

2022 BUDGET PRESENTATION

OUR PLAN FOR DELIVERING VALUE TO OUR CUSTOMERS



Powering our way of life.

Topics Covered



Budget Initiatives &
Process



Strategic Initiatives



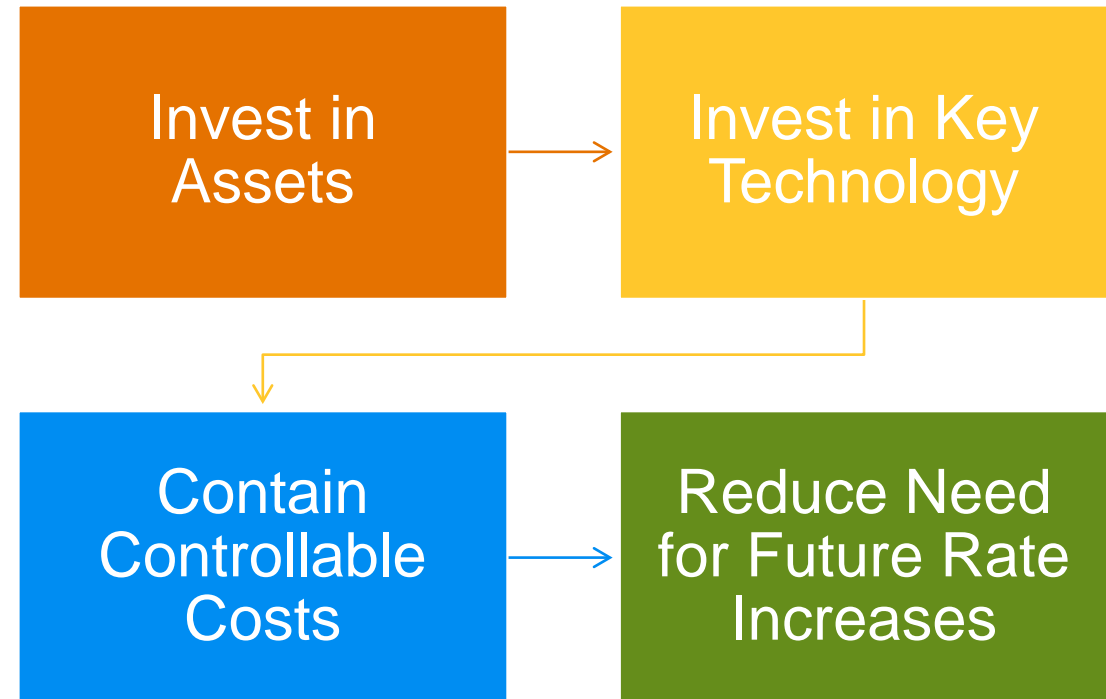
Summary of Results



Appendices

Keys for the Budget & Planning Process

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



01

Major Budget Initiatives & Budget Process



Major Budget Initiatives & Process

2022 Budget aligned with customers' top priorities:

- Provide reliable electric power with few outages.
- Good customer service.
- Provide real-time information and communication on energy, use and outages.
- Keeping electricity prices as low as possible.

Source: 2019 Customer Satisfaction Survey

Major Budget Initiatives & Process

Major 2022 Budget Initiatives:

1. Grant PUD's financial position
2. Expansion of data optimization – continuation of a multi-year process
 - Inclusion of “Asset-Type”
3. Expansion of detailed project data for the 2022 Capital Plan
 - Monthly granularity and “Cost Category-Type”
4. Introduction of the “Business Case” process to identify Strategic Initiatives
5. Detailed budget data available for review

Major Budget Initiatives & Process

2022 Budget Process:

1. Round 1 – Business Unit Focus
 - Bottom-up input from all business units (BU) for O&M and Labor
 - Need for business cases identified
 - CXO review with BUs (2 day process)
 - Initial screening of business cases by FP&A and review with CXOs
2. Round 2 – Strategic Focus
 - Establish Capital spending expectation
 - Refinement of O&M and Labor with BUs
 - CXO evaluation/selection of the most valuable / highest priority business cases
3. Round 3 – Commission and Public Review
 - Commission review and public outreach
 - Budget adoption

Major Budget Initiatives & Process

2022 Budget Timeline:

Task	PARTICIPANTS	START	END	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
PLANNING		1/22/21	5/31/21												
Pre Kick-Off Meeting	CXOs, FP&A	1/22/21	5/27/21												
Kick-Off Meeting	BU SMEs, BU Mgrs, CXOs, FP&A	5/28/21	5/28/21												
Distribution of Info and Materials	BU SMEs, BU Mgrs, CXOs, FP&A	5/28/21	5/28/21												
ROUND 1		6/1/21	7/29/21												
BUs prepare O&M and Labor Plans, Biz Cases	BU SMEs, BU Mgrs, FP&A	6/1/21	6/29/21												
Office Hours, Four 2-hr sessions	BU SMEs, BU Mgrs, FP&A	6/10/21	6/29/21												
Collect/Process of O&M, Labor and Biz Cases	BU SMEs, BU Mgrs, FP&A	6/29/21	7/12/21												
CXOs and BUs review and edit processed info	CXOs, BU Mgrs, BU SMEs	7/13/21	7/21/21												
Collect/Process Non-Op Rev/Exp/Inputs, Fin Fx and CXO docs	Acctg, Trsry, Rates, Risk, WS, FP&A	6/8/21	7/27/21												
Round 1 CXO meetings -> Finalize Round 1	CXOs, Sr Mgrs, FP&A, EPPM	7/28/21	7/29/21												
ROUND 2		7/30/21	9/7/21												
Distribution of Info and Materials	FP&A	7/30/21	7/30/21												
BUs refine O&M and Labor Plans, Business Cases	BU SMEs, BU Mgrs, FP&A	7/30/21	8/17/21												
Capital Project Processing and Review	CXOs, BU Mgrs, EPPM	8/1/21	8/25/21												
Collect/Process of O&M, Labor, Biz Cases, Fin Fx, CXO docs	BU SMEs, BU Mgrs, FP&A	8/17/21	8/31/21												
Round 2 CXO Meetings -> Finalize Round 2	CXOs, Sr Mgrs, FP&A, EPPM	9/1/21	9/7/21												
ROUND 3		9/8/21	12/17/21												
Prepare and Review Materials for Commission/Public Review	FP&A, CXOs, Commission	9/8/21	10/11/21												
Public Meetings	Commission, CXOs, FP&A	10/12/21	10/14/21												
Budget Adopted	Commission	11/9/21	11/9/21												
Budget Upload to ODS	Acctg, FP&A	11/9/21	12/17/21												

02

Strategic Initiatives Overview



Strategic Initiatives Overview:

Hydro Generation Management

Organization:

Wanapum Dam, Priest Rapids Dam and Wanapum Maintenance Center reporting to Senior Manager of Hydro Generation.

Defined:

Hydro Generation is responsible for safely, efficiently and reliably generating power with Grant PUD's 4 hydro generation projects.

Vision:

Every employee understands how the work they do to generate power contributes to providing customer value and are motivated to improve on that value while keeping risks to an acceptable level.

Results:

- Increase in Net Wholesale benefit
 - This serves as a financial offset for both Budget performance and Operational performance
- Reducing risk around safety, compliance, and operations
- Enhancing benefit-to-risk profile through efficiency

Strategic Initiatives Overview:

Asset Management

Organization:

Power Delivery Asset Management, Power Production Asset Management

Defined:

Asset Management is the coordinated activity of the organization to realize the most value from our assets.

Vision:

Grant PUD will clearly understand how asset activities (Install, inspect, maintain, refurbish, replace, dispose) impact our corporate objectives.

Results:

- Better asset data for increased confidence in **decision making**.
- **Ability to measure** the results of asset decisions and demonstrate the outcome.
- Ensuring **value for our customers** today and for the next generation.

Strategic Initiatives Overview:

Long Range Resource Planning

Organization:

Long range resource planning will be placed in the Wholesale Marketing and Supply team and will work closely with Risk, Financial Planning and Analysis, Power Production and Power Delivery.

Defined:

- Long range resource planning will focus on longer term (3–10 years) decisions on load and resource balancing. This is an area in the past that has not been a large priority at Grant due future requirements vs resources from the Priest Rapids Project. This has changed as Grant PUD's load has grown over the past 15 years.
- The latest Integrated Resource Plan indicated that Grant PUD will need seasonal capacity by as early as 2026, and yearly capacity and energy by 2028. Long range resource planning will focus on the evaluation of future alternatives including new generation build(s), Power Purchasing Agreements (PPA), demand side response, and distributed generation to meet this need.

Vision:

Lead the development of better planning and analysis on long range load and resource balancing.

Results:

- Improved assessment of Grant PUD's future capacity and energy requirements.
- Improved planning strategy to inform the acquisition of power resources that deliver customer value through long term reliable service, and competitive, stable, and predictable pricing.

Strategic Initiatives Overview:

Enterprise Technology (2022)

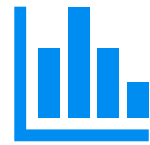
Organization: Software Engineering & Architecture, Network Engineering & Telecom, Service Desk, Platform Operations, Enterprise Applications

Key 2022 Results & Starts:

- **GEN2 Go-Live.** 2-year effort to modernize our Electric Distribution and Fiber system design and as-built tracking environment with world-class ESRI Geographic Information System (GIS) based tools for the office and field. Enables engineering and field workers to access the designs in real-time and provide markup in the field.
- **EMS Kick-off.** 2-year effort to replace our Energy Management System (EMS). A new EMS will support planned changes in the District's operating paradigms and open the opportunities to utilize more standardized core functions of an EMS system including Automatic Generation Control (AGC).
- **Mobile Workforce Management Go-Live.** 9-month effort to deploy best in class mobile tools for coordinating and tracking field service work in Power Delivery with full integration between Customer Service and Power Delivery Crews for real-time assignment and update on field activities.
- **Technology Infrastructure Modernization Go-Live** for Hyper-converged Data Center Infrastructure, Optical Backbone Core, Cyber Infrastructure, Business Ethernet Network and related tools for monitoring/alerting/configuration management. Provides a high performance, scalable, reliable and cost-efficient environment for the foreseeable future.
- **Finance & Supply Chain Modernization Kick-off.** This will be a multi-year effort to replace our Microsoft Great Plains legacy finance solution and add Inventory/Warehouse/Supply Chain management.

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Summary of Results



Total expenses for 2022 (before offsets)

All figures in Millions		2019 Actual	2020 Actual	2021 Budget	2021 YEP	2022 Budget
Operations & Maintenance – Total:		\$126.4	\$134.7	\$143.6	\$154.6	\$156.9
	Electric System O&M – Total:	\$52.2	\$55.7	\$59.4	\$64.1	\$66.9
	Electric System O&M – Direct:	*	*	\$22.4	\$22.2	\$23.9
	Electric System O&M – Labor:	*	*	\$37.0	\$41.9	\$43.1
Priest Rapids Project O&M – Total:		\$74.2	\$79.0	\$84.1	\$90.5	\$89.9
	PRP O&M – Direct:	*	*	\$39.5	\$39.4	\$40.0
	PRP O&M – Labor:	*	*	\$44.6	\$51.1	\$50.0
Taxes:		\$17.9	\$17.7	\$18.1	\$19.3	\$19.5

*Historical breakout not available

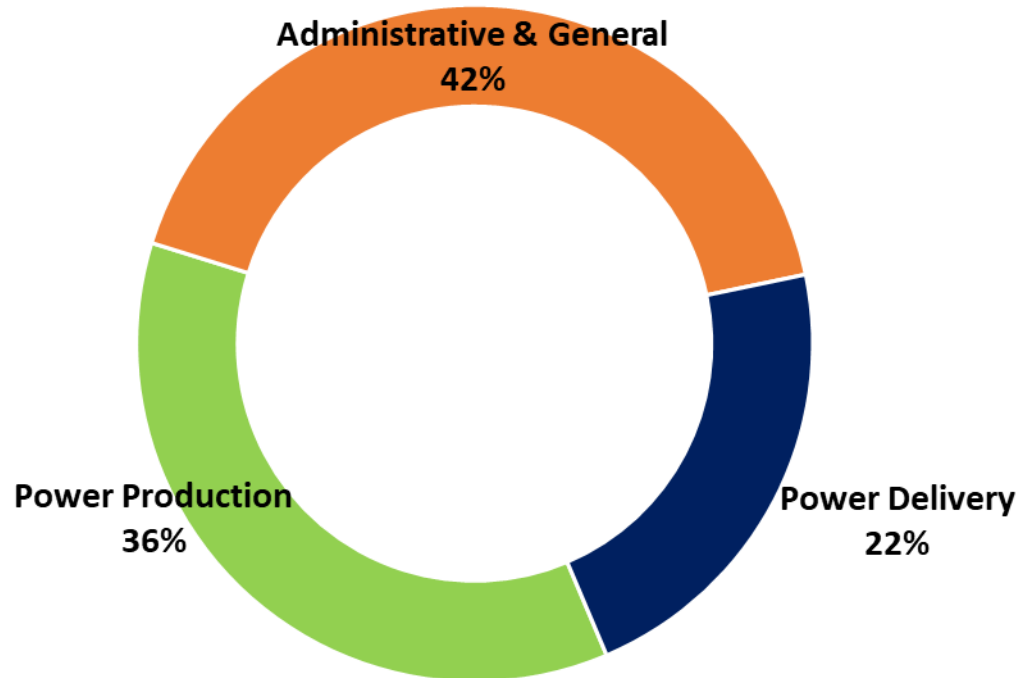
Total expenses for 2022 (before offsets) – Cont.

All figures in Millions	2019 Actual	2020 Actual	2021 Budget	2021 YEP	2022 Budget
Capital – Total:	\$123.7	\$122.5	\$143.3	\$139.6	\$145.4
Electric System Capital – Total:	\$57.2	\$74.4	\$73.7	\$88.2	\$90.1
Electric System Capital – Direct:	*	*	\$60.7	\$78.8	\$78.6
Electric System Capital – Labor:	*	*	\$13.0	\$9.4	\$11.5
Priest Rapids Project Capital – Total:	\$66.5	\$48.1	\$69.7	\$51.4	\$55.3
PRP Capital – Direct:	*	*	\$52.4	\$41.3	\$42.0
PRP Capital – Labor:	*	*	\$17.2	\$10.1	\$13.4
Debt Service (net of rebates):	\$87.8	\$72.9	\$75.6	\$74.5	\$75.7
TOTAL EXPENSES (before offsets):	\$356.9	\$356.9	\$380.6	\$387.9	\$397.5

*Historical breakout not available

Operations and Maintenance Expense

2022 O&M by Functional Organization

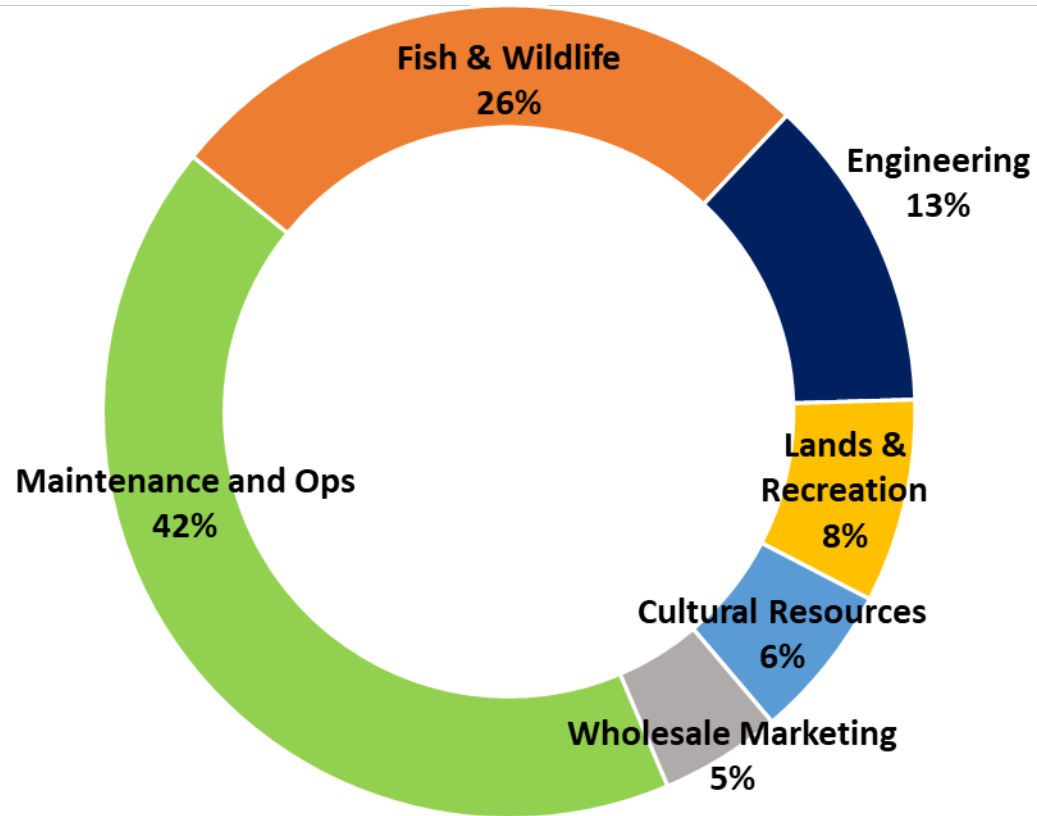


Cost Type	2022
Labor	\$93.1
Purchased Services	\$34.5
General & Administration	\$10.5
Operating Materials and Equipment	\$7.7
Information Technology	\$6.0
Risk	\$3.0
Transportation	\$2.2
Total	\$156.9

*All figures in millions; non-operational adjustment allocations estimated
Purchased Services includes utilities*

- Operations and maintenance (O&M) expense includes both labor and operating expenses, net of labor to capital.
- Total 2022 O&M of \$156.9M can be reviewed programmatically in three categories.

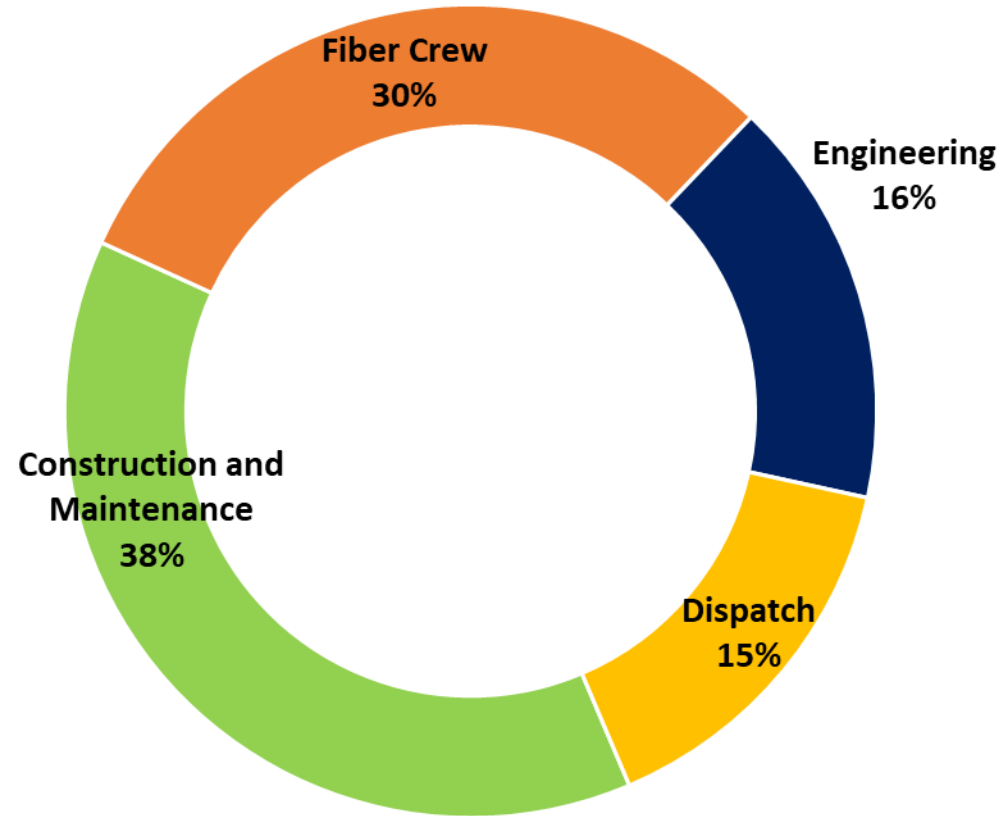
2022 Power Production O&M



Cost Type	2022
Labor	\$32.1
Purchased Services	\$15.5
General & Administration	\$6.2
Operating Materials and Equipment	\$2.6
Information Technology	\$0.1
Risk	\$0.0
Transportation	\$0.1
Total	\$56.6

*All figures in millions; non-operational adjustment allocations estimated
Purchased Services includes utilities*

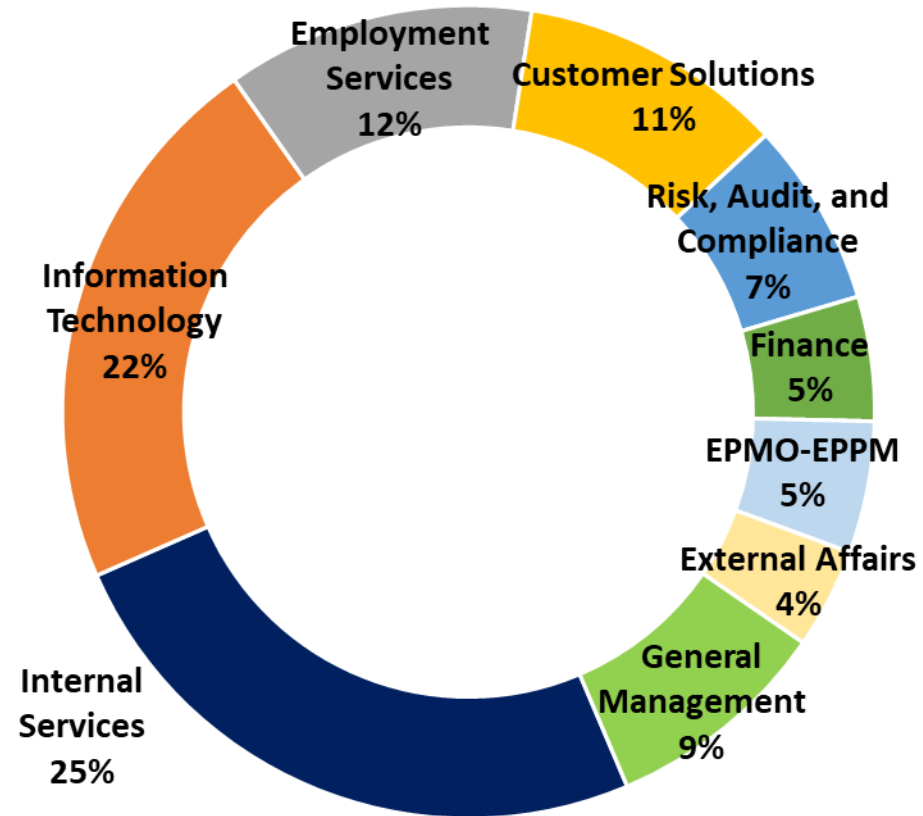
2022 Power Delivery O&M



Cost Type	2022
Labor	\$26.6
Purchased Services	\$3.5
General & Administration	\$0.5
Operating Materials and Equipment	\$3.7
Information Technology	\$0.1
Risk	\$0.0
Transportation	\$0.0
Total	\$34.3

*All figures in millions; non-operational adjustment allocations estimated
Purchased Services includes utilities*

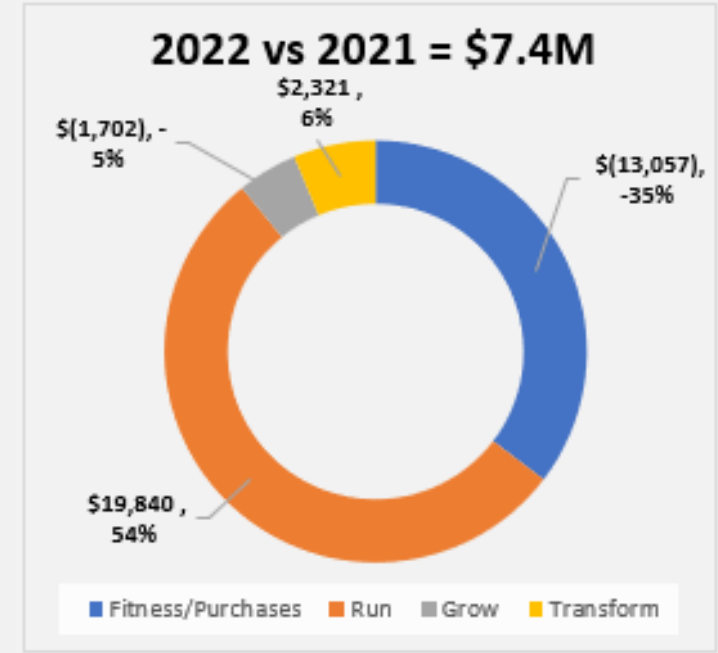
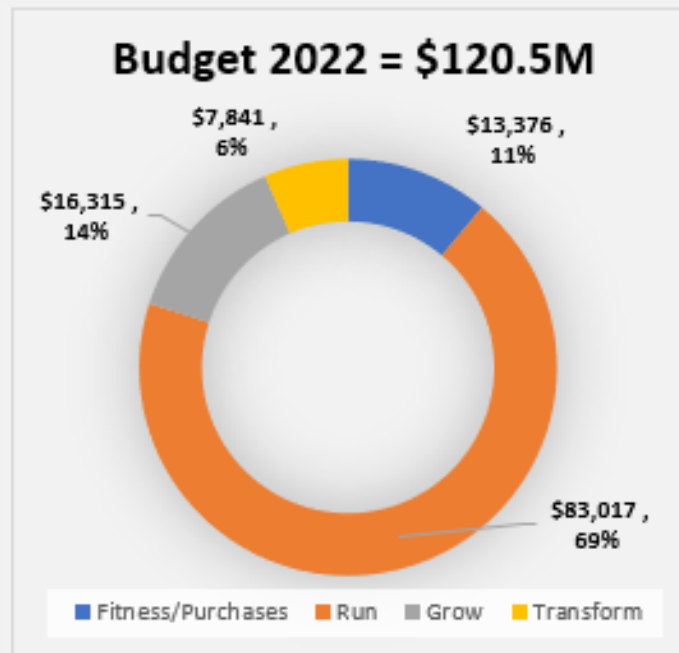
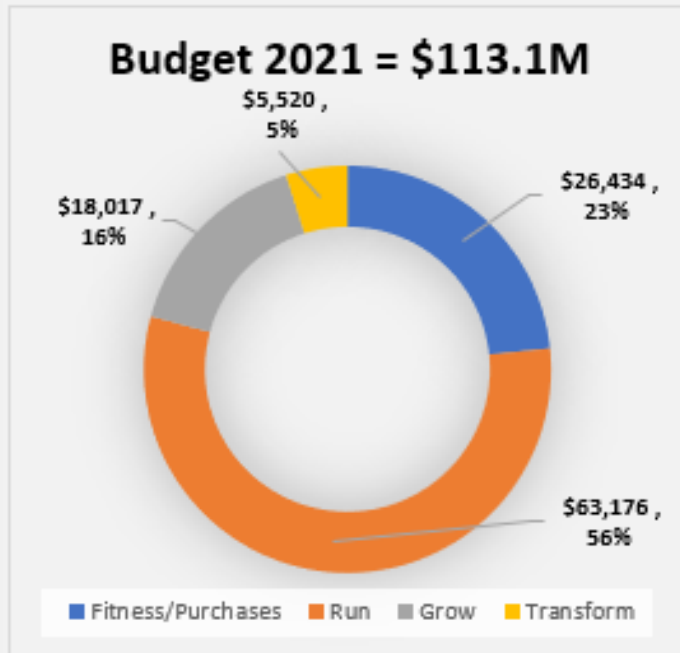
2022 Administrative & General O&M



Cost Type	2022
Labor	\$34.5
Purchased Services	\$15.6
General & Administration	\$3.8
Operating Materials and Equipment	\$1.4
Information Technology	\$5.8
Risk	\$3.0
Transportation	\$2.0
Total	\$66.1

*All figures in millions; non-operational adjustment allocations estimated
Purchased Services includes utilities*

2022 Consolidated Capital Plan



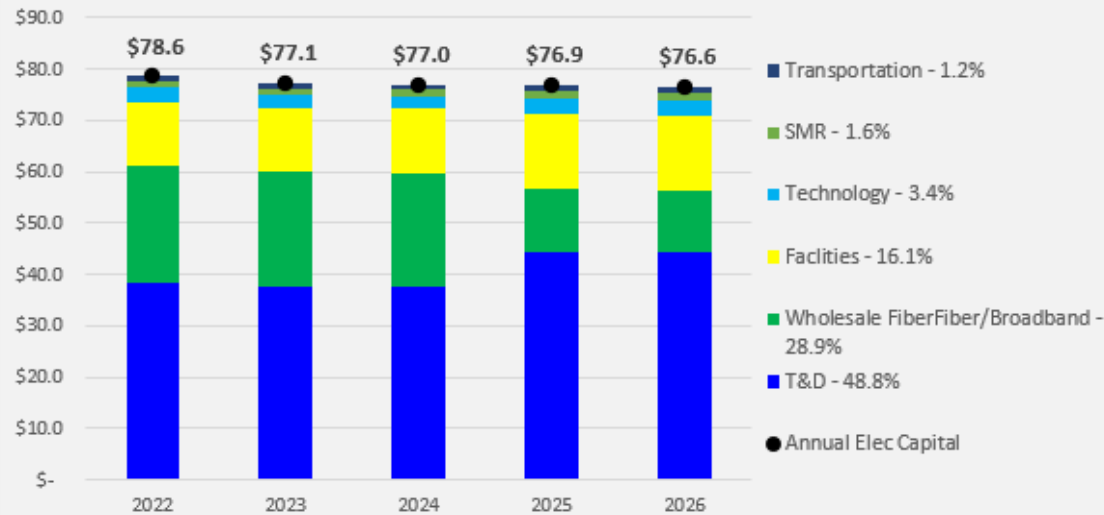
Note: Costs exclude Internal Labor

\$121 Million in 2022

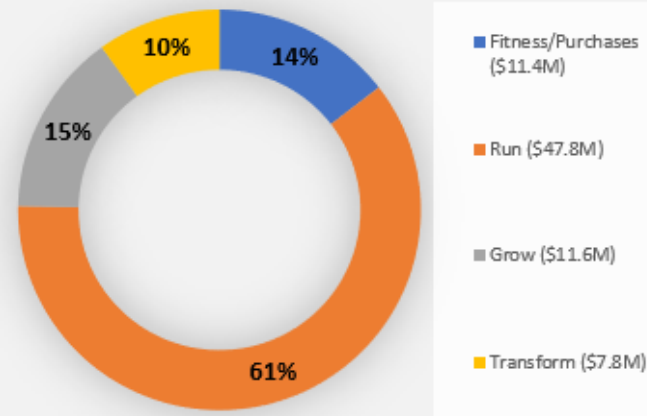
- RUN + Fitness/Purchases (Operate & Maintain): Power Production = \$31.0M (32%) , Power Delivery = \$28.8M (30%), IS/Facilities = \$16.1M (17%), Enterprise Technology = \$1.7M (3%), Fiber/Other = \$18.7M (19%)
- GROW (Enhance & Expand): Power Production = \$4.5M (28%), Power Delivery = \$4.8M (30%), IS/Facilities = \$2.6M (16%), Enterprise Technology = \$0.3M (2%), Fiber/Other = \$4.0 (24%)
- TRANSFORM (Innovate & Drive): Power Production = \$1.3M (16%), Power Delivery = \$6.5M (83%), IS/Facilities = \$0 (0%), Enterprise Technology = \$0 (0%), Fiber/Other = \$0 (0%)

2022 Electric System Capital Plan

Expected ELEC Capital (2022 Dollars, \$M)



Electric System Budget 2022 = \$78.6M



Fiber System

- Included in the Electric system capital plan

Fiber Expansion Project

- 2022-2024 = +\$40.0M

Broadband Customer Connects

- 2022-2026 = +\$25.4M

Electric System Expansion

- Retail growth is significant in Grant County
- To meet this growth, there are:
 - 2 large system expansions: Design Build 2 (DB2) and the Quincy Transmission Expansion Project (QTEP), and
 - 2 customer engagement functions, Large Power Solutions (LPS) and Transmission Interconnections (IQ)

Electric System Capital Plan Characteristics

Concentration of Projects %

- In 2022, 10 projects represent +70% of expected spend of \$79M.

- From 2022-2026, the "Notable" 5 projects represent 22% of expected spend of \$386M.

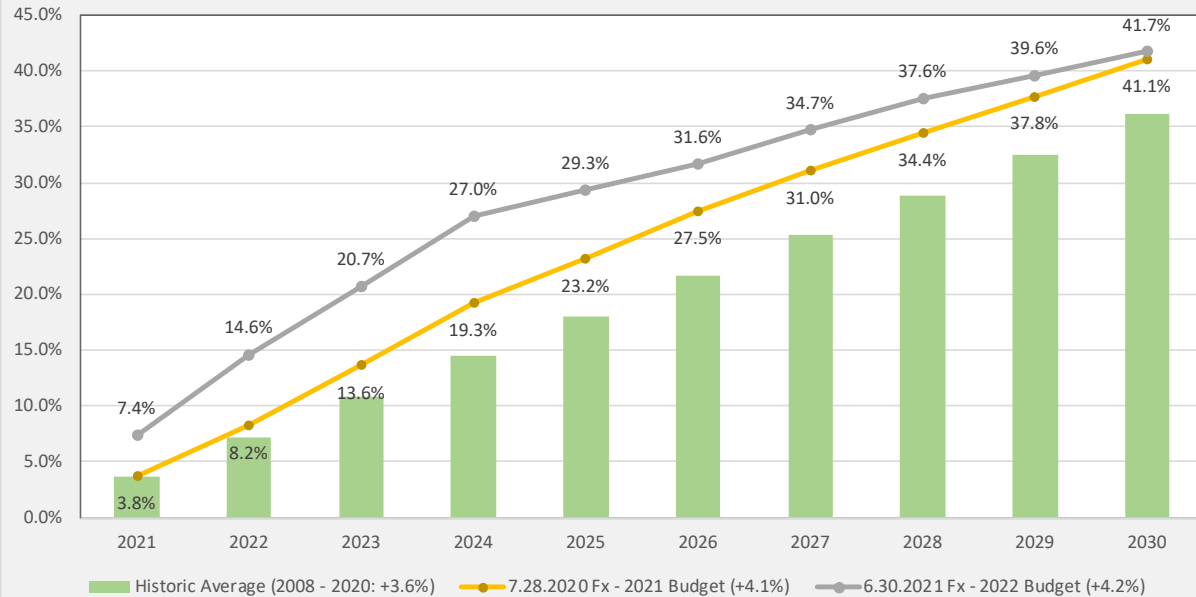
Notable Forecasted Projects

- 1- QTEP WAN MT View 230kV Line: 2022-2026 = \$33.6M
 - 2- QTEP Monument Hill: 2022-2026 = \$15.6M
 - 3- Distribution Feeder Lines: 2022-2026 = \$13.6M
 - 4- QTEP Segment COL RF LAR 230 kV: 2022-2026 = \$12.7M
 - 5- Customer Line Extensions: 2022-2026 = \$10.5M
- DB2: 2022-2026 = \$18.8M [Project Dollars = \$34.0M]
 QTEP: 2022-2026 = \$77.3M [Project Dollars = \$111.4M]
 LPS: 2022-2026 = \$5.8M [Project Dollars = \$37.3M]
 IQ: 2022-2026 = \$13.9M [Project Dollars = \$69.7M]

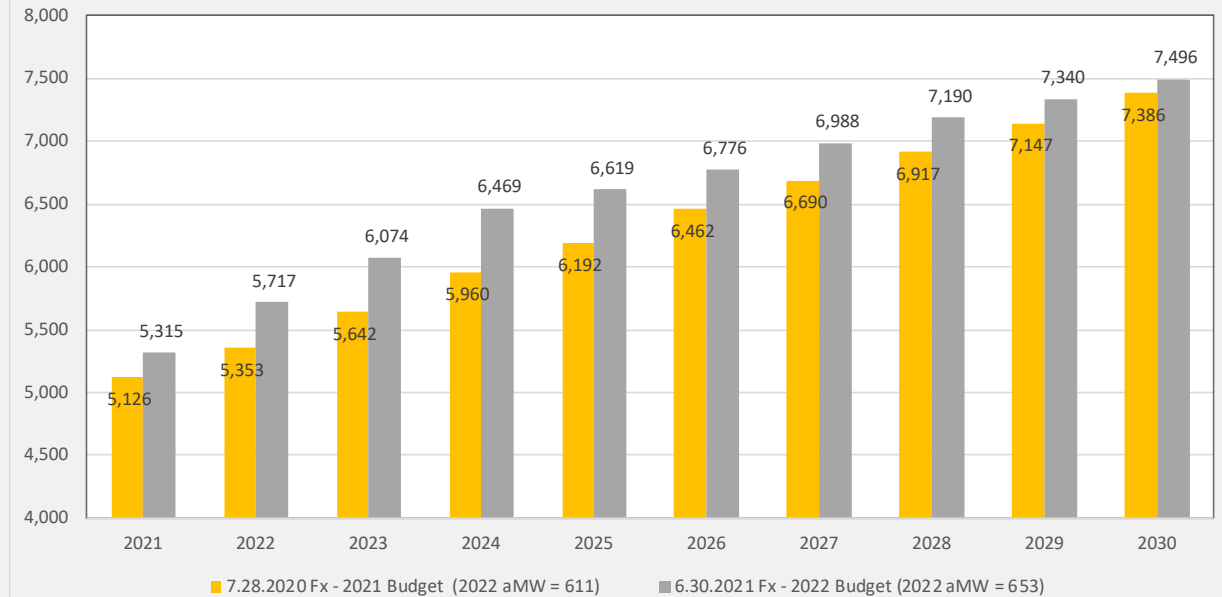
Note: Costs exclude Internal Labor

2022 Electric System Capital Plan – Load Growth

2022 Retail Sales Forecast - Growth Rate %



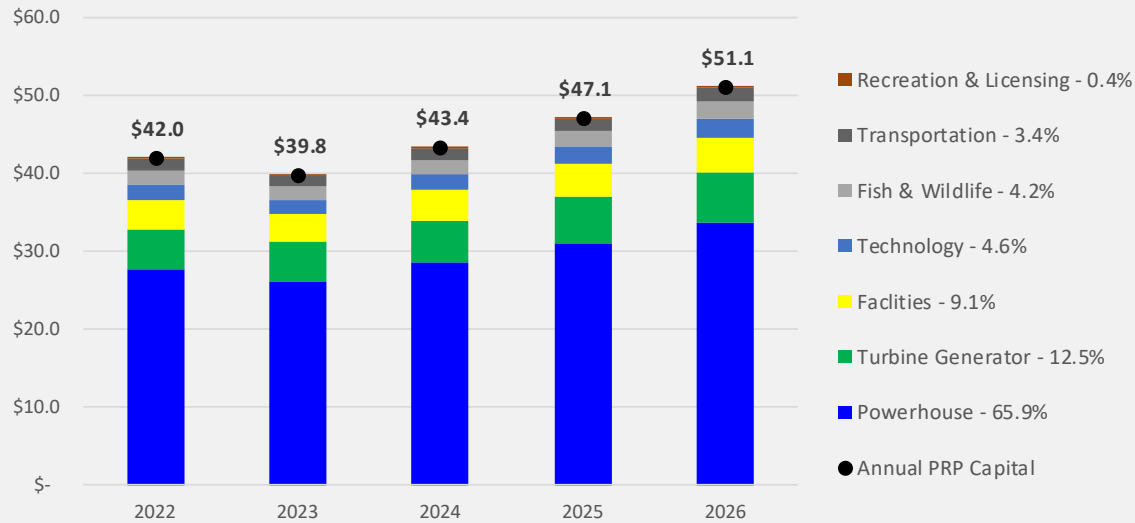
2022 Retail Sales Forecast - GWh



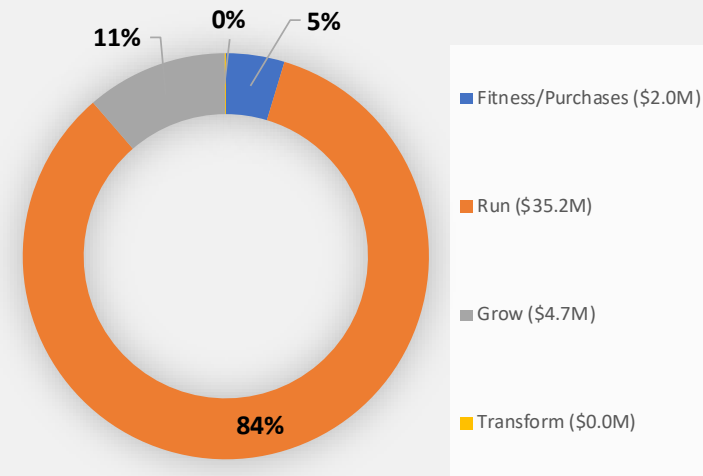
- Forecast over Forecast, for the current year through 2030, load growth rates increase by 0.8%
 - The 2022 growth outpaces the previous forecast by 6.4%
 - By 2030 growth rates nearly intercept at ~+40%
 - 2022 Fx = 4.2% annual growth vs 2021 Fx = 4.1% annual growth
- Expected load growth continues to outpace the historical rate of 3.6%
 - The increasing growth rate is associated with new large customers

2022 Priest Rapids System Capital Plan

Expected PRP Capital (2022 Dollars, \$M)



PRP System Budget 2022 = \$42.0M



Capital allocation between systems

- For most of the recent history, the PRP system has dominated the allocation of capital work.
- This will be reversed for the foreseeable future.

Performance since Q1 2020

- The combination of high project concentration and pandemic's supply-chain impacts have been a drag on project delivery.
- Both the PR Turbine & Generator and the PR Embankment work was delayed in 2020

Priest Rapids Project System Capital Plan Characteristics

Concentration of Projects %

- In 2022, 5 projects represent +90% of expected spend of \$42M.
- From 2022-2026, the "Notable" 5 projects represent 70% of expected spend of \$223M.

Notable Forecasted Projects

- 1- PR Turbine Upgrade: 2022-2026 = \$76.2M
- 2- PR Embankment Improvements: 2022-2026 = \$51.9M
- 3- PR Generator Rewind: 2022-2026 = \$16.9M
- 4- PRP Station & Substation Replace: 2022-2026 = \$6.3M
- 5- Carlton Accl Facility Wells: 2022-2026 = \$2.9M

Note: Costs exclude Internal Labor

Expense Offsets for 2022 Budget

1. Contributions in Aid of Construction.....(\$8.3M)
(Money paid by customers to build infrastructure)
2. Sales to Power Purchasers at Cost.....(\$22.3M)
(As required by our Federal License)
3. Net Power (expenses minus revenue).....(\$81.5M)
(Net of market power purchases and sells)
4. Conservation Loans.....(\$0.1M)
(Money paid back from low-interest
conservation loans to customers)
5. Total Offsets(\$112.3M)
6. **Total Expenses after Offsets.....\$285.3M**

Preliminary Budget Summary – Total Expenditures

<i>Exhibit A - Summary of Budget Items</i>		Budget	Forecast					
<i>\$'s in thousands</i>		2021	2021	2022	2023	2024	2025	2026
TOTAL O&M		143,552	154,585	156,871	162,184	167,123	171,905	178,225
TAXES		18,098	19,318	19,531	20,032	20,832	21,224	21,619
ELECTRIC CAPITAL		73,676	88,177	90,096	89,174	89,363	89,794	89,894
PRP CAPITAL		69,657	51,380	55,348	53,604	57,536	61,625	65,930
DEBT SERVICE (net of rebates)		75,574	74,458	75,689	72,423	74,202	77,357	81,453
TOTAL EXPENDITURES		380,556	387,918	397,535	397,417	409,056	421,905	437,121
Expenditure offsets for deduction								
Contributions in Aid of Construction		(6,478)	(8,918)	(8,295)	(9,480)	(7,910)	(7,128)	(7,133)
Sales to Power Purchasers at Cost		(17,777)	(23,157)	(22,308)	(14,002)	(14,162)	(14,336)	(14,952)
Net Power (+ Expense, - Revenue)		(77,757)	(86,327)	(81,533)	(80,332)	(73,269)	(59,269)	(51,277)
Conservation Loans		(125)	(125)	(125)	(125)	(125)	(125)	(125)
TOTAL EXPENDITURE OFFSETS		(102,137)	(118,527)	(112,261)	(103,939)	(95,466)	(80,858)	(73,487)
TOTAL BUDGETED EXPENDITURES		278,419	269,391	285,274	293,478	313,590	341,048	363,634

Preliminary Budget Summary – Net Position

<i>Exhibit B - \$'s in thousands</i>		Budget	Forecast					
CONSOLIDATED OPERATIONAL PERFORMANCE		2021	2021	2022	2023	2024	2025	2026
Sales to Power Purchasers at Cost		17,777	23,157	22,308	14,002	14,162	14,336	14,952
Retail Energy Sales **		211,798	227,289	236,077	249,014	261,286	267,251	273,092
Net Power (Net Wholesale+Other Power Revenue)		77,757	86,327	81,533	80,332	73,269	59,269	51,277
Fiber Optic Network Sales		10,400	10,950	11,150	11,350	11,550	11,750	11,950
Other Revenues		1,453	1,057	2,354	2,354	2,354	2,354	2,354
Operating Expenses		(143,552)	(154,585)	(156,871)	(162,184)	(167,123)	(171,905)	(178,225)
Taxes		(18,098)	(19,318)	(19,531)	(20,032)	(20,832)	(21,224)	(21,619)
Net Operating Income(Loss) Before Depreciation		157,535	174,877	177,021	174,836	174,666	161,831	153,781
Depreciation and amortization		(76,092)	(75,857)	(75,086)	(77,259)	(79,705)	(82,551)	(86,454)
Net Operating Income (Loss)		81,443	99,020	101,935	97,577	94,961	79,280	67,326
Other Revenues (Expenses)								
Interest, debt and other income		(40,239)	(38,721)	(34,019)	(33,640)	(31,900)	(31,518)	(33,512)
CIAC		6,478	8,918	8,295	9,480	7,910	7,128	7,133
Change in Net Position		47,682	69,216	76,211	73,417	70,971	54,890	40,948

**Annual Rate
Adjustments
set at 0.1%
beginning 2022

Preliminary Budget Summary – Key Metrics

	Target	Budget 2021	Forecast 2021	2022	2023	2024	2025	2026
NET INCOME		47,682	69,216	76,211	73,417	70,971	54,890	40,948
LIQUIDITY (measured at year end)								
Elect System Liquidity (Rev + R&C)	\$105 MM	109,858	112,593	114,503	116,886	119,870	123,460	127,161
Excess Liquidity		102,660	48,923	25,459	387	149	179	207
Days Cash On Hand	> 250	412	324	344	284	280	280	278
LEVERAGE								
Consolidated DSC	>1.8x	2.10	2.37	2.40	2.36	2.44	2.23	2.05
Consolidated Debt/Plant Ratio	≤ 60%	52%	49.8%	46.9%	45.0%	44.4%	44.6%	45%
PROFITABILITY								
Consolidated Return on Net Assets	>4%	2.0%	3.0%	3.2%	3.0%	2.9%	2.2%	1.6%
Retail Operating Ratio	≤ 100%	116%	111%	108%	108%	106%	107%	109%

04

Appendix A - Scenarios

Events that could have a significant impact on budget



Operational Scenario Descriptions

6 Scenarios – Covering Wholesale Price impacts, Retail Sales, and Water Risk

- These are the large volatile parts of Grant PUD operations

Wholesale Prices – Scenarios that provide insight on Grant PUD's exposure to wholesale prices

- Specifically, buying/selling on the wholesale market when Grant's resources don't match requirements
 - 1) High wholesale prices (P85, prices only higher 15% of time)
 - 2) Low wholesales prices (P15, prices only lower 15% of time)

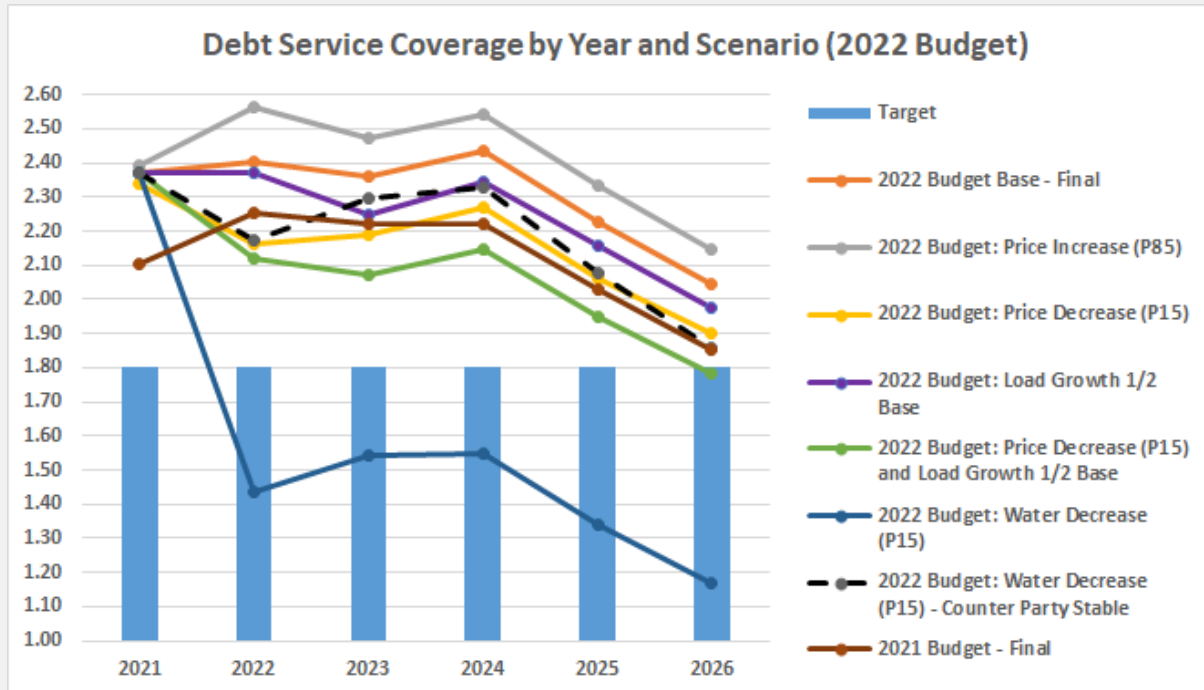
Retail Sales – Scenarios that show how Grant PUD's financial metrics respond when the growth of retail electricity sales to customers slows

- 3) Low load growth ($\frac{1}{2}$ growth rate of base forecast)
- 4) Low load growth combined with low wholesale prices (P15)

Water Risk – Scenarios that provide the impact of changing water conditions on the Columbia River

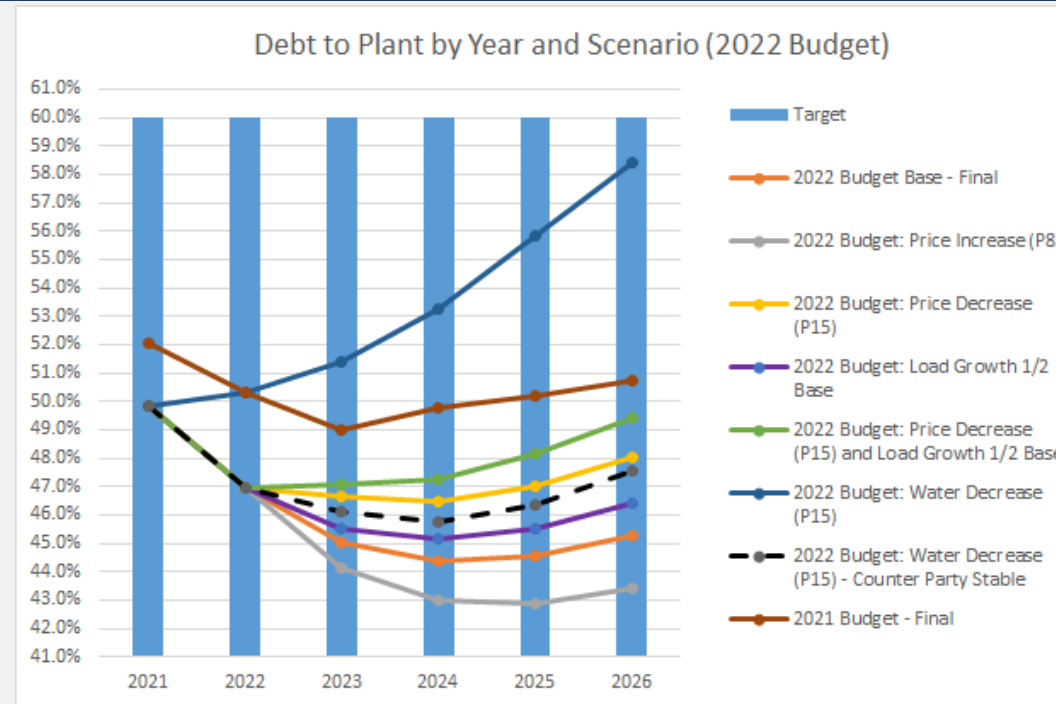
- 5) Low water (P15, water flow at dams only lower 15% of the time) Isolated
- 6) Low water and Counter Party Stable

Operational Scenarios – Comparison to Base Budget



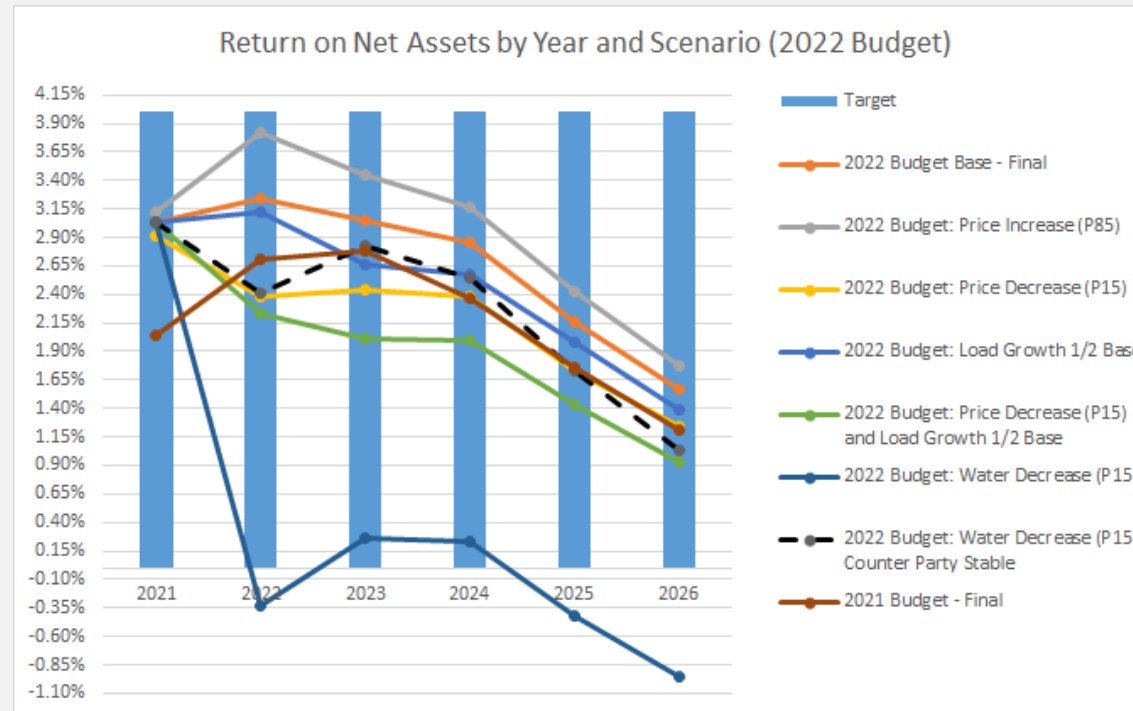
Debt Service Coverage (DSC)	2021	2022	2023	2024	2025	2026
Target	1.80	1.80	1.80	1.80	1.80	1.80
2022 Budget Base - Final	2.37	2.40	2.36	2.44	2.23	2.05
2022 Budget: Price Increase (P85)	2.39	2.56	2.47	2.54	2.33	2.15
2022 Budget: Price Decrease (P15)	2.34	2.16	2.19	2.27	2.06	1.90
2022 Budget: Load Growth 1/2 Base	2.37	2.37	2.25	2.34	2.16	1.97
2022 Budget: Price Decrease (P15) and Load Growth 1/2 Base	2.37	2.12	2.07	2.15	1.95	1.78
2022 Budget: Water Decrease (P15)	2.37	1.43	1.54	1.55	1.34	1.17
2022 Budget: Water Decrease (P15) - Counter Party Stable	2.37	2.17	2.30	2.33	2.08	1.86
2021 Budget - Final	2.10	2.25	2.22	2.22	2.03	1.86

Operational Scenarios – Comparison to Base Budget



Debt to Net Plant	2021	2022	2023	2024	2025	2026
Target	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
2022 Budget Base - Final	49.8%	46.9%	45.0%	44.4%	44.6%	45.3%
2022 Budget: Price Increase (P85)	49.8%	46.9%	44.1%	43.0%	42.9%	43.4%
2022 Budget: Price Decrease (P15)	49.8%	46.9%	46.6%	46.5%	47.0%	48.0%
2022 Budget: Load Growth 1/2 Base	49.8%	46.9%	45.5%	45.2%	45.5%	46.4%
2022 Budget: Price Decrease (P15) and Load Growth 1/2 Base	49.8%	46.9%	47.1%	47.3%	48.1%	49.4%
2022 Budget: Water Decrease (P15)	49.8%	50.3%	51.4%	53.3%	55.8%	58.4%
2022 Budget: Water Decrease (P15) - Counter Party Stable	49.8%	46.9%	46.1%	45.7%	46.3%	47.6%
2021 Budget - Final	52.0%	50.3%	49.0%	49.8%	50.2%	50.7%

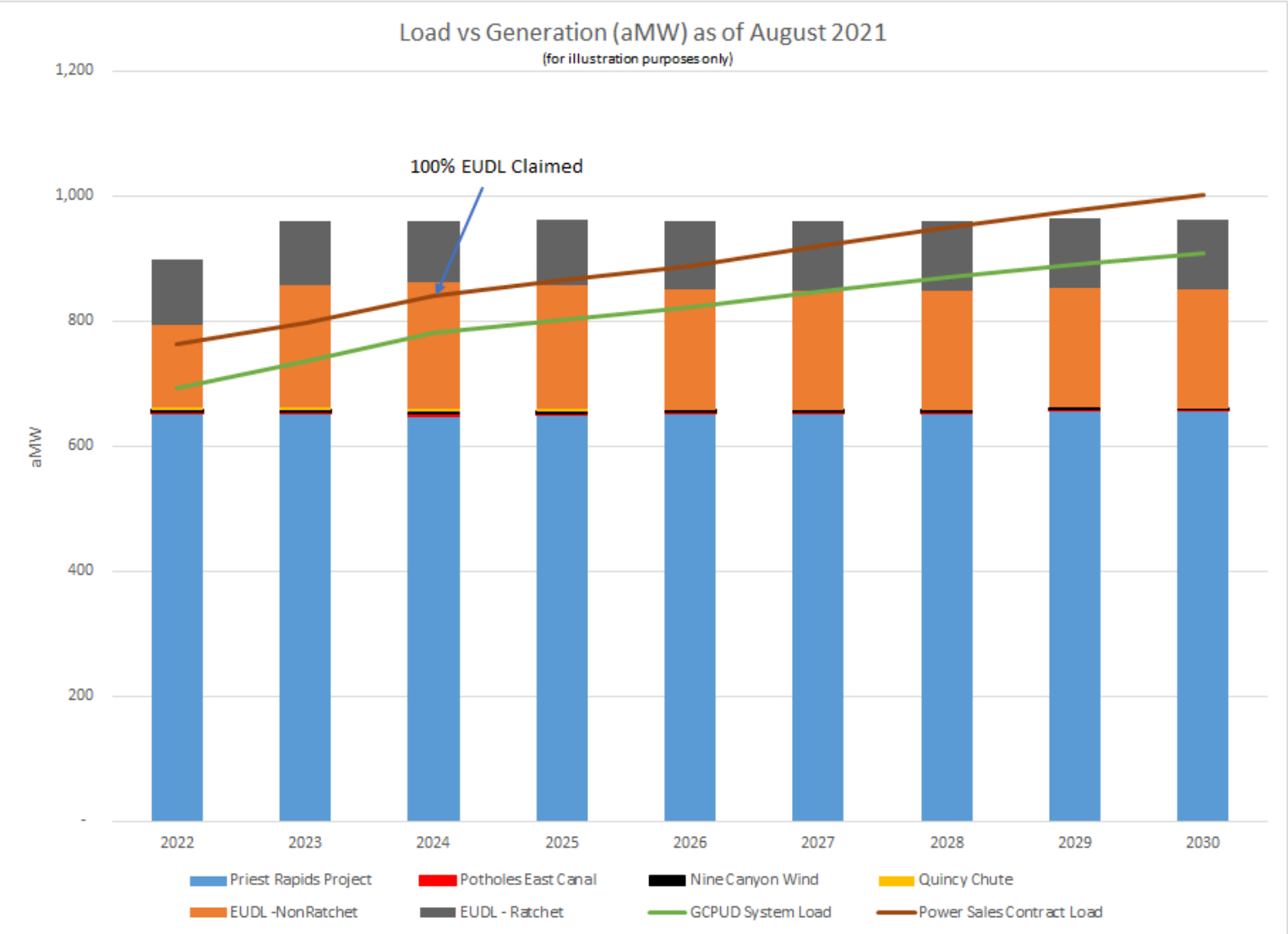
Operational Scenarios – Comparison to Base Budget



Return on Net Assets (RONA)	2021	2022	2023	2024	2025	2026
Target	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
2022 Budget Base - Final	3.04%	3.25%	3.04%	2.86%	2.15%	1.56%
2022 Budget: Price Increase (P85)	3.12%	3.82%	3.45%	3.17%	2.42%	1.77%
2022 Budget: Price Decrease (P15)	2.92%	2.38%	2.44%	2.38%	1.73%	1.24%
2022 Budget: Load Growth 1/2 Base	3.04%	3.13%	2.66%	2.58%	1.98%	1.39%
2022 Budget: Price Decrease (P15) and Load Growth 1/2 Base	3.04%	2.23%	2.02%	2.00%	1.43%	0.92%
2022 Budget: Water Decrease (P15)	3.04%	-0.34%	0.26%	0.23%	-0.42%	-0.96%
2022 Budget: Water Decrease (P15) - Counter Party Stable	3.04%	2.41%	2.83%	2.54%	1.73%	1.03%
2021 Budget - Final	2.04%	2.70%	2.78%	2.37%	1.76%	1.21%

Operational Scenarios – Priest Rapids Remaining Availability Load Growth

- Grant’s total rights (physical and financial) to the project are exhausted in 2024
- Grant County retail customers’ loads won’t surpass expected project capabilities until after 2030



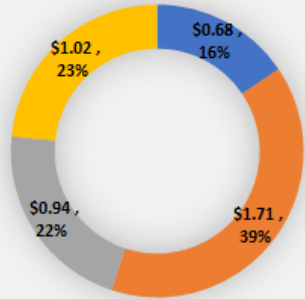
04

Appendix B – Capital Plan Details

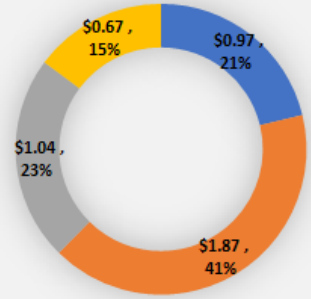


2022 Capital Plan – Technology

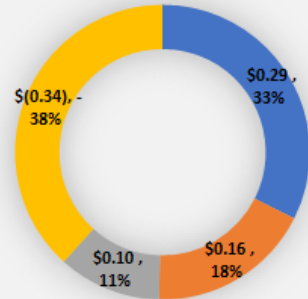
Budget 2021* = \$4.34M



Budget 2022* = \$4.55M



2022 vs 2021 = \$0.21M



Technology Capital Plan Characteristics

Work Type Breakdown

- Transform work declines relative to 2021 estimates (-\$0.3M), while Operational (+\$0.45M) and Grow (+\$0.1M) work drives the overall increase

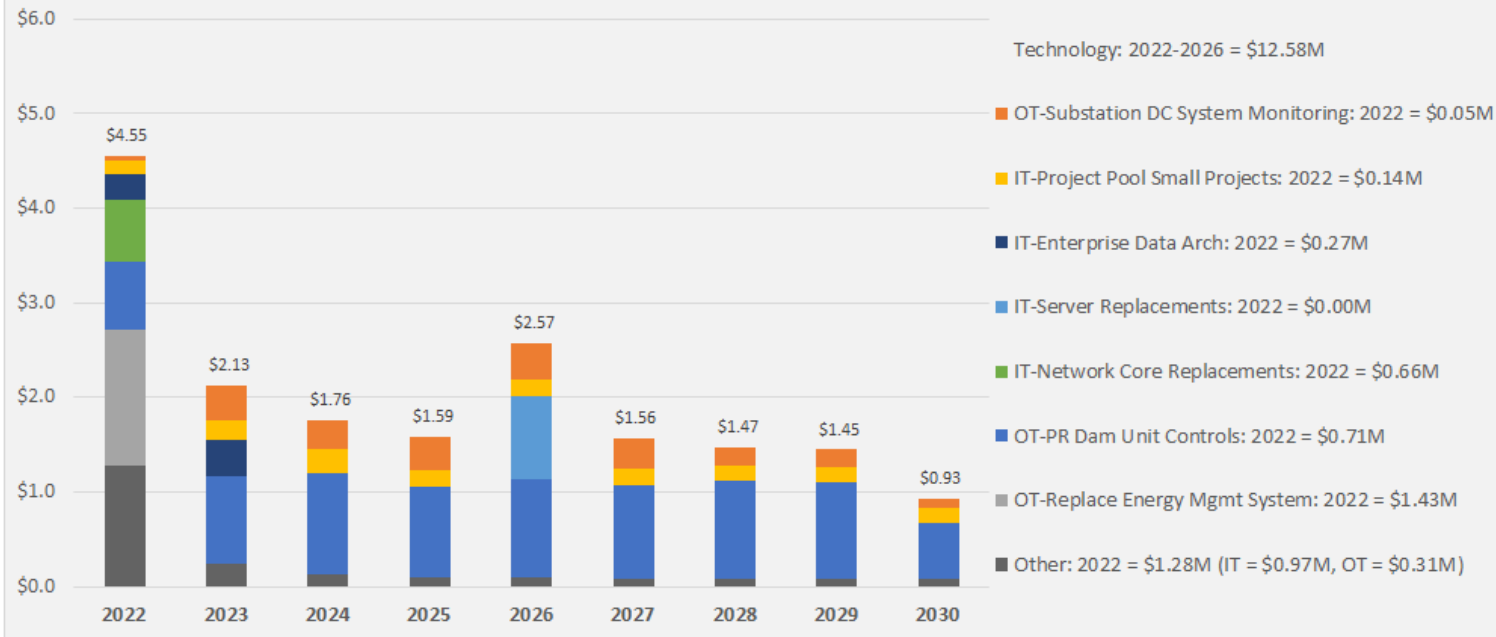
Concentration Projects %

- In 2022, 5 projects represent +75% of expected spend of \$4.3M.
 - From 2022-2026, the "Notable" 5 projects represent +75% of expected spend of \$12.6M.

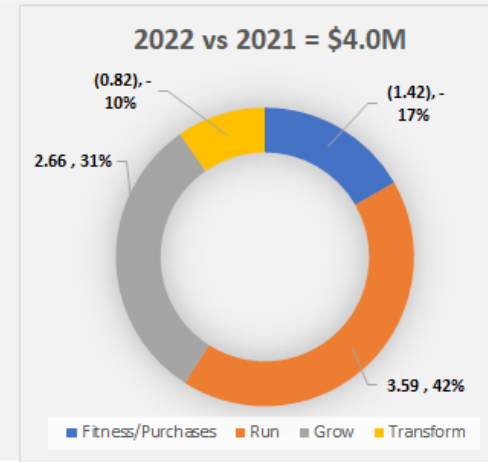
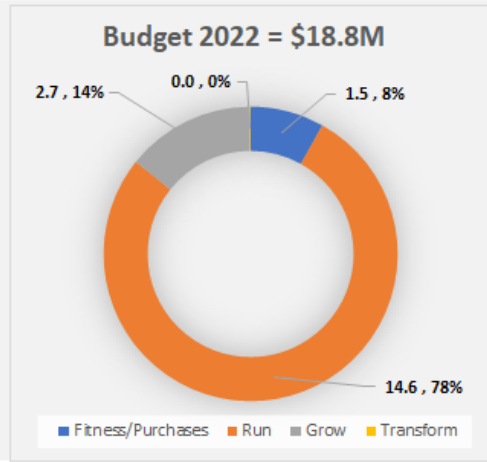
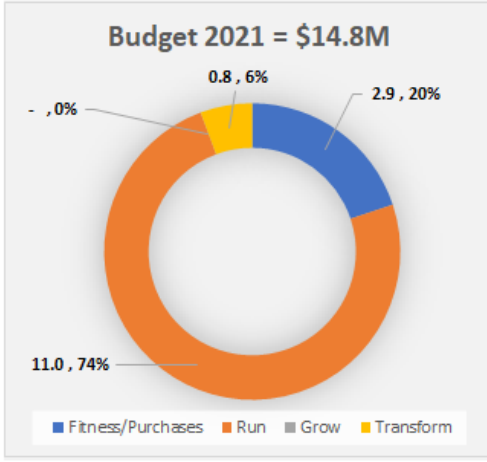
Notable Forecasted Projects

- 1- OT-PR Dam Unit Controls: 2022-2026 = \$4.70M
 - 2- OT-Substation DC System Monitoring: 2022-2026 = \$1.44M
 - 3- OT-Replace Energy Mgmt System: 2022-2026 = \$1.43M
 - 4- IT-Project Pool Small Projects: 2022-2026 = \$0.98M
 - 5- IT-Server Replacements: 2022-2026 = \$0.89M
- Supply Chain/CFS: 2022-2026 = \$0.1M [Project Dollars = \$10.7M]

* Run/Grow/Transform estimated for 2021 \$s 2022 OT \$s



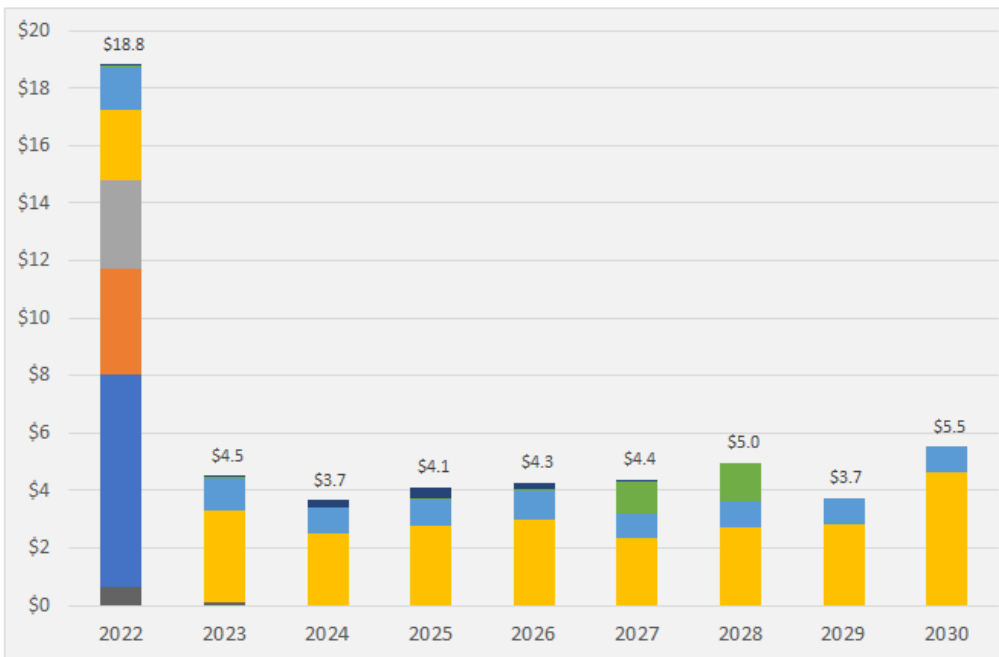
2022 Capital Plan – Internal-Services/Facilities



IS/Facilities Capital Plan Characteristics

Work Type Breakdown

- Significant increase in Run/Grow of +\$6.3M offset with some reductions in Fitness/Purchases & Transform of -\$2.2M



- IS/Facilities: 2022-2026 = \$35.4M
- PD Central Service Center: 2022 = \$0.0M
 - District Facilities Master Pl: 2022 = \$0.1M
 - Facility Capital Improvement Pool: 2022 = \$1.5M
 - Fleet Replacement Program: 2022 = \$2.4M
 - MLSC Facility Improvements: 2022 = \$3.1M
 - EHQ Remodel Reconfiguration Plan: 2022 = \$3.7M
 - ESC Facility Improvements: 2022 = \$7.4M
 - Other: 2022 = \$0.6M

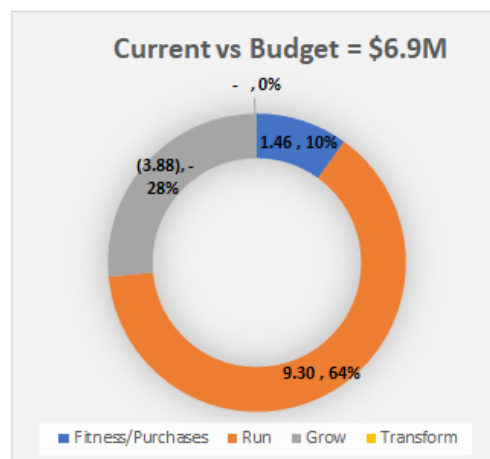
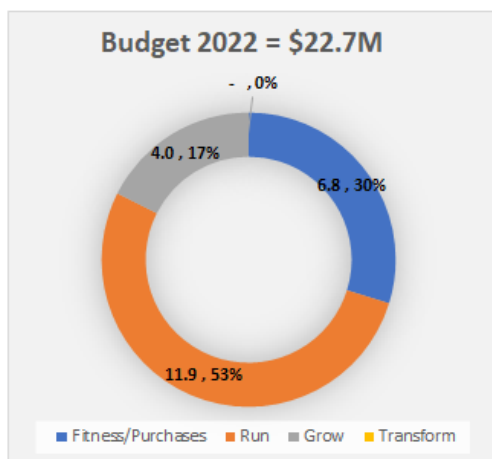
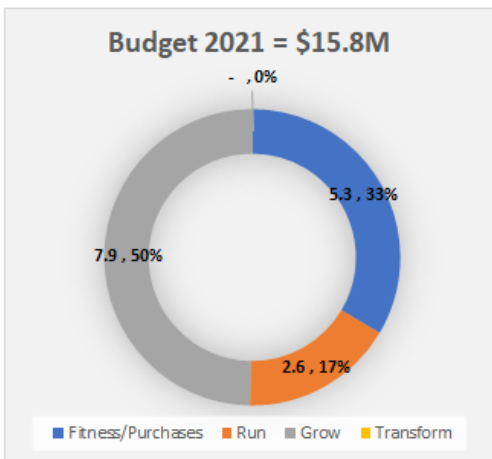
Concentration of Projects %

- In 2022, 3 projects represent +70% of expected spend of \$19M.

- From 2022-2026, the "Notable" 5 projects represent +80% of expected spend of \$100M.

- Notable Forecasted Projects**
- 1- Fleet Replacement Program: 2022-2026 = \$13.9M
 - 2- ESC Facility Improvements: 2022-2026 = \$7.4M
 - 3- Facility Capital Improvement Pool: 2022-2026 = \$5.4M
 - 4- EHQ Remodel Reconfiguration Plan: 2022-2026 = \$3.7M
 - 5- MLSC Facility Improvements: 2022-2026 = \$3.1M
- MLSC: 2022-2026 = \$3.1M [Project Dollars = \$5.5M]
 ESC: 2022-2026 = \$7.4M [Project Dollars = \$14.5M]
 EHQ: 2022-2026 = \$3.7M [Project Dollars = \$5.8M]
 PD: 2022-2026 = \$0.9M [Project Dollars = \$112.0M]

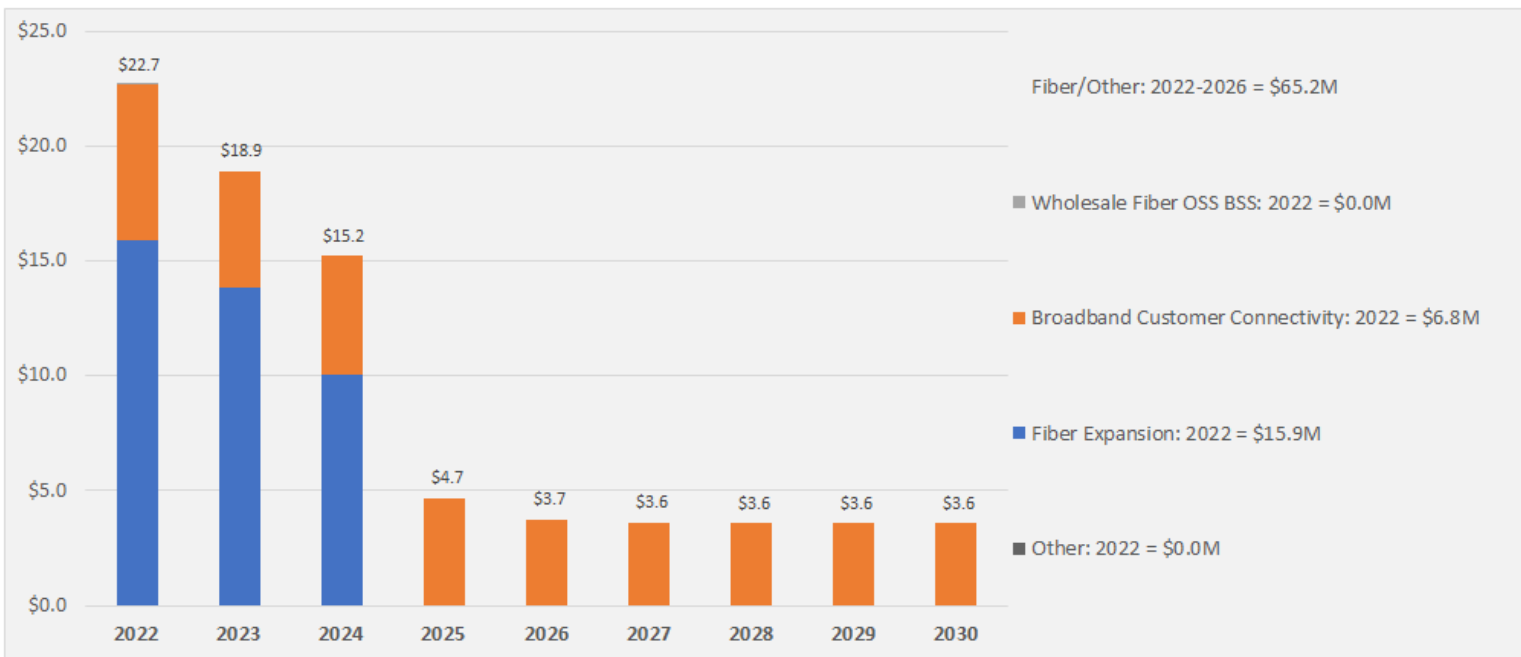
2022 Capital Plan – Fiber / Other



Fiber/Other Capital Plan Characteristics

Work Type Breakdown

- Operational work (Run + Fitness/Purchase at +\$10.8M) work drives the +\$7M increase between 2022 and 2021



Concentration Projects %

- In 2022, Fiber Expansion represents +70% of expected spend of \$22.7M.
- From 2022-2026, Fiber Expansion represents +60% of expected spend of \$65M.

Notable Forecasted Projects

- 1- Fiber Expansion: 2022-2026 = \$39.8k
- 2- Broadband Customer Connectivity: 2022-2026 = \$25.4k
- 3- Wholesale Fiber OSS BSS: 2022-2026 = \$0.0k



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