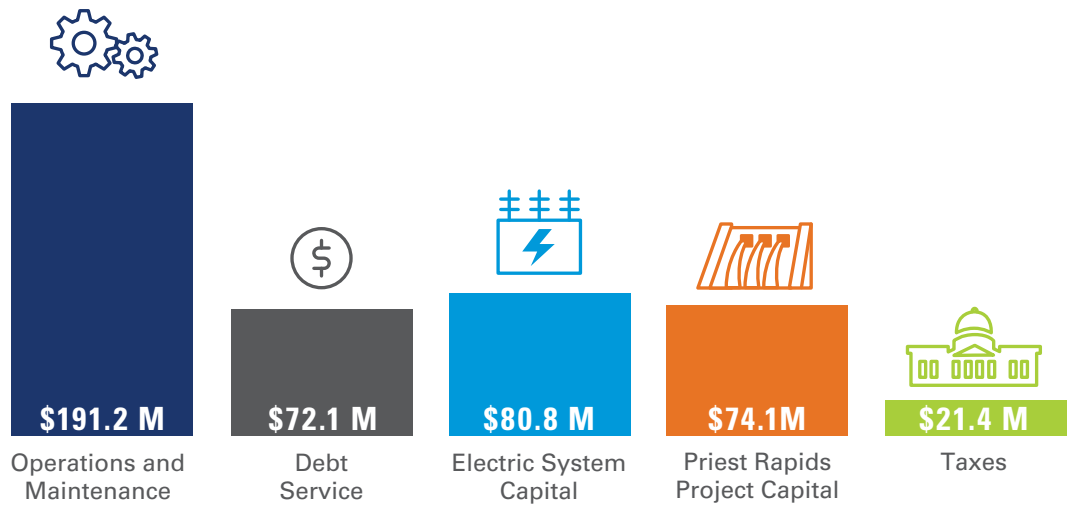
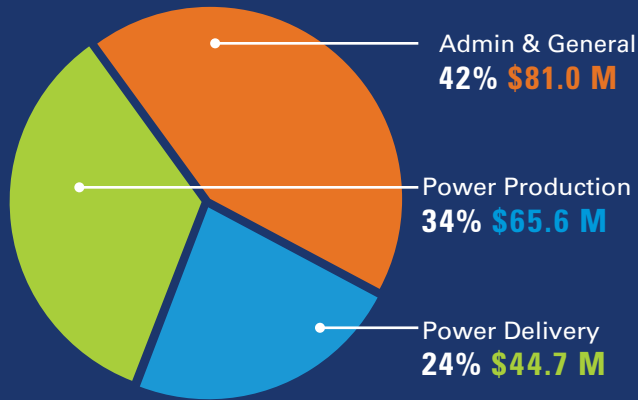


2023 PROPOSED TOTAL EXPENSES

(BEFORE OFFSETS AND ADJUSTMENTS)



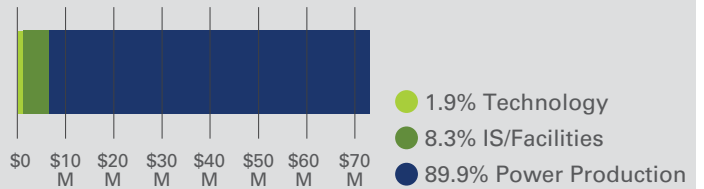
2023 O&M EXPENSES BY PROGRAM



Percentages are for illustrative purposes only.

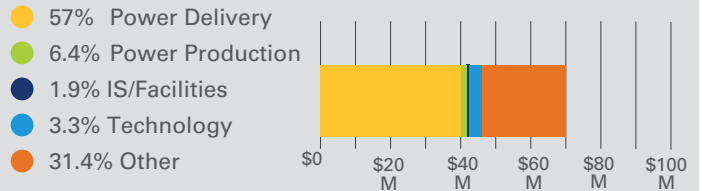
2023 PRIEST RAPIDS PROJECT CAPITAL SPENDING - \$74.1 M

(Expenses associated with Priest Rapids and Wanapum dams.)



Percentages are for illustrative purposes only.

2023 ELECTRIC SYSTEM CAPITAL SPENDING - \$70.6 M



Percentages are for illustrative purposes only.

2023 EXPENSE OFFSETS



Total Offsets:
\$119.8 M



Total Expenses after Offsets:
\$319.9 M

NET POWER

Net (expenses minus revenue) of market power purchases and sells

+\$95.2 M

CONSERVATION LOANS

Money paid back from low-interest conservation loans to customers

+\$0.1 M

SALES TO POWER PURCHASERS AT COST

As required by our Federal License

+\$13.8 M

CONTRIBUTIONS IN AID OF CONSTRUCTION

Money paid by customers to build infrastructure

+\$10.7 M



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2023 BUDGET AT A GLANCE

The proposed 2023 Budget continues our focus on long-term value for all customers so we can continue to provide low-cost, reliable power for future generations.

EXPENSES	2022 CURRENT	2023 BUDGET
Operations & Maintenance (Includes adjustments)	\$162.5 M	\$188.2 M
Taxes	\$20.9 M	\$21.4 M
Electric System Capital	\$90.8 M	\$80.8 M
Priest Rapids Project Capital	\$61.0 M	\$74.1 M
Debt Service	\$75.6 M	\$72.1 M
Total Gross Expenses	<u>\$410.8 M</u>	<u>\$436.6 M</u>
EXPENSE OFFSETS		
Contributions in Aid of Construction	(\$9.9 M)	(\$10.7 M)
Sales to Power Purchasers at Cost	(\$13.6 M)	(\$13.8 M)
Net Power (+ Expense, - Revenue)	(\$78.2 M)	(\$95.2 M)
Conservation Loans	(\$125.0 M)	(\$0.1 M)
Total Offsets	<u>(\$101.8 M)</u>	<u>(\$119.8 M)</u>
TOTAL EXPENSES AFTER OFFSETS	<u>\$309.0 M</u>	<u>\$316.8 M</u>

All figures rounded to the nearest 100,000th.

NET POSITION	2022 CURRENT	2023 BUDGET
CONSOLIDATED OPERATIONAL PERFORMANCE		
REVENUE		
Sales to Power Purchasers at Cost	\$13.6 M	\$13.8 M
Retail Energy Sales	\$252.9 M	\$270.0 M
Net Power (Net Wholesale+Other Power Revenue)	\$78.2 M	\$95.2 M
Fiber Optic Network Sales	\$12.1 M	\$12.3 M
Other Revenues	\$2.3 M	\$2.4 M
EXPENSES		
Operating Expenses	(\$162.5 M)	(\$188.2 M)
Taxes	(\$20.9 M)	(\$21.4 M)
Net Operating Income or Loss Before Depreciation	\$175.7 M	\$184.1 M
Depreciation and amortization	(\$75.5 M)	(\$77.8 M)
NET OPERATING INCOME OR LOSS	<u>\$100.2 M</u>	<u>\$106.2 M</u>
OTHER REVENUES OR EXPENSES		
Interest, debt and other income	(\$45.5 M)	(\$25.4 M)
CIAC (Money paid by customers to build infrastructure)	\$9.9 M	\$10.7 M
CHANGE IN NET POSITION (BOTTOM LINE)	<u>\$64.6 M</u>	<u>\$91.5 M</u>

All figures rounded to the nearest 100,000th.

KEY METRICS	2022 CURRENT	2023 BUDGET
NET INCOME LIQUIDITY (Measured at year end)	\$64,637	\$91,467
Elect System Liquidity (Rev + R&C)	\$109,668	\$111,014
Excess Liquid Cash	\$8,775	\$24,307
Days Cash On Hand	281	280
LEVERAGE		
Consolidated Debt Service Coverage	2.2X	2.5X
Consolidated Debt/Plant Ratio	47%	45%
PROFITABILITY		
Cons. Return on Net Assets (chg. in net assets / net plant)	2.7%	3.7%
Retail Op Ratio (assumes baseline capital)	108%	109%

All figures rounded to the nearest 100,000th.