (610,064)	\$ -	\$ (610,064)	\$ -	\$ (610,064)
	Operating Materials & Equipment	\$ 12,398,496	\$ -	\$ 12,398,496		\$ 12,398,496	\$ 12,433,348	\$ 28,360	\$ 12,461,709		\$ 12,461,709	\$ 34,853	\$ 28,360	\$ 63,213	\$ -	\$ 63,213
	Purchased Services	\$ 42,045,941	\$ -	\$ 42,045,941		\$ 42,045,941	\$ 49,604,802	\$ -	\$ 49,604,802		\$ 49,604,802	\$ 7,558,861	\$ -	\$ 7,558,861	\$ -	\$ 7,558,861
	Risk	\$ 6,502,648	\$ -	\$ 6,502,648		\$ 6,502,648	\$ 8,641,580	\$ -	\$ 8,641,580		\$ 8,641,580	\$ 2,138,932	\$ -	\$ 2,138,932	\$ -	\$ 2,138,932
	Transportation	\$ 1,704,084	\$ -	\$ 1,704,084		\$ 1,704,084	\$ 2,192,797	\$ -	\$ 2,192,797		\$ 2,192,797	\$ 488,713	\$ -	\$ 488,713	\$ -	\$ 488,713
	Utilities	\$ 1,667,732	\$ -	\$ 1,667,732		\$ 1,667,732	\$ 1,256,854	\$ -	\$ 1,256,854		\$ 1,256,854	\$ (410,878)	\$ -	\$ (410,878)	\$ -	\$ (410,878)
	Water for Power		\$ 3,625,177	\$ 3,625,177		\$ 3,625,177		\$ 18,866,023	\$ 18,866,023		\$ 18,866,023	\$ -	\$ 15,240,846	\$ 15,240,846	\$ -	\$ 15,240,846
	Customer Accounts Uncollectible		\$ 810,000	\$ 810,000		\$ 810,000		\$ 816,000	\$ 816,000		\$ 816,000	\$ -	\$ 6,000	\$ 6,000	\$ -	\$ 6,000
	Yakama Settlement		\$ 5,000,000	\$ 5,000,000		\$ 5,000,000		\$ 728,604	\$ 728,604		\$ 728,604	\$ -	\$ (4,271,396)	\$ (4,271,396)	\$ -	\$ (4,271,396)
	Corporate Other		\$ 5,356,773	\$ 5,356,773		\$ 5,356,773		\$ -	\$ -		\$ -	\$ -	\$ (5,356,773)	\$ (5,356,773)	\$ -	\$ (5,356,773)
	Capitalized A&G		\$ (4,438,935)	\$ (4,438,935)		\$ (4,438,935)		\$ (4,274,416)	\$ (4,274,416)		\$ (4,274,416)	\$ -	\$ 164,519	\$ 164,519	\$ -	\$ 164,519
	Other Reconciling Items							\$ (249,553)	\$ (249,553)		\$ (249,553)	\$ -	\$ (249,553)	\$ (249,553)	\$ -	\$ (249,553)
	PRP CAP				\$ 82,243,238	\$ 82,243,238					\$ 90,543,014				\$ 8,299,776	\$ 8,299,776
	ELEC CAP				\$ 240,105,694	\$ 240,105,694					\$ 206,859,467				\$ (33,246,226)	\$ (33,246,226)
	TOTAL	\$ 88,895,420	\$ 10,353,015	\$ 99,248,435	\$ 322,348,932	\$ 421,597,367	\$ 98,155,752	\$ 15,915,018	\$ 114,070,769	\$ 297,402,482	\$ 411,473,251	\$ 9,260,331	\$ 5,562,003	\$ 14,822,334	\$ (24,946,450)	\$ (10,124,116)
Enterprise Labor & Directs TOTALs		\$ 210,218,527	\$ 59,801,054	\$ 270,019,581	\$ 347,646,255	\$ 617,665,837	\$ 207,775,186	\$ 71,859,565	\$ 279,634,751	\$ 322,308,257	\$ 601,943,008	\$ (2,443,341)	\$ 12,058,511	\$ 9,615,170	\$ (25,337,998)	\$ (15,722,829)
<i>Balance Sheet & Other Activity Recon Total</i>		\$ 5,985,799		\$ (5,985,799)		\$ (5,985,799)	\$ 7,631,839		\$ (7,631,839)		\$ (7,631,839)			\$ (1,646,040)		\$ (1,646,040)
<i>Labor Reconciliation</i>		\$ 2,841,754		\$ (2,841,754)			\$ 2,816,005		\$ (2,816,005)			\$ (25,750)		\$ 25,750		
<i>Directs Reconciliation</i>		\$ 3,144,045		\$ (3,144,045)			\$ 1,575,835		\$ (1,575,835)			\$ (1,568,210)		\$ 1,568,210		
<i>Purchase Power Reconciliation</i>		\$ -					\$ 3,240,000		\$ (3,240,000)			\$ 3,240,000		\$ (3,240,000)		
<i>Debt Service (net of rebates)</i>			\$ 67,136,341			\$ 67,136,341		\$ 67,582,594			\$ 67,582,594		\$ 446,253			\$ 446,253
<i>Taxes</i>			\$ 24,505,487			\$ 24,505,487		\$ 24,162,420			\$ 24,162,420		\$ (343,067)			\$ (343,067)
Forecast Enterprise TOTALs		\$ 216,204,326	\$ 151,442,882	\$ 264,033,782	\$ 347,646,255	\$ 703,321,866	\$ 215,407,025	\$ 163,604,579	\$ 272,002,912	\$ 322,308,257	\$ 686,056,183	\$ (797,301)	\$ 12,161,697	\$ 7,969,130	\$ (25,337,998)	\$ (17,265,682)

Exhibit A =

Exhibit A =

Exhibit A =

Appendix – Enterprise to Budget Reconciliation (2027)

Enterprise to Budget Reconciliation																
		2026 Final Budget					October 2026 Financial Report					Delta				
				14.87% = Labor-to-CAP (no benefits)					15.19% = Labor-to-CAP					0.32% = Labor-to-CAP		
		BU OP Budgets	Corporate	O&M	CAP	TOTAL	BU OP Budgets	Corporate	O&M	CAP	TOTAL	BU OP Budgets	Corporate	O&M	CAP	TOTAL
Labor	Salaries & Wages	\$ 124,031,033		\$ 124,031,033	\$ 18,308,854	\$ 142,339,887	\$ 128,687,022		\$ 128,687,022	\$ 19,381,628	\$ 148,068,650	\$ 4,655,989	\$ -	\$ 4,655,989	\$ 1,072,775	\$ 5,728,764
	Overtime	\$ 7,455,511		\$ 7,455,511	\$ 1,370,098	\$ 8,825,609	\$ 8,497,654		\$ 8,497,654	\$ 1,585,852	\$ 10,083,506	\$ 1,042,143	\$ -	\$ 1,042,143	\$ 215,753	\$ 1,257,896
	Benefits	\$ -	\$ 53,561,861	\$ 53,561,861	\$ 7,645,803	\$ 61,207,664	\$ -	\$ 49,185,909	\$ 49,185,909	\$ 7,310,113	\$ 56,496,021	\$ -	\$ (4,375,952)	\$ (4,375,952)	\$ (335,691)	\$ (4,711,643)
	Leave Cashouts	\$ -	\$ 2,630,072	\$ 2,630,072	\$ -	\$ 2,630,072	\$ -	\$ 2,626,332	\$ 2,626,332	\$ -	\$ 2,626,332	\$ -	\$ (3,740)	\$ (3,740)	\$ -	\$ (3,740)
	Other Labor	\$ 823,776		\$ 823,776	\$ -	\$ 823,776	\$ 834,746		\$ 834,746	\$ -	\$ 834,746	\$ 10,970	\$ -	\$ 10,970	\$ -	\$ 10,970
	TOTAL	\$ 132,310,321	\$ 56,191,933	\$ 188,502,254	\$ 27,324,755	\$ 215,827,009	\$ 138,019,423	\$ 51,812,241	\$ 189,831,663	\$ 28,277,593	\$ 218,109,256	\$ 5,709,102	\$ (4,379,692)	\$ 1,329,409	\$ 952,838	\$ 2,282,247
Directs	G&A	\$ 13,424,625	\$ -	\$ 13,424,625		\$ 13,424,625	\$ 13,502,794	\$ -	\$ 13,502,794		\$ 13,502,794	\$ 78,169	\$ -	\$ 78,169	\$ -	\$ 78,169
	Travel	\$ 2,563,509	\$ -	\$ 2,563,509		\$ 2,563,509	\$ 2,507,802	\$ -	\$ 2,507,802		\$ 2,507,802	\$ (55,707)	\$ -	\$ (55,707)	\$ -	\$ (55,707)
	IT	\$ 9,953,917	\$ -	\$ 9,953,917		\$ 9,953,917	\$ 7,775,938	\$ -	\$ 7,775,938		\$ 7,775,938	\$ (2,177,979)	\$ -	\$ (2,177,979)	\$ -	\$ (2,177,979)
	Operating Materials & Equipment	\$ 13,053,077	\$ -	\$ 13,053,077		\$ 13,053,077	\$ 12,093,317	\$ -	\$ 12,093,317		\$ 12,093,317	\$ (959,759)	\$ -	\$ (959,759)	\$ -	\$ (959,759)
	Purchased Services	\$ 50,925,903	\$ 2,002,878	\$ 52,928,781		\$ 52,928,781	\$ 50,762,031	\$ -	\$ 50,762,031		\$ 50,762,031	\$ (163,872)	\$ (2,002,878)	\$ (2,166,750)	\$ -	\$ (2,166,750)
	Risk	\$ 7,436,472	\$ -	\$ 7,436,472		\$ 7,436,472	\$ 7,104,324	\$ -	\$ 7,104,324		\$ 7,104,324	\$ (332,148)	\$ -	\$ (332,148)	\$ -	\$ (332,148)
	Transportation	\$ 1,818,011	\$ -	\$ 1,818,011		\$ 1,818,011	\$ 1,879,678	\$ -	\$ 1,879,678		\$ 1,879,678	\$ 61,667	\$ -	\$ 61,667	\$ -	\$ 61,667
	Utilities	\$ 989,809	\$ -	\$ 989,809		\$ 989,809	\$ 1,957,375	\$ -	\$ 1,957,375		\$ 1,957,375	\$ 967,565	\$ -	\$ 967,565	\$ -	\$ 967,565
	Water for Power		\$ 3,625,177	\$ 3,625,177		\$ 3,625,177		\$ 15,882,835	\$ 15,882,835		\$ 15,882,835	\$ -	\$ 12,257,658	\$ 12,257,658	\$ -	\$ 12,257,658
	Customer Accounts Uncollectible		\$ -	\$ -		\$ -		\$ 832,320	\$ 832,320		\$ 832,320	\$ -	\$ 832,320	\$ 832,320	\$ -	\$ 832,320
	Yakama Settlement		\$ 4,800,000	\$ 4,800,000		\$ 4,800,000		\$ 2,142,000	\$ 2,142,000		\$ 2,142,000	\$ -	\$ (2,658,000)	\$ (2,658,000)	\$ -	\$ (2,658,000)
	Corporate Other		\$ 8,629,126	\$ 8,629,126		\$ 8,629,126		\$ 1,400,000	\$ 1,400,000		\$ 1,400,000	\$ -	\$ (7,229,126)	\$ (7,229,126)	\$ -	\$ (7,229,126)
	Capitalized A&G		\$ (4,546,014)	\$ (4,546,014)		\$ (4,546,014)		\$ (4,546,014)	\$ (4,546,014)		\$ (4,546,014)	\$ -	\$ -	\$ -	\$ -	\$ -
	Other Reconciling Items						\$ -	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	PRP CAP				\$ 99,050,004	\$ 99,050,004				\$ 106,264,529	\$ 106,264,529				\$ 7,214,525	\$ 7,214,525
	ELEC CAP				\$ 203,799,143	\$ 203,799,143				\$ 220,336,623	\$ 220,336,623				\$ 16,537,480	\$ 16,537,480
	TOTAL	\$ 100,165,323	\$ 14,511,167	\$ 114,676,490	\$ 302,849,148	\$ 417,525,638	\$ 97,583,258	\$ 15,711,141	\$ 113,294,399	\$ 326,601,152	\$ 439,895,551	\$ (2,582,065)	\$ 1,199,974	\$ (1,382,091)	\$ 23,752,004	\$ 22,369,913
Enterprise Labor & Directs TOTALs		\$ 232,475,644	\$ 70,703,100	\$ 303,178,744	\$ 330,173,903	\$ 633,352,647	\$ 235,602,681	\$ 67,523,382	\$ 303,126,063	\$ 354,878,745	\$ 658,004,807	\$ 3,127,037	\$ (3,179,718)	\$ (52,681)	\$ 24,704,842	\$ 24,652,161
<i>Balance Sheet & Other Activity Recon Total</i>		\$ 6,632,492		\$ (6,632,492)		\$ (6,632,492)	\$ 11,362,049		\$ (11,362,049)		\$ (11,362,049)			\$ (4,729,557)		\$ (4,729,557)
<i>Labor Reconciliation</i>		\$ 3,210,674		\$ (3,210,674)			\$ 3,317,638		\$ (3,317,638)			\$ 106,964		\$ (106,964)		
<i>Directs Reconciliation</i>		\$ 3,421,818		\$ (3,421,818)			\$ 3,184,410		\$ (3,184,410)			\$ (237,407)		\$ 237,407		
<i>Purchase Power Reconciliation</i>		\$ -					\$ 4,860,000		\$ (4,860,000)			\$ 4,860,000		\$ (4,860,000)		
<i>Debt Service (net of rebates)</i>			\$ 154,586,661			\$ 154,586,661		\$ 64,561,278			\$ 64,561,278		\$ (90,025,383)			\$ (90,025,383)
<i>Taxes</i>		\$ 24,972,277				\$ 24,972,277		\$ 24,645,668			\$ 24,645,668		\$ (326,609)			\$ (326,609)
Forecast Enterprise TOTALs		\$ 239,108,136	\$ 250,262,038	\$ 296,546,252	\$ 330,173,903	\$ 806,279,093	\$ 246,964,729	\$ 156,730,329	\$ 291,764,014	\$ 354,878,745	\$ 735,849,705	\$ 7,856,593	\$ (93,531,710)	\$ (4,782,238)	\$ 24,704,842	\$ (70,429,388)

Exhibit A =

Exhibit A =

Exhibit A =

Appendix – Exhibit A & B Delta

Exhibit A - \$ in thousands	Delta 2026	Delta 2027	Delta 2028	Delta 2029	Delta 2030	Delta 2031
Total O&M	\$ 19,720	\$ 16,664	\$ 13,772	\$ 13,814	\$ 12,774	\$ 10,707
Taxes	\$ 145	\$ (327)	\$ (310)	\$ (292)	\$ (298)	\$ (304)
Electric Capital	\$ (32,657)	\$ 17,806	\$ (23,536)	\$ 15,835	\$ (6,596)	\$ 68,299
PRP Capital	\$ 8,183	\$ 7,595	\$ 19,571	\$ 60,857	\$ 48,624	\$ 12,213
Total Capital	\$ (24,474)	\$ 25,401	\$ (3,965)	\$ 76,632	\$ 42,028	\$ 80,511
Debt Service - (net of Rebates)	\$ (1)	\$ -	\$ 1,744	\$ 5,653	\$ 10,583	\$ 10,840
Total Expenditures	\$ (4,610)	\$ 41,739	\$ 11,241	\$ 95,868	\$ 65,087	\$ 101,755
Expenditures offsets for deduction						
Contributions in Aid of Construction	\$ 236	\$ -	\$ -	\$ -	\$ -	\$ -
Sales to Power Purchasers at Cost	\$ (16)	\$ 1,943	\$ 1,448	\$ 1,544	\$ 1,549	\$ 1,524
Net Power (+ Expense, -Revenue)	\$ 552	\$ 4,617	\$ (5,943)	\$ 24,310	\$ 20,946	\$ 9,846
Total Expenditures Offset	\$ (772)	\$ 6,560	\$ (4,496)	\$ 25,854	\$ 22,496	\$ 11,371
Total Budgeted Expenditures	\$ (5,382)	\$ 35,179	\$ 15,737	\$ 70,014	\$ 42,592	\$ 90,384
Exhibit B - \$ in thousands						
Sales to Power Purchasers at Cost	\$ (16)	\$ 1,943	\$ 1,448	\$ 1,544	\$ 1,549	\$ 1,524
Retail Energy Sales	\$ 1,037	\$ (304)	\$ (193)	\$ (1,057)	\$ (739)	\$ (3,859)
Net Power (Net Wholesale + Other Power Revenue)	\$ 552	\$ 4,617	\$ (5,943)	\$ 24,310	\$ 20,946	\$ 9,846
Fiber Optic Network Sales	\$ 52	\$ 47	\$ 48	\$ 49	\$ 50	\$ 51
Other Revenues	\$ (255)	\$ (948)	\$ (907)	\$ (865)	\$ (821)	\$ (777)
Operating Expenses	\$ (19,720)	\$ (16,664)	\$ (13,772)	\$ (13,814)	\$ (12,774)	\$ (10,707)
Taxes	\$ (145)	\$ 327	\$ 310	\$ 292	\$ 298	\$ 304
Net Operating Income (Loss) Before Depreciation	\$ (18,495)	\$ (10,983)	\$ (19,010)	\$ 10,460	\$ 8,510	\$ (3,618)
Depreciation and Amortization	\$ (134)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Operating Income (Loss)	\$ (18,629)	\$ (10,983)	\$ (19,010)	\$ 10,460	\$ 8,510	\$ (3,618)
Interest and other income (expenses)	\$ 1,936	\$ (3,186)	\$ (4,632)	\$ (4,823)	\$ (4,798)	\$ (4,496)
Debt expense net of federal rebates	\$ (27)	\$ -	\$ (3,289)	\$ (3,822)	\$ (6,005)	\$ (6,509)
Contributions in aid of construction	\$ 236	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position	\$ (16,484)	\$ (14,169)	\$ (26,991)	\$ 1,808	\$ (2,293)	\$ (14,623)

Appendix - Debt to Plant – Historic Cost vs Fair Market Value

12/31/2025 Debt to Net Plant Illustrative Example - Historic Cost vs Fair Market Value

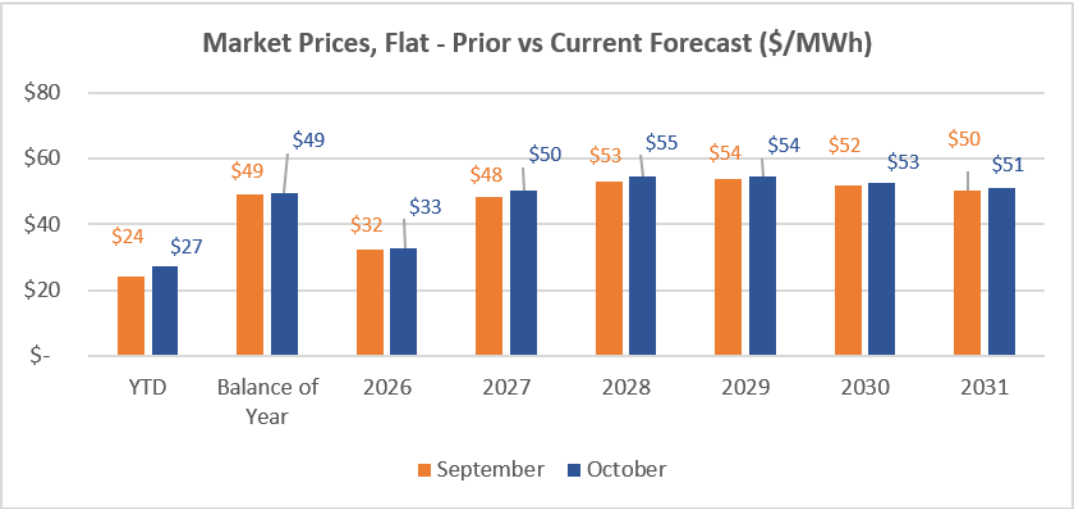
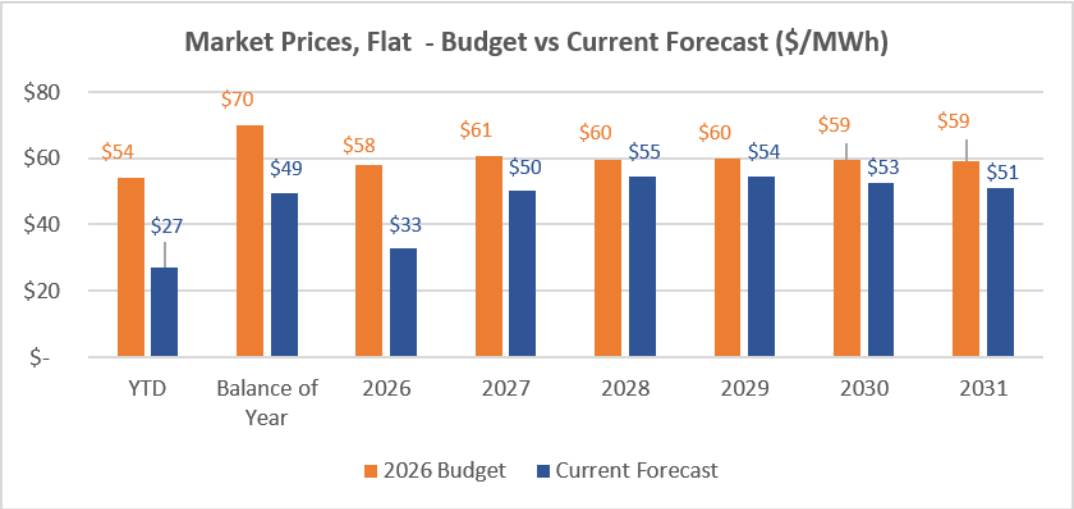
GASB - Historic Cost		Fair Market Value - <i>Example</i>		
<i>\$'s in Billions</i>				
Assets	Book Value	Book Value	FMV Organization Multiplier*** = 1.57	Est FMV
Distribution	\$ 1.0	\$ 1.0		\$ 1.5
Production	\$ 1.7	\$ 1.7		\$ 2.6
Net Plant**	<u>\$2.7</u>	<u>\$2.7</u>	Calculated Net Plant Multiplier = 1.5x	<u>\$4.1</u>
Liabilities				
Debt	<u>\$1.0</u>	<u>\$1.0</u>	1.0	<u>\$1.0</u>
Metric -				
Debt to Net Plant	36%	36%		24%

* Cap Asset Per 12/31/2025 Financial Statements

**Net of Accum Dep

*** Published CSImarket for Electric Utility Industry Fair Market Value Multiplier for entire organization rolling 4 Quarter Average (updated for 2026 Q2)

Wholesale Market Prices



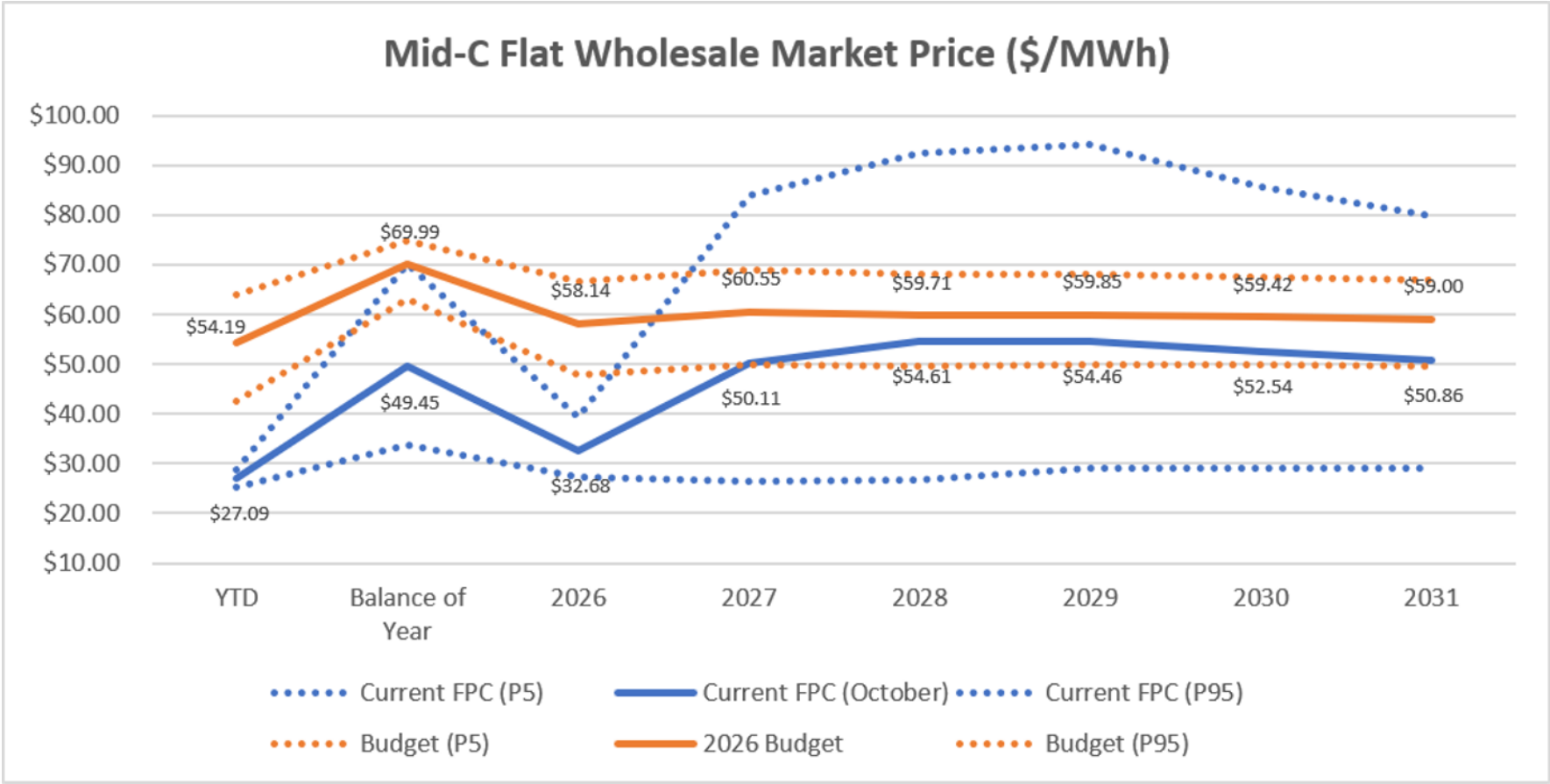
2026 Budget vs Current

- 2026: Current 2026 Year End Projection for Wholesale Prices, on a flat annual basis, are \$32.68, -\$25.46 (-44%) lower than 2026 Budget forecast of \$58.14.
- 2027-2031: Current October forecast for Wholesale Prices, on a flat basis, are \$52.52, -\$7.19 (-12%) lower to 2026 Budget forecast of \$59.71.

Prior vs Current

- 2026: Current 2026 Year End Projection for Wholesale Prices are +\$0.28 (+1%) higher than the September projections.
- 2027-2031: October forecast for Wholesale Prices, on a flat basis, are +\$1.05 (+2%) higher than the September forecast.

Appendix - Wholesale Price Volatility



Forward Price Curve (FPC) Comparison

2026 Average Actual Prices were below the Budget FPC

-\$25.46 or -43.8%

2027 through 2031 shows decreased pricing pressure

Avg -\$7.19 or -12.0%

Net Power Reporting

Retail Sales

	Year to Date			Balance of Year			Budget vs Current Fin Fx		
	2026 Budget YTD	2026 Actuals YTD	YTD Delta Actuals- Budget	2026 Budget BOY	2026 Current BOY	BOY Delta Current- Budget	Total 2026 Final Budget	Total October 2026 Current Scenario	Total Delta Current- Budget
Dollars	206,117,324	194,141,796	(11,975,527)	108,331,504	101,111,895	(7,219,609)	314,448,828	295,253,692	(19,195,136)
[+] Core	80,256,890	75,076,574	(5,180,316)	37,608,019	37,859,308	251,289	117,864,909	112,935,882	(4,929,027)
[+] Non Core	121,876,613	118,421,568	(3,455,045)	65,423,526	63,252,587	(2,170,938)	187,300,138	181,674,155	(5,625,983)
[+] Market	3,983,820	643,655	(3,340,166)	5,299,960	-	(5,299,960)	9,283,780	643,655	(8,640,126)
Megawatt	4,569,522	4,199,876	(369,646)	2,336,039	2,177,663	(158,376)	6,905,561	6,377,539	(528,022)
[+] Core	1,452,919	1,319,131	(133,788)	641,169	627,463	(13,706)	2,094,088	1,946,595	(147,494)
[+] Non Core	3,062,073	2,873,207	(188,866)	1,631,964	1,550,200	(81,765)	4,694,038	4,423,407	(270,631)
[+] Market	54,529	7,537	(46,992)	62,905	-	(62,905)	117,435	7,537	(109,897)
Key Takeaways	Core			Non Core			Rate 94 Market		
Overall Revenue Performance:	Actual/Forecast revenue was below, -\$4,929,027 budget.			Actual/Forecast revenue was below, -\$5,625,983 budget.			Actual/Forecast revenue was below, -\$8,640,126 budget.		
Primary Driver of Variance:	Forecasted MWh changes were the primary driver of revenue variance.			Forecasted MWh changes were the primary driver of revenue variance.			Forecasted MWh changes were the primary driver of revenue variance.		
Price Impact:	Rates were above Budget, impacting revenue by +\$3,085,902.			Rates were above Budget, impacting revenue by +\$5,220,364.			Rates were above Budget, impacting revenue by +\$23,211.		
Volume Impact:	Forecasted MWh were below budget, impacting revenue by -\$8,014,929.			Forecasted MWh were below budget, impacting revenue by -\$10,846,348.			Forecasted MWh were below budget, impacting revenue by -\$8,663,336.		
Interpretation:	Forecasted MWh had a larger effect on revenue performance than Rates.			Forecasted MWh had a larger effect on revenue performance than Rates.			Forecasted MWh had a larger effect on revenue performance than Rates.		

Enterprise Balanced Scorecard

October 27, 2026

John Mertlich, General Manager/CEO

Julie Pyper, VP Head of Strategy

Executive Leadership Team



Powering our way of life.

Agenda

- Overall Performance Review
- Insights
- Review Performance
- Resources



MISSION

Our purpose

To safely, efficiently and reliably provide electric power and fiber optic broadband services to our customers.

VISION

Our aspiration

Excellence in Service & Leadership. We continually ask how we can improve safety, service quality, reliability and stewardship of our resources in the most cost-effective manner.

VALUES

Principles and beliefs

Safety | Innovation | Service | Teamwork | Respect | Integrity | Heritage

PERSPECTIVES

Organizational Performance Categories

OBJECTIVE

What must we achieve strategically?

GOALS

What does success look like in the next 1-3 years?

 PEOPLE, LEARNING & CULTURE	 PROCESS & TECHNOLOGY	 CUSTOMER & STAKEHOLDER	 FINANCIAL
Develop and support a safe and rewarding work environment that attracts, retains, and engages talent to advance Grant PUD's strategic objectives	Deploy business processes and technology solutions that continuously improve business operations, resiliency, system reliability and compliance	Provide an intentional customer experience that drives engagement, satisfaction and trust for both our customers and stakeholders	Ensure long-term financial sustainability by making prudent investment and financial management decisions while proactively managing risks
G1: Gallup Q12 ≥ 4.3	G6: Resilient systems, 21% reliability improvement	G12: $\geq 90\%$ customer satisfaction sustained	G16: 100% actual and forecasted results
G2: Talent Attraction Effectiveness Score (TAES) of 82	G7: Mature, 100% mapped internal processes	G13: 20% higher stakeholder engagement	G17: $\geq 9\%$ average capital portfolio ROI
G3: Workforce Stability Score (WSS) of 58	G8: 60% automated digital workflows	G14: 50% higher customer engagement	G18: 100% major business decisions evaluated
G4: Zero incidents, recordable rate 1.0	G9: 100% regulatory readiness	G15: 10% higher perceived service reliability	G19: 100% rate trajectory met
G5: Increase interdepartmental service 15%	G10: 100% cybersecurity threats mitigated		
	G11: $>6\%$ outage driven revenue reduction		

October Reporting Overview

39 enterprise measures | Status distribution by Balanced Scorecard perspective

OVERALL 

36% on track

Monitor

Intervention

Developing

28%

23%

13%

LAST MONTH

41% on track

Monitor

Intervention

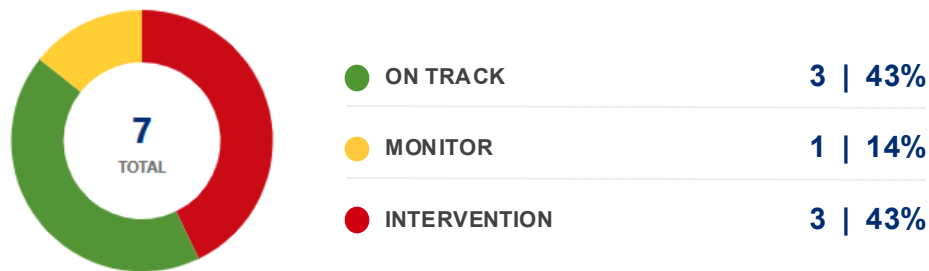
Developing

28%

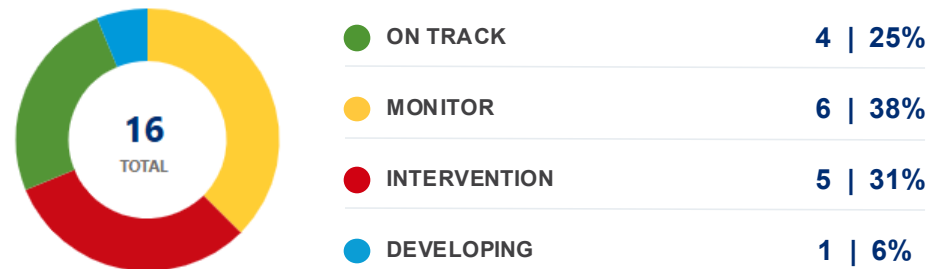
18%

13%

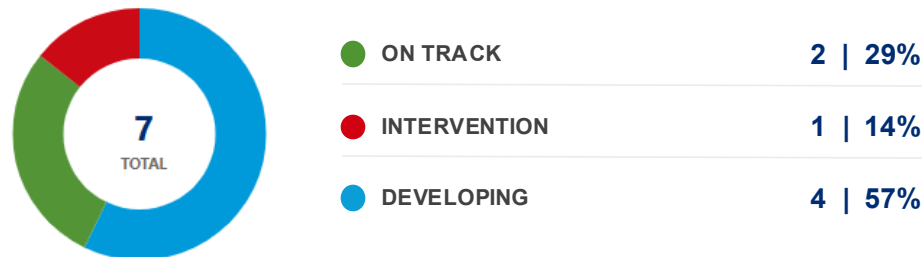
People, Learning & Culture



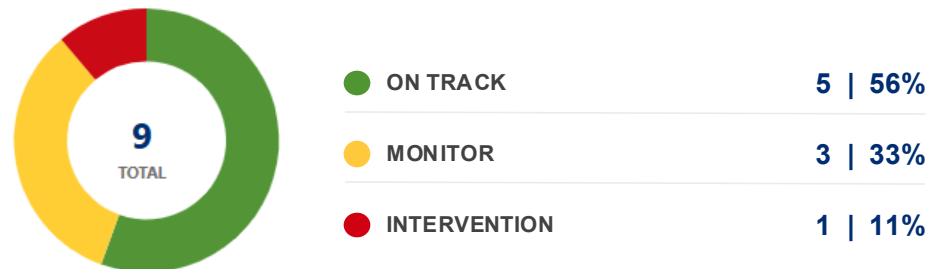
Process & Technology



Customer & Stakeholder



Financial



STATUS KEY

ON TRACK

Met or exceeding target

MONITOR

Below target; improvement underway or trending toward target

INTERVENTION NEEDED

Below target; added support or focus needed

DEVELOPING

Measure under development

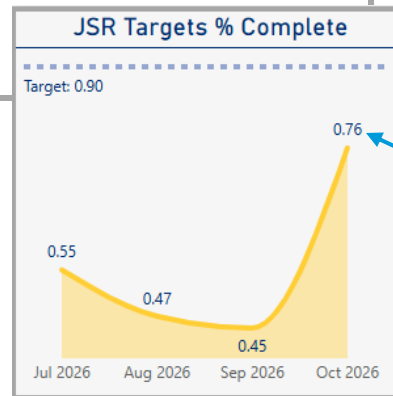
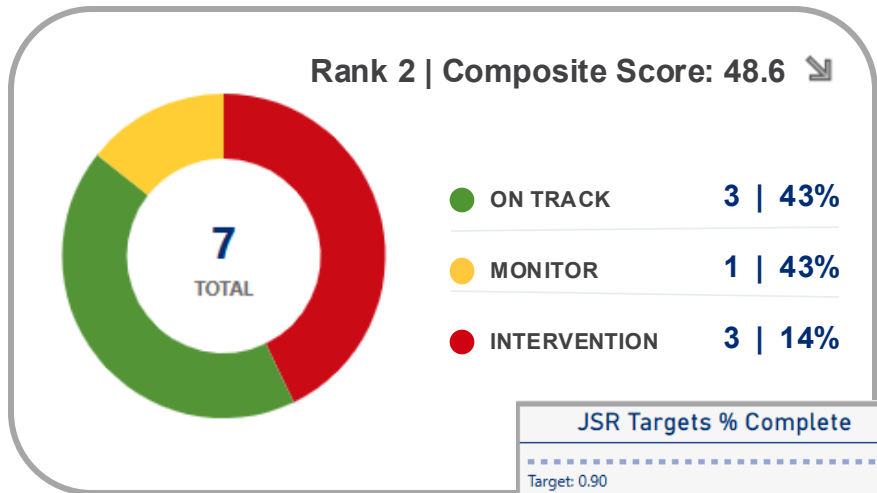
Insights



BALANCED SCORECARD REPORTING | Insights

People, Learning & Culture

OBJECTIVE | Develop and support a safe and rewarding work environment that attracts, retains, and engages talent to advance Grant PUD's strategic objectives.



KEY INSIGHTS | People, Learning & Culture is mixed: succession planning and safety closure remain strong, and Job Site Reviews improved in October. However, engagement, authority to act, and internal-service satisfaction fell to Red/Down, signaling for the specific departments surveyed this month unclear expectations, constrained decision rights, and service friction. Recommend sustaining the accountability that improved JSRs.

- Succession-plan coverage **80%**; safety closure **92%** vs 85% target
- JSRs improved from 45 to **76**, target is 90
- All 3 Pulse Survey measures Red/Down this month

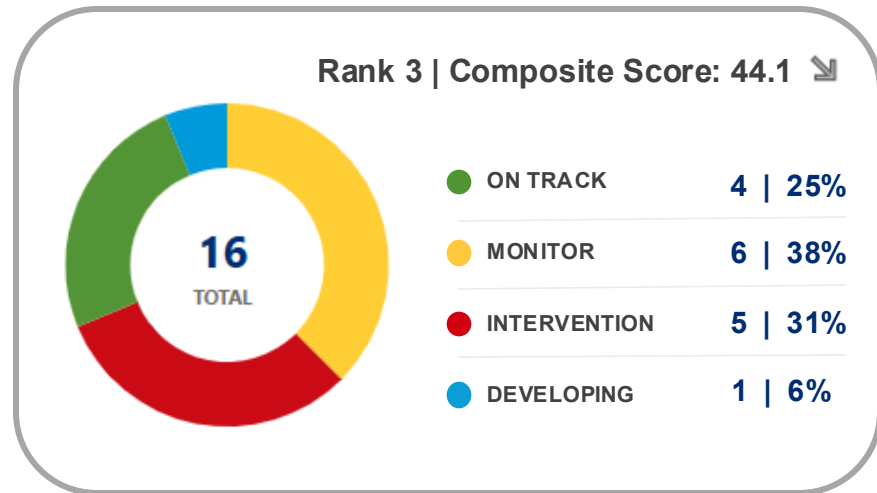
PERFORMANCE RANKING | 2



BALANCED SCORECARD REPORTING | Insights

Process & Technology

OBJECTIVE | Deploy business processes and technology solutions that continuously improve business operations, resiliency, system reliability and compliance.



KEY INSIGHTS | Several Process & Technology areas remain on track, including cyber controls, data warehousing, inventory review, and standards work. However, half of the measures trend Down, reliability remains outside tolerance, and several results slipped below target. Recommend leadership require clear owners and dated recovery milestones for reliability, availability, documentation, invoices, and Growth Strategy execution.

- 8 of 16 measures trending Down
- Reliability off track following the Round Lake Substation & Seiler Circuit Switcher losses, restoration/root cause work underway
- Growth strategy needs intervention to clarify ownership, address execution barriers & establish measurable recovery milestones

PERFORMANCE RANKING | 3

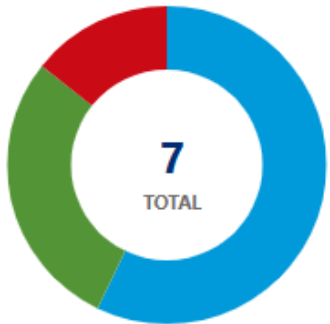


BALANCED SCORECARD REPORTING | Insights

Customer & Stakeholder

OBJECTIVE | Provide an intentional customer experience that drives engagement, satisfaction and trust for both our customers and stakeholders.

Rank 4 | Composite Score: 35.0



KEY INSIGHTS | Customer & Stakeholder performance remains difficult to judge to date because most of the intended portfolio is not yet operational. Core customer satisfaction is a clear and sustained strength, but customer awareness and stakeholder participation are below target, and four measures still lack decision-ready baselines. Recommend completing representative research and activating the developmental measures so leadership can connect customer sentiment with outage communications, service connections, survey participation, and non-core customer experience.

- Core customer sat **84%** vs 80% target & **Green** in all 10 months
- Customer awareness **40.5%** vs. 90% - measured through post-interaction survey
- 4 measures remain **Blue** with no reportable baselines since May/June

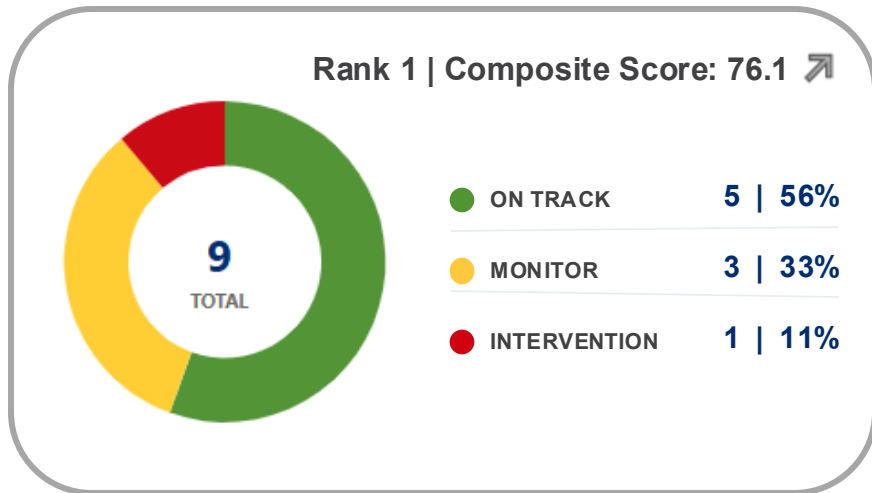
PERFORMANCE RANKING | 4



BALANCED SCORECARD REPORTING | Insights

Financial

OBJECTIVE | Ensure long-term financial sustainability by making prudent investment and financial management decisions while proactively managing risks.



KEY INSIGHTS | Finance leads October with strong forecast accuracy, Debt Service Coverage, and risk-plan completion. RONA has been retired, while both rate-trajectory measures improved after re-baselining; budget compliance remains the primary weakness. Leadership should confirm that the gains reflect stronger underlying performance—not only revised baselines.

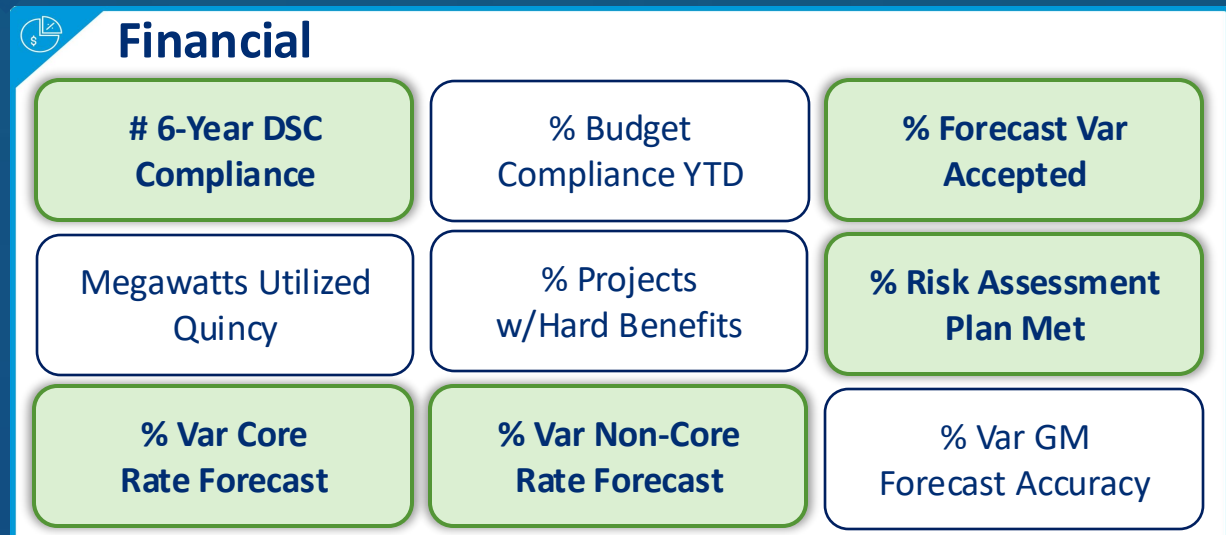
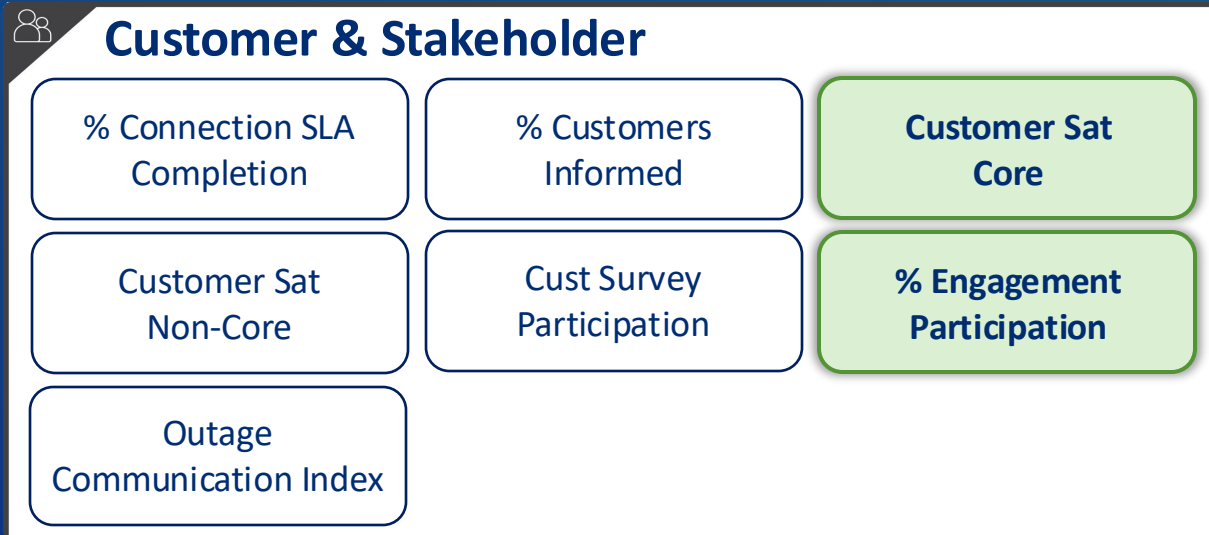
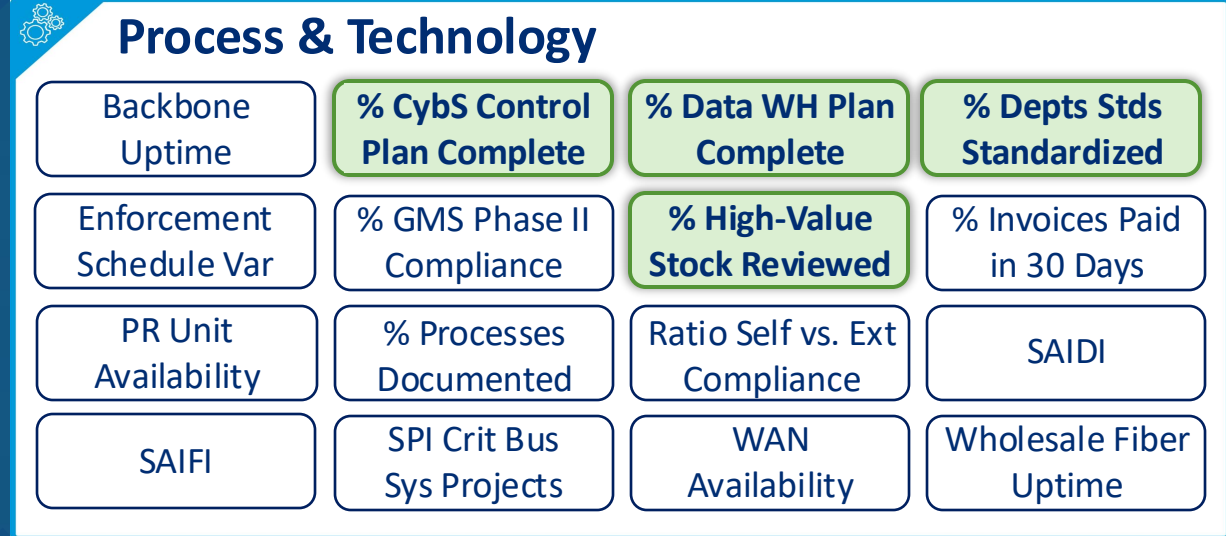
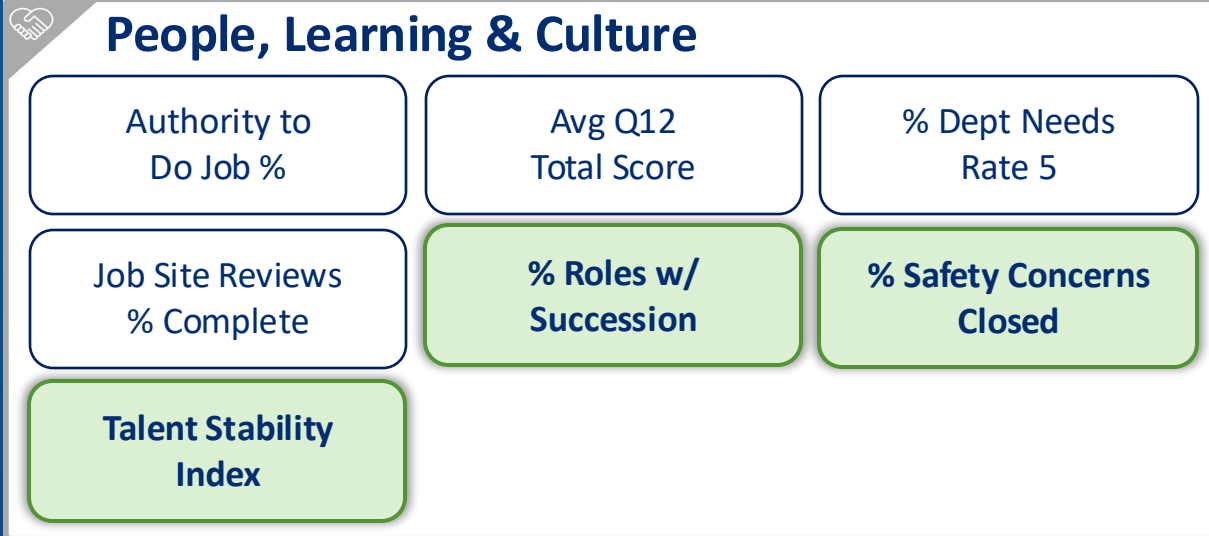
- 5 of 9 reported measures **GREEN** & 7 measures trending **UP**
- Project w/Hard Benefits improved 4.5%
- % Var Cor/Non-Core Rate Forecasts improved → moved to Green
- Budget compliance Red but improved **9%** (27% -> 36%, 75% target)

PERFORMANCE RANKING | 1

Management Action Plan (MAP) Summaries

Measures Meeting Target

OVERALL
● **36% on track** ● 28% ● 23% ● 13%
Monitor Intervention Developing





PEOPLE, LEARNING & CULTURE

Develop and support a safe and rewarding work environment that attracts, retains, and engages talent to advance Grant PUD's strategic objectives

GOAL	STRATEGY	MEASURE	QUESTION
G1: A highly engaged workforce, achieving and sustaining ≥ 4.3 grand mean score on the Gallup Q12 employee engagement survey	Empower decision-making at the lowest appropriate level, closest to the issue, while ensuring safety and compliance	% employees rating top two box score on survey response: "I have the authority I need to do my job effectively."	Do employees feel empowered to do their jobs?
	Grow leaders who strengthen employee engagement while meeting objectives	Avg organizational Employee Engagement Q12 Survey Question total score	How engaged do employees feel overall?
G2: Improve overall talent attraction effectiveness by achieving a Talent Attraction Effectiveness Score (TAES) of 82 by FY2029	Improve recruitment, retention, and succession planning	% critical roles with a formal succession plan	Are key roles prepared for future transitions?
G3: Workforce Stability Score (WSS) of 58 by FY2029	Improve recruitment, retention, and succession planning	Talent Stability Index	Are employees staying with us long term?
G4: A safer workplace, reducing lost time and restricted duty recordable safety incidents to 0 and reduce our overall recordable safety incident rate to 1.0	Sustain our safety culture	% completed versus established Job Site Review targets	Are job site reviews occurring as planned?
		% of safety concerns closed by due date	Are safety concerns resolved promptly?
G5: Increase interdepartmental service level fulfillment by 5% per year (15% in 3 years)	Improve interdepartmental collaboration and service	% of Target Service Providing Departments rating 5 on "Our Internal Service Providers understand and meet our department's needs."	Do internal providers meet department needs effectively?

Management Action Plan Summaries

Yellow & Red Measures | October 2026

Enterprise Balanced Scorecard



PEOPLE, LEARNING & CULTURE

Develop and support a safe and rewarding work environment that attracts, retains, and engages talent to advance Grant PUD’s strategic objectives.

Status: ● On Track ● Monitor ● Intervention ● Developing

Trend: Improving Stable Declining

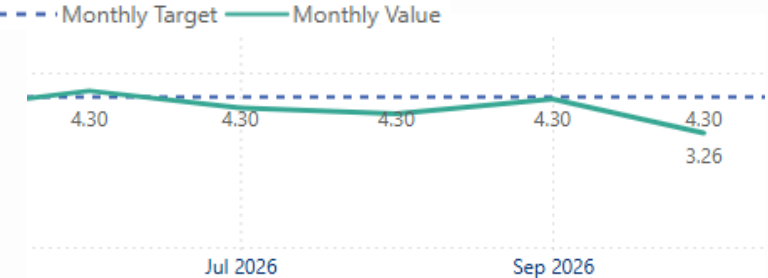
Avg Q12 Engagement Score

INTERVENTION

3.26 Target: 4.30

Since last report: 4.24 → 3.26 | ↓ 0.98

Owner: Tod Ayers



INSIGHT

This group’s Grand Mean was 3.26, up from 3.19 one year ago but below the 4.30 target.



OPPORTUNITY

Use group’s item-level results and employee comments to understand what is driving the score.



ACTION

- Review Q12 results and year-over-year changes with leaders
- Engage employees to identify barriers and 1–2 actions
- Follow up on commitments & communicate progress to employees.

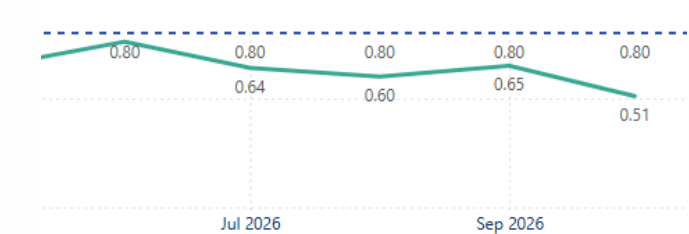
Authority to Do Job %

INTERVENTION

0.51 (51%) Target: 80%

Since last report: 65% → 51% | ↓ 14pp

Owner: Tod Ayers



INSIGHT

67% rolling avg. A different group is surveyed each month. Cannot determine from this result alone whether employees’ views across the organization have changed or what caused the score.



OPPORTUNITY

Employees may lack clear authority to make decisions or may face approvals and processes that slow their work. Leaders have an opportunity to clarify decision authority, delegate where appropriate, and invite employees to identify where more authority would help them work effectively.



ACTION

- Share results with ELT and reinforce decision authority with employees
- ID specific change to remove unnecessary approvals/barriers
- Follow up on actions and review progress alongside next month’s results

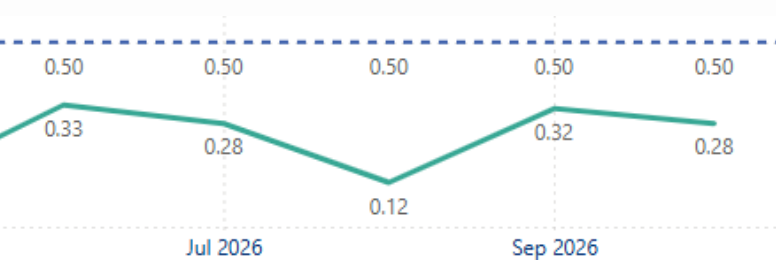
Department Needs Rate 5

INTERVENTION

0.28 (28%) Target: 50%

Since last report: 32% → 28% | ↓ 4pp

Owner: Fallon Long



INSIGHT

28% of participants rated service-providing departments a 5, 22% below target. 1st month a dept reached 50%. This year’s focus = establishing baseline data and improvement plans.



OPPORTUNITY

Continue using dept-level data and customer feedback to ID process and communication improvements. Use baseline to identify where improvements are producing meaningful results.



ACTION

- Provide depts w/ dept-specific results & customer feedback.
- Partner w/ depts to address recurring themes through targeted process or communication improvements.
- Close the feedback loop with internal customers & monitor results against established baselines.



PEOPLE, LEARNING & CULTURE

Develop and support a safe and rewarding work environment that attracts, retains, and engages talent to advance Grant PUD’s strategic objectives.

Status: ● On Track ● Monitor ● Intervention ● Developing

Trend: Improving Stable Declining

JSR Targets % Complete

MONITOR

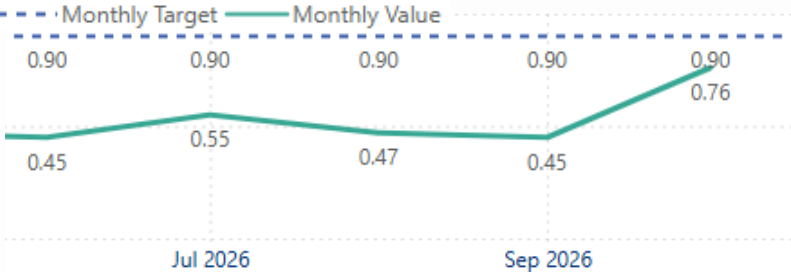


0.76

Target: 90%

Since last report: 45% → 76% | ↑ 31pp

Owner: Fallon Long



INSIGHT

August recorded 76 JSRs against a target of 90, finishing 14 below target. The JSR program sets an expectation but does not currently establish a participation target.



OPPORTUNITY

Use cost-center reporting to ID areas with low JSR participation and focus outreach accordingly. Increase leadership visibility, clarify participation expectations, reinforce JSR purpose/value.



ACTION

- Review employee participation compared with JSR activity to better understand participation levels.
- Obtain IT support to improve reporting capabilities needed to access participation data.
- Use the results to strengthen targeted outreach and accountability.



PROCESS & TECHNOLOGY

Deploy business processes and technology solutions that continuously improve business operations, resiliency, system reliability and compliance

GOAL	STRATEGY	MEASURE	QUESTION
G6: More reliable and resilient systems (operation and business systems), improving service reliability outcomes by 7% year over year (cumulatively 21%) through business practice, operational and infrastructure improvements	Continually optimize key processes to improve efficiency, effectiveness and compliance	% compliance with GMS Phase II Implementation Workplan	Is GMS Phase II progressing as planned?
		Ratio of Self-Identified to Externally-Identified compliance issues	Are we catching compliance issues before others?
		% invoices paid within 30 days	How efficient is our District payment processing system?
G7: Mature, mapped and repeatable internal processes at the business unit level, with 100% of critical business processes operating at a defined and measured maturity level	Strengthen data capture, governance, access, and analysis capabilities	% completion of Database Warehouse Plan	Is the data warehouse plan on track?
	Continually optimize key processes to improve efficiency, effectiveness and compliance	% of targeted processes documented to plan	Are critical processes documented as planned?
		% of targeted Department standards transitioned to a standard design, product and work package template	Are departments adopting standard templates?
G8: Digitally enabled operations, identifying, automating, and digitizing 60% of high-volume, high-impact workflows, reducing cycle time, errors, and rework	Establish and enforce standardized design and material specifications to improve quality and consistency	% of high value/high impact stock items reviewed for like inventory items District-wide	Are critical inventory items reviewed for duplication?
		Schedule performance indice (SPI) average critical business system projects	Are critical business system projects on schedule?
		Schedule variance from future enforcement workplans	Are enforcement workplans happening on schedule?
G9: Strong compliance and risk controls, maintaining 100% regulatory readiness for existing and upcoming requirements	Develop a system to monitor for changes to regulatory requirements and a tracking system to ensure compliance readiness by the effective date of any changes		
G10: Strong cybersecurity posture ensuring 100% of evolving threats are recognized, measured and appropriately mitigated	Strengthen resilience of enterprise technology assets against threats	% achievement of Cyber Security Control Plan	Are planned cybersecurity controls fully implemented?
G11: Reduce outage driven revenue >2% per year over 3 years (cumulatively >6%)	Optimize wholesale and retail systems operation performance	Network uptime - Wholesale Fiber	How reliable is our home fiber network?
		Network uptime - Backbone	Is our core network consistently available?
		System average interruption duration index (SAIDI)	How long do outages affect customers overall?
		System average interruption frequency index (SAIFI)	How often do customers experience outages?
		Wanapum Dam Unit Availability	Is Wanapum Dam generating power as expected?
		Priest Rapids Unit Availability	Is Priest Rapids generating power as expected?

Management Action Plan Summaries

Yellow & Red Measures | October 2026

Enterprise Balanced Scorecard



PROCESS & TECHNOLOGY

Deploy business processes and technology solutions that continuously improve business operations, resiliency, system reliability and compliance.

Status: ● On Track ● Monitor ● Intervention ● Developing

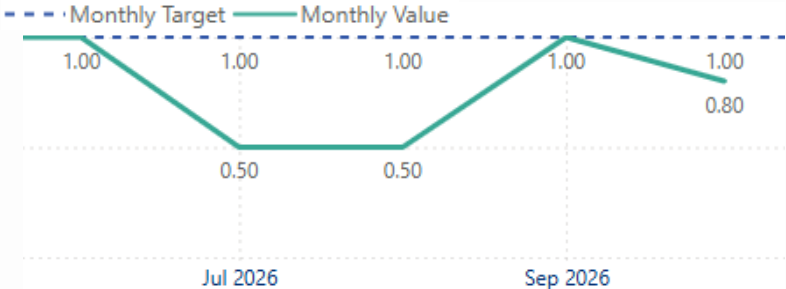
Trend: Improving Stable Declining

% GMS Phase II Compliance

MONITOR

0.80 (80%) Target: 100%

Since last report: 100% → 80% | ↓ 20pp Owner: Julie Pyper



INSIGHT
Milestone workplan updates with new tool continues. BSC reporting method under evaluation. Progress made on many milestones. Oct SteerCo approved C-1 charter.

OPPORTUNITY
Continue to refine milestone work plans. Understand specific actions needed to support on time work completion.

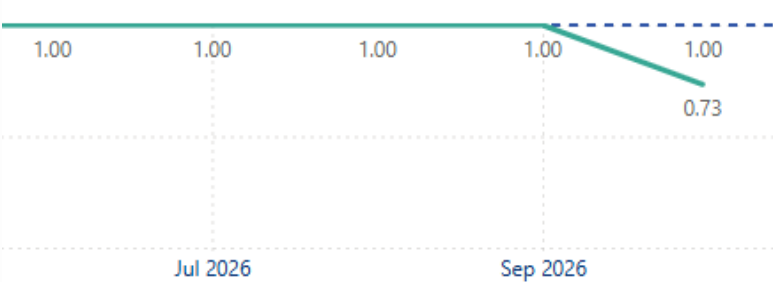
- ACTION**
- Review and approve C-2 work product - GMS ES (Julie) - 10/30/2026
 - Complete Prg Mgr recruitment process - Julie - 11/9/2026
 - Milestone work plan review - GMS SteerCo - 11/3/2026

% Processes Documented

INTERVENTION

0.73 (73%) Target: 100%

Since last report: 100% → 73% | ↓ 27pp Owner: Julie Pyper



INSIGHT
11 of 15 docs completed. Procurement, Office Services, EPMO, & CI AI SOPs completed. Team building set of AI based tools to expedite development of process docs & SOPs.

OPPORTUNITY
Proposed processes for Sept were aggressive to complete & fell short this month. The AI tooling is showing promise & could help with quality, consistency, & speed of delivery.

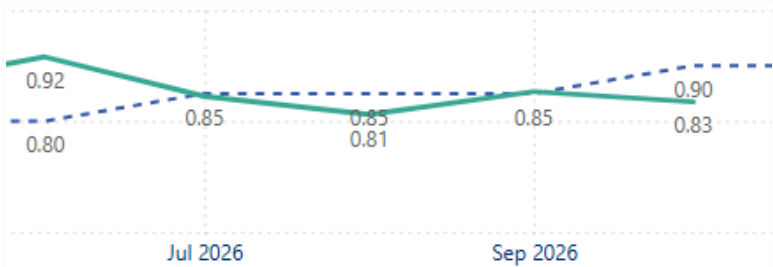
- ACTION**
- Stay the course. Escalate if business sponsors are unresponsive.

% Invoices Paid in 30 Days

MONITOR

0.83 (83%) Target: 90%

Since last report: 85% → 83% | ↓ 2pp Owner: Bonnie Overfield



INSIGHT
Target not met; continue to see improvements in 90+ day invoices. AP focusing on older items to clear aging. Data issues identified that are not leading to accurate results on this metric. Sept was highest # processed invoices YTD.

OPPORTUNITY
IMOP tasks and updates to Medius are still in process. Data issues also being evaluated with additional controls being implemented.

- ACTION**
- PPV policy has been sent to Policy review committee, and Medius updates are still in process.
 - PORT tool in development and filling of procurement roles in additional to monitoring controls/metrics.

Management Action Plan Summaries

Yellow & Red Measures | October 2026

Enterprise Balanced Scorecard



PROCESS & TECHNOLOGY

Deploy business processes and technology solutions that continuously improve business operations, resiliency, system reliability and compliance.

Status: ● On Track ● Monitor ● Intervention ● Developing

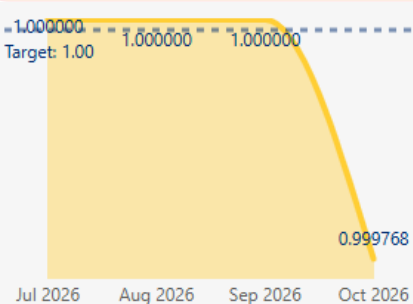
Trend: Improving Stable Declining

Backbone Uptime

MONITOR

99.9768% Target: 99.9999%

Since last report: 99.977 → 99.976 | ↓ 0.001 **Owner:** Ty Ehrman



INSIGHT
Planned maintenance at Power Production, the failover did not occur, so it was rolled back.

OPPORTUNITY

ACTION

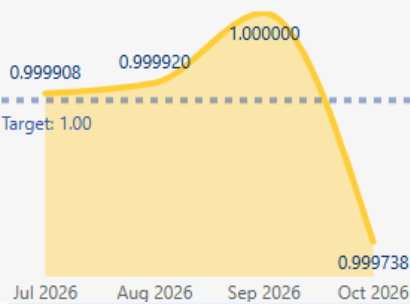
- Implement a maintenance readiness process that requires pre-maintenance failover testing, validation of redundant network paths, documented rollback procedures, and laboratory simulation if applicable. SD+13488 assigned to Andrew Martinez

Wholesale Fiber Uptime

MONITOR

99.9738% Target: 99.9900%

Since last report: 99.974 → 99.973 | ↓ 0.001 **Owner:** Ty Ehrman



INSIGHT
Planned maintenance of the Grand Coulee local office IT, OT, and FT networks were moved to the GC Hut.

OPPORTUNITY

ACTION

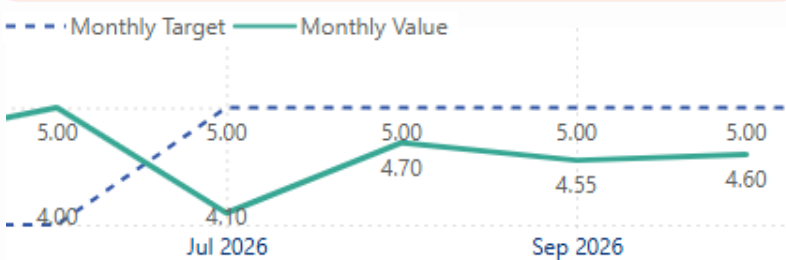
- Implement a maintenance readiness process requiring joint field verification, coordinated pre-maintenance reviews, validated documentation and inventories, approved MOPs & work packages, change management review as required, & timely completion of as-built documentation following major maintenances. SD+ 13486 assigned to Jake Johnson.

Ratio Self vs. Ext Compliance

MONITOR

4.60 Target: 5.00

Since last report: 4.55 → 4.60 | ↑ 0.05 **Owner:** Glen Pruitt



INSIGHT
Yellow & 9% below the target. This was primarily caused by the two findings in the recent WECC Audit. No additional internal or external findings were identified this month.

OPPORTUNITY
The plan is expected to move the measure towards its target by identifying internal issues and reducing the likelihood of externally identified issues.

ACTION

- 1. Reliability Compliance will perform complete reviews of 2 incremental CIP standards by 12/31/26
- 2. Internal Audit will continue following 2026 internal audit schedule
- This will move this measure from 4.6 to 5.0 by 1/1/2027

Management Action Plan Summaries

Yellow & Red Measures | October 2026

Enterprise Balanced Scorecard



PROCESS & TECHNOLOGY

Deploy business processes and technology solutions that continuously improve business operations, resiliency, system reliability and compliance.

Status: ● On Track ● Monitor ● Intervention ● Developing

Trend: ↗ Improving ○ Stable ↘ Declining

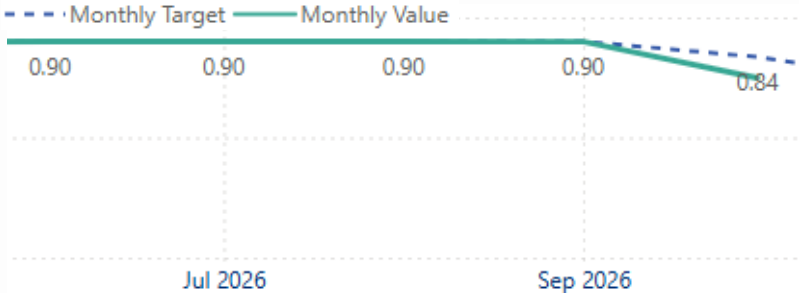
Priest Rapids Unit Availability

INTERVENTION

↘ 74.76% Target: 83.60%

Since last report: 90% → 75% | ↓ 15pp

Owner: Rey Pulido



INSIGHT
Target was not met due to Transformer B outage extension.

OPPORTUNITY
October's target will also not be met. An evaluation of executed work will be completed to determine root cause of extension.

ACTION

- Plant management & scheduling have been working on moving outages to do the highest priority work this fall/winter & reschedule the rest to another time.

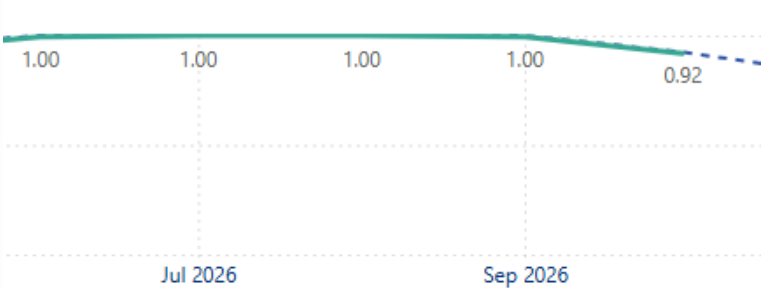
Wanapum Dam Unit Availability

MONITOR

↘ 91.86% Target: 92.40%

Since last report: 99% → 92% | ↓ 7pp

Owner: Rey Pulido



INSIGHT
The target was not met due to additional outages needed to remove data loggers.

OPPORTUNITY
No other outages are expected to be added to the schedule.

ACTION

- Outage requirements will be added to 2027 fish survival study.

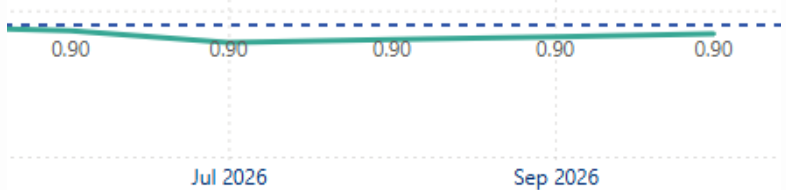
SPI Crit Bus Sys Projects

MONITOR

↗ 0.84 (84%) Target: 90%

Since last report: 82% → 84% | ↑ 2pp

Owner: Jeff Grizzel



INSIGHT
ERP: SPI = .65, improved from 0.45 to 0.65
EMS: SPI = 0.98, no change from previous reporting month
SCADA: SPI = 0.88, improved

OPPORTUNITY
ERP: Maintain implementation momentum by resolving key decisions & advancing readiness work where dependencies remain.
EMS: Protect the critical path by prioritizing essential work, proactively addressing blockers, & aligning resources to the revised go-live forecast.
SCADA: Reduce design uncertainty by resolving cybersecurity & network requirements to accelerate progress & minimize rework.

ACTION

- ERP: Advance SV4 readiness, resolve Field Service/Project Ops direction, & complete requirement reviews.
- EMS: Complete priority spring work & update roadmap & resource estimates.
- SCADA: Resolve White Trail design issues, execute recovery actions, & strengthen design delivery & measurement.

Management Action Plan Summaries

Yellow & Red Measures | October 2026



PROCESS & TECHNOLOGY

Deploy business processes and technology solutions that continuously improve business operations, resiliency, system reliability and compliance.

Status: ● On Track ● Monitor ● Intervention ● Developing

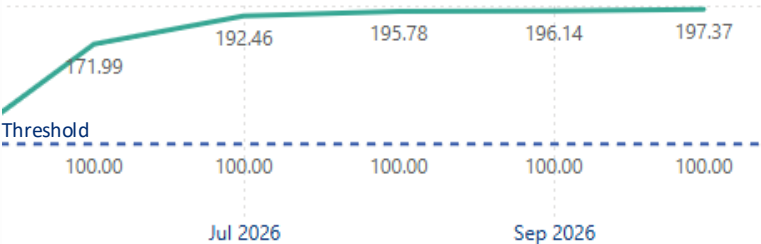
Trend: Improving Stable Declining

SAIDI

INTERVENTION

197.37 Threshold: 100.00

Since last report: 196.14 → 197.37 | ↓ 1.23 Owner: Ron Alexander



INSIGHT
Slight increase in value by 1.23. Since the addition of large losses (fires) is voluntary by PD, the loss of Round Lake Substation and Seiler Circuit Switcher impacting Neuron added to the value being out of tolerance.

OPPORTUNITY
Customers at Round Lake now on mobile sub, power quality investigations improved feed to customers.

ACTION

- Pending Round Lake root cause evaluation will inform on changes. Continued work on improving distribution system with future projects and PQ response.

SAIFI

INTERVENTION

0.69 Threshold: 0.55

Since last report: 0.72 → 0.69 | ↑ 0.03 Owner: Ron Alexander



INSIGHT
Improvement from last month with drop of 0.03. Since the addition of large losses (fires) is voluntary by PD, the loss of Round Lake Substation and Seiler Circuit Switcher impacting Neuron added to the value being out of tolerance.

OPPORTUNITY
Customers at Round Lake now on mobile sub, power quality investigations improved feed to customers.

ACTION

- Pending Round Lake root cause evaluation will inform on changes. Continued work on improving distribution system with future projects and PQ response.



CUSTOMER & STAKEHOLDER

Provide an intentional customer experience that drives engagement, satisfaction and trust for both our customers and stakeholders

GOAL	STRATEGY	MEASURE	QUESTION
G12: High and sustained customer trust, ≥90% overall satisfaction across customer segments	Continually optimize key processes to improve efficiency, effectiveness and compliance	% new service connection requests completed by Service Level Agreement (SLA)	Are new service connections completed on time?
	Enhance customer communication, education, and engagement	Overall customer satisfaction - core customer	What is overall satisfaction of core customers?
		Overall customer satisfaction - non-core customer	What is overall satisfaction of non-core customers?
G13: Improve stakeholder engagement to increase relationship confidence scores by 20% for targeted government and industry trade groups	Advocate and engage with stakeholders (key players), regulatory and policy makers to enable Grant PUD's business objectives	% of Participation in Recommended Engagements (Commission, ELT or SME)	Are leaders engaging in recommended activities?
G14: Stronger customer engagement, increasing participation in surveys, public and customer segment forums, digital tools, and outreach efforts by at least 50%	Enhance customer communication, education, and engagement	% customer participation in individual surveys	How engaged are customers with survey efforts?
		% of customers report they hear information about growth and rate impacts	Are growth and rate impacts reaching customers?
G15: 10% increase in customer perception of service reliability	Enhance customer communication, education, and engagement	Customer outage communication index (COCI)	How well do we keep customers informed on outages?



CUSTOMER & STAKEHOLDER

Provide an intentional customer experience that drives engagement, satisfaction and trust for both our customers and stakeholders.

Status: ● On Track ● Monitor ● Intervention ● Developing

Trend: Improving Stable Declining

% Customers Informed

INTERVENTION

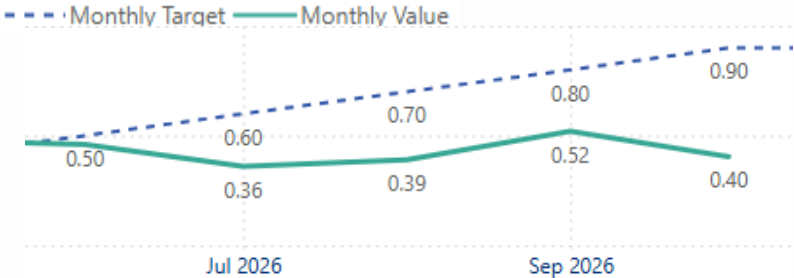


40%

Target: 90%

Since last report: 52% → 40% | ↓ 12pp

Owner: Fallon Long



INSIGHT

Current results indicate limited customer awareness of long-term rate strategy, growth & grid improvements. The 73-customer sample is not considered representative. Pursuing a scientific polling vendor to establish a more reliable baseline.



OPPORTUNITY

Establish a representative customer-awareness baseline through scientific polling and identify specific awareness gaps. Target future communications to the lowest-performing topics and customer segments and measure improvement over time.



ACTION

- Increase proactive customer communication around rates, customer growth, and grid improvements, and use customer feedback to identify areas requiring greater awareness.



FINANCIAL

Ensure long-term financial sustainability by making prudent investment and financial management decisions while proactively managing risks

GOAL	STRATEGY	MEASURE	QUESTION
G16: Achieving 100% actual financial results and forecasted outcomes for consolidated debt service coverage and liquidity financial metrics	Improve forecasting to accurately anticipate and meet future demand while ensuring affordability and rate stability (GMP)	% variance gross margin forecast accuracy	Are our key financial forecasts accurate?
G17: Improved capital investment performance, delivering a ≥9% average ROI on the capital project portfolio through standardized business cases and post-investment reviews	Optimize project-specific financial performance to ensure transparency and ROI capture	% of projects realizing hard benefits	Are projects delivering measurable benefits?
G18: Make risk-informed decision-making, with 100% of major Grant PUD business decisions evaluated using a consistent financial, operational, and regulatory risk framework	Advance proactive risk management	% of risk assessment plan being met	Are risk assessments on track to plan?
	Meet or exceed financial performance expectations	% acceptable enterprise financial forecast monthly variance year end projections	Are monthly forecasts within desired volatility range?
		% compliance of Enterprise budgets within budget range (YTD)	Are budgets staying within approved limits?
		# 6-year Debt Service Coverage (DSC) meeting target	Are we meeting Debt Service Coverage targets?
		# 6-year Return on Net Assets (RONA) forecasted within target	Is Net Plant generating financial policy targeted returns?
G19: Managing to meet or outperform Board approved core/non-core rate trajectory 100% of the time	Develop and implement cost recovery strategy related to forecasted growth	% of total number megawatts utilized (Quincy)	What percentage of Quincy 230kV capacity is used?
		% variance current forecast rate trajectory to target rate trajectory - core customer	Are core customer rates tracking to targets?
		% variance current forecast rate trajectory to target rate trajectory - non-core customer	Are non-core customer rates tracking to targets?

Management Action Plan Summaries

Yellow & Red Measures | October 2026

Enterprise Balanced Scorecard



FINANCIAL

Ensure long-term financial sustainability by making prudent investment and financial management decisions while proactively managing risks.

Status: On Track Monitor Intervention Developing

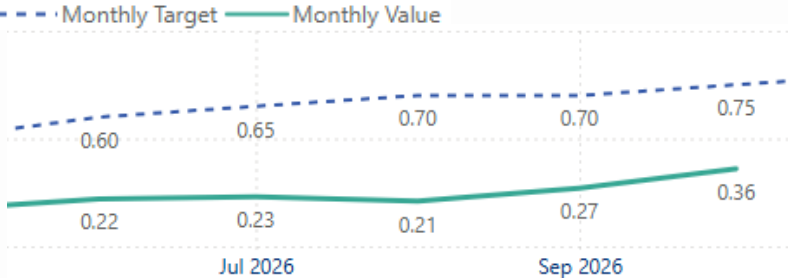
Trend: Improving Stable Declining

% Budget Compliance YTD

INTERVENTION

Improving 36% Target: 75%

Since last report: 27% → 36% | ↑ 9pp Owner: Bonnie Overfield



INSIGHT

Overall compliance improved to 36% but remains below target due primarily to 19% Non-Labor compliance.



OPPORTUNITY

Improve procurement and invoice timing and address recurring compliance issues in lower-performing areas.



ACTION

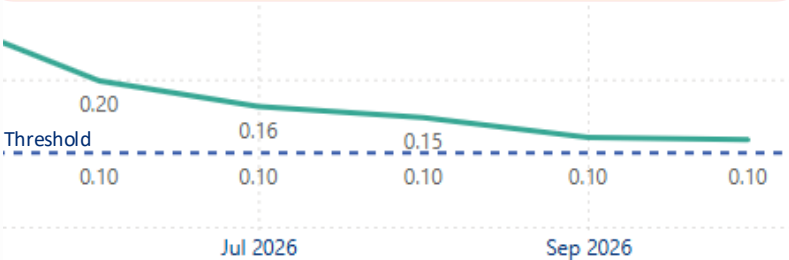
- Conduct targeted reviews with departments below target.
- Identify & correct recurring Non-Labor compliance exceptions.
- Monitor results throughout the month & address procurement & invoice timing issues before month-end.

% Var GM Forecast Accuracy

MONITOR

Improving 12% Threshold: 10%

Since last report: 15% → 12% | ↑ 3pp Owner: Bonnie Overfield



INSIGHT

Gross Power Margin \$ was \$49.1M over budget when looking at the YTD numbers. Even with a reduction of Retail Sales and PRP Requirements & Sales to Purch at Cost compared to the Budget, the increase in Net Power was large enough to put Gross Power Margin dollar 11.8% above Budget. The main driver within Net Power was the CCA Credits which were not included in the Budget.



OPPORTUNITY

The variance due to CCA will exist until we move to a new Budget where CCA are forecasted.



ACTION

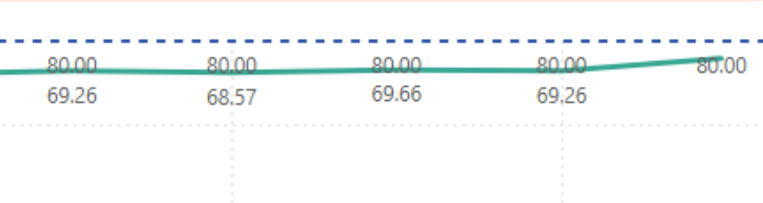
- Get a better forecast around CCA Credits for future budgets.

% Projects w/Hard Benefits

MONITOR

Improving 73.72% Target: 80%

Since last report: 69.26% → 73.72% | ↑ 4.46pp Owner: Jeff Grizzel



INSIGHT

Cumulative Actuals: \$101,904,519 vs Expected Benefit: \$138,237,821. Measure 29 continues to experience variance primarily due to timing differences in benefit realization rather than permanent benefit loss. Several of the largest variances are associated with approved schedule changes or customer-driven delays that postpone revenue realization while preserving the underlying benefit. As a result, a growing portion of the variance reflects differences between original business case assumptions and current project schedules.



OPPORTUNITY

Clarify whether benefits should continue to be measured against original approved business cases or be rebaselined when approved schedule changes significantly alter benefit realization timing.



ACTION

- Evaluate benefit governance options and establish a standardized approach for handling schedule-driven benefit changes in future Measure 29 reporting.

Management Action Plan Summaries

Yellow & Red Measures | October 2026



FINANCIAL

Ensure long-term financial sustainability by making prudent investment and financial management decisions while proactively managing risks.

Status: ● On Track ● Monitor ● Intervention ● Developing

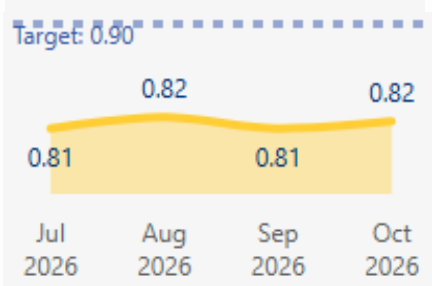
Trend: Improving Stable Declining

Megawatts Utilized Quincy

MONITOR

82% Target: 90%

Since last report: 81% → 82% | ↑ 1pp Owner: Fallon Long



INSIGHT
Last months plans and action did not lead to meeting the target this Month due to the capacity reservation product still being under development for two customers that are not measured within this metric.



OPPORTUNITY
Launch the product with our 2 customers, & shift into developing this product as a tariff for deployment across our larger customer base including the 7 customers included in this metric. Launch of the tariff will occur next year & will drive an increase in results.

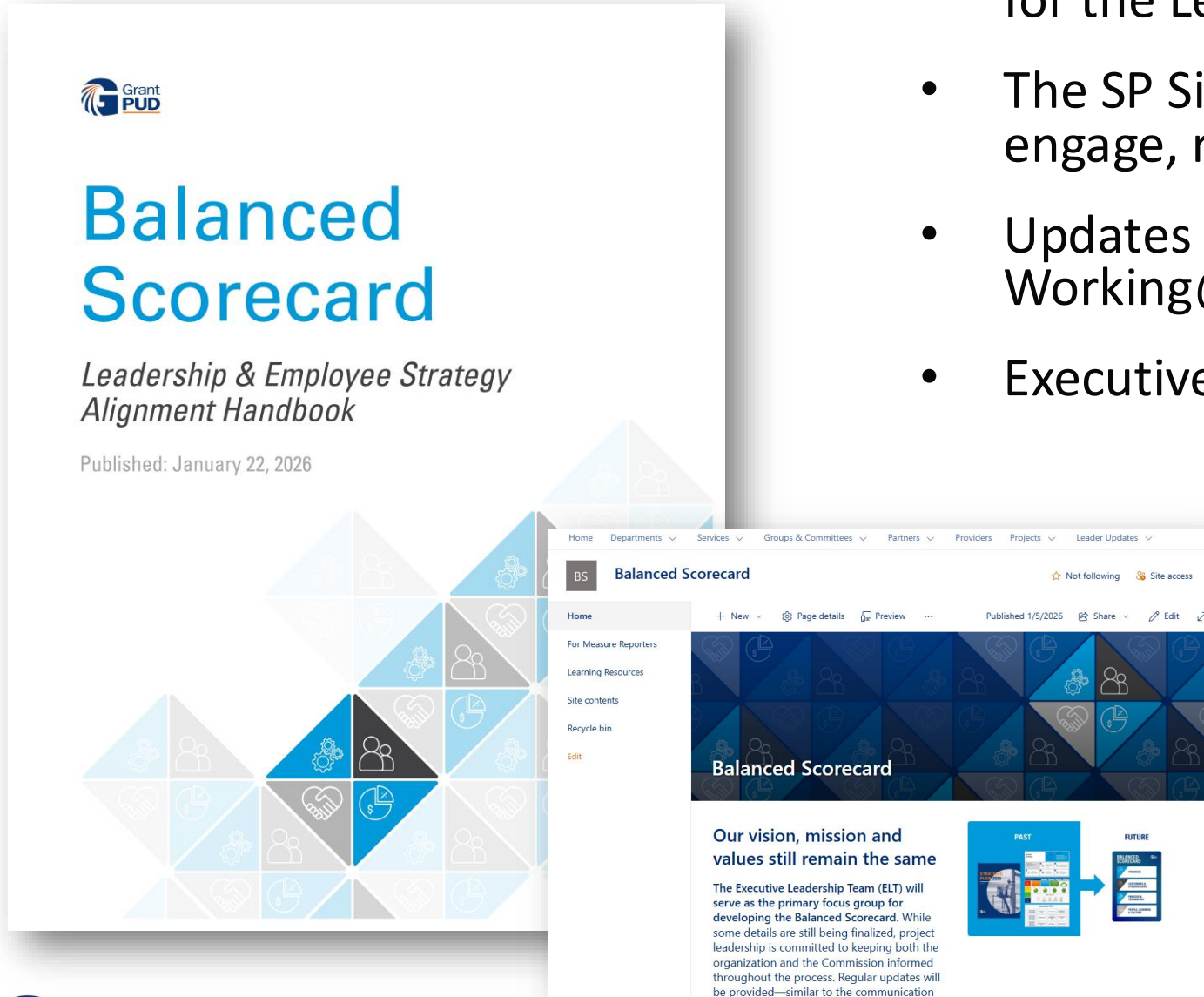


ACTION

- This month LPS, Product Development and Rates will meet by end of 10/30 to develop a project plan with milestones for converting the product into a tariff. Deployment of this tariff is critical for deployment across the 7 customers in this metric in order to meet the target.

Resources

- The Handbook – available on SP – update for the Leadership Summit
- The SP Site – what’s coming up, how to engage, resources – check out the library!
- Updates via AEM, Leaderline and Working@Grant
- Executive Leadership Team

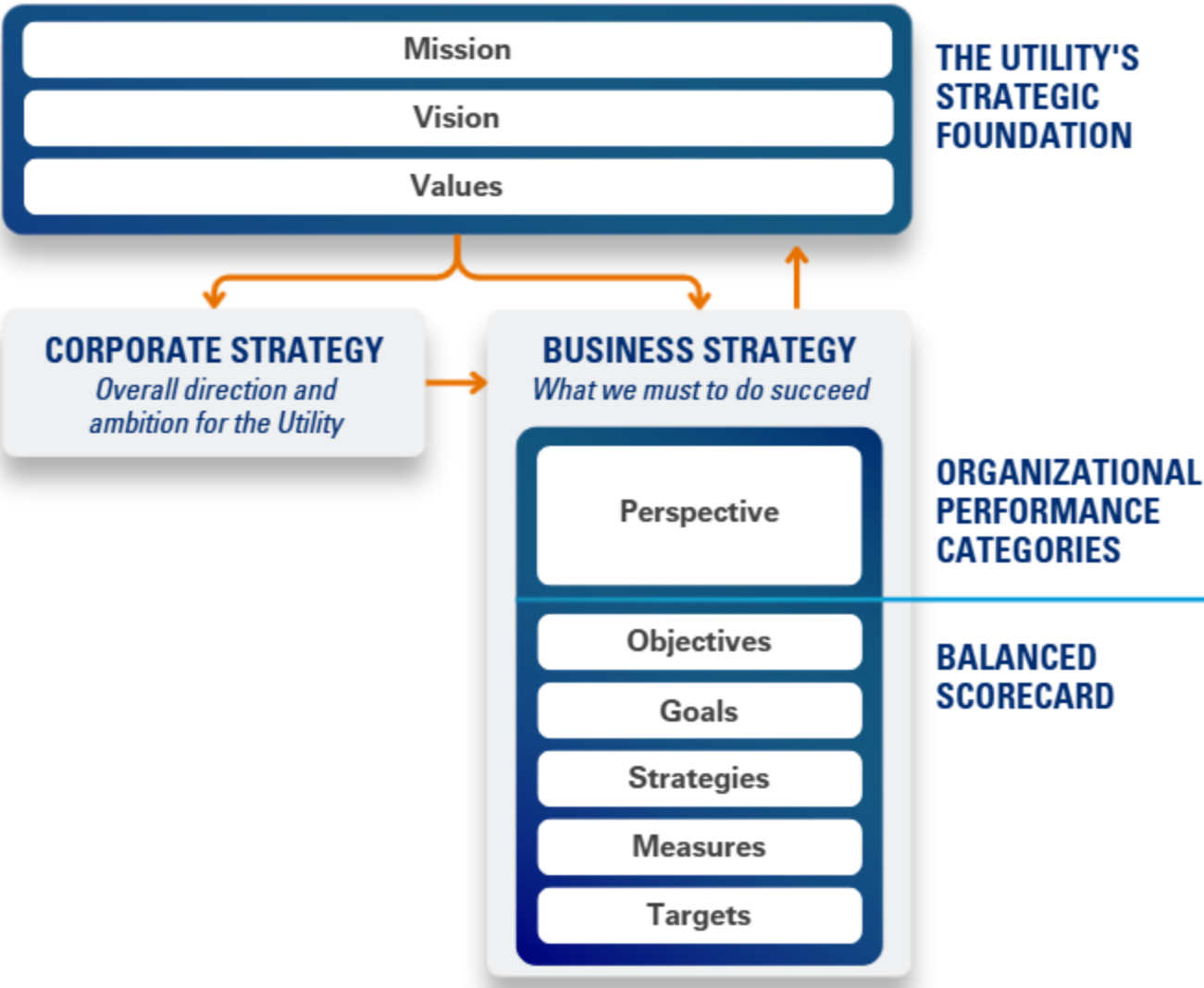


Thank you!

APPENDIX

Our Strategies

The Corporate, Business Strategy and the Balanced Scorecard form a complete system connecting long-term vision to day-to-day work, ensuring our utility delivers value now while building for the future.



Balanced Scorecard Building Blocks

The Balanced Scorecard follows a hierarchy where each level answers a different question:

OBJECTIVES	What must we achieve strategically?
GOALS	What does success look like in the next 1-3 years?
STRATEGIES	How will we achieve it?
MEASURES	How will we know if we are succeeding?
TARGETS	What level of performance are we aiming for?
INITIATIVES/ TACTICS	What work will we actually do on a daily basis?

2027 Proposed Budget

October 27, 2026

Katie Smith, Budget & Reporting Specialist



Powering our way of life.

Purpose & Agenda

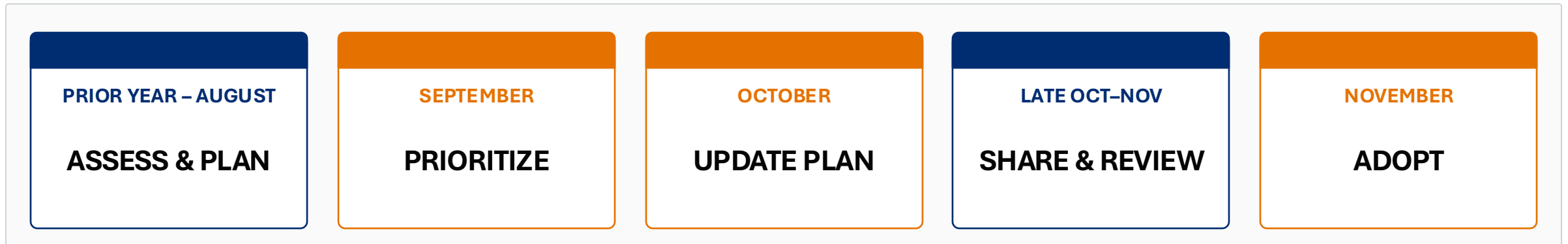
The Proposed 2027 Budget outlines planned investments and opens the public comment period in accordance with RCW 54.16.080.

- Budget Overview
- Key Priorities and Investments
- Next Steps

Building the 2027 Budget

Guiding Principles

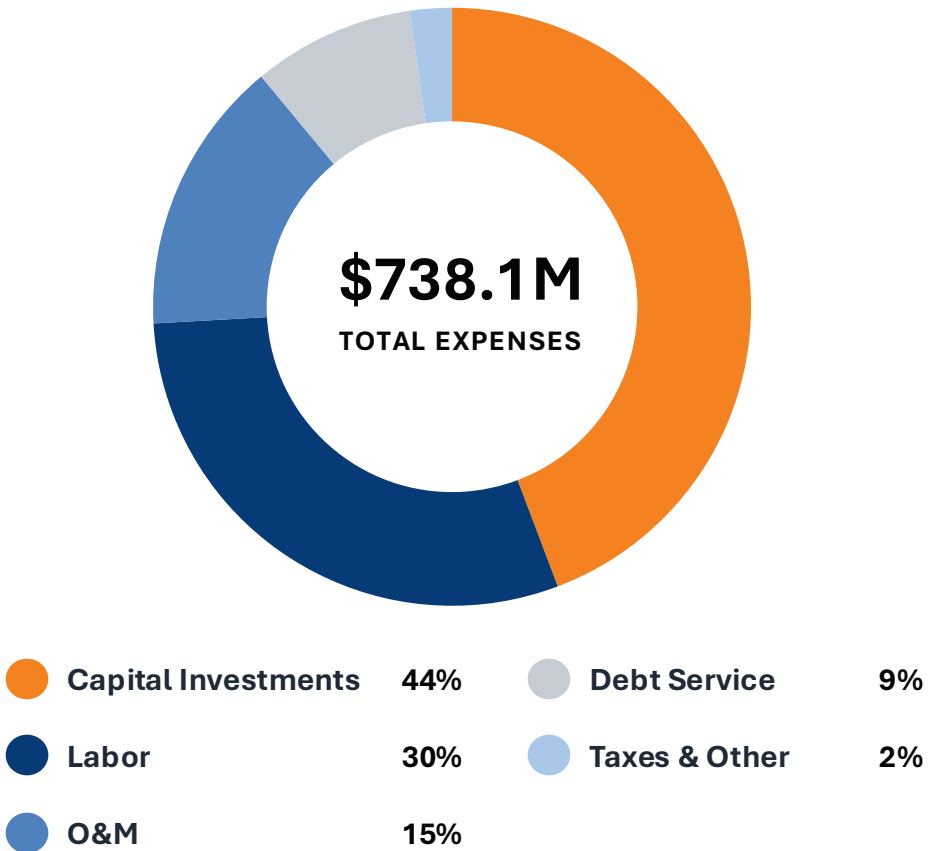
- ✓ Reliable service and infrastructure
- ✓ Workforce and future energy needs
- ✓ Financial stewardship and transparency



2027 Gross Expenses Increase 4.9%

CATEGORY	2026 BUDGET	2027 BUDGET	CHANGE (\$)	CHANGE (%)
Capital	\$322.3M	\$326.6M	+\$4.3M	+1.3%
Labor	\$198.6M	\$220.4M	+\$21.8M	+11%
Operations & Maintenance	\$88.9M	\$109.8M	+\$20.9M	+23.6%
Debt Service	\$67.1M	\$64.6M	-\$2.6M	-3.8%
Taxes & Other	\$26.3M	\$16.7M	-\$9.6M	-36.5%
GROSS EXPENSES	\$703.3M	\$738.1M	+\$34.8M	+4.9%

2027 Budget Distribution



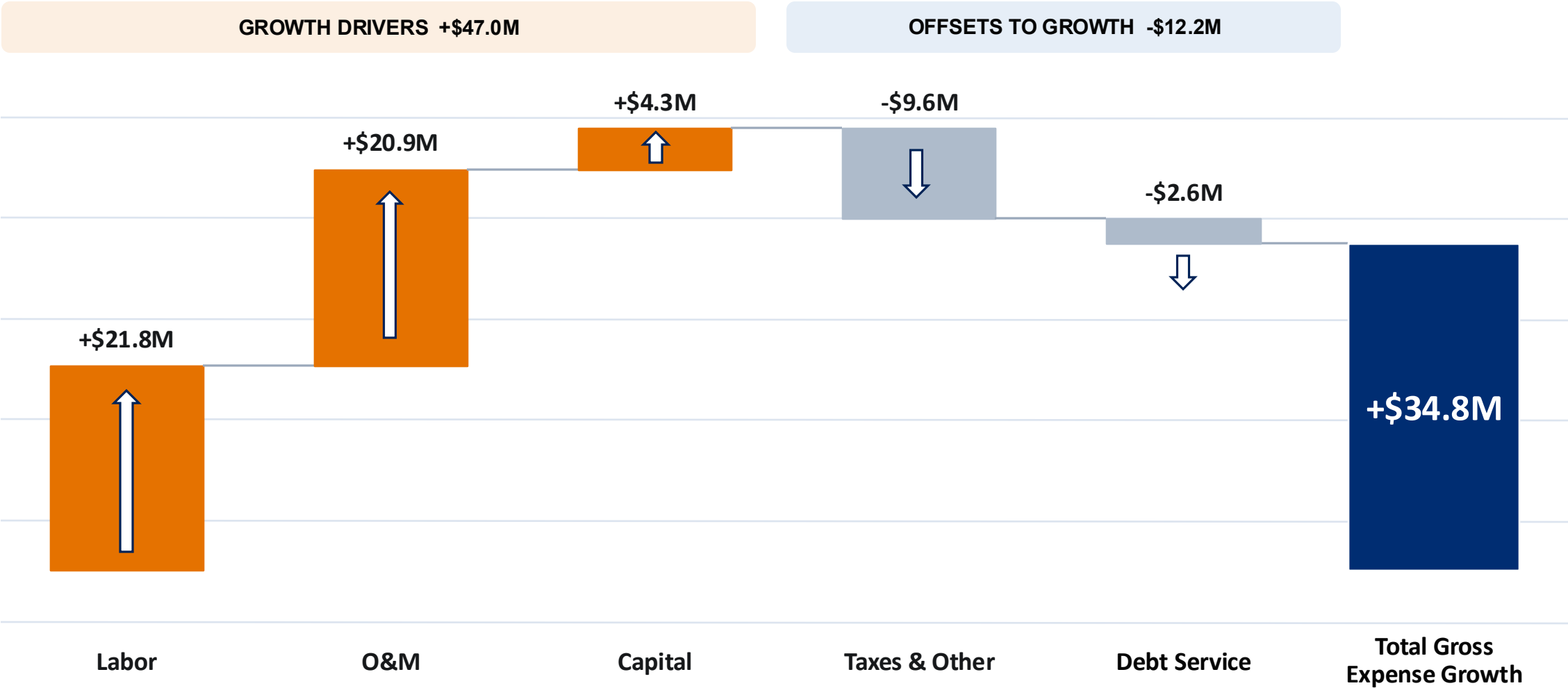
Note: Amounts are shown in millions and rounded to the nearest \$0.1 million. Totals and variances may not add due to rounding.

Net Budget Overview

NET BUDGET	2026 BUDGET	2027 BUDGET	CHANGE (\$)
Total Operations & Maintenance (Includes adjustments)	\$264.0M	\$293.7M	+\$29.7M
Taxes	\$24.5M	\$24.6M	+\$0.1M
Total Capital	\$347.6M	\$355.2M	+\$7.5M
Electric System Capital	\$257.9M	\$239.6M	-\$18.3M
Priest Rapids Project Capital	\$89.7M	\$115.6M	+\$25.9M
Debt Service	\$67.1M	\$64.6M	-\$2.6M
Total Gross Expenses	\$703.3M	\$738.1M	+\$34.8M
EXPENSE OFFSETS			
Contributions in Aid of Construction	-\$13.2M	-\$4.4M	+\$8.9M
Sales to Power Purchasers at Cost	-\$34.3M	-\$38.8M	-\$4.4M
Net Power (+ Expense, - Revenue)	-\$235.8M	-\$181.5M	+\$54.3M
Total Offsets	-\$283.4M	-\$224.6M	+\$58.8M
TOTAL EXPENSES AFTER OFFSETS	\$419.9M	\$513.5 M	+\$93.5M

Amounts rounded to the nearest million; totals and variances may not add due to rounding.

Labor and O&M Drive 2027 Budget Growth



Amounts rounded to the nearest million; totals and variances may not add due to rounding.

Workforce Growth and Wage Adjustments Drive Labor

2026 BUDGET	2027 BUDGET	CHANGE FROM 2026
\$198.6M	\$220.4M	+\$21.8M (11.0%)

Amounts rounded to the nearest million; totals and variances may not add due to rounding.

PRIMARY DRIVERS

- 1

Workforce Growth

To support growing service and operational needs, the 2027 plan includes 40 new positions and 10 apprenticeship opportunities across the District.
- 2

Wage Adjustments

Contracted wage adjustments and general wage increases.



Regional Energy Commitments Drive O&M Growth

2026 BUDGET	2027 BUDGET	CHANGE FROM 2026
\$88.9M	\$109.8M	+\$20.9M (24%)

Amounts rounded to the nearest million; totals and variances may not add due to rounding.

WHAT IS DRIVING GROWTH

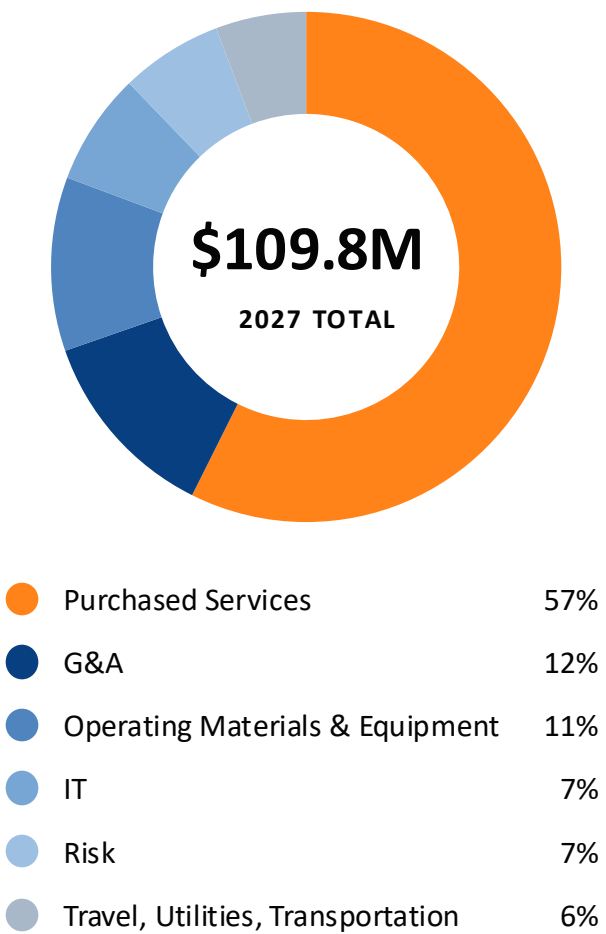
Columbia River Treaty Funds Grant PUD's share of regional hydropower benefits under the Columbia River Treaty.	+\$12.2M
The Energy Authority (TEA) Provides access to energy markets to help meet customer needs.	+\$4.9M
Geothermal and Small Modular Reactor (SMR) Exploration & Discovery Early research into new energy sources to meet future customer demand.	+\$4.9M
Other O&M Changes (Net) Combined impact of various smaller changes across the O&M budget.	-\$1.1M



Operations & Maintenance

CATEGORY	2026 BUDGET	2027 BUDGET	CHANGE (\$)	CHANGE (%)
Purchased Services	\$42.0M	\$63.0M	+\$21.0M	+50%
G&A	\$12.5M	\$13.5M	+\$1.0M	+8%
Operating Materials & Equipment	\$12.3M	\$12.1M	-\$0.3M	-2%
IT	\$9.5M	\$7.8M	-\$1.7M	-18%
Risk	\$6.5M	\$7.1M	+\$0.6M	+9%
Travel, Utilities & Transportation	\$5.9M	\$6.3M	+\$0.4M	+7%
TOTAL GROSS EXPENSES	\$88.9M	\$109.8M	+\$20.9M	+24%

Amounts rounded to the nearest million; totals and variances may not add due to rounding.

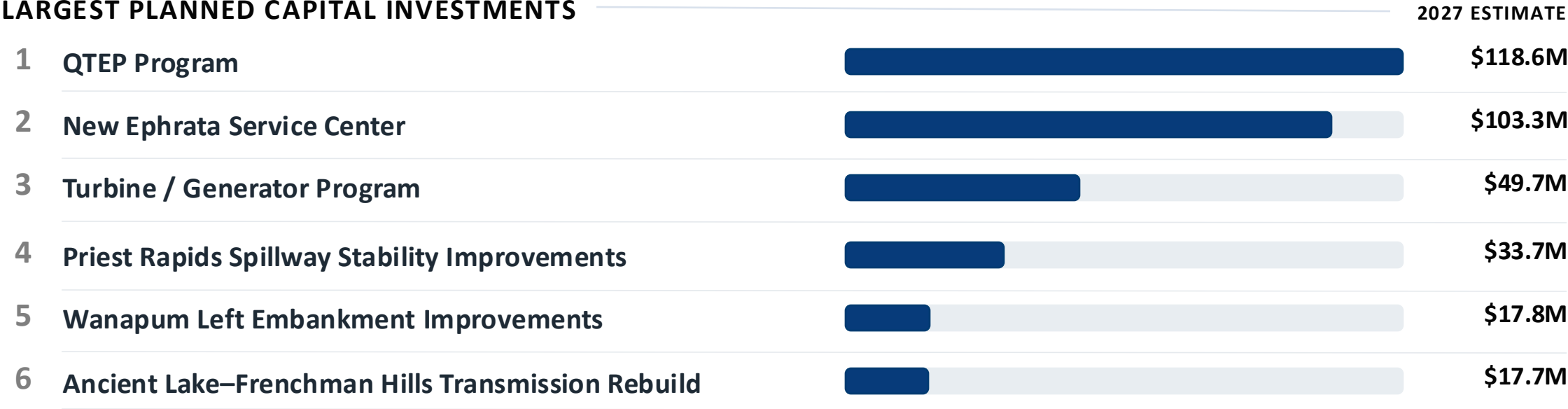


Capital Plan Prioritizes Major Infrastructure Investments



Amounts rounded to the nearest million; totals and variances may not add due to rounding.

LARGEST PLANNED CAPITAL INVESTMENTS



Project amounts reflect estimated spend. Total capital budget reflects historical project execution rates and a more conservative spending forecast.

Capital Projects

Quincy Transmission Expansion (QTEP)



Strengthening the Grid for Reliability and Flexibility

Project Overview

10 projects designed to add 380 MW of capacity, increasing total capacity to 750 MW, improving reliability, and creating backup pathways to keep power flowing across the grid.



Capital Projects

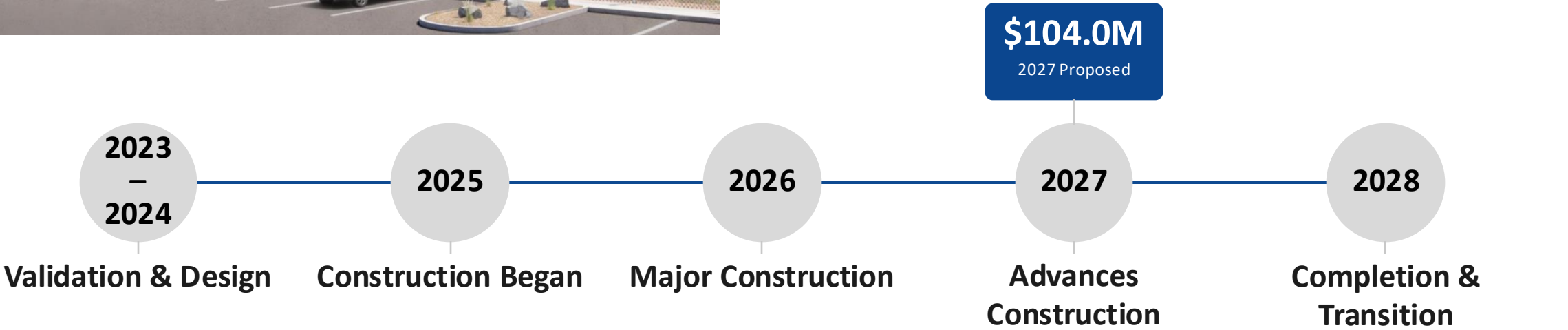
New Ephrata Service Center



Building Infrastructure to Support Long-Term Growth

Project Overview

Replacing aging infrastructure and supporting growth in accordance with the Facilities Master Plan.



Capital Projects

Turbine Generator Program



Investing in Hydropower Reliability and Long-Term Performance

Project Overview

Modernizes ten turbine-generator units to improve reliability, efficiency, and the long-term performance of Priest Rapids Dam.



Capital Projects

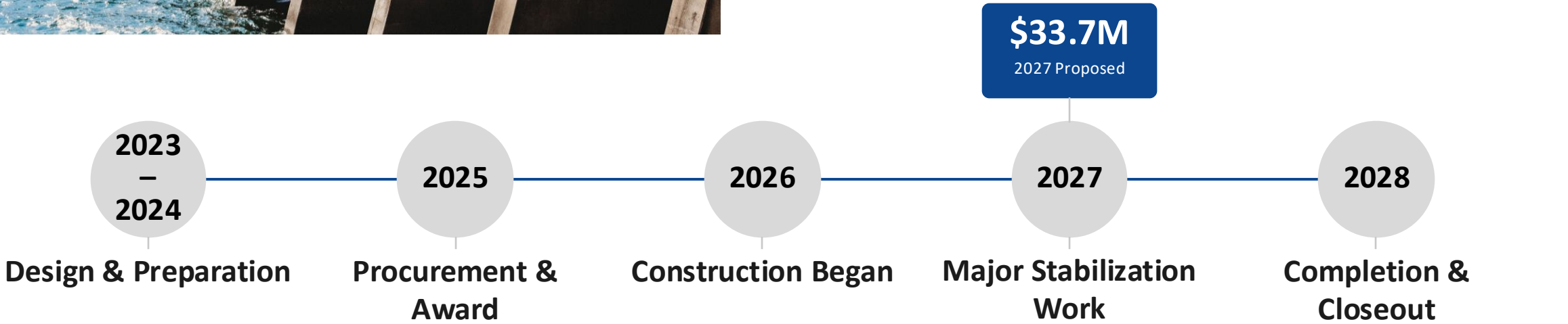
Priest Rapids Spillway Stability Improvements



Strengthening Critical Infrastructure for Long-Term Reliability

Why This Investment Matters

Installs 38 anchors to stabilize the spillway and support responsible stewardship of a critical generating asset.



Debt Service and Other Costs Decline

DEBT SERVICE

2026 BUDGET	2027 BUDGET	CHANGE FROM 2026
\$67.1M	\$64.6M	-\$2.6M (3.8%)

Debt service costs decrease as one bond series is fully repaid in January and certain other debt obligations continue to move closer to maturity.

TAXES & OTHER

2026 BUDGET	2027 BUDGET	CHANGE FROM 2026
\$26.3M	\$16.7M	-\$9.6M (36.5%)

Tax expenses remain relatively consistent with prior years, while timing of financial allocations is the driver of the decrease.

Amounts rounded to the nearest million; totals and variances may not add due to rounding.

What's Next

1 Present the proposed budget

2 Review public comments

3 Consider budget adoption



October 27, 2026

Proposed Budget and Public Hearing

The Commission will receive the 2027 Proposed Budget and open the public comment period.

November 24, 2026

Budget Adoption

The Commission will consider adoption of the 2027 Budget following the public comment period.



Public comments will be considered before final adoption.

Thank you!



APPENDIX

Exhibit A

NET BUDGET	2026 BUDGET	2027 BUDGET	CHANGE
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Priest Rapids Project Capital	\$89.7 M	\$115.6 M	\$25.8 M
Debt Service	\$67.1 M	\$64.6 M	(\$2.6 M)
Total Gross Expenses	\$703.3 M	\$738.1 M	\$34.8 M
EXPENSE OFFSETS			
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Net Power (+ Expense, - Revenue)	(\$235.8 M)	(\$181.5 M)	\$54.3 M
Total Offsets	(\$283.4 M)	(\$224.6 M)	\$58.8 M
TOTAL EXPENSES AFTER OFFSETS	\$419.9 M	\$513.5 M	\$93.5 M

All figures rounded to the nearest 100,000th; totals and variances may not sum due to rounding.

Exhibit B

NET POSITION	2026 BUDGET	2027 BUDGET	CHANGE
CONSOLIDATED OPERATIONAL PERFORMANCE			
REVENUE			
Sales to Power Purchasers at Cost	\$34.3 M	\$38.8 M	\$4.4 M
Retail Energy Sales	\$314.4 M	\$336.9 M	\$22.5 M
Net Power (Net Wholesale+Other Power Revenue)	\$235.8 M	\$181.5 M	(\$54.3 M)
Fiber Optic Network Sales	\$14.1 M	\$17.5 M	\$3.4 M
Other Revenues	\$4.1 M	\$3.1 M	(\$1.0 M)
EXPENSES			
Operating Expenses	(\$264.0 M)	(\$293.7 M)	(\$29.7 M)
Taxes	(\$24.5 M)	(\$24.6 M)	(\$0.1 M)
Net Operating Income or Loss Before Depreciation	\$314.2 M	\$259.4 M	(\$54.8 M)
Depreciation and amortization	(\$90.3 M)	(\$92.5 M)	(\$2.2 M)
NET OPERATING INCOME OR LOSS	\$223.9 M	\$166.8 M	(\$57.1 M)
OTHER REVENUES OR EXPENSES			
Interest, debt and other income	\$10.7 M	\$5.2 M	(\$5.5 M)
CIAC (Money paid by customers to build infrastructure)	\$13.2 M	\$4.4 M	(\$8.8 M)
CHANGE IN NET POSITION (BOTTOM LINE)	\$247.9 M	\$176.4 M	(\$71.5 M)

All figures rounded to the nearest 100,000th; totals and variances may not sum due to rounding.