

Rates and Pricing

Power Unbundling & Rates

November 12, 2025

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Powering our way of life.

Project timeline

November 12 Meeting	• Preview Unbundled Trajectory • Preview Rate Policy changes
November 25 Meeting	• Rate Policy Res. <u>proposal</u> and review • Preview 2026 Rate Package • Outreach update
December 9 Meeting Public Facing	Opens Comment Period • Rate Policy <u>adoption</u> • Unbundled Trajectory presentation • 2026 Rate Package <u>proposal</u> and review • Public Comment
December 16 Workshop	• 2026 Rate Package Q&A
December 23	Close Comment Period
January 13 Meeting	• 2026 Rate Package <u>adoption</u>

Major milestones

1. Strawman model (June) ✓
2. Draft results workshop (October) ✓
3. Rate Policy Res. (December)
4. Public Rates Meeting (December)
5. Rates workshop (December)
6. 2026 Rates Adoption (January)

Agenda

1 Preview Unbundled Rate Trajectory

2 Preview of revised Rate Policy proposal

3 Next Steps

Background

Preview of background section



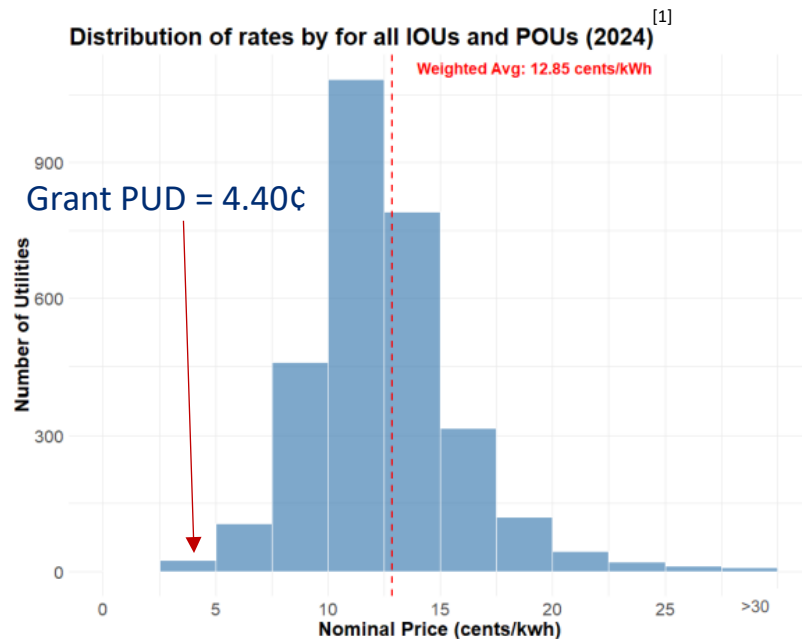
Powering our way of life.

2026 Rates Goals

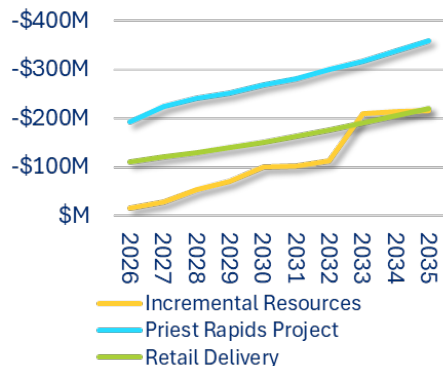
- 1 Protect core customers from the cost of load growth outside of the Priest Rapids Project.
- 2 Provide Non-Core customers with stable, predictable rate increases.
- 3 Eliminate the EUDL CRAC / Rate 18 as our mechanism to recover incremental power cost.

Grant PUD is starting from a good place

Utility	Residential \$/kWh ^[2]	Industrial \$/kWh ^[2]
National Average	\$0.1762	\$0.0906
Puget Sound Energy	\$0.1661	\$0.1184
Seattle City Light	\$0.1437	\$0.0942
Washington State Average	\$0.1366	\$0.0653
Snohomish PUD	\$0.1124	\$0.0746
Pacific Power	\$0.1104	\$0.0732
Tacoma Power <10MW	\$0.1062	\$0.0430
Avista	\$0.1059	\$0.0589
Clark PUD	\$0.0879	\$0.0610
Grant PUD	\$0.0619	\$0.0382
Chelan PUD Legacy Industrial		\$0.0216
Chelan PUD Data <5MW	\$0.0391	\$0.1032
Douglas PUD Data <1.5MW	\$0.0333	\$0.0443



Grant County PUD Electric System cost trends

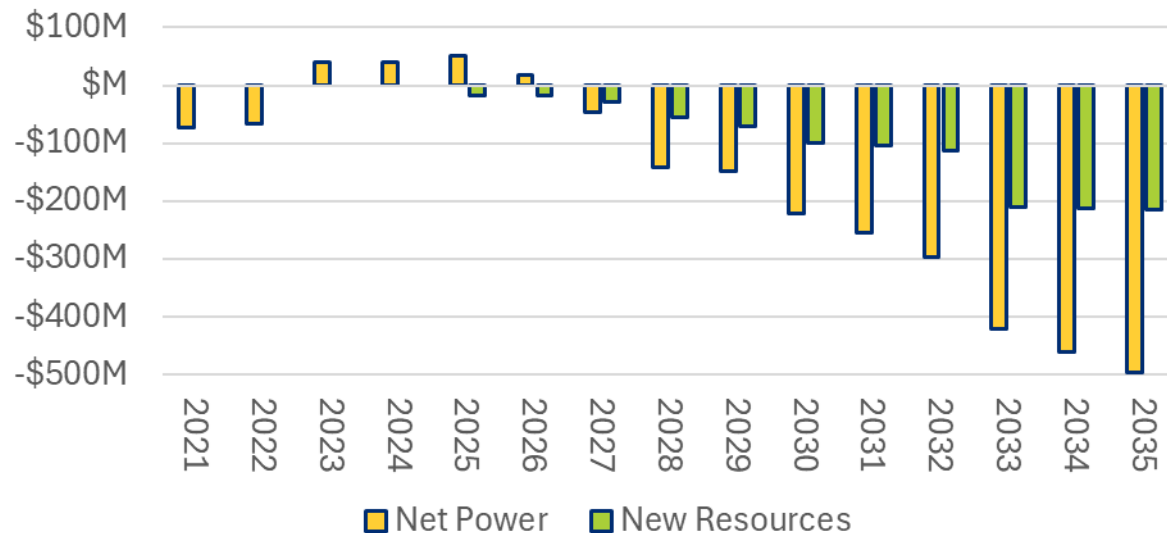
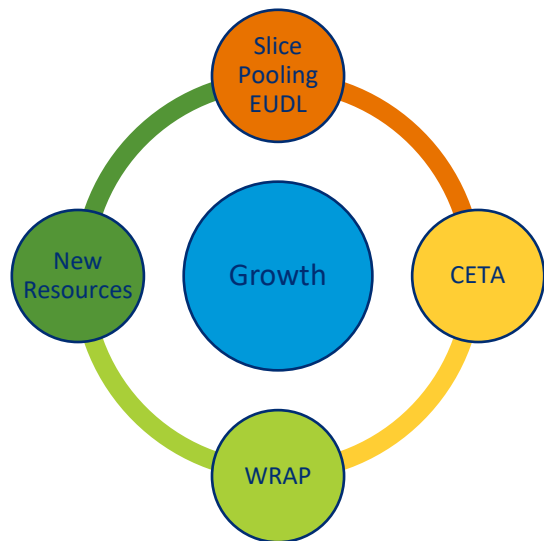


Increase across all categories^[1]

- Power:
 - Incremental Power costs increase at 16.7% year over year average
 - Priest Rapids Project increases at 6.2% year over year average
- Retail Delivery:
 - Increases at 7.8% year over year average

	Average	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Incremental Power	16.7%	-\$17M +8.5%	-\$29M +67.4%	-\$55M -27.2%	-\$71M -28.7%	-\$100M +63.1%	-\$104M +3.1%	-\$113M +6.4%	-\$210M +77.0%	-\$213M -0.8%	-\$216M -1.3%
Priest Rapids Project Power	6.2%	-\$194M +6.8%	-\$224M +6.3%	-\$242M +8.2%	-\$252M +4.2%	-\$268M +6.4%	-\$281M +4.8%	-\$300M +6.7%	-\$317M +5.6%	-\$338M +6.6%	-\$360M +6.5%
Retail Delivery	7.8%	-\$181M +7.5%	-\$195M +7.8%	-\$211M +8.3%	-\$228M +8.1%	-\$245M +7.6%	-\$265M +8.0%	-\$286M +7.9%	-\$307M +7.6%	-\$331M +7.7%	-\$357M +7.7%

Change in Net Power position

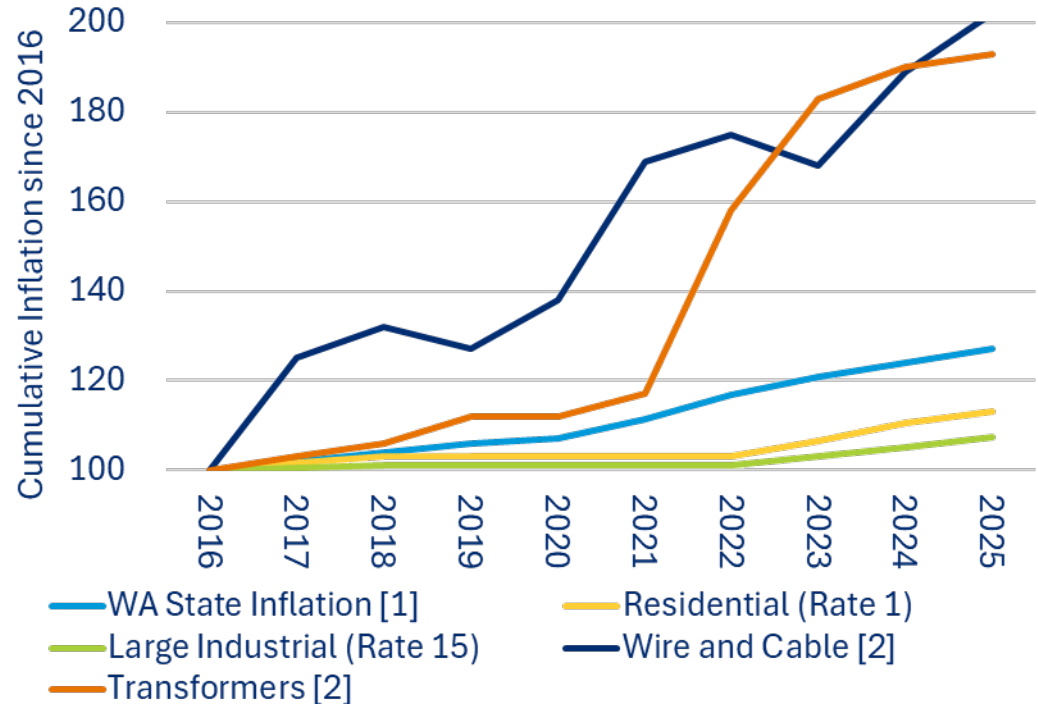


	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Net Power		-\$72M	-\$66M	\$40M	\$39M	\$50M	\$17M	-\$47M	-\$141M	-\$147M	-\$222M	-\$255M	-\$298M	-\$422M	-\$461M	-\$497M
New Resources						-\$18M	-\$17M	-\$29M	-\$55M	-\$71M	-\$100M	-\$104M	-\$113M	-\$210M	-\$213M	-\$216M

Inflation of electric system costs

The inflation rate and cost of materials for the Electric System, including wires and transformers, have outpaced Grant PUD's electric-rate growth for both Core and Non-Core customers.

Retail electric rates have remained below the rate of inflation since 2016.



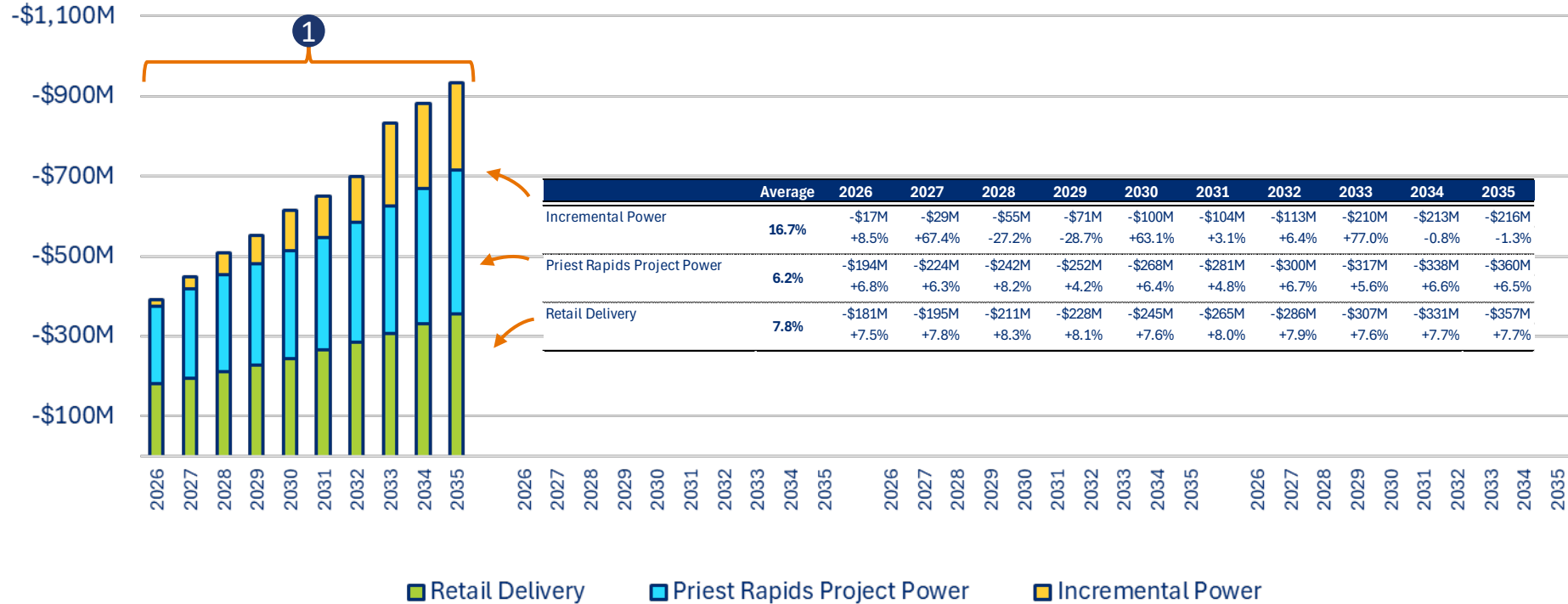
Other utilities are facing similar pressure

Utility	Recent Rate Actions	Residential \$/kWh ^[2]	Industrial \$/kWh ^[2]
National Average	+6.1% Residential / +4.4% Industrial (2025)	\$0.1762	\$0.0906
Puget Sound Energy	+6.7% (2025) and +9.3% (2026) (UTC Filing)	\$0.1661	\$0.1184
Seattle City Light	+7.4% System (2025)	\$0.1437	\$0.0942
Washington State Average	+7.9% Residential / -3.8% Industrial	\$0.1366	\$0.0653
Snohomish PUD	+4.6% System (2025)	\$0.1124	\$0.0746
Pacific Power	+13.5% System (2024 + 2025 increases)	\$0.1104	\$0.0732
Tacoma Power <10MW	+6.5% System (2025)	\$0.1062	\$0.0430
Avista	+5.8% System (2024) and +1.5% System (2025)	\$0.1059	\$0.0589
Clark PUD	+14% System (2024)	\$0.0879	\$0.0610
Grant PUD	+3% (2024)	\$0.0619	\$0.0382
Chelan PUD Legacy Industrial	+3% to +4% system increase	\$0.0391	\$0.0216
Chelan PUD Data <5MW			\$0.1032
Douglas PUD Data <1.5MW	+5.5% Residential (2026) others +5% to +20% (2026)	\$0.0333	\$0.0443

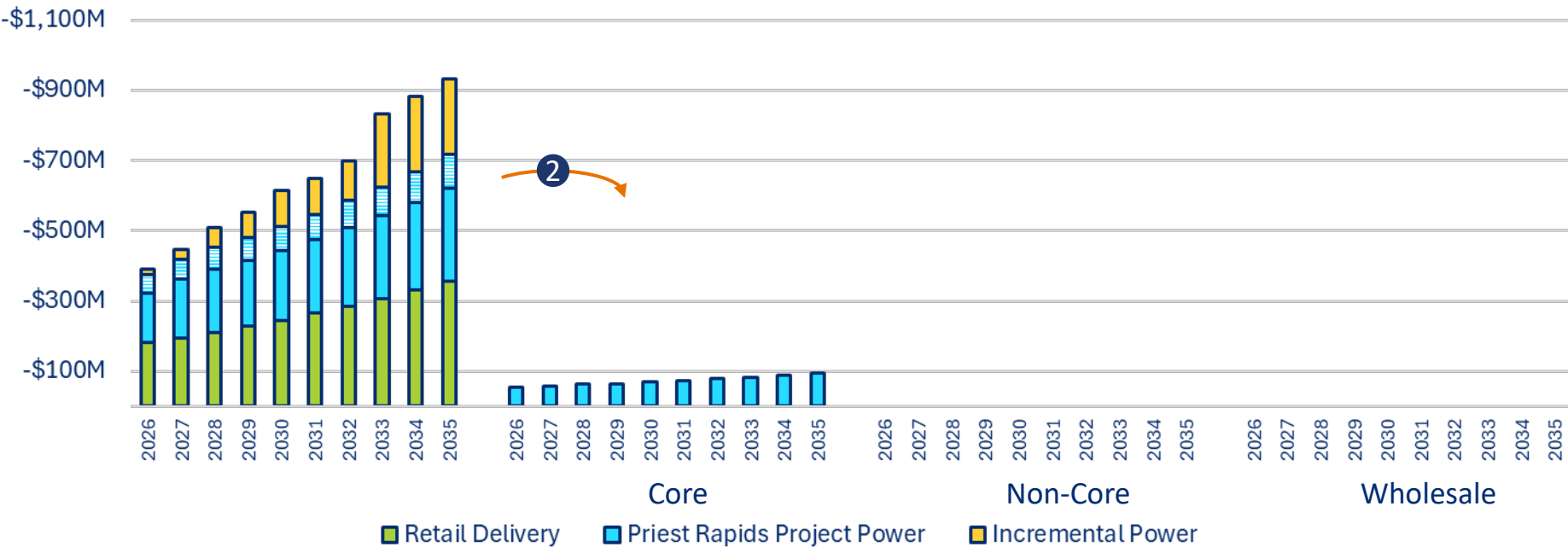
Cost and Revenue Trajectory

Preview of Cost & Revenue Trajectory

Step 1: Stack electric system costs

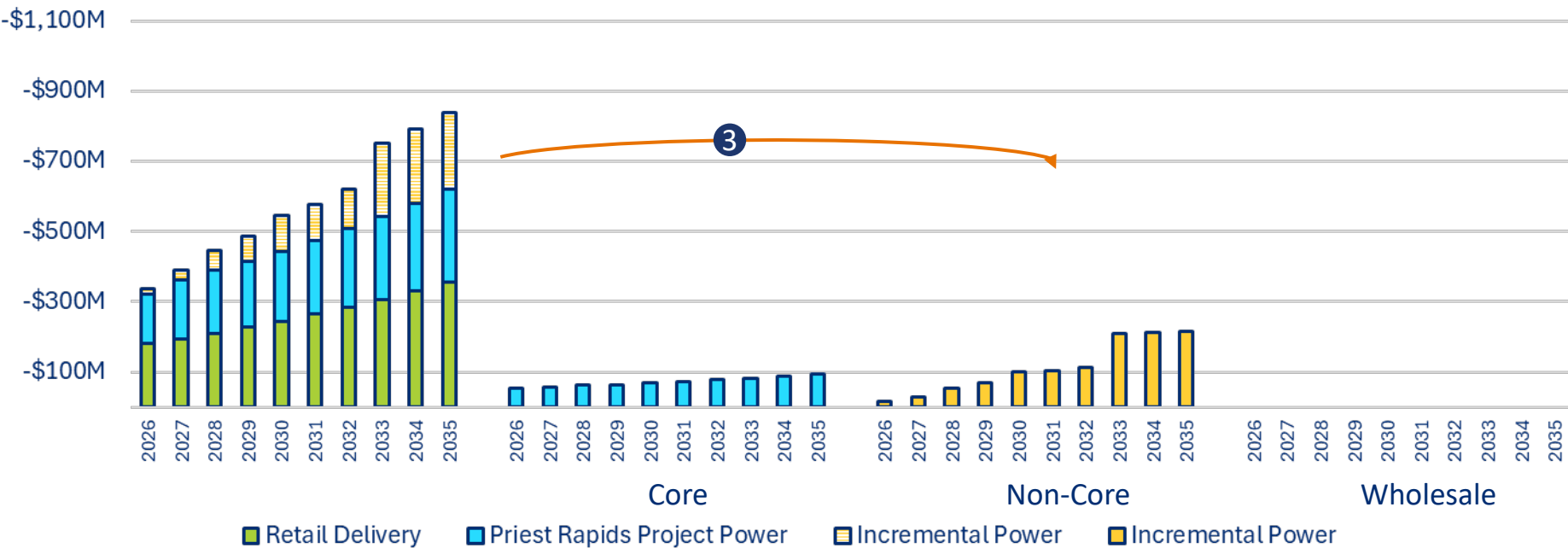


Step 2: Lowest cost power to Core



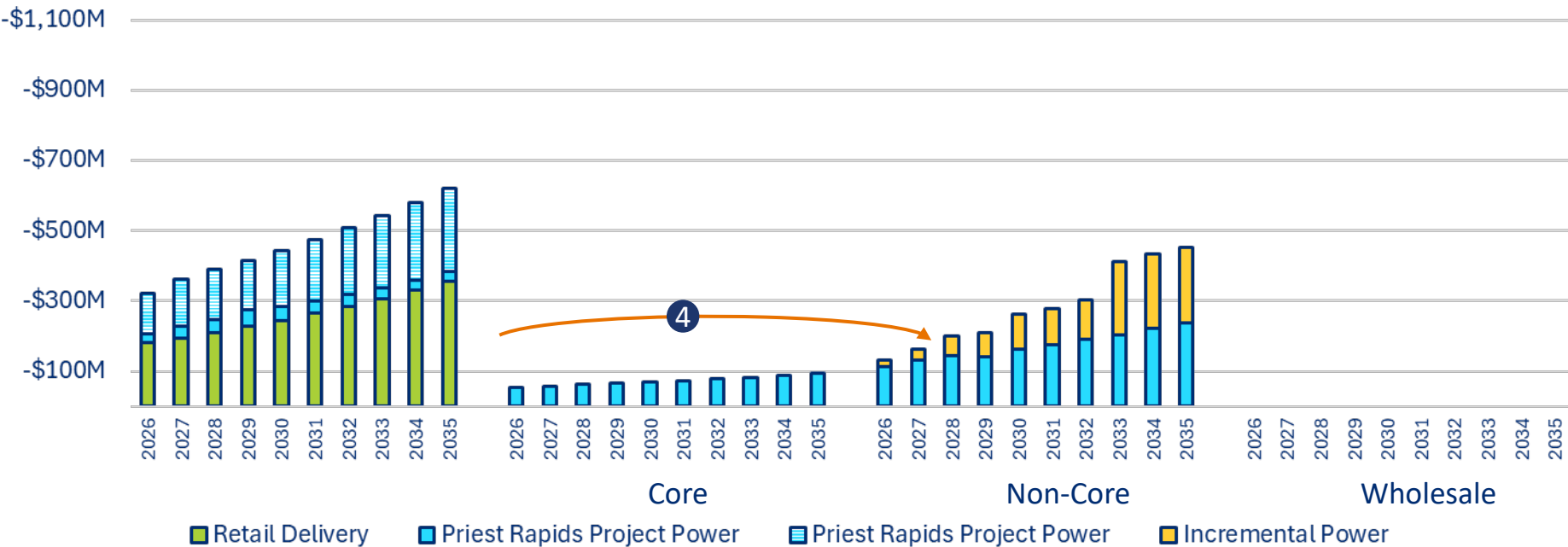
Core	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PRP Power \$	-\$54M	-\$57M	-\$62M	-\$65M	-\$69M	-\$73M	-\$78M	-\$83M	-\$89M	-\$95M
Total MWh	2,118,888	2,110,137	2,121,527	2,118,771	2,127,065	2,137,042	2,153,773	2,157,566	2,168,030	2,178,582

Step 3: All incremental power to Non-Core



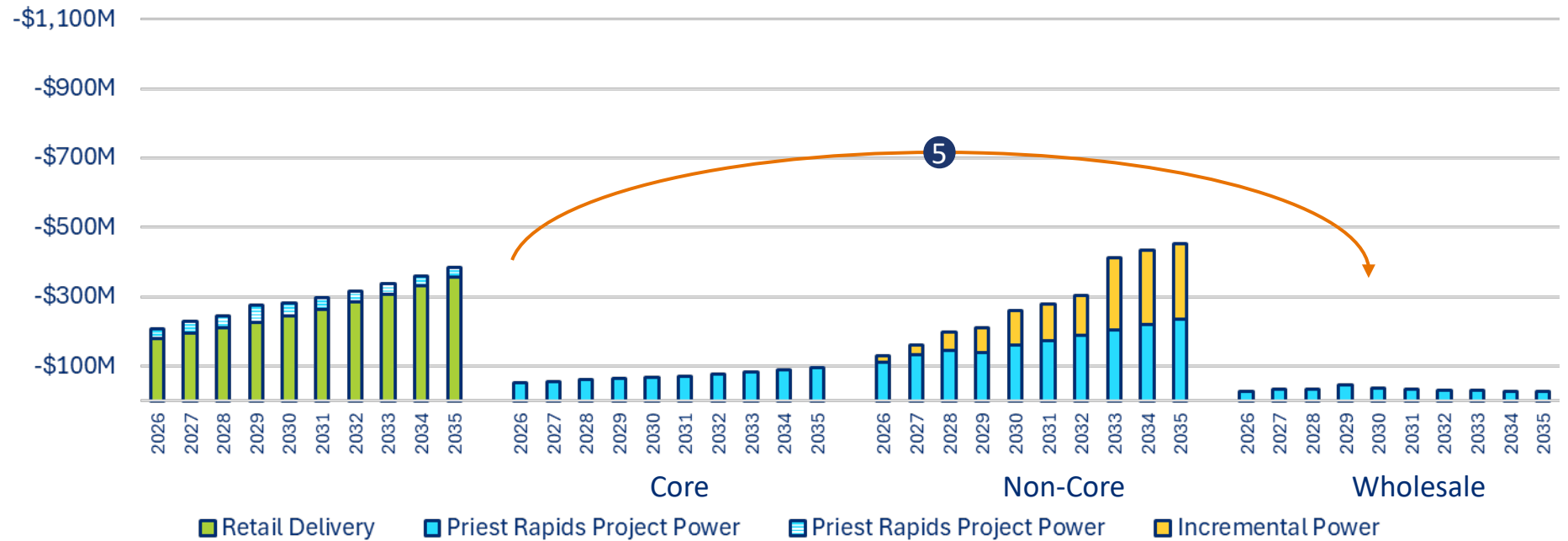
	Non-Core	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Incremental Power \$		-\$17M	-\$29M	-\$55M	-\$71M	-\$100M	-\$104M	-\$113M	-\$210M	-\$213M	-\$216M
Total MWh		267,404	271,059	702,436	1,268,013	1,096,600	1,100,511	1,129,494	1,181,911	1,211,495	1,243,636

Step 4: PRP covers remaining Non-Core load



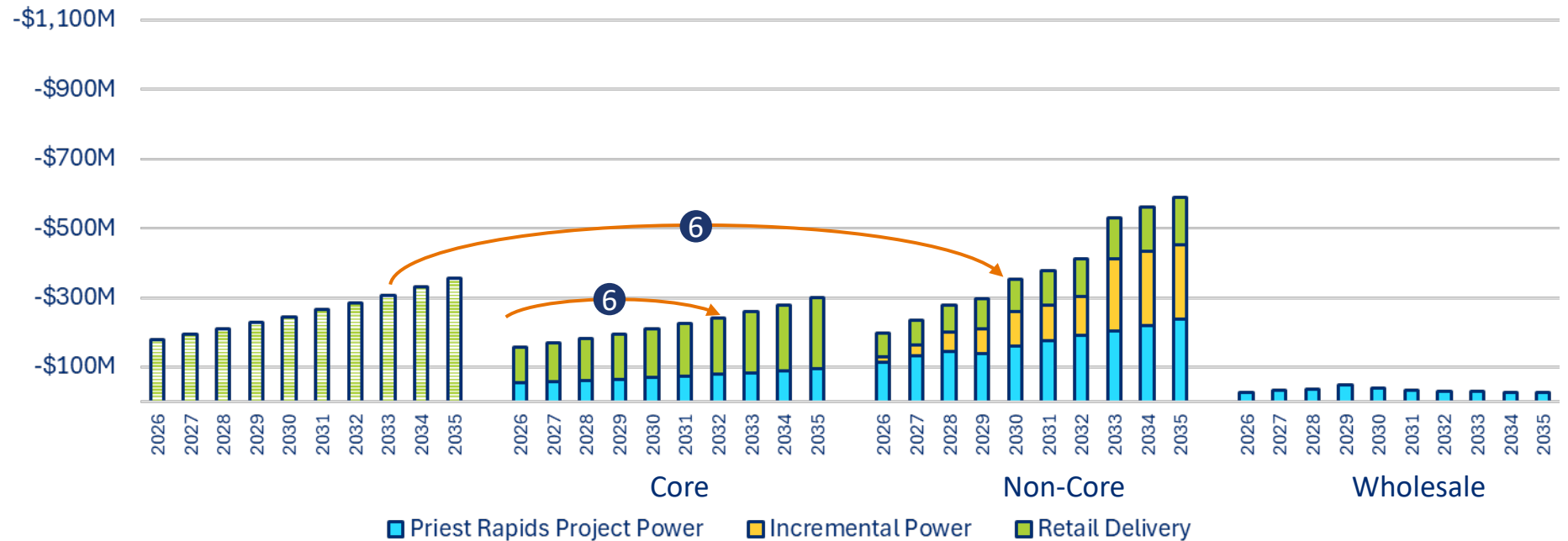
Non-Core	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PRP Power \$	-\$113M	-\$133M	-\$145M	-\$140M	-\$161M	-\$175M	-\$191M	-\$204M	-\$221M	-\$237M
Total MWh	4,434,182	4,913,330	4,932,536	4,573,701	4,963,000	5,135,719	5,250,789	5,306,764	5,399,581	5,436,501

Step 5: Wholesale assignment



Wholesale	2026	2027	2028	2029	2030	2031	2032	2033	2034	2034
PRP Power \$	-\$27M	-\$34M	-\$35M	-\$48M	-\$38M	-\$34M	-\$31M	-\$31M	-\$28M	-\$28M

2028 Step 6: Retail Delivery



Retail Delivery	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Core	-\$104M	-\$112M	-\$121M	-\$131M	-\$141M	-\$152M	-\$164M	-\$177M	-\$191M	-\$205M
Non-Core	-\$69M	-\$74M	-\$80M	-\$87M	-\$93M	-\$101M	-\$109M	-\$117M	-\$126M	-\$135M

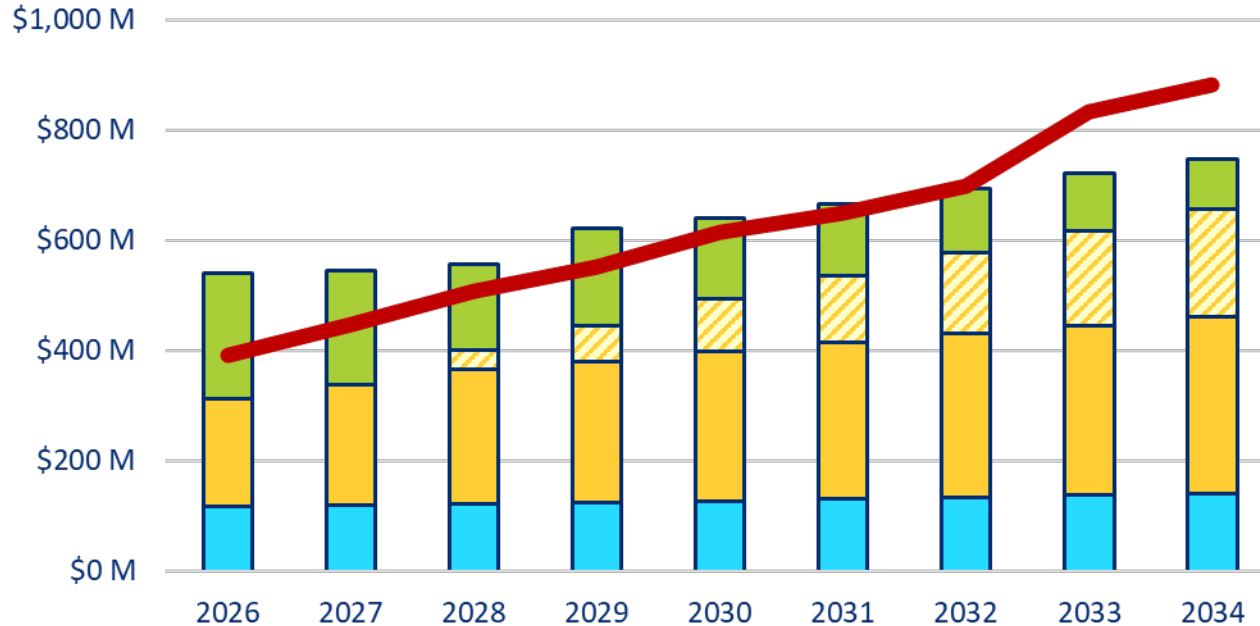
10-year cost allocated trajectory

10-Year Cost Trajectory		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue Requirement											
Core Cost		-\$166M	-\$178M	-\$193M	-\$206M	-\$221M	-\$237M	-\$255M	-\$273M	-\$294M	-\$316M
Power	+7.1%	-\$54M	-\$57M	-\$62M	-\$65M	-\$69M	-\$73M	-\$78M	-\$83M	-\$89M	-\$95M
Retail Delivery		-\$112M	-\$121M	-\$131M	-\$141M	-\$152M	-\$164M	-\$177M	-\$191M	-\$205M	-\$221M
percent change		+7.3%	+7.6%	+7.8%	+6.9%	+6.9%	+6.7%	+6.9%	+6.9%	+7.0%	+7.0%
Non-Core Cost		-\$199M	-\$236M	-\$280M	-\$297M	-\$354M	-\$379M	-\$412M	-\$530M	-\$560M	-\$588M
Power	+8.5%	-\$130M	-\$162M	-\$200M	-\$211M	-\$261M	-\$278M	-\$304M	-\$413M	-\$434M	-\$453M
Retail Delivery		-\$69M	-\$74M	-\$80M	-\$87M	-\$93M	-\$101M	-\$109M	-\$117M	-\$126M	-\$135M
percent change		+6.5%	+7.8%	+8.9%	+2.5%	+15.0%	+3.9%	+6.3%	+26.4%	+3.7%	+4.0%
Wholesale Cost		-\$27M	-\$34M	-\$35M	-\$48M	-\$38M	-\$34M	-\$31M	-\$31M	-\$28M	-\$28M
System CART		-\$392 M	-\$448 M	-\$508 M	-\$551 M	-\$614 M	-\$650 M	-\$699 M	-\$834 M	-\$882 M	-\$932 M

Notes

- Core is stable
- Non-Core is volatile

Compare costs and revenue



2% year over year
plus
EUDL CRAC

Current revenue
trajectory forecasts a
revenue shortfall
starting 2032

Current rates & financial models

10-Year CART Forecast	Average	2026	2027	2028	2029	2030	2031	2032	2033	2034
System Cost		-\$392M	-\$448M	-\$508M	-\$551M	-\$614M	-\$650M	-\$699M	-\$834M	-\$882M
Core Retail Revenue		\$117M	\$119M	\$122M	\$125M	\$128M	\$131M	\$134M	\$137M	\$141M
planned rate change	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%
Non Core Retail Revenue		\$195M	\$219M	\$278M	\$321M	\$366M	\$405M	\$444M	\$479M	\$517M
planned rate change	+7.6%	+2.0%	+2.0%	+16.8%	+11.4%	+9.8%	+7.8%	+7.1%	+6.0%	+6.0%
Wholesale Revenue		\$228M	\$206M	\$156M	\$176M	\$147M	\$130M	\$115M	\$105M	\$90M
expected change	-10.3%	-9.1%	-9.8%	-24.1%	+12.5%	-16.6%	-11.5%	-11.3%	-9.1%	-13.9%
CART & Revenue Surplus / Deficit		\$149 M	\$96 M	\$48 M	\$70 M	\$26 M	\$16 M	-\$5 M	-\$113 M	-\$134 M
Financial Metrics FP&A Model		2026	2027	2028	2029	2030	2031	2032	2033	2034
Change in Net Position		\$252M	\$189M	\$93M	\$138M	\$113M	\$59M	-\$54M	-\$89M	-\$127M
Liquidity										
Elect System Liquidity (Rev + R&C)		\$416M	\$443M	\$435M	\$528M	\$594M	\$654M	\$733M	\$663M	\$554M
Days Cash On Hand		526	521	453	528	533	494	433	359	279
Leverage										
Consolidated DSC		5.54	4.53	4.05	4.26	4.07	4.37	4.31	3.75	3.77
Consolidated Debt/Plant Ratio		35%	28%	29%	31%	28%	30%	35%	33%	36%
Profitability										
Consolidated Return on Net Assets		8.6%	5.9%	2.8%	4.0%	3.2%	1.6%	-1.5%	-2.5%	-3.5%
Retail Operating Ratio		125%	125%	106%	103%	102%	95%	95%	97%	98%

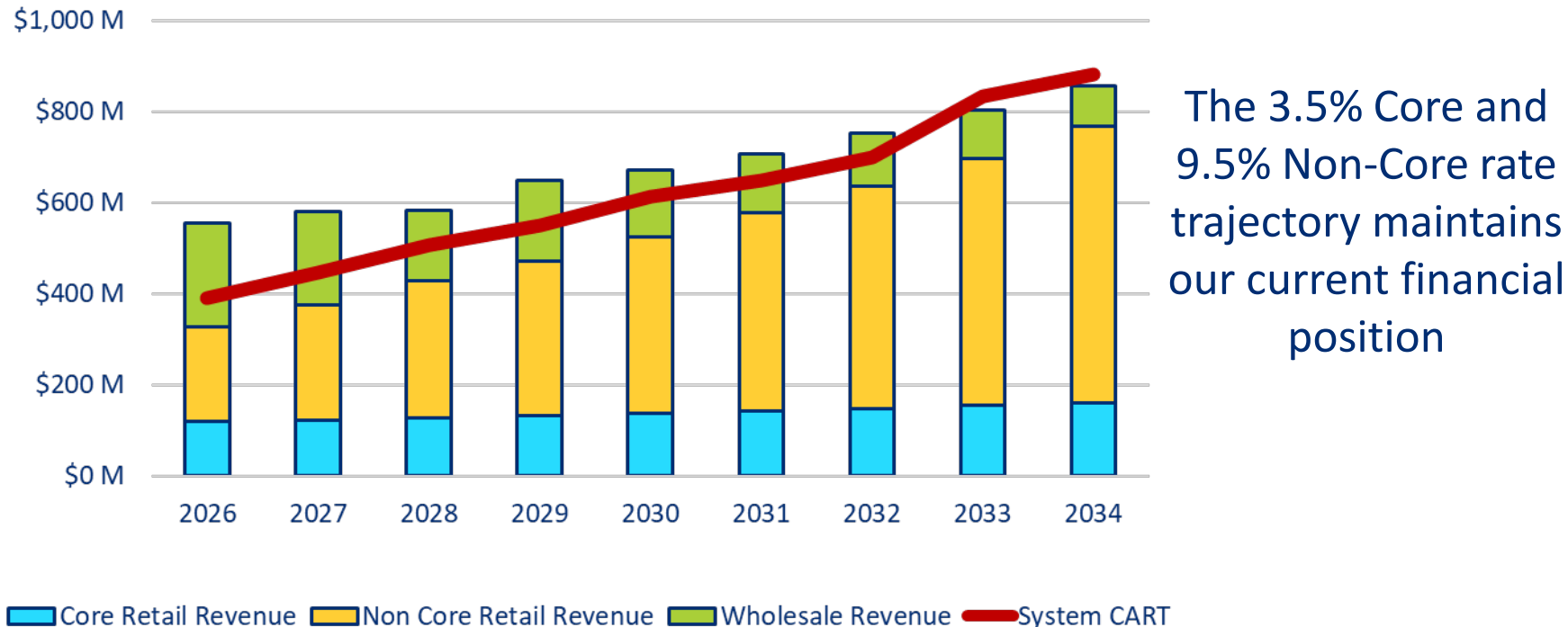


Proposed Trajectory

3.5% Core

9.5% Non-Core

Step 8: Revise 10-yr rate trajectory to balance



Results with proposed trajectory

Proposed 10-year Forecast	Average	2026	2027	2028	2029	2030	2031	2032	2033	2034
System Total Cost		-\$392M	-\$448M	-\$508M	-\$551M	-\$614M	-\$650M	-\$699M	-\$834M	-\$882M
Core Retail Revenue		\$119M	\$123M	\$128M	\$132M	\$137M	\$143M	\$149M	\$154M	\$161M
planned rate change	+3.5%	+3.5%	+3.5%	+3.5%	+3.5%	+3.5%	+3.5%	+3.5%	+3.5%	+3.5%
Non Core Retail Revenue		\$209M	\$252M	\$300M	\$341M	\$387M	\$436M	\$489M	\$544M	\$607M
planned rate change	+9.5%	+9.5%	+9.5%	+9.5%	+9.5%	+9.5%	+9.5%	+9.5%	+9.5%	+9.5%
Wholesale Revenue		\$228M	\$206M	\$156M	\$176M	\$147M	\$130M	\$115M	\$105M	\$90M
expected change	-10.3%	-9.1%	-9.8%	-24.1%	+12.5%	-16.6%	-11.5%	-11.3%	-9.1%	-13.9%
Surplus / Deficit		\$165M	\$133M	\$76M	\$98M	\$57M	\$59M	\$54M	-\$31M	-\$24M
Financial Metrics FP&A Model		2026	2027	2028	2029	2030	2031	2032	2033	2034
Change in Net Position		\$279M	\$240M	\$137M	\$182M	\$164M	\$124M	\$30M	\$23M	\$23M
Liquidity										
Elect System Liquidity (Rev + R&C)		\$449M	\$526M	\$562M	\$700M	\$817M	\$942M	\$1106M	\$1148M	\$1189M
Days Cash On Hand		565	613	577	690	722	701	642	607	578
Leverage										
Consolidated DSC		6.14	5.38	4.72	4.89	4.72	5.07	5.17	4.72	5.07
Consolidated Debt/Plant Ratio		35%	28%	29%	31%	28%	30%	35%	33%	36%
Profitability										
Consolidated Return on Net Assets		9.5%	7.5%	4.1%	5.3%	4.6%	3.4%	0.8%	0.6%	0.6%
Retail Operating Ratio		115%	109%	96%	93%	89%	85%	83%	82%	80%

2026 Rate Proposal

Preview of proposed rate changes

Core Customer Proposal

Rate Class	Average	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
R1 - Residential	3.4%	3.5%	2.5%	4.1%	2.9%	3.5%	2.8%	3.6%	3.4%	3.8%	3.9%
R2 - Small General Service	3.4%	3.5%	3.1%	4.0%	2.3%	3.4%	2.7%	3.7%	3.3%	3.9%	3.9%
R3 - Irrigation	3.7%	2.5%	3.0%	4.0%	2.7%	4.3%	3.3%	4.3%	3.9%	4.6%	4.6%
R3b - Agricultural Service	3.4%	3.5%	3.1%	4.0%	2.3%	3.4%	2.7%	3.7%	3.3%	3.9%	3.9%
R6 - Street Lighting	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Notes

- 3.5% trajectory; guardrails at 2.5% and 4.5%
 - Red highlights year rate increases above 4.5%
 - Yellow highlights year rate increases below 2.5%
- Mostly smooth but some volatility due to Priest Rapids Project and Retail Delivery cost shifts
- First year irrigation is lower due to unbundled energy billing implementation
- Not concerned about violations of the rate shock rules in 2029 and beyond

2026 Core Proposal

Rate 1 – Residential	+3.5%
Rate 2 – General Service	+3.5%
Rate 3 – Irrigation	+2.5%
Rate 3b – Agriculture Services	+3.5%
Rate 6 – Street Lighting	+3.5%

Non-Core Customer Tiers

Tier 1: Peak demand below 10MW/MVA and established load profiles

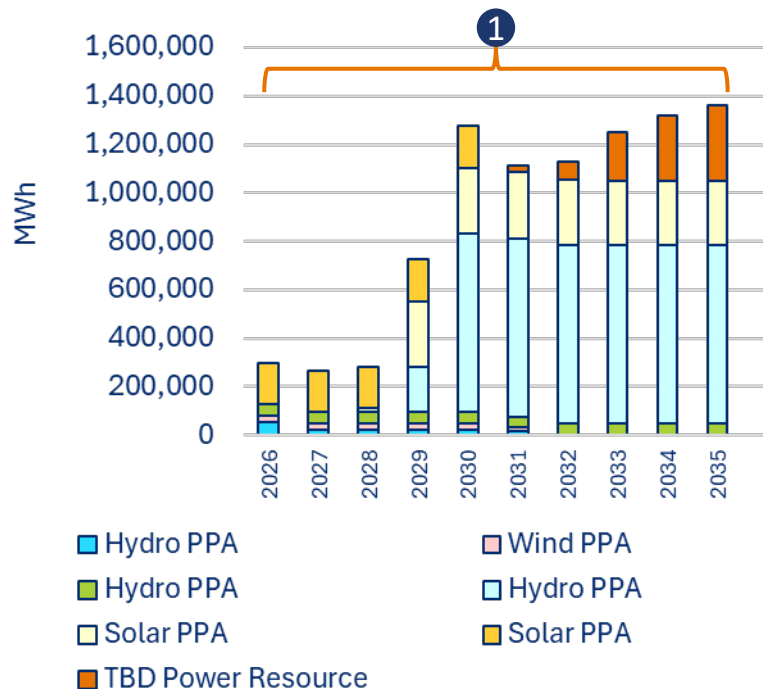
- Rate 7 – Large General
- Rate 14 – Industrial
- Rate 16 – Ag Food Processing
- Rate 85 – Ag Boiler

Tier 2: Peak demand above 10MW/MVA or evolving and/or unpredictable load profiles

- Rate 15 – Large Industrial
- Rate 17 – Evolving Industry
- Rate 19 – EV Charging

-
- Lowest cost incremental power resources allocated to Tier 1
 - Capacity costs allocated to Tier 1 and 2 by share of demand

Step 1: Stack Incremental Power costs



Resource	\$/MWh
Hydro PPA	\$ 32.12
Wind PPA	\$ 33.53
Hydro PPA	\$ 35.61
Hydro PPA	\$ 42.41
TBD Power Resource	\$ 71.15
Solar PPA	\$ 76.78
Solar PPA	\$ 77.96
TBD Capacity Resource	n/a

Tier 1

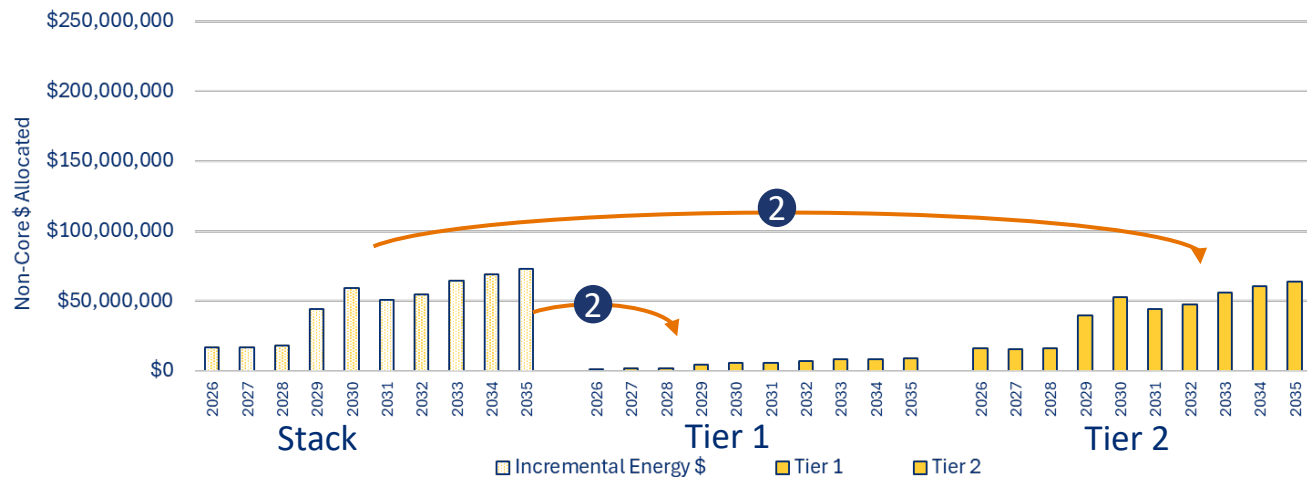
Tier 2

Shared

Note: Capacity costs are significant but not well represented by \$/MWh normalization – will be allocated by \$ later in the process

Rate Class Implementation

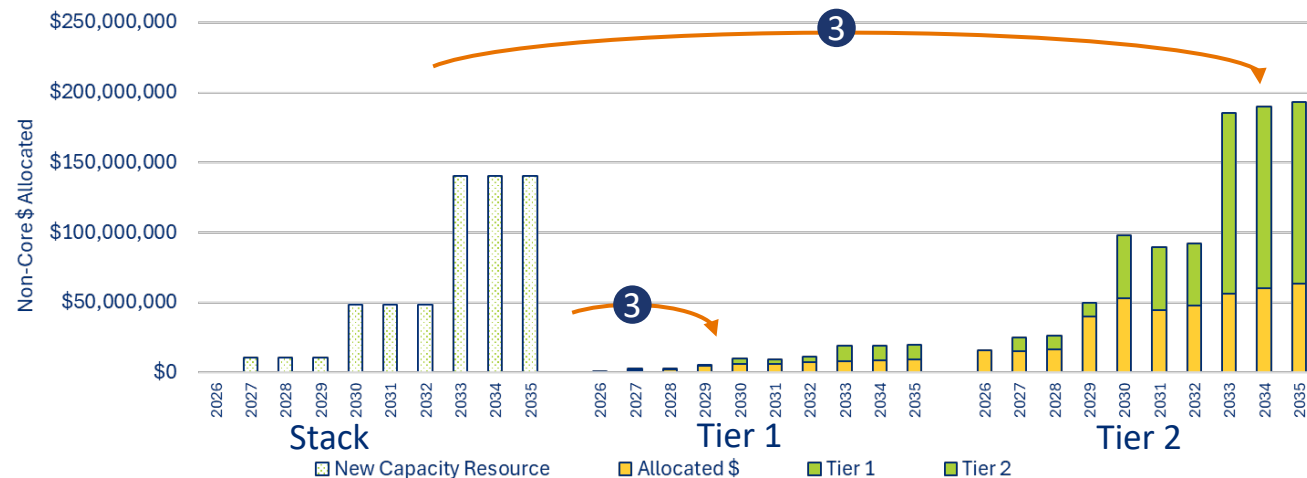
Step 2: Allocate lowest cost Power to Tier 1



	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Incremental Power Cost	\$17M	\$17M	\$18M	\$44M	\$59M	\$51M	\$55M	\$65M	\$69M	\$73M
Tier 1 Share Non-Core Load	20.5%	18.7%	18.4%	18.0%	18.0%	18.2%	18.0%	17.8%	17.6%	17.6%
Tier 1 \$/kWh Inc \$	\$ 0.00108	\$ 0.00195	\$ 0.00190	\$ 0.00432	\$ 0.00552	\$ 0.00525	\$ 0.00641	\$ 0.00723	\$ 0.00748	\$ 0.00784
Tier 1 % Change		+80.7%	-2.2%	+126.9%	+27.8%	-4.9%	+22.0%	+12.8%	+3.5%	+4.8%
Tier 2 Share of Inc. \$	79.5%	81.3%	81.6%	82.0%	82.0%	81.8%	82.0%	82.2%	82.4%	82.4%
Tier 2 \$/MWh Inc \$	\$ 0.00433	\$ 0.00364	\$ 0.00358	\$ 0.00832	\$ 0.01066	\$ 0.00874	\$ 0.00911	\$ 0.01054	\$ 0.01110	\$ 0.01154
Tier 2 % Change		-16.0%	-1.6%	+132.3%	+28.1%	-18.0%	+4.2%	+15.6%	+5.3%	+4.0%

Rate Class Implementation

Step 3: Allocate Capacity \$



Capacity Allocation	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Capacity Cost		\$11M	\$11M	\$11M	\$49M	\$49M	\$49M	\$140M	\$140M	\$140M
Tier 1 10-yr Demand Growth	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%
Tier 1 \$ Capacity Allocation	-	\$1M	\$1M	\$1M	\$4M	\$4M	\$4M	\$11M	\$11M	\$11M
Tier 1 \$/kWh Capacity Adder		\$ 0.00086	\$ 0.00086	\$ 0.00080	\$ 0.00356	\$ 0.00344	\$ 0.00331	\$ 0.00945	\$ 0.00939	\$ 0.00931
Tier 2 10-yr Demand Growth	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%	92.3%
Tier 2 \$ Capacity Allocation	-	\$10M	\$10M	\$10M	\$45M	\$45M	\$45M	\$130M	\$130M	\$130M
Tier 2 \$/kWh Capacity Adder		\$ 0.00236	\$ 0.00217	\$ 0.00208	\$ 0.00903	\$ 0.00879	\$ 0.00857	\$ 0.02429	\$ 0.02379	\$ 0.02353

Non-Core Customer Proposal

Rate Class	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
R7 - Lg. General Service	15.2%	11.2%	6.9%	11.2%	14.4%	5.6%	8.3%	16.5%	7.0%	7.2%
R14 - Industrial	7.5%	13.4%	7.5%	10.1%	13.8%	5.5%	8.7%	16.3%	7.4%	7.5%
R15 - Large Industrial	11.4%	3.0%	5.4%	22.8%	12.5%	-1.7%	6.8%	9.5%	7.2%	6.6%
R16 - Ag Food Processing	11.4%	12.0%	8.1%	11.4%	15.0%	4.9%	8.4%	17.2%	6.6%	6.8%
R17 - Evolving Industry	9.7%	3.8%	7.7%	22.8%	13.1%	0.4%	7.5%	9.7%	7.9%	7.5%
R19 - Fast Charging EV	12.4%	4.4%	-1.6%	10.4%	5.8%	2.9%	8.3%	9.2%	8.3%	8.2%
R85 - Ag Boiler	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%

Notes

- 9.5% trajectory; guardrails at 7.25% and 12%
 - Red highlights year rate increases above 12%
 - Yellow highlights year rate increases below 7.25%
- 2026 rate pressure because of move to unbundled power costs (impacts Tier 1)
- 2029/30 rate pressure from energy and capacity resources (impacts all Tiers)
- 2033 rate pressure is capacity driven (impacts Tier 1)

Non-Core Proposal with guardrails

Rate Class	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
R7 - Lg. General Service	12.0%	12.0%	9.2%	11.2%	12.0%	9.5%	8.2%	12.0%	9.7%	7.2%
R14 - Industrial	7.5%	12.0%	8.8%	10.1%	12.0%	7.5%	11.7%	12.0%	8.2%	7.5%
R15 - Large Industrial	11.4%	7.5%	11.4%	11.4%	12.0%	7.5%	7.8%	9.7%	9.2%	8.8%
R16 - Ag Food Processing	11.4%	9.3%	10.8%	11.4%	9.1%	7.6%	8.3%	11.9%	11.6%	6.7%
R17 - Evolving Industry	11.2%	11.0%	12.0%	12.0%	12.0%	9.0%	7.8%	9.8%	8.2%	7.8%
R19 - Fast Charging EV	11.4%	9.9%	10.1%	9.3%	11.4%	9.1%	11.2%	10.7%	11.5%	9.8%
R85 - Ag Boiler	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%

Rate Class \$/kWh Adj.	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
R7 - Lg. General Service	\$ (0.0012)	\$ (0.0010)	\$ -	\$ -	\$ (0.0013)	\$ 0.0010	\$ 0.0010	\$ (0.0021)	\$ -	\$ -
R14 - Industrial	\$ -	\$ (0.0006)	\$ -	\$ -	\$ (0.0011)	\$ 0.0002	\$ 0.0023	\$ (0.0007)	\$ -	\$ -
R15 - Lg. Industrial	\$ -	\$ 0.0020	\$ 0.0050	\$ -	\$ (0.0003)	\$ 0.0037	\$ -	\$ -	\$ -	\$ -
R16 - Ag Food Processing	\$ -	\$ (0.0010)	\$ -	\$ -	\$ (0.0015)	\$ -	\$ -	\$ (0.0034)	\$ -	\$ -
R17 - Evolving Industry	\$ -	\$ -	\$ 0.0023	\$ (0.0035)	\$ (0.0046)	\$ -	\$ -	\$ -	\$ -	\$ -
R19 - Fast Charging EV	\$ -	\$ -	\$ 0.0100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Non-Core Proposal

Rate 7 – Large General Service	+12.0%	<i>Credit to reduce from 15% to 12%</i>
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Rate 14 – Industrial	+7.5%
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Rate 15 – Large Industrial	+11.4%
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Rate 16 – Ag Food Processing	+11.4%
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Rate 17 – Evolving Industries	+11.2%
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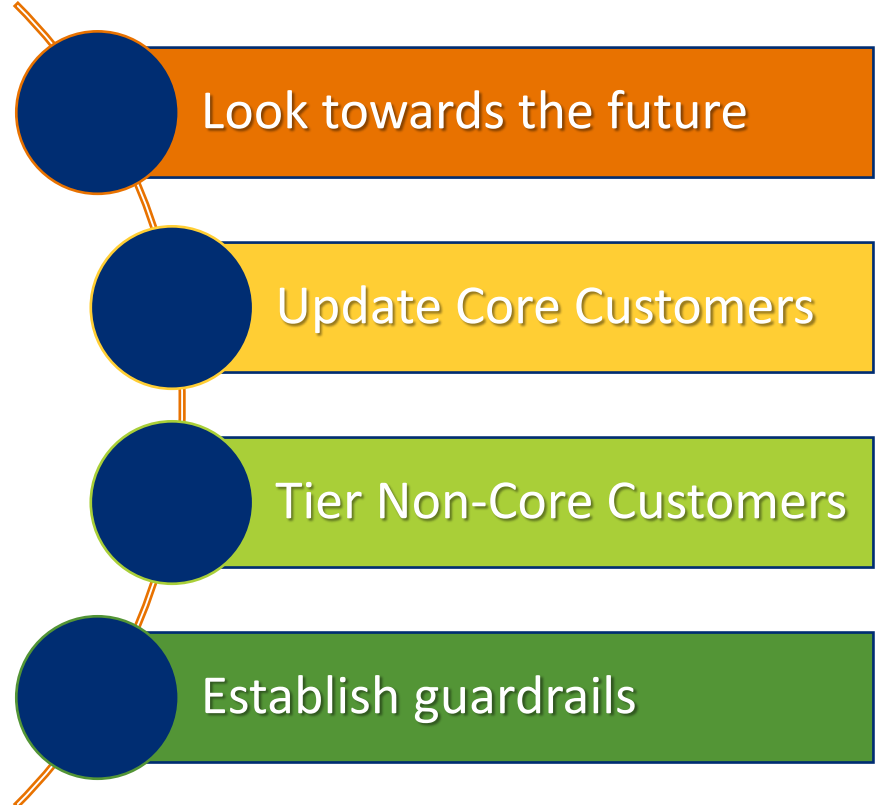
Rate 19 – Fast Charging EV	+11.4%
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Rate 85 – Ag Boiler	+9.5%
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Revised Rate Policy

Revised rate policy

1	Comply with laws
2	Easy to understand & advantageous
3	Cost-of-Service every 2 years
4	Annual 10-year revenue & rate analysis
5	Rates shall maintain a strong financial position
6	Defines Core customer classes
7	Power supply priority for Core
8	Separate Core and Non-Core trajectories
9	Staff will use trajectories for rate proposal
10	Guardrails to avoid rate shock
11	Commission sets rate schedules
12	Credits & charges to prevent rate shock
13	Allows use of contracts to avoid stranded costs
14	Allows caps or limits to power provided



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- Rate schedules shall comply with all applicable laws and regulations.

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- Staff will make rate schedules easy to understand.
- Staff will make their best effort to put customers in the best rate schedule when they start service or when asked.

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- Staff will complete and present a cost-of-service analysis to the Commission every two years.
- The Commission may adjust rates based on the cost-of-service.

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- Staff will complete and present a 10-year revenue requirement and corresponding rate trajectory every year.
- The 10-year revenue requirement will include all electric system costs.
- The 10-year rate trajectory will:
 - Exceed the revenue requirement.
 - Maintain strong financial metrics.
 - Minimize customer electric rates.

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- Defines Standard Retail Service and Alternative Rate Recovery Mechanisms.
- Rate trajectory will guide rate design:
 - Maintain financial strength.
 - Prioritize stable rate trajectories.
 - Keep rates as low as possible.

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- Defines Core Customers:
 - Rate 1 – Residential
 - Rate 2 – General Service
 - Rate 3 – Irrigation
 - Rate 3b – Agricultural Service
 - Rate 6 – Street Lighting
- Customers in all other rate classes or under an Alternative Rate Recovery Mechanism are defined as Non-Core.

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- Rate structures will provide Core customers with priority access to Grant PUD's lowest cost power supply resource.

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- Staff will develop separate Core and Non-Core trajectories.
- Trajectories will be based on an unbundled power methodology that provides Core customers priority access to the lowest cost power resource.
- Non-power supply costs will be allocated based on the Cost-of-service study.
- Tiers may be used to further allocate costs within Core and Non-Core.

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- Staff will use the rate trajectory to propose rate changes.

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- Staff will use guardrails to mitigate rate shock.
- Core and Non-Core proposals will be +/- 25% of the rate trajectory.
- If the trajectory is flat a rate increase occur to advance rate design (or mitigate large future projected increases).

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- Rate schedules shall be set by the Commission.
- The commission may consider load growth, business sustainability, cost to serve, fuel costs, regulations, risk, societal goals, and other relevant factors.
- The Commission had discretionary authority in setting rate components.

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- The Commission may authorize credits or charges to limit rate shock.

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- Alternative Rate Recovery Mechanisms, either power contracts or usage caps, may be used to protect core customers from the risk of stranded assets.
- Rate structures and Alternative Rate Recovery Mechanisms will ensure core customers are protected from new incremental costs from non-core growth.

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- Grant PUD may establish a cap or limit power used.
- Alternative Rate Recovery Mechanisms will be used to recover marginal distribution and transmission costs.

Next Steps

The background of the slide is a solid orange color. On the right side, there is a faint, abstract geometric pattern. This pattern consists of several overlapping hexagons of varying sizes. Some of these hexagons have small dots at their vertices, and some have dots at their midpoints. The dots and lines are a slightly lighter shade of orange than the background, creating a subtle, technical or architectural feel.

Project timeline

November 12 Meeting	• Preview Unbundled Trajectory • Preview Rate Policy changes
November 25 Meeting	• Rate Policy Res. <u>proposal</u> and review • Preview 2026 Rate Package • Outreach update
December 9 Meeting Public Facing	Opens Comment Period • Rate Policy <u>adoption</u> • Unbundled Trajectory presentation • 2026 Rate Package <u>proposal</u> and review • Public Comment
December 16 Workshop	• 2026 Rate Package Q&A
December 23	Close Comment Period
January 13 Meeting	• 2026 Rate Package <u>adoption</u>

Major milestones

1. Strawman model (June) ✓
2. Draft results workshop (October) ✓
3. Rate Policy Res. (December)
4. Public Rates Meeting (December)
5. Rates workshop (December)
6. 2026 Rates Adoption (January)

Questions?



Powering our way of life.

Thank you!

