

MONTHLY BUSINESS REVIEW

# Financial Report

January 2026



Powering our way of life.

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- Retail Forecast
- Interest Income
- O&M Expense

## 2) Forecast Results

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## 3) Financial Metrics

## 4) Financial Scenarios

- Wholesale Price Volatility

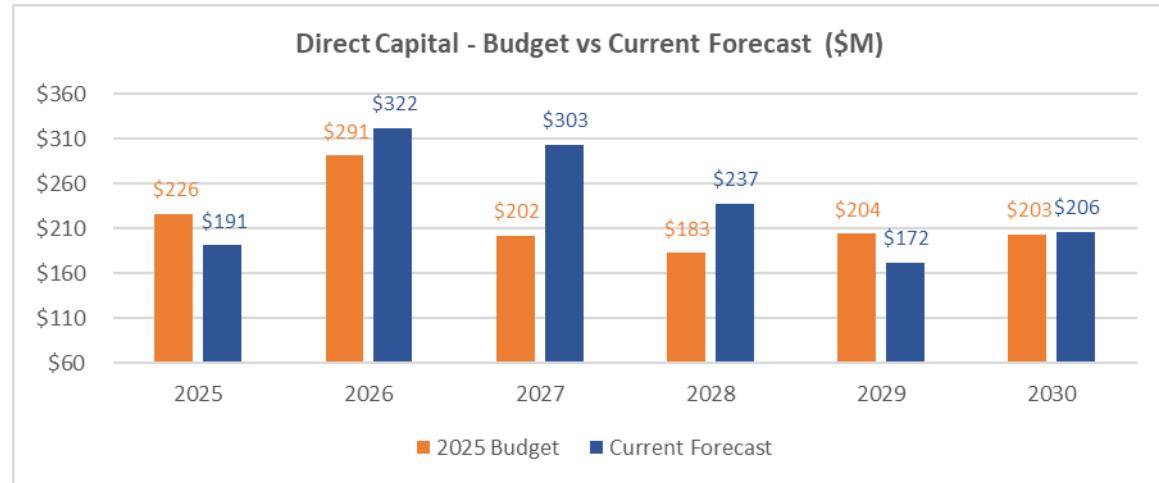
## 5) Historic vs Fair Market Value

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# Capital Plan Assumptions

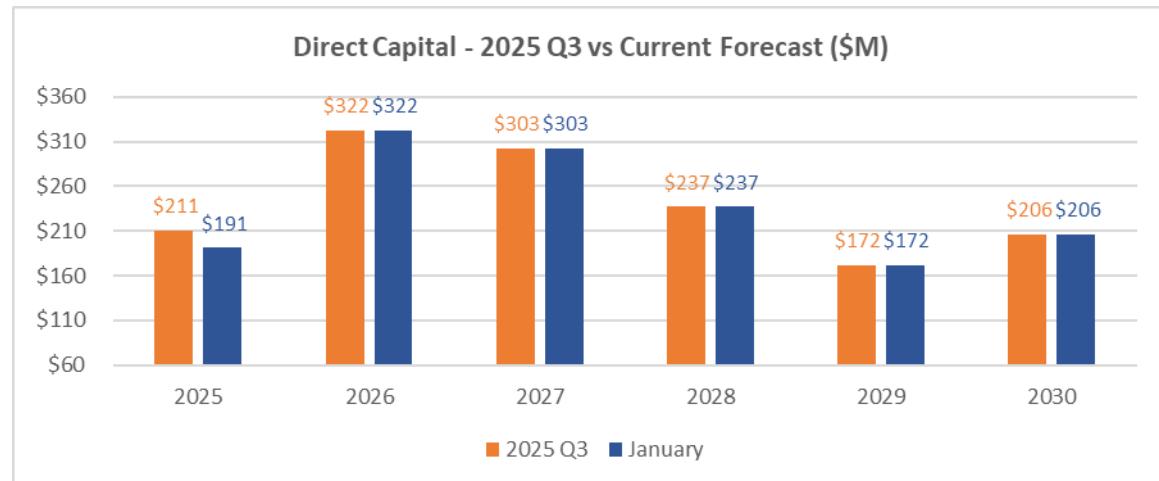
## 2025 Budget vs Current

- 2025: Current 2025 Year End Projection for Capital Directs is \$191M, -\$34.9M (-15%) favorable to 2025 Budget projections of \$226M.
- 2026-2030: Current January forecast is +\$31.4M (+14%) unfavorable to 2025 Budget forecast on an average annual basis.



## 2025 Q3 vs Current

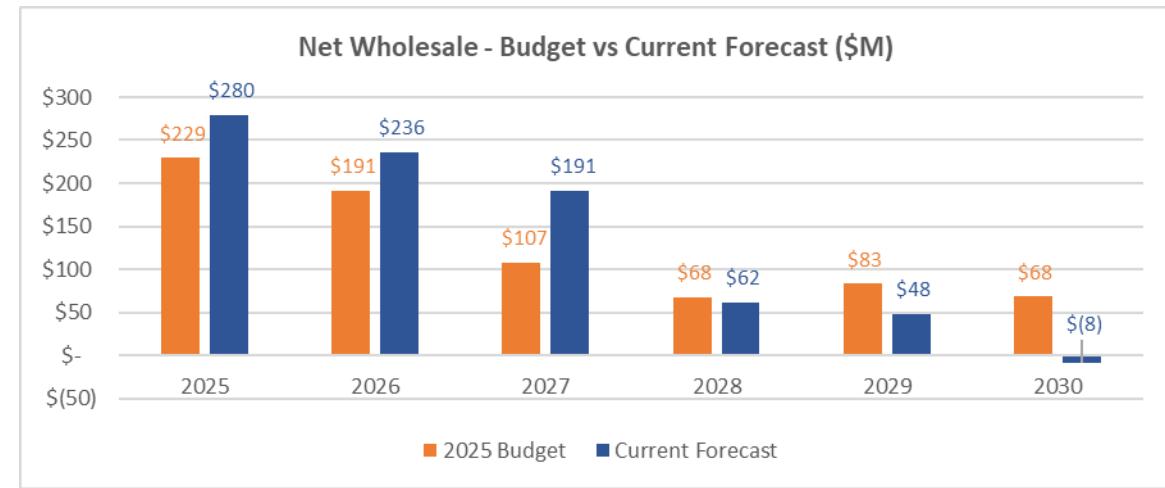
- 2025: Current 2025 Year End Projection for Capital Directs is -\$19.9M (-9%) favorable to the 2025 Q3 projection.
- 2026-2030: Current January forecast is +\$0.0M (+0%) flat to the 2025 Q3 forecast on an average annual basis.



# Net Wholesale

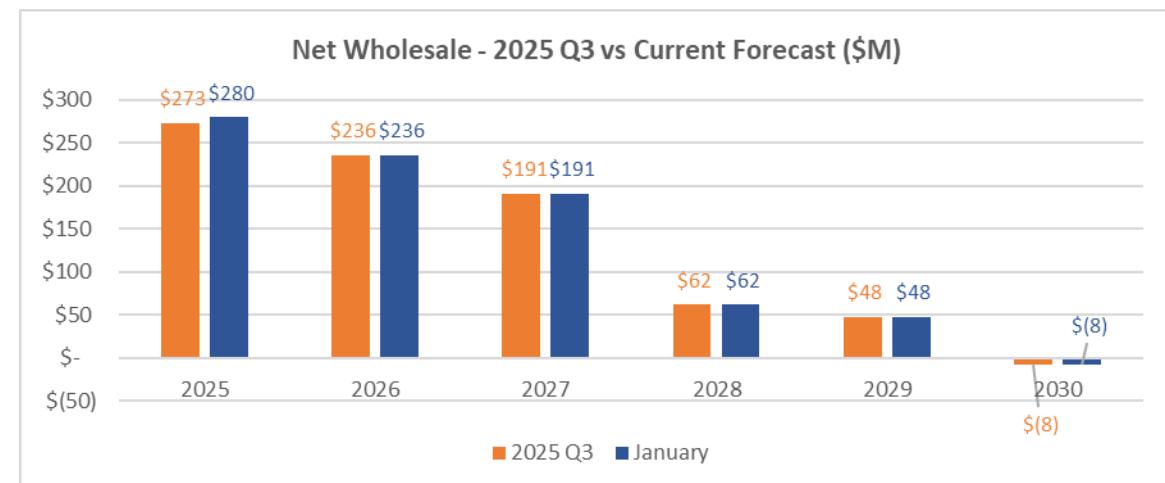
## 2025 Budget vs Current

- 2025: Current 2025 Year End Projection for Net Power is \$279.8M, +\$50.7M (+22%) favorable to the 2025 Budget forecast of \$229.1M.
- 2026-2030: Current January forecast is +\$2.0M (+2%) favorable to the 2025 Budget forecast on an average annual basis.



## 2025 Q3 vs Current

- 2025: Current 2025 Year End Projection for Net Power is +\$6.7M (+2%) favorable to the 2025 Q3 projection.
- 2026-2030: Current January forecast is +\$0.0M (+0%) flat to the 2025 Q3 forecast on an average annual basis.

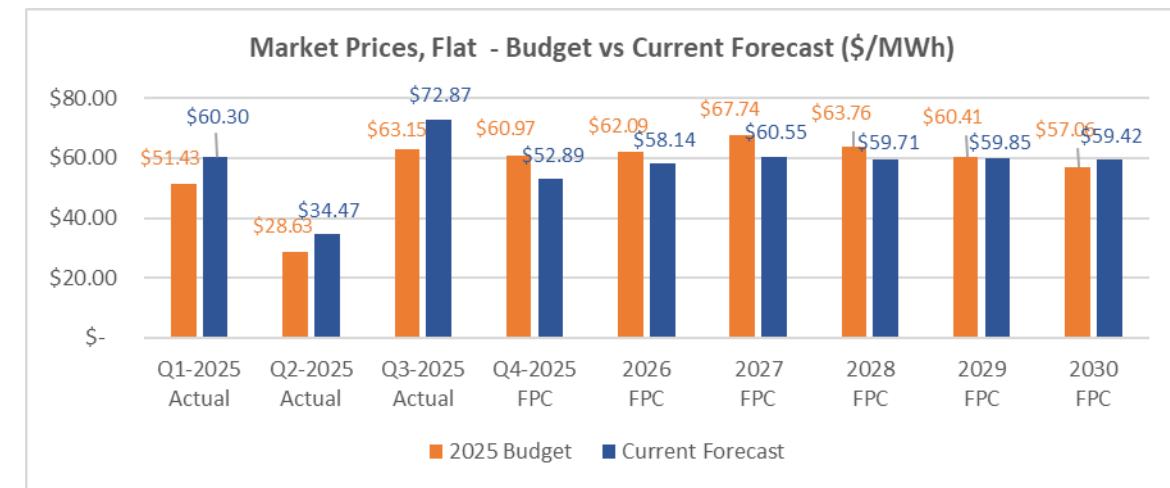


Note: Climate Commitment Act Auction results included in 2025 actuals were removed from the Current Forecast to align with the expected regulatory accounting impacts to the income statement at year end. Wholesale revenue for 2025 in turn were reduced \$118M.

# Wholesale Market Prices

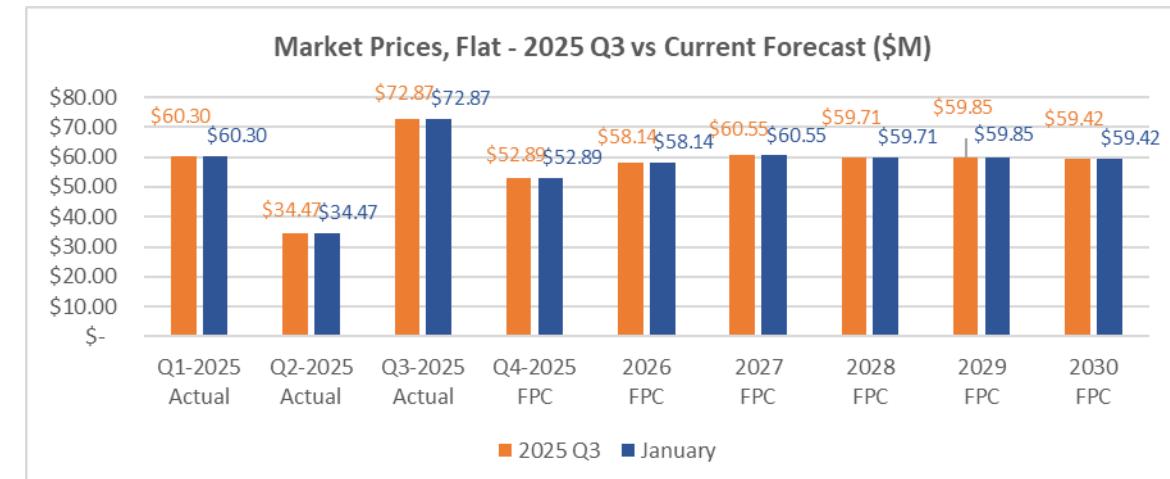
## 2025 Budget vs Current

- 2025: Current 2025 Year End Projection for Wholesale Prices, on a flat annual basis, are \$55.13, +\$4.09 (+8%) higher than 2025 Budget forecast of \$51.04.
- 2026-2030: Current January forecast for Wholesale Prices, on a flat basis, are \$59.54, -\$2.68 (-4%) lower to 2025 Budget forecast of \$62.21.



## 2025 Q3 vs Current

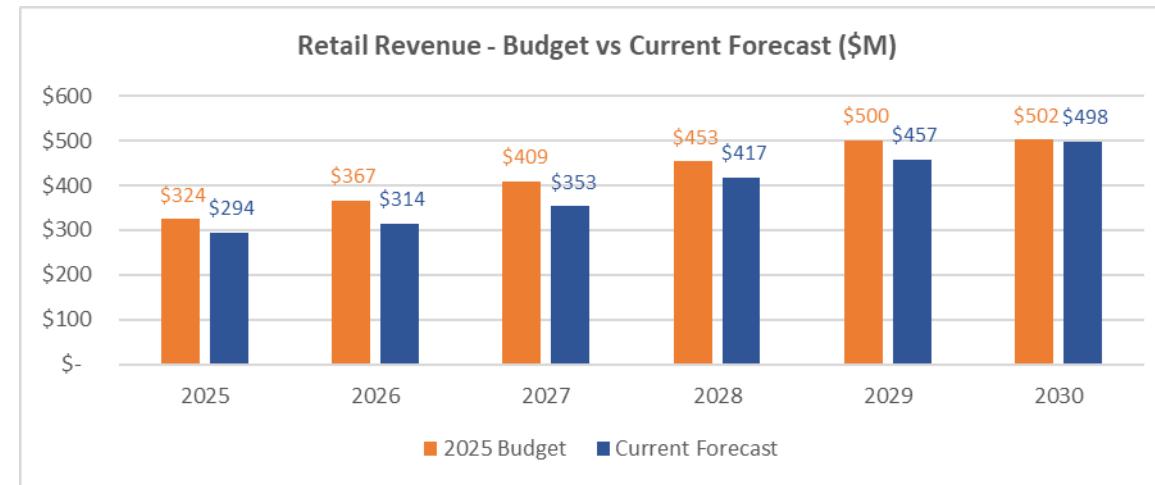
- 2025: Current 2025 Year End Projection for Wholesale Prices are +\$0.0 (+0%) flat than the 2025 Q3 projections.
- 2026-2030: Current January forecast for Wholesale Prices, on a flat basis, are +\$0.0 (+0%) flat than the 2025 Q3 forecast.



# Retail Revenue

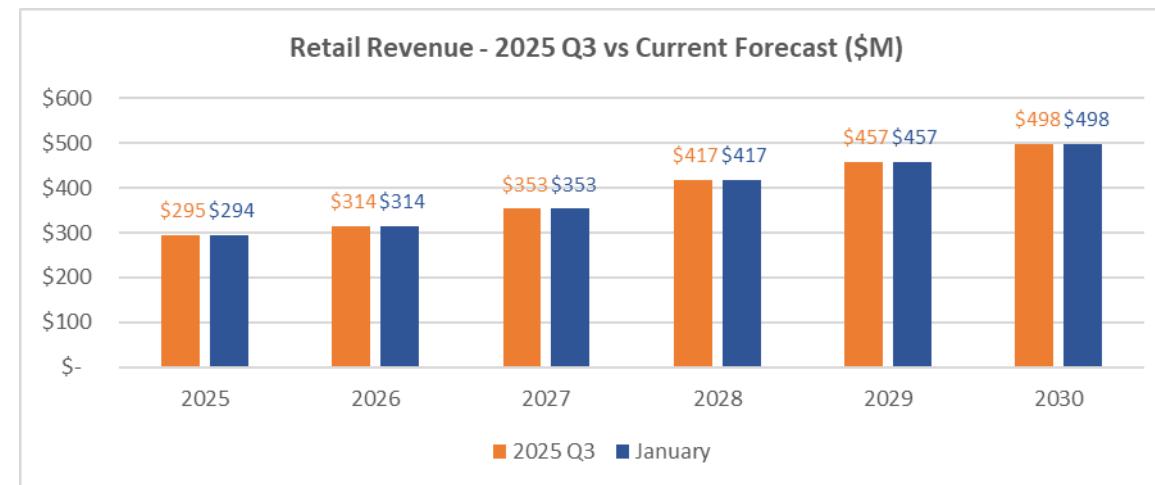
## 2025 Budget vs Current

- 2025: Current 2025 Year End Projection for Retail Revenue is \$294.2M, -\$30.3M (-9%) unfavorable to the 2025 Budget forecast of \$324.5M.
- 2026-2030: Current January forecast is -\$38.3M (-9%) unfavorable to the 2025 Budget forecast on an average annual basis.



## 2025 Q3 vs Current

- 2025: Current 2025 Year End Projection for Retail Revenue is -\$0.4M (-0%) flat to the 2025 Q3 projection.
- 2026-2030: Current January forecast is +\$0.0M (+0%) flat to the 2025 Q3 forecast on an average annual basis.



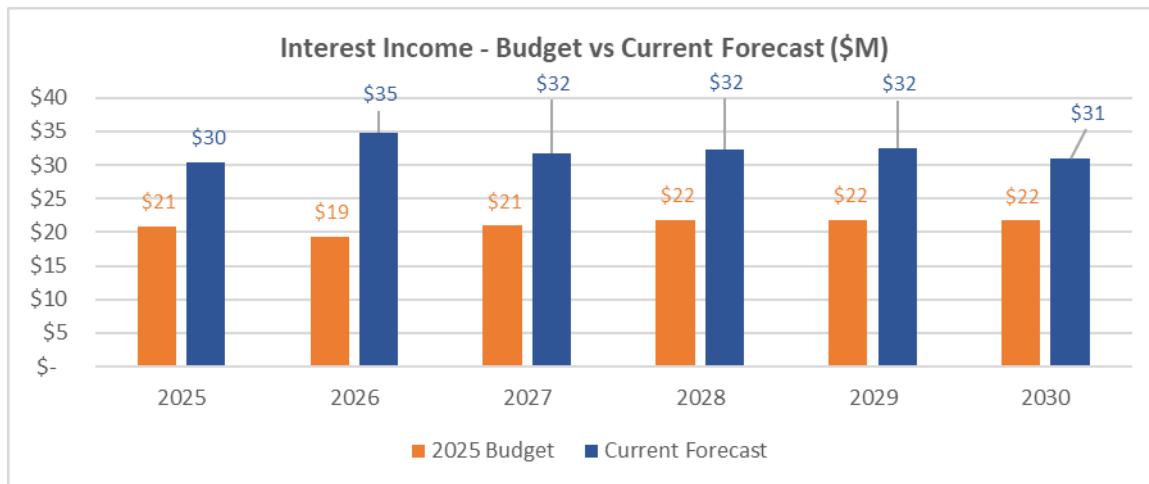
2026-2030 Rates: 2.0%

**Key Updates for Current Forecast:** Retail Revenue includes estimate of forecasted Rate 18 "EUDL CRAC" revenue starting in 2027 (based on current approved rate structures – upon adoption of new rate structure this will be removed and replaced by approved rate structure). Load forecast updated to align with the September update.

# Interest Income

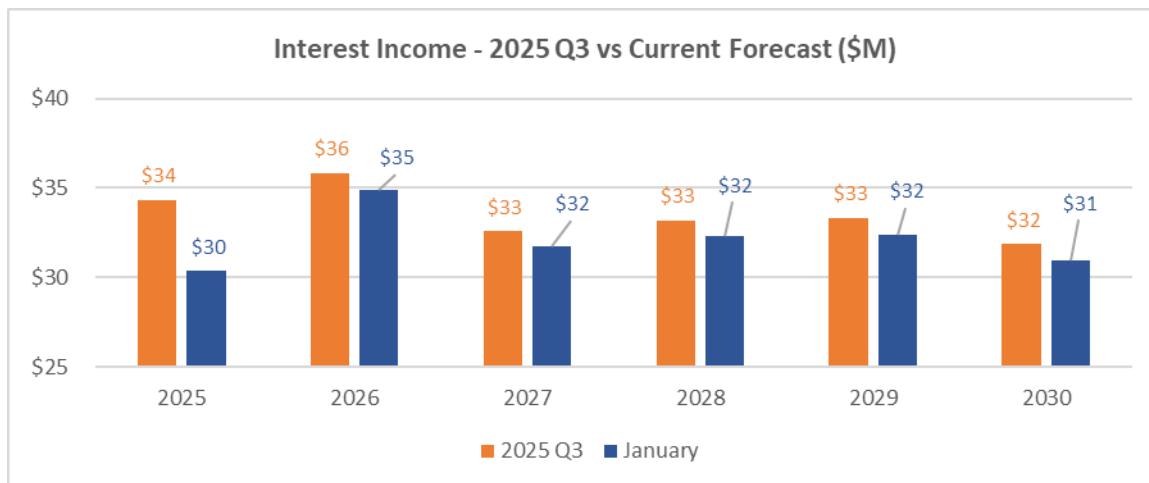
## 2025 Budget vs Current

- 2025: Current 2025 Year End Projection for Interest Income is \$30.4M, +\$9.6M (+46%) favorable to the 2025 Budget forecast of \$20.8M.
- 2026-2030: Current January forecast is +\$11.3M (+54%) favorable to the 2025 Budget forecast on an average annual basis.



## 2025 Q3 vs Current

- 2025: Current 2025 Year End Projection for Interest Income is -\$4.0M (-12%) unfavorable to the 2025 Q3 projection.
- 2026-2030: Current January forecast is -\$0.9M (-3%) unfavorable to the 2025 Q3 forecast on an average annual basis.



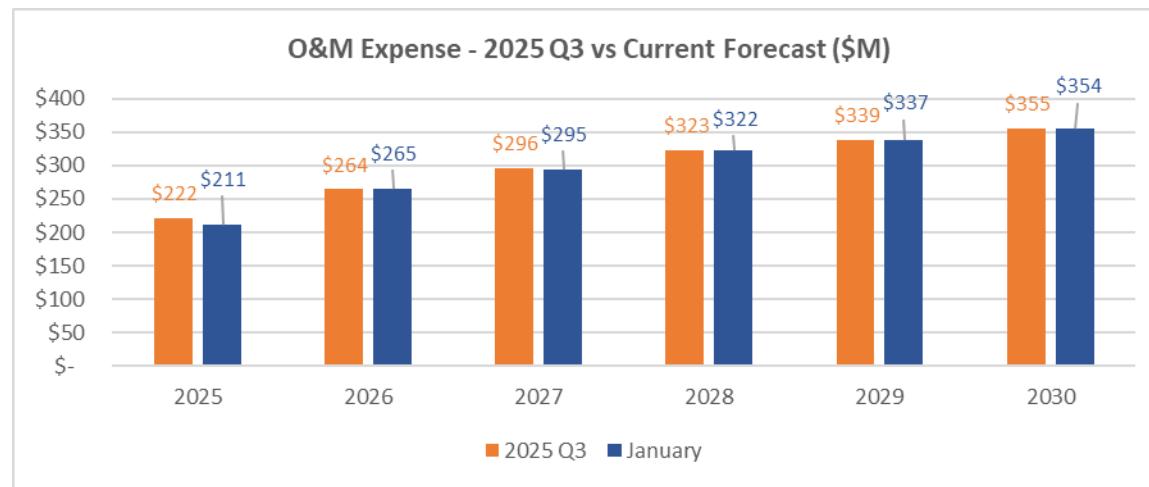
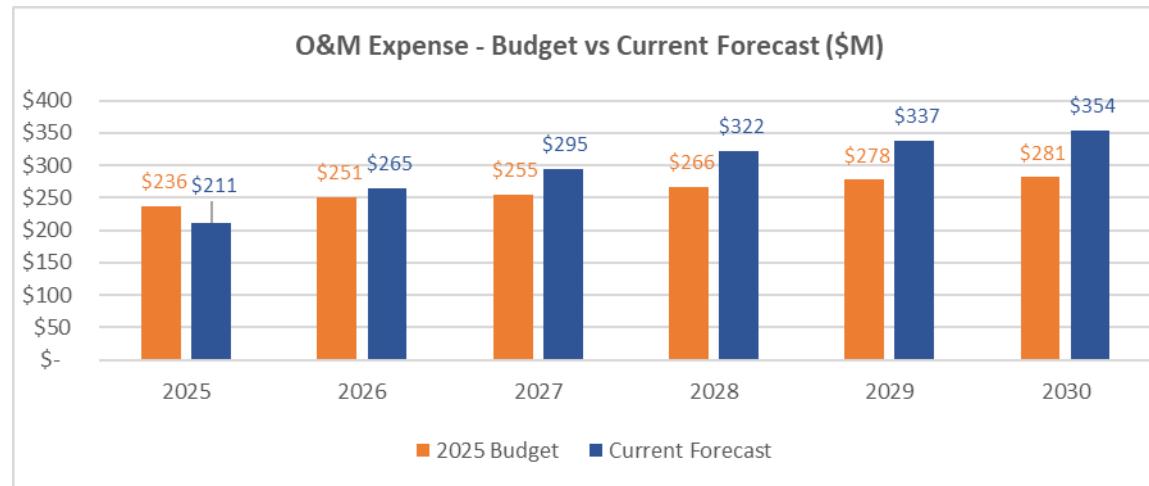
# O&M Expense

## 2025 Budget vs Current

- 2025: Current 2025 Year End Projection for O&M Expense is \$211.3M, -\$25.2M (-11%) favorable to the 2025 Budget forecast of \$236.5M.
- 2026-2030: Current January forecast is +\$48.3M (+18%) unfavorable to the 2025 Budget forecast on an average annual basis.

## 2025 Q3 vs Current

- 2025: Current 2025 Year End Projection for O&M Expense is -\$10.5M (-5%) unfavorable to the 2025 Q3 projection.
- 2026-2030: Current January forecast is -\$0.8M (-0%) flat to the 2025 Q3 forecast on an average annual basis.



# January 2026 Financial Report

## Combined Financial Results

### Exhibit A - \$ in thousands

Budgeted Items	Budget	Forecast	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	2025	2025	2026	2026	2027	2028	2029	2030
<b>Total O&amp;M</b>	\$ 236,487	\$ 211,301	\$ 264,034	\$ 265,015	\$ 294,604	\$ 321,794	\$ 337,436	\$ 354,320
Taxes	\$ 24,048	\$ 23,385	\$ 24,505	\$ 24,505	\$ 24,972	\$ 25,448	\$ 25,933	\$ 26,452
Electric Capital	\$ 179,964	\$ 147,495	\$ 257,922	\$ 257,344	\$ 222,326	\$ 178,108	\$ 133,145	\$ 142,154
PRP Capital	\$ 63,384	\$ 73,205	\$ 89,724	\$ 89,852	\$ 107,451	\$ 88,904	\$ 70,175	\$ 97,767
<b>Total Capital</b>	\$ 243,348	\$ 220,700	\$ 347,646	\$ 347,196	\$ 329,777	\$ 267,012	\$ 203,320	\$ 239,921
Debt Service - (net of Rebates)	\$ 73,146	\$ 166,992	\$ 67,136	\$ 67,136	\$ 154,587	\$ 84,062	\$ 97,637	\$ 102,518
<b>Total Expenditures</b>	\$ 577,028	\$ 622,378	\$ 703,322	\$ 703,853	\$ 803,940	\$ 698,316	\$ 664,327	\$ 723,211
<b>Expenditures offsets for deduction</b>								
Contributions in Aid of Construction	\$ 16,550	\$ 15,382	\$ 13,240	\$ 13,240	\$ 12,136	\$ 11,033	\$ 11,033	\$ 15,000
Sales to Power Purchasers at Cost	\$ 19,125	\$ 27,813	\$ 34,327	\$ 34,364	\$ 22,648	\$ 19,528	\$ 20,150	\$ 20,894
Net Power (+ Expense, -Revenue)	\$ 229,133	\$ 279,812	\$ 235,820	\$ 235,820	\$ 190,866	\$ 61,566	\$ 47,950	\$ (7,954)
Total Expenditures Offset	\$ 264,808	\$ 323,006	\$ 283,387	\$ 283,424	\$ 225,650	\$ 92,128	\$ 79,133	\$ 27,941
<b>Total Budgeted Expenditures</b>	\$ 312,220	\$ 299,371	\$ 419,934	\$ 420,429	\$ 578,290	\$ 606,188	\$ 585,194	\$ 695,270

### Expenditures offsets for deduction

- **CIAC** – Decrease of (-\$1.2M) to 2025 budget
- **Sales to Power Purchasers** – Increase of (+\$8.7M)

**\*Note:** The 2025 debt service figure includes the defeasance of two short-term debt issuances totaling \$96.5 million. In 2027, debt service reflects a \$90 million bullet payment, with amounts through 2026 including cash contributions to the sinking fund established to fund this payment.

# January 2026 Financial Report

## Combined Financial Results

Exhibit B - \$ in thousands									
CONSOLIDATED OPERATIONAL PERFORMANCE	Budget	Forecast	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2025	2025	2026	2026	2027	2028	2029	2030	
Sales to Power Purchasers at Cost	\$ 19,125	\$ 27,813	\$ 34,327	\$ 34,364	\$ 22,648	\$ 19,528	\$ 20,150	\$ 20,894	
Retail Energy Sales	\$ 324,494	\$ 294,194	\$ 314,449	\$ 314,449	\$ 353,003	\$ 417,137	\$ 457,042	\$ 498,205	
Net Power (Net Wholesale + Other Power Revenue)	\$ 229,133	\$ 279,812	\$ 235,820	\$ 235,820	\$ 190,866	\$ 61,566	\$ 47,950	\$ (7,954)	
Fiber Optic Network Sales	\$ 13,793	\$ 16,404	\$ 14,069	\$ 14,069	\$ 14,350	\$ 14,637	\$ 14,930	\$ 15,229	
Other Revenues	\$ 3,023	\$ 3,205	\$ 4,051	\$ 4,051	\$ 4,071	\$ 4,092	\$ 4,114	\$ 4,136	
Operating Expenses	\$ (236,487)	\$ (211,301)	\$ (264,034)	\$ (265,015)	\$ (294,604)	\$ (321,794)	\$ (337,436)	\$ (354,320)	
Taxes	\$ (24,048)	\$ (23,385)	\$ (24,505)	\$ (24,505)	\$ (24,972)	\$ (25,448)	\$ (25,933)	\$ (26,452)	
<b>Net Operating Income (Loss) Before Depreciation</b>	<b>\$ 329,034</b>	<b>\$ 386,743</b>	<b>\$ 314,177</b>	<b>\$ 313,232</b>	<b>\$ 265,362</b>	<b>\$ 169,719</b>	<b>\$ 180,817</b>	<b>\$ 149,738</b>	
Depreciation and amortization	\$ (101,742)	\$ (93,861)	\$ (90,258)	\$ (90,258)	\$ (95,979)	\$ (101,615)	\$ (110,568)	\$ (120,495)	
<b>Net Operating Income (Loss)</b>	<b>\$ 227,292</b>	<b>\$ 292,881</b>	<b>\$ 223,919</b>	<b>\$ 222,974</b>	<b>\$ 169,383</b>	<b>\$ 68,104</b>	<b>\$ 70,249</b>	<b>\$ 29,242</b>	
Interest, debt and other income	\$ (6,027)	\$ 19,615	\$ 10,693	\$ 12,684	\$ 9,810	\$ 4,182	\$ (1,502)	\$ (4,420)	
CIAC	\$ 16,550	\$ 15,382	\$ 13,240	\$ 13,240	\$ 12,136	\$ 11,033	\$ 11,033	\$ 15,000	
<b>Change in Net Position</b>	<b>\$ 237,815</b>	<b>\$ 327,878</b>	<b>\$ 247,852</b>	<b>\$ 248,898</b>	<b>\$ 191,328</b>	<b>\$ 83,319</b>	<b>\$ 79,779</b>	<b>\$ 39,822</b>	

### Net Operating Income (before depreciation)

- Favorable impact of +\$57.7M vs the original 2025 Budget forecast.

### Net Power

- Climate Commitment Act Auction results included in 2025 actuals were removed from the current Forecast to align with the expected regulatory accounting impacts to the income statement at year end. Wholesale revenue for 2025 in turn were reduced \$118M.

### Interest, debt and other income

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

# January 2026 Financial Report

## Combined Financial Results

Financial Metrics	Target	Budget		Forecast		Budget		Forecast		Forecast		Forecast		Forecast	
		2025	2025	2025	2026	2026	2026	2026	2027	2028	2029	2029	2030	2030	
<b>Net Position</b>		\$ 237,815	\$ 327,878	\$ 247,852	\$ 248,898	\$ 191,328	\$ 83,319	\$ 79,779	\$ 39,822						
<b>Liquidity</b>															
Elect System Liquidity (Rev + R&C)	\$215 M	\$ 397,594	\$ 363,629	\$ 251,308	\$ 268,845	\$ 265,137	\$ 365,773	\$ 346,540	\$ 334,653						
Days Cash On Hand	> 250	474	581	332	342	256	367	325	282						
<b>Leverage</b>															
Consolidated DSC	>1.8x	4.76	3.74	5.44	5.46	4.99	3.93	3.60	3.34						
Consolidated Debt/Plant Ratio	<= 60%	38%	34%	30%	30%	27%	32%	30%	27%						
<b>Profitability</b>															
Consolidated Return on Net Assets	>4%	8.8%	12.1%	8.3%	8.3%	5.9%	2.4%	2.2%	1.1%						
Retail Operating Ratio	<=100%	110%	134%	128%	129%	146%	109%	105%	103%						
<b>Forecasted Debt</b>															
Electric										\$ 170,000					
PRP										\$ 125,000	\$ 97,000	\$ 115,000			
JLB										\$ 120,000					

## Dashboard - Financial Metrics/Performance

		2025	2026	2027	2028	2029	2030
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	-	-	-	-	-	-

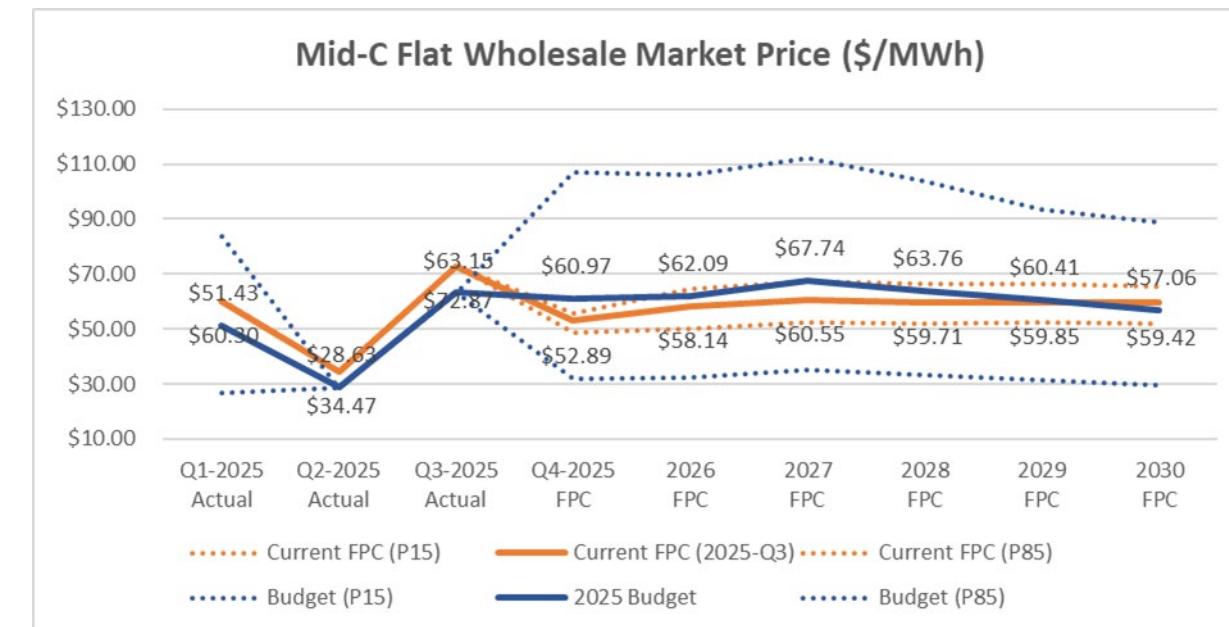
### Electric System Liquidity

- Forecasted 2025 DSC includes the defeasance of ES short term debt which incurred at year end totaling \$96.5M.
- Electric System Liquidity Target updated at Q3 to \$215M
- Climate Commitment Act (CCA) Allowance Fund: \$217M (not included in liquidity balance)

# Wholesale Price Volatility

## Forward Price Curve (FPC) Comparison

- 2025 YTD Average Actual Prices were above the Budget FPC
  - +\$8.14 or 17.1%
- Balance of Year Average Prices were below the Budget FPC
  - -\$8.08 or -13.3%
- 2026 through 2030 shows decreased pricing pressure
  - Avg -\$2.68 or -4.3%



# 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 - Example			
<i>\$'s in Billions</i>					
Assets	Book Value	Assets	Book Value	FMV Organization Multiplier*** = 1.86	Est FMV
Distribution	\$ 0.9	Distribution	\$ 0.9		\$ 1.3
Production	\$ 1.7	Production	\$ 1.7		\$ 2.5
Net Plant**	\$2.6	Net Plant**	\$2.6	Calculated Net Plant Multiplier = 1.5x	\$3.9
Liabilities		Liabilities			
Debt	\$1.1	Debt	\$1.1	1.0	\$1.1
Metric -		Metric -			
Debt to Net Plant	41%	Debt to Net Plant	41%		27%

\* Cap Asset Per 12/31/2024 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 2025-Q3)

**Current Debt to Net Plant FMV = 27%**

- Based on FMV Organization Multiplier of 1.5.

# Financial Takeaways – Key Drivers

## Current Year (2025)

Grant PUD's current forecast continues to reflect a strong financial position, with moderate increase from 2025 Q3 due to changes in forecasted Net Power Revenue and Operating Expenses. The Change in Net Position for 2025 is now projected at \$327.9 million, an increase of \$15.0 million (+4.8%) from 2025 Q3. Results remain ahead of budget, supported by solid wholesale performance, favorable investment earnings, and prudent cost management.

Retail Energy Sales were revised down by \$0.35 million (–0.12%), reflecting a slower pace of load buildout and evolving customer usage patterns that continue to trend below earlier forecasts. Operating Expenses (O&M) were reduced \$10.5 million (–4.7%), primarily due to timing adjustments in planned project activity and departmental spending.

Interest income remains favorable relative to budget, up roughly \$9.6 million, driven by higher investment balances and interest rates holding higher for longer. The District's debt management strategy remains on course, having executed defeasance of two short-term Electric System debt series totaling \$96.5 million.

## Out Years (2026–2030)

The long-term financial outlook has modestly increased from 2025 Q3, reflecting lower projected operating expenses and increased interest, debt and other income. The Change in Net Position for 2026–2030 now averages \$128.6 million, a \$2.6 million annual average increase (+2.1%) from the prior forecast.

Bottom line: The current January forecast is moderately positive compared to the prior forecast. Grant PUD remains financially strong, with long-term sustainability driven through continued fiscal discipline, rate strategy, and careful management of power market and regulatory dynamics.



## NON-LABOR

YEAR-TO-DATE			
BUDGET	ACTUALS	VARIANCE	VAR %
\$72,932K	\$57,331K	(\$15,600K)	-21.4%

## LABOR

YEAR-TO-DATE			
BUDGET	ACTUALS	VARIANCE	VAR %
\$109,403K	\$106,352K	(\$3,051K)	-2.8%

## YEAR-END PROJECTION

YEAR-END PROJECTION			
BUDGET	ACTLS/YEP	VARIANCE	VAR %
\$82,118K	\$70,088K	(\$12,030K)	-14.6%

## YEAR-END PROJECTION

YEAR-END PROJECTION			
BUDGET	ACTLS/YEP	VARIANCE	VAR %
\$120,046K	\$116,899K	(\$3,146K)	-2.6%



Cost Category Type	Total Budget	Total YEP	Variance	Var %
Labor	\$120,045,528	\$116,899,258	(\$3,146,271)	-2.6%
Purchased Services	\$42,725,622	\$34,174,581	(\$8,551,041)	-20.0%
G&A	\$13,369,341	\$12,666,408	(\$702,933)	-5.3%
Operating Materials & Equipment	\$11,511,891	\$11,469,790	(\$42,101)	-0.4%
Risk	\$5,542,109	\$4,974,215	(\$567,894)	-10.2%
IT	\$6,107,799	\$3,689,821	(\$2,417,978)	-39.6%
Transportation	\$1,831,575	\$1,953,039	\$121,465	6.6%
Utilities	\$1,029,918	\$1,160,173	\$130,256	12.6%

## Current Year Metrics

 CAP Approved Spend  
**\$242M**

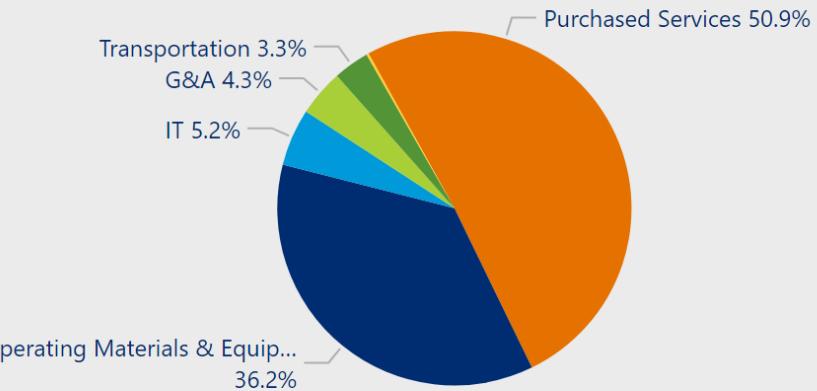
 CAP District Budget  
**\$226M**

 CAP Directs  
**\$121M**

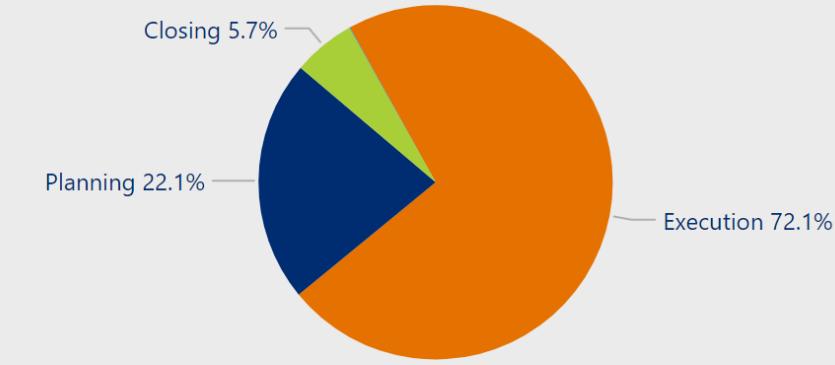
 CAP YEP  
**\$183M**

 CAP VAR  
**(\$59M)**

## Amount + Tax by Cost Category Type



## Amount + Tax by Phase



## Total Capital Portfolio (Direct Capital)

Portfolio	CAP YTD Actuals	CAP Approved Spend	CAP Year End Projection	CY Approved Spend Var	CAP CY Variance %
Fiber	\$5,795,217	\$7,430,208	\$6,452,170	(\$978,038)	-0.4%
IS/Facilities	\$17,794,942	\$46,322,886	\$31,694,110	(\$14,628,776)	-6.5%
Other	\$13,472	\$1,920,607	\$13,472	(\$1,907,134)	-0.8%
Power Delivery	\$60,798,806	\$114,716,352	\$84,756,283	(\$29,960,068)	-13.3%
Power Production	\$31,258,661	\$61,716,147	\$52,961,158	(\$8,754,989)	-3.9%
Technology	\$5,789,132	\$9,845,062	\$6,775,041	(\$3,070,021)	-1.4%
<b>Total</b>	<b>\$121,450,231</b>	<b>\$241,951,262</b>	<b>\$182,652,235</b>	<b>(\$59,299,026)</b>	<b>-26.2%</b>

# Questions?



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# Thank you!



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