

2024 BUDGET PRESENTATION

OUR PLAN FOR DELIVERING VALUE TO OUR CUSTOMERS



Powering our way of life.

Topics Covered



Strategic Focus



Budget Process



Summary of Results



Appendices

Budget Public Hearing Schedule

- Budget process follows RCW 54 requirements on notice periods and hearings
- Three public hearings for the 2024 process on the proposed budget at which the Commission may hear public comment:
- The budget is anticipated to be adopted in November
- The projected rate increase review will be separate from the budget

Public Hearings - 2024 Budget

Oct. 10, 2 p.m.

**Ephrata Headquarters Commission Room | 30 C St SW
Ephrata WA 98823**

Oct. 10, 6 p.m.

**Virtual Only Meeting – see website for MS Teams
Call-in Option: 509.703.5291, Conference ID: 680 513 972#**

Oct. 12, 6 p.m.

**Moses Lake Local Office Auditorium | 312 W Third Avenue,
Moses Lake, WA 98837**

01

Strategic Focus



Strategic Drivers – Budget Focus

- The District's strategic plan guides in principle key focus areas
- Details our mission, vision, values and key objectives

OUR KEY OBJECTIVES

- | | | | |
|---|---|---|---|
| 1 | Achieve and maintain a zero-incident workplace | 5 | Provide outstanding service to our customers |
| 2 | Design and sustain an engaging & fulfilling Grant PUD culture | 6 | Operate responsibly by attaining environmental, cultural resource and regulatory compliance |
| 3 | Maintain a strong financial position | 7 | Completion and maintenance of a sustainable wholesale fiber optic network |
| 4 | Provide long-term low rates | | |



■ SAFETY

We believe that employee and public safety is paramount

■ INNOVATION

We make decisions that best serve present and future generations

■ SERVICE

We are committed to excellent customer service

■ TEAMWORK

We are one team with the same mission

■ RESPECT

We honor the rights and beliefs of those we work with and serve

■ INTEGRITY


We hold ourselves and others accountable to professionalism in our actions and words

■ HERITAGE


We protect, preserve and perpetuate both the spirit of the Grant PUD and the Wanapum relationship

District Initiatives


-Org Strategy & Alignment



Identified an anchor and 5 areas of focus for next 3-5 years



Adding dedicated strategy and resource planning functions



Where possible, flattening unnecessary layers of management

Our Strategy



ANCHOR:

Focus on our core electric customers while still ensuring the success of all our customers

Prioritizing our resources around these **5 strategic pillars:**

1



Ensuring long-term affordable rates for our core electric customers

2



Sustaining our focus on engaged, empowered & enabled employees

3



Committing to accurate & responsive customer service

4



Developing an intentional power demand strategy

5



Caring for our communities through active engagement

Powered by Clean, Renewable Energy

Photo Credit: John Price

How do our rates compare?

Residential average electricity rates*



UNITED STATES



WASHINGTON

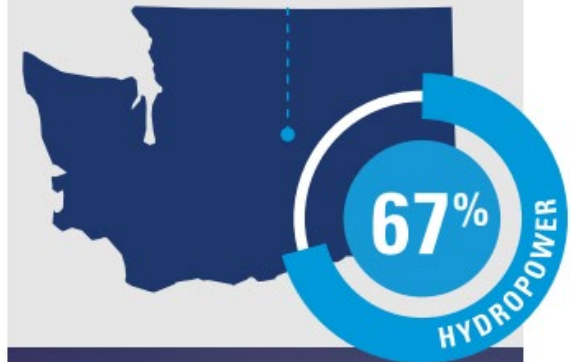


GRANT PUD

*Source: U.S. Energy Information Administration [June 2023](#) report.

Leading Washington's Clean Energy Movement

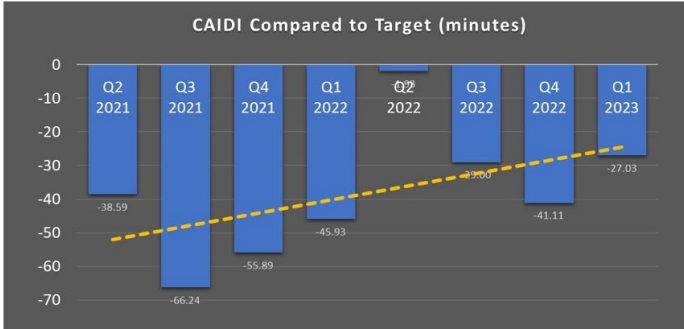
Hydropower is an essential source of generation in our quest for carbon-free energy. According to the Washington Net Electricity Generation by Source (March 2023), **67% comes from hydropower.**



Courtesy NW River Partners



Customer Average Interruption Index (CAIDI)	2023 Target	2023
	< 110 min	137 min



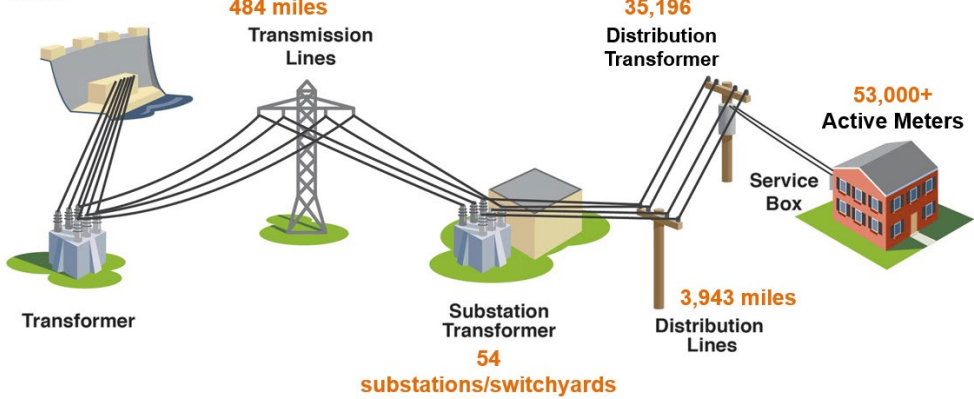
- CAIDI is calculated by dividing the sum of all customer minutes of interruption by the number of customers that experienced interruptions during that period.
- CAIDI is a sustained interruption index so only interruptions lasting longer than 5 minutes are included in the calculation.

Average Service Availability Index (ASAI)	2023 Target	2023
	≥ 99.985%	99.992%



- ASAI is calculated by dividing the total hours in which service is available to customers by the total hours that service is demanded by customers

2,000+ Megawatts
Dams





90%

of county residents and businesses currently enjoy access to Grant PUD Fiber.

29,079

Current Subscribers

and

40,916

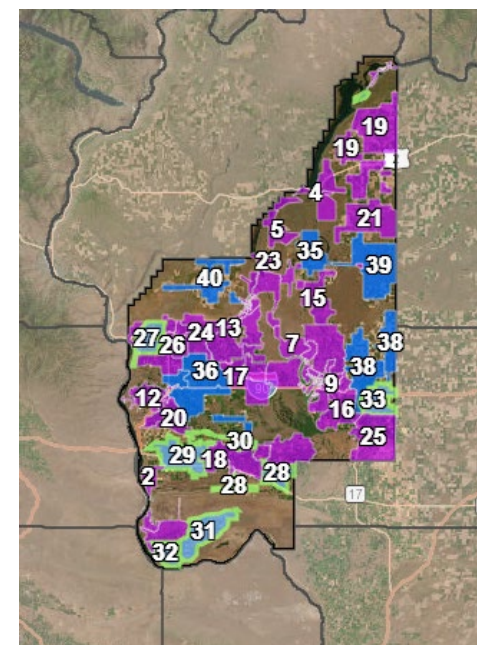
Potential Subscribers

2023 AREAS

- 25 Warden Area Completion
- 26 North, East and South of Quincy
- 27 NW and SW of Quincy
- 28 Rd A SE/Smyrna/Crab Creek
- 29 Jericho
- 30 Dodson to Frenchman
- 31 Wahluke Area East of Mattawa
- 32 Desert Aire to Rd O SW

2024 AREAS

- 33 I90 Rd U NE/SE
- 34 Hwy 281 N. of I90 to Rd 3
- 35 Stratford/Summer Falls/Billy Clapp
- 36 Adams Road NW to Winchester Wasteway N. of I90 to Rd. 7
- 37 Braden to George and Black Sands
- 38 Ruff
- 39 Wilson Creek Area
- 40 Sagebrush Flats/Johnson Rd. NW



02

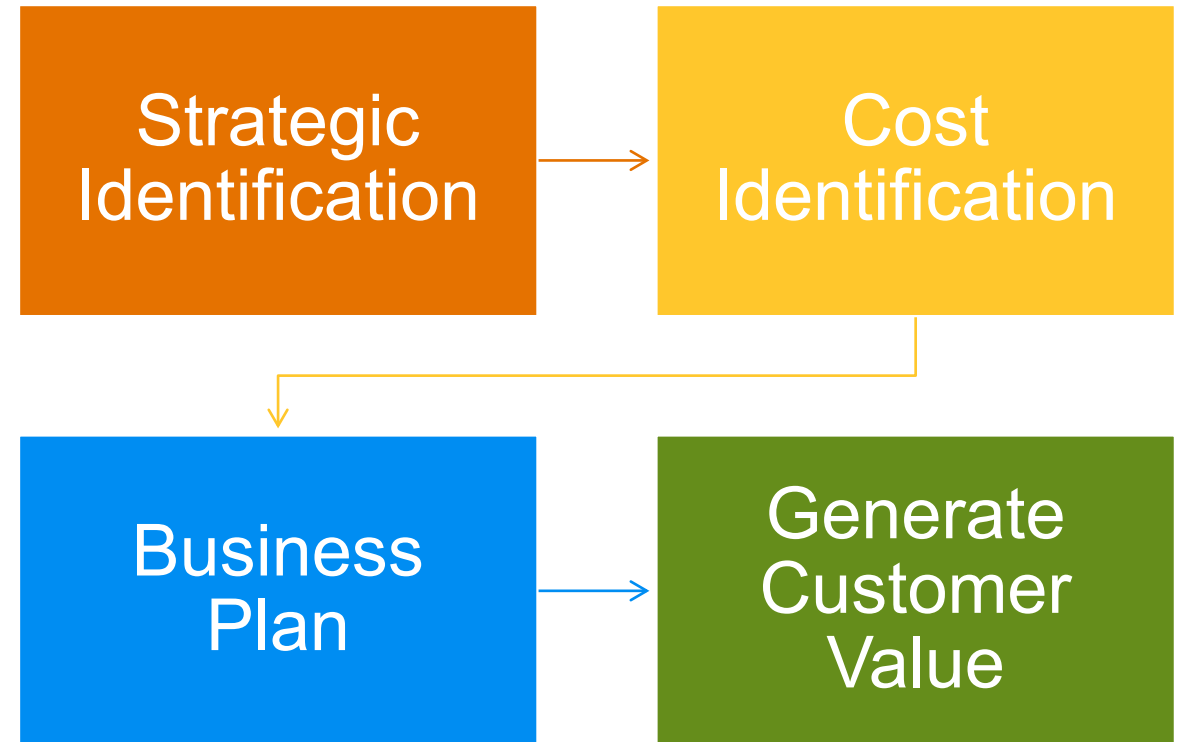
Budget Process



Keys for the Budget & Planning Process

General Aims:

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



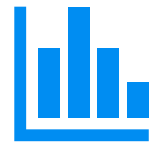
2024 Budget Process / Timeline

1. Round 1 – Strategic Focus
 - Identify major cost drivers (internal/external)
 - Inclusion of major forecast items
 - Updated Loads and Revenues, latest Wholesale assumptions, and latest Capital spending assumptions
 - Executive Leadership Team sets overall operating unit budget targets for 2024
2. Round 2 – Tactical Focus and Budget Delivery
 - Budget Area Committees (BAC) refine Labor and non-Labor operating budgets to deliver on strategic initiatives
 - BACs develop, evaluate, and select the most valuable/highest priority business cases
 - Executive Leadership Team and BACs set functional area operating budgets
3. Round 3 – Commission and Public Review
 - Commission review and public outreach
 - Budget adoption

Task	PARTICIPANTS	START	END
PLANNING & Management			
2023 BAC BvA Process	BU Mgrs, Finance	1/2/23	12/31/23
FP&A Major Budget Initiative - Fin Fx Rebuild	Finance	1/2/23	5/5/23
FP&A Lesser Budget Initiatives	Finance	5/23/23	6/16/23
Enterprise-wide communication on 2024 Process	BU SMEs, BU Mgrs, CXOs, Finance	5/26/23	5/26/23
Distribution of Info, Budget Timing, Training expectations, etc.	BU SMEs, BU Mgrs, CXOs, Finance	6/16/23	7/14/23
Round 1 - Strategic and Target Setting Plan		6/9/23	7/28/23
GO#1 - Initial Analytics prep	FP&A	6/9/23	6/30/23
GO#1 - Develop Operating Budget Targets	FP&A, CXOs	7/3/23	7/21/23
GO#1 - Fin Fx Run with Targets & Business Plan Dollars	FP&A, CXOs	7/3/23	7/21/23
GO#2 - Finalize Targets, Contingency and Strategic Spend	CXOs	7/17/23	7/28/23
Finalize Round 1	FP&A	7/24/23	7/28/23
Round 2 - Budget Delivery Plan		8/1/23	9/1/23
GO#1 - Budget Area Week 1 - BAC meeting on Thur 8/3	BAC, BBU Mgrs, Finance	8/1/23	8/7/23
GO#1 - Budget Area Week 2	BAC, BBU Mgrs, Finance	8/7/23	8/11/23
GO#1 - Budget Area Week 3	BAC, BBU Mgrs, Finance	8/14/23	8/18/23
GO#1 - Finalize Operating Budgets by Budget Area	BAC, BU Mgrs, Finance	8/21/23	9/1/23
GO#2 - Financial Fx Review/Decisions - Week 1 (Capital Update)	Finance, EPPM	8/1/23	8/7/23
GO#2 - Financial Fx Review/Decisions - Week 2	Finance, EPPM, Treasury, CXOs	8/9/23	8/11/23
GO#2 - Financial Fx Review/Decisions - Week 3	EPPM, Finance, CXOs	8/16/23	8/18/23
GO#2 - Finalize Financial Fx	CXOs, Finance	8/23/23	8/25/23
Finalize Round 2	CXOs, BACs, Finance	8/30/23	9/1/23
Round 3 - Public Outreach Plan		9/4/23	12/29/23
GO#1 - Prepare and Review Materials for Commission/Public Review	Finance, CXOs, Commission	9/4/23	9/26/23
GO#1 - Public Meetings	Commission, CXOs, FP&A	10/10/23	10/12/23
GO#1 - Budget Adoption	Commission	10/24/23	12/12/23
GO#2 - Budget Upload to Finance Systems	Finance	12/13/23	12/29/23

03

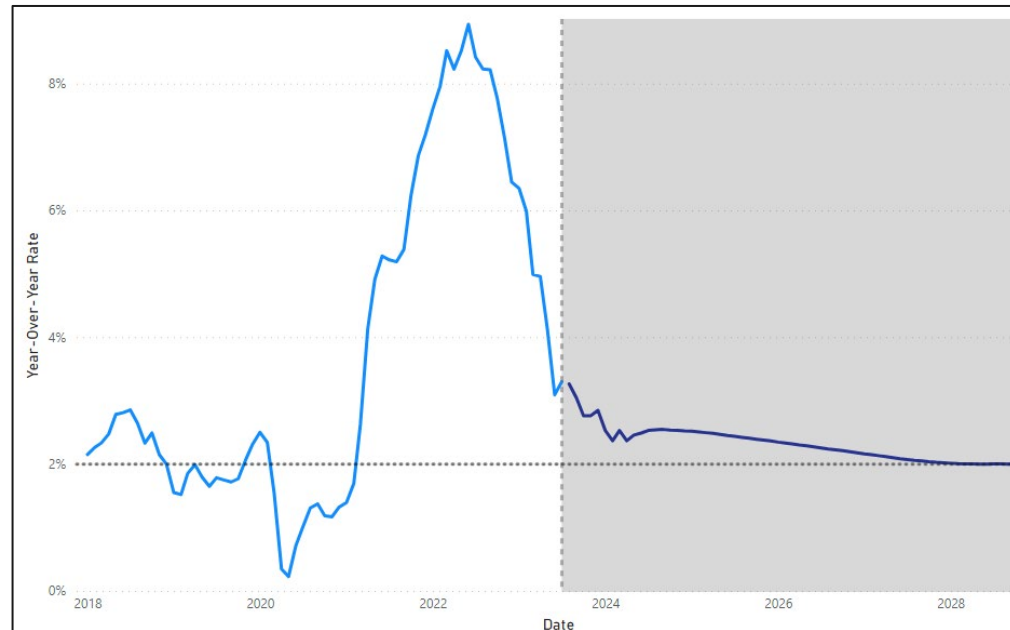
Summary of Results



Inflation / Cost Impacts

- Prompt year budget is based on today's dollar program requirements
 - 2024 budget represents varying year over year changes based upon the type of spend (ie capital, operating budgets, benefits/insurance, debt, taxes)
- Post 2024 total O&M is assumed to have a total year over year change of an average of ~3.4% which captures both an assumption on inflation lowering and business initiative/ increased work as the system grows

Projected Consumer Price Index (CPI) Inflation Rate



- 2023 CPI annual average is expected to fall between 3.6% and 4.3%
 - 9/13/23 CPI reported as 3.7% (12- month preceding)
- Statistical models are used to project future inflation outcomes using historical actual inflation rates

CPI inflation data points

- 4.7% average 2021
- 8.0% average 2022
- 2023 4.7% YTD

Preliminary Budget Summary – Total Expenditures

- **Total Budget** for 2024 = \$347.2 million
 - Compared to 2023 budget of \$317.0 million
- **O&M Expense** is an increase of \$13.7M (+7.3%) vs the 2023 budget and \$18.2M (+9.9%) vs current 2023 expectations
- **Capital Spend** is expected to increase by \$17.9M (+11.6%) vs the 2023 budget and \$2.7M (+1.6%) vs current 2023 spend expectations.
 - Capital is based on specific projects in the portfolio by year and is an estimate at the time the budget is set
 - The budget process implements a scaling for fiscal management that factors in timing and likelihood of spend.

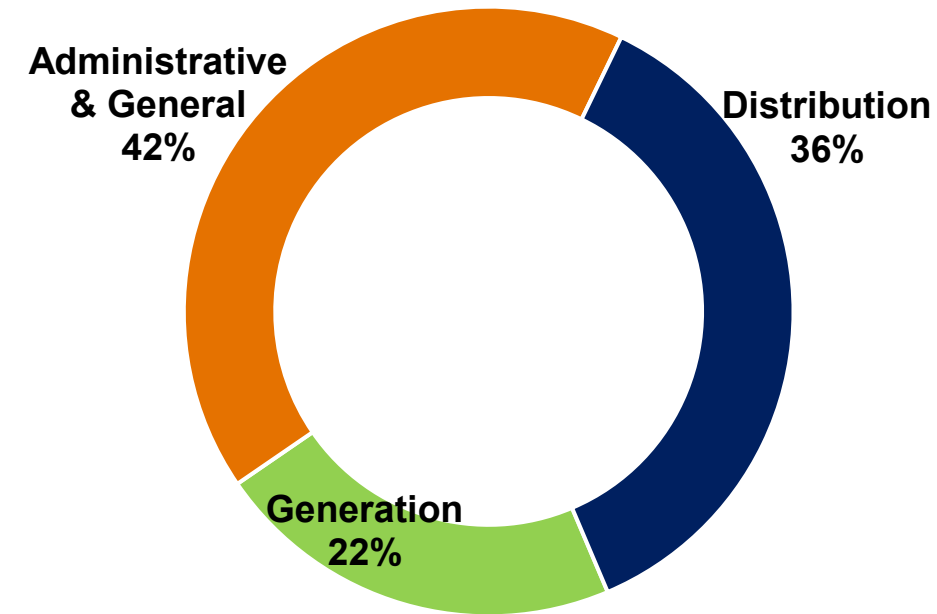
Combined Financial Results

Exhibit A - \$ in thousands

Budgeted Items	audited		Budget	As of Q2 FC	
	Actuals	Actuals		Forecast	Budget
	2021	2022	2023	2023	2024
Total O&M	\$ 165,689	\$ 167,074	\$ 188,170	\$ 183,668	\$ 201,879
Taxes	\$ 20,081	\$ 21,151	\$ 21,556	\$ 22,991	\$ 23,662
Electric Capital	\$ 92,567	\$ 86,550	\$ 80,842	\$ 88,590	\$ 101,017
PRP Capital	\$ 77,146	\$ 69,822	\$ 74,139	\$ 81,637	\$ 71,896
Total Capital	\$ 169,713	\$ 156,372	\$ 154,981	\$ 170,227	\$ 172,913
Debt Service - (net of Rebates)	\$ 74,152	\$ 73,717	\$ 71,986	\$ 73,841	\$ 68,022
Total Expenditures	\$ 429,635	\$ 418,313	\$ 436,693	\$ 450,727	\$ 466,476
Expenditures offsets for deduction					
Contributions in Aid of Construction	\$ (14,110)	\$ (10,781)	\$ (10,713)	\$ (17,544)	\$ (12,257)
Sales to Power Purchasers at Cost	\$ (23,584)	\$ (28,654)	\$ (13,765)	\$ (20,590)	\$ (16,889)
Net Power (+ Expense, -Revenue)	\$ (90,567)	\$ (86,554)	\$ (95,178)	\$ (180,779)	\$ (90,167)
Total Expenditures Offset	\$ (128,261)	\$ (125,989)	\$ (119,656)	\$ (218,914)	\$ (119,312)
Total Budgeted Expenditures	\$ 301,374	\$ 292,324	\$ 317,038	\$ 231,813	\$ 347,163

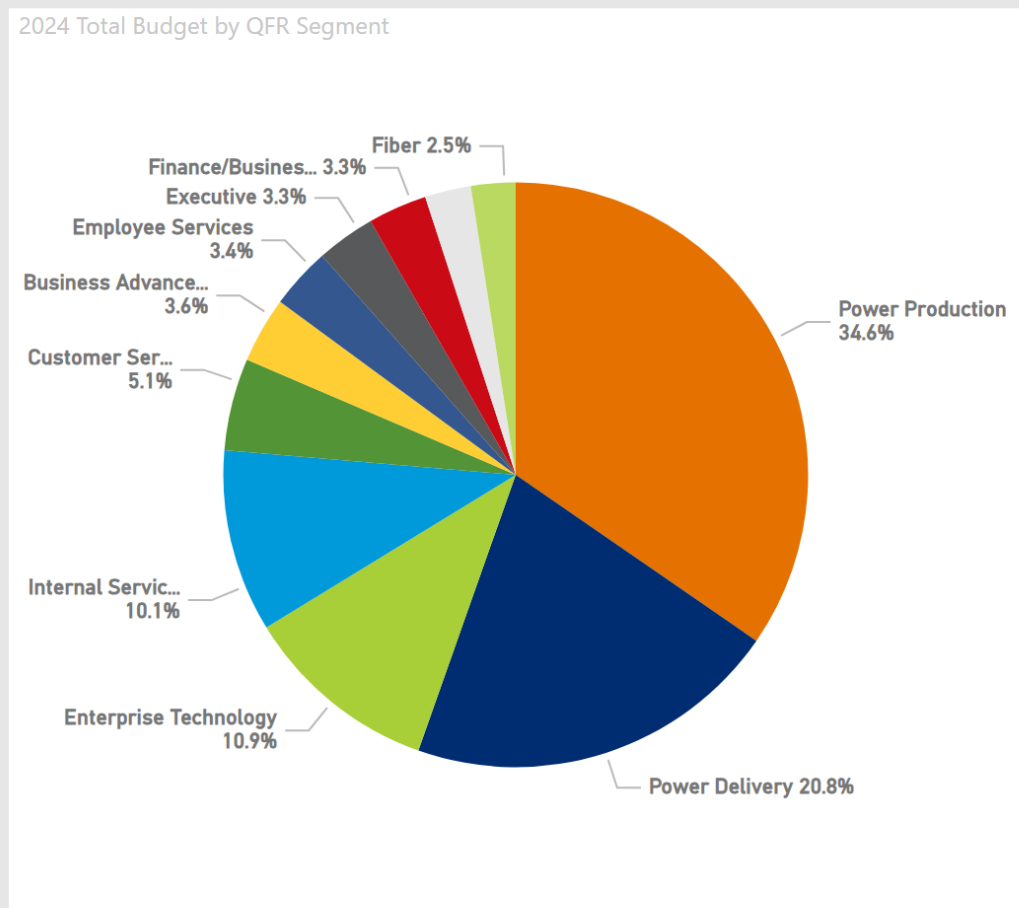
2024 Operating/Enterprise Budgets

2024 Combined Operating/Enterprise



Cost Type	2024	PRP	ELEC
Labor	\$129.8	\$64.2	\$65.6
Purchased Services	\$34.2	\$20.8	\$13.4
General & Administration	\$11.7	\$8.1	\$3.6
Operating Materials and Equipment	\$10.3	\$5.2	\$5.1
Information Technology	\$10.1	\$3.9	\$6.2
Transportation	\$1.4	\$0.5	\$0.9
Utilities	\$0.8	\$0.4	\$0.4
Total	\$198.3	\$103.2	\$95.0

All figures in millions; non-operational adjustment allocations estimated \$3.6M in utility aggregation adjustments from prior slide



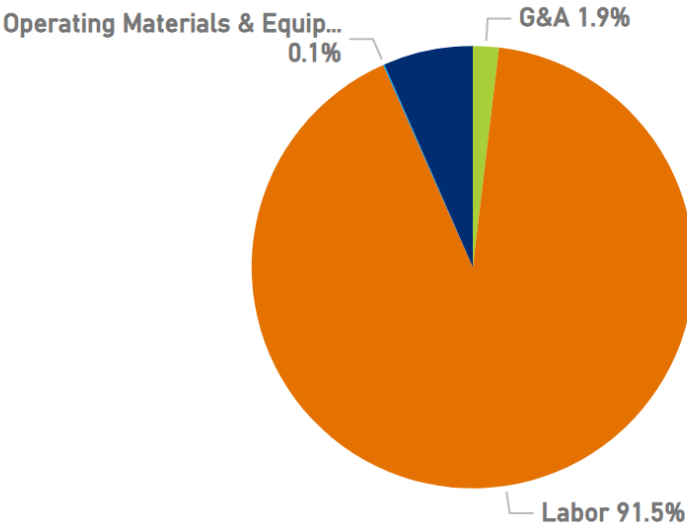
O&M Budget vs Actuals (Including Cap Labor)				
QFR Segment	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
Power Production	\$55,041,630	\$56,284,605	\$60,575,521	7.6%
Power Delivery	\$35,429,250	\$36,015,572	\$36,373,648	1.0%
Enterprise Technology	\$14,720,792	\$16,154,999	\$18,992,547	17.6%
Internal Services	\$16,409,717	\$16,274,439	\$17,658,533	8.5%
Customer Services & Communications	\$7,034,732	\$7,707,168	\$8,917,937	15.7%
Business Advancement	\$6,273,458	\$7,577,602	\$6,377,936	-15.8%
Employee Services	\$5,157,863	\$6,312,070	\$5,934,717	-6.0%
Executive	\$5,356,071	\$5,585,111	\$5,700,183	2.1%
Finance/Business Services	\$5,702,035	\$5,550,273	\$5,694,958	2.6%
Customer/Market Analytics	\$4,360,813	\$6,617,329	\$4,469,280	-32.5%
Fiber	\$3,154,849	\$3,302,938	\$4,300,747	30.2%
Total	\$158,641,209	\$167,382,106	\$174,996,006	4.5%

- Operating budgets are those managed directly by the business unit management
 - These are monitored and reported monthly by unit managers.
- Operating budgets include O&M directs and total salaries/wages (regardless if O&M or capital). Does not include capital directs.
- The 2024 budget represents a 4.5% increase over the 2023 budget
- 2023 is outperforming budget spending and projected to be \$8.8 million underspent due to specific initiative scope changes and deferral/timing impacts

QFR Segment

Business Advancement

2024 Total Budget by Cost Category Type



- Main Objective -

OPERATIONAL EXCELLENCE: Mature the OCM, CAP, and CI business capabilities to enable the business to meet its short-term and long-term objectives
EPMO: Reduce project delivery risk by driving industry leading safety performance, monitoring and managing quality, and optimizing efficiency.
PORTFOLIO MANAGEMENT: Strategy development and data driven portfolio management

O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<div>[-] Labor</div> <div> <div>+</div> CC001 - Salaries & Wages </div> <div> <div>+</div> CC006 - Other Labor </div> <div> <div>+</div> CC002 - Overtime </div>	\$5,552,427	\$5,926,958	\$5,833,136	-1.6%
<div>+</div> Purchased Services	\$510,051	\$1,438,059	\$417,324	-71.0%
<div>+</div> G&A	\$194,655	\$181,057	\$121,070	-33.1%
<div>+</div> Operating Materials & Equipment	\$5,671	\$7,008	\$6,406	-8.6%
<div>+</div> IT	\$10,605	\$24,520		
<div>+</div> Transportation	\$59			
Total	\$6,273,469	\$7,577,602	\$6,377,936	-15.8%

- 2024 Top Initiatives -

OPERATIONAL EXCELLENCE (OE)

- Build OE program strategies and multi-year roadmaps
- Streamline and mature the CAP Program
- Regularly deliver value through improvements and reduced waste via the CI Program
- Mature the OCM Program and continue to effectively manage change

ENTERPRISE PROJECT MANAGEMENT OFFICE (EPMO)

- Advance EPMO maturity
- Develop project controls and quality assurance capabilities
- Build out construction management program

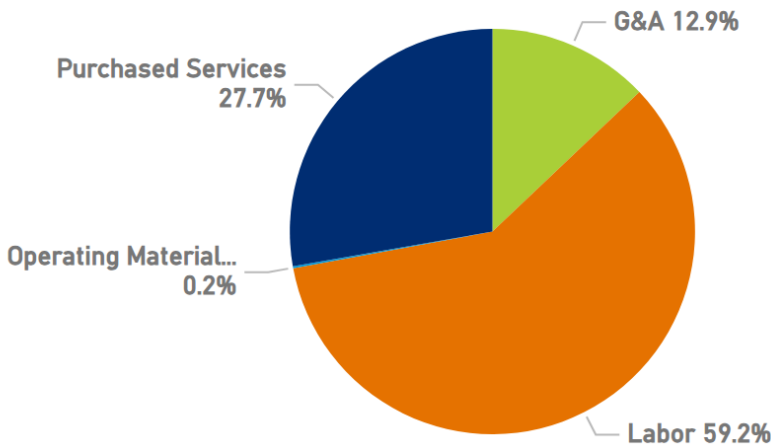
PORTFOLIO MANAGEMENT

- Program and employee development with focus on resources balancing and strategic alignment
- Data Quality & Visibility

QFR Segment

Customer Services & Communicatio... ▾

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
[-] Labor	\$4,585,395	\$4,700,071	\$5,277,863	12.3%
[+] CC001 - Salaries & Wages	\$4,465,587	\$4,598,679	\$5,161,823	12.2%
[+] CC002 - Overtime	\$96,211	\$87,000	\$100,200	15.2%
[+] CC006 - Other Labor	\$23,597	\$14,392	\$15,840	10.1%
[+] Purchased Services	\$1,973,598	\$2,001,921	\$2,473,691	23.6%
[+] G&A	\$462,873	\$964,224	\$1,152,043	19.5%
[+] Operating Materials & Equipment	\$11,744	\$20,948	\$14,340	-31.5%
[+] IT	\$3,014	\$20,004		
Total	\$7,036,625	\$7,707,168	\$8,917,937	15.7%

- Main Objective -

- CUSTOMER SOLUTIONS:** Provide accurate and responsive customer service to all core customers.

LARGE POWER SOLUTIONS: Provide accurate and responsive customer service to large general service, industrial and large industrial customers.

EXTERNAL AFFAIRS: Ensure our customers are informed and engaged on all Grant PUD activities that impact them.

- 2024 Top Initiatives -

CUSTOMER SOLUTIONS

- Improve customer service performance on new and changed electric service requests
- Develop systems to better understand needs of our agricultural, small commercial and residential customers
- Provide more opportunities for customers to contact us that fit their needs & preferences
- Provide innovative programs that will benefit our customers as new technology emerges

LARGE POWER SOLUTIONS

- Improve accuracy and responsiveness of information provided to customers/potential customers on new service availability
- Provide innovative programs that will benefit our customers as new technology emerges

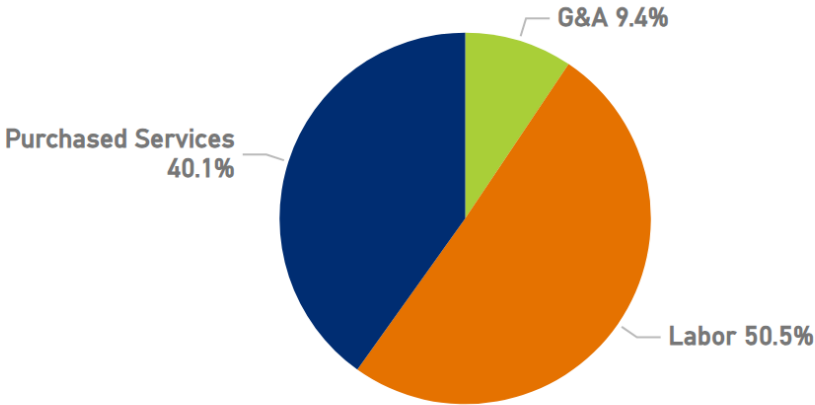
EXTERNAL AFFAIRS

- Establish Community Benefit Program to better serve communities in need as well as meet state carbon legislation goals.
- Develop new communication channels (including text messaging) to communicate with customers on outages & other topics
- Government Affairs – build relationships with external stakeholders that allow us to help shape local legislative priorities

QFR Segment

Customer/Market Analytics

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
[-] Labor	\$2,169,707	\$2,137,582	\$2,255,577	5.5%
[+] CC001 - Salaries & Wages	\$2,155,392	\$2,129,363	\$2,249,637	5.6%
[+] CC006 - Other Labor	\$14,315	\$8,219	\$5,940	-27.7%
[+] Purchased Services	\$1,654,182	\$3,751,599	\$1,793,450	-52.2%
[+] G&A	\$415,048	\$472,140	\$420,253	-11.0%
[+] IT	\$92,076	\$256,008	\$0	-100.0%
[+] Utilities	\$44,333			
Total	\$4,375,345	\$6,617,329	\$4,469,280	-32.5%

- Main Objective -

- WHOLESALE MARKETING/SUPPLY:** Effectively manage bulk power transactions to contribute to low customer rates.

RATES & PRICING: Provide commission with the best information necessary to set fair and equitable rates.

SPECIAL PROJECTS: Plan for Grant PUD’s long term power supply strategy.

- 2024 Top Initiatives -

- WHOLESALE MARKETING/SUPPLY**
 - Develop foundation for meeting Washington state’s carbon-neutral and zero carbon goals.
 - Make key milestone decisions on joining an organized day-ahead market and resource adequacy program

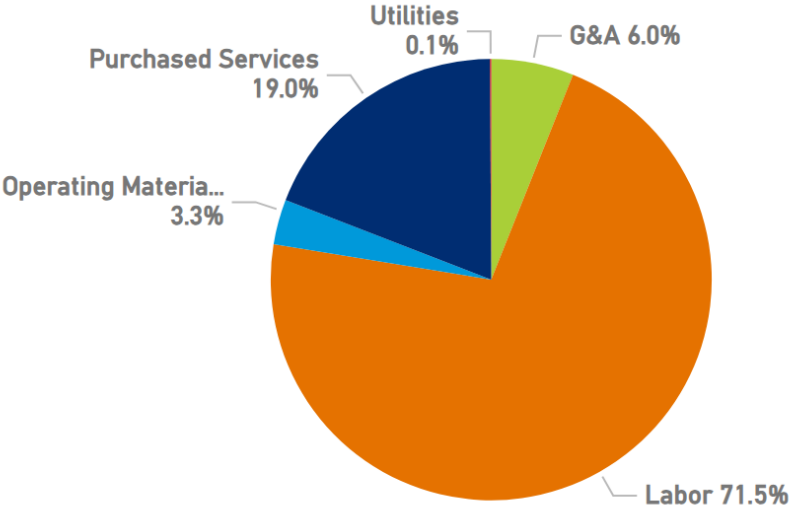
RATES & PRICING
 - Develop pricing mechanism for growth in excess of the Estimated Unmet District Load (EUDL CRAC)
 - Develop long term power contract structure for industrial and large industrial customers

SPECIAL PROJECTS
 - Finalize effort to establish Grant load in BPA provider of choice process
 - Firmly establish Grant PUD position on Columbia River Treaty along with transparent communication protocol with US negotiation team

QFR Segment

Employee Services

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<div>[-] Labor</div> <div> <div>CC001 - Salaries & Wages</div> <div>CC006 - Other Labor</div> <div>CC002 - Overtime</div> </div>	\$3,712,276	\$4,272,090	\$4,245,120	-0.6%
<div>[+] Purchased Services</div> <div> <div>G&A</div> <div>Operating Materials & Equipment</div> <div>Utilities</div> <div>IT</div> </div>	\$980,769	\$1,526,261	\$1,129,500	-26.0%
	\$295,676	\$315,029	\$358,894	13.9%
	\$174,320	\$172,690	\$196,000	13.5%
	\$5,314		\$5,203	
	\$13,009	\$26,000		
Total	\$5,181,364	\$6,312,070	\$5,934,717	-6.0%

- Main Objective -

HUMAN RESOURCES

- Ensure compliance with employment laws and provide benefits and compensation to attract and retain quality work force

EMPLOYEE EXPERIENCE

- Support a workforce that is engaged, enabled and equipped.

SAFETY

- Everyone home safe everyday

- 2024 Top Initiatives -

HUMAN RESOURCES

- Employee handbook and policy development
- Employee wellness focused on reducing health insurance premiums
- Preparation for 2025/2026 collective bargaining agreement negotiations

EMPLOYEE EXPERIENCE

- Student & Apprenticeship Program Development
- Leadership Development Progression Paths
- Diversity, Equity, Inclusion & Belonging Program
- Emergent Leadership (Orange & Blue U)

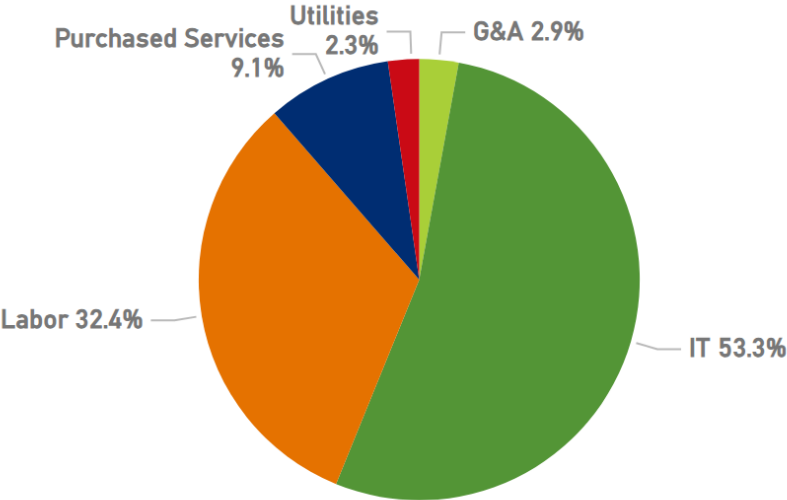
SAFETY

- Continue to refine the Contractor Safety Program
- Full Roll-out of the 2023 JHA Program
- Full Roll-out of CI Team #6 JSR Program

QFR Segment

Enterprise Technology

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
IT	\$6,226,572	\$7,905,106	\$10,119,901	28.0%
Labor	\$5,693,277	\$5,628,813	\$6,161,216	9.5%
CC001 - Salaries & Wages	\$5,574,681	\$5,541,421	\$6,066,973	9.5%
CC002 - Overtime	\$50,796	\$30,000	\$48,200	60.7%
CC006 - Other Labor	\$67,800	\$57,392	\$46,043	-19.8%
Purchased Services	\$1,966,593	\$1,702,502	\$1,732,674	1.8%
G&A	\$367,918	\$407,682	\$545,820	33.9%
Utilities	\$414,820	\$504,896	\$432,936	-14.3%
Operating Materials & Equipment	\$128,389	\$6,000		
Total	\$14,797,568	\$16,154,999	\$18,992,547	17.6%

- Main Objective -

Provide enterprise software and hardware solutions, which includes maintenance, and enhancements to meet the District’s evolving technology needs.

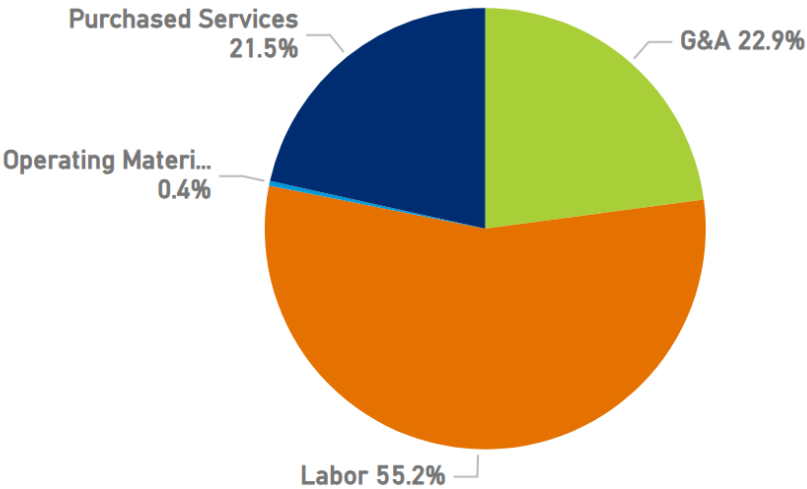
- 2024 Top Initiatives -

- Continue to work through 5-year technology roadmap
- Begin implementation of our disaster recovery project to provide the District with high availability and reliability in the case of an emergency or widescale disaster event.
- Employee training and development.
- Provide hardware and software for new and existing employees.
- Software cost increases are due to inflationary factors as well as multiple 3- and 5-year agreements being renewed in the 2024 budget year.

QFR Segment

Executive

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
[-] Labor	\$2,944,159	\$3,077,296	\$3,148,401	2.3%
[+] CC001 - Salaries & Wages	\$2,908,971	\$3,071,041	\$3,104,772	1.1%
[+] CC006 - Other Labor	\$34,498	\$6,255	\$41,829	568.7%
[+] CC002 - Overtime	\$690		\$1,800	
[+] G&A	\$1,097,438	\$1,327,467	\$1,304,814	-1.7%
[+] Purchased Services	\$1,309,777	\$1,159,592	\$1,226,467	5.8%
[+] Operating Materials & Equipment	\$7,167	\$20,756	\$20,500	-1.2%
[+] IT	\$1,628	\$0		
[+] Utilities	\$1,875			
Total	\$5,362,045	\$5,585,111	\$5,700,183	2.1%

Main Objective

O&M and Labor for Commission and Executive Leadership functions for the District.

- 2024 Top Initiatives -

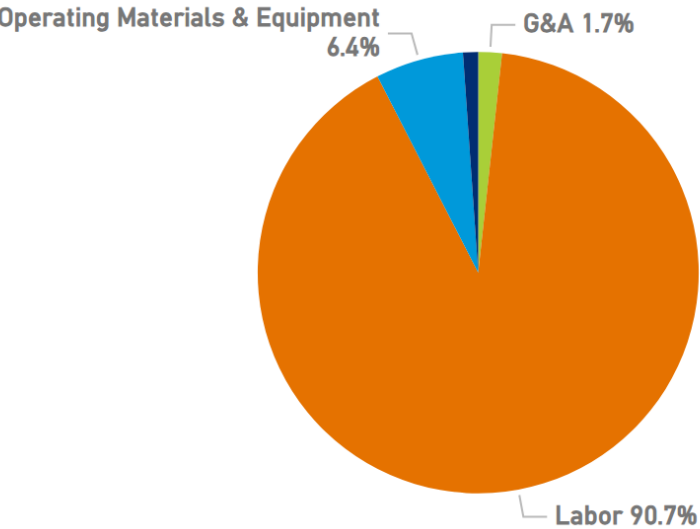
Spending Initiatives:

- Labor
- Trade Association Dues and Memberships
- Purchased Services – Legal, Management Consulting, Training, Recognition
- Travel, Seminars and Conferences
- Election Fees
- Subscriptions and Publications
- Miscellaneous Operating Expenses (business meeting meals)
- Miscellaneous Equipment, Office and Administrative Supplies, Meeting Expenses

QFR Segment

Fiber

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<input type="checkbox"/> Labor	\$2,755,638	\$2,857,647	\$3,901,567	36.5%
<input type="checkbox"/> CC001 - Salaries & Wages	\$2,278,527	\$2,306,943	\$3,438,114	49.0%
<input type="checkbox"/> CC002 - Overtime	\$464,770	\$539,336	\$447,672	-17.0%
<input type="checkbox"/> CC006 - Other Labor	\$12,341	\$11,368	\$15,780	38.8%
<input type="checkbox"/> Operating Materials & Equipment	\$336,144	\$322,272	\$277,276	-14.0%
<input type="checkbox"/> G&A	\$29,246	\$38,687	\$74,304	92.1%
<input type="checkbox"/> Purchased Services	\$53,478	\$64,332	\$47,600	-26.0%
<input type="checkbox"/> IT	\$11,094	\$20,000		
<input type="checkbox"/> Utilities	\$2,710			
Total	\$3,188,309	\$3,302,938	\$4,300,747	30.2%

- Main Objective

Fiber and Telecommunications Services is responsible for designing, constructing, maintaining, and operating Grant PUD's telecommunications infrastructure to serve internal business needs and our wholesale fiber customers.

- 2024 Top Initiatives -

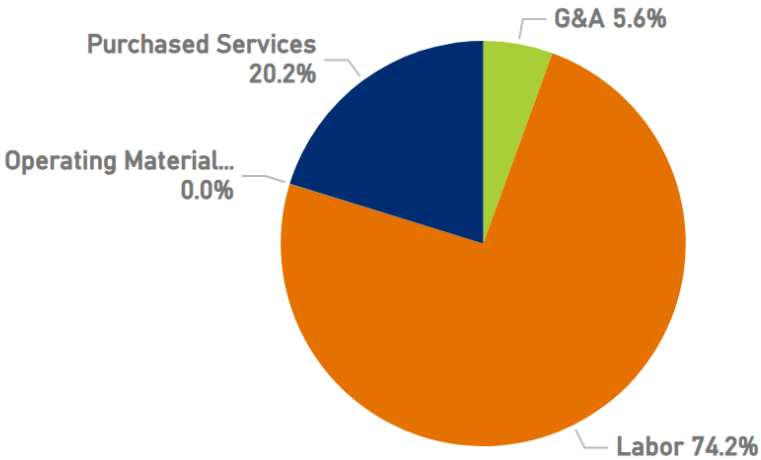
- Assessing/inventorying the health of the existing fiber network
- Employee and apprentice training and development
- Restoring service during outages
- Technology conversion (Active Ethernet to PON)
- Defining roles/responsibilities and developing standard operating procedures

QFR Segment

Finance/Business Services

▼

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<div>[-] Labor</div> <div> <div>+</div> CC001 - Salaries & Wages </div> <div> <div>+</div> CC006 - Other Labor </div> <div> <div>+</div> CC002 - Overtime </div>	\$3,975,726	\$4,014,068	\$4,226,039	5.3%
<div>+</div> Purchased Services	\$1,148,623	\$1,177,828	\$1,151,054	-2.3%
<div>+</div> G&A	\$341,223	\$346,457	\$316,465	-8.7%
<div>+</div> Operating Materials & Equipment	\$3,378	\$6,120	\$1,400	-77.1%
<div>+</div> IT	\$234,686	\$5,800		
Total	\$5,703,635	\$5,550,273	\$5,694,958	2.6%

-Main Objective-

- Financial administration including accounting, treasury, enterprise risk, compliance, and financial planning and budgeting.

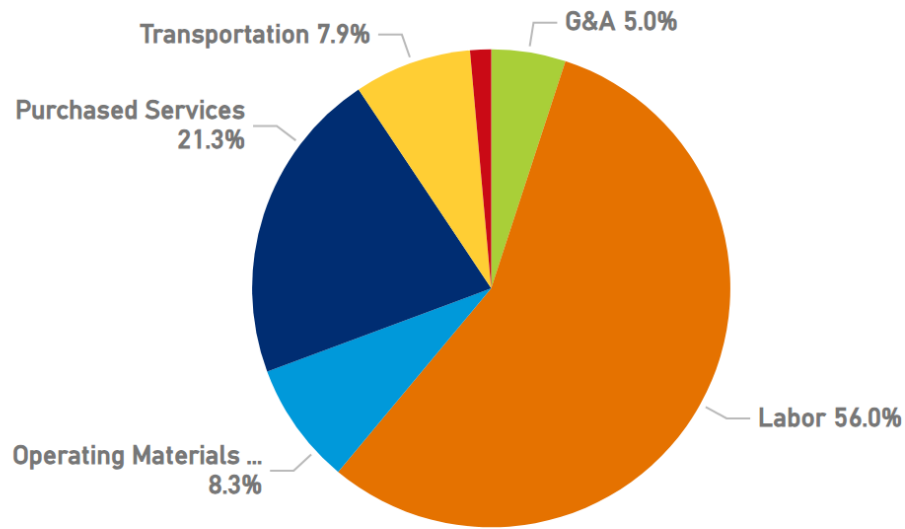
- 2024 Top Initiatives -

- Functionality is necessary and compliant activities that are financial and regulatory in nature.
- Unique initiatives for 2024 include completion/implementation of financial planning tools, transition of financial contracts, RFP of financial service providers, improved payables processes, and implementation of automated claims/insurance processing.
- 2024 is a reduction in spend compared to 2023 (2.6% budget over budget increase) due to the purchase of financial planning software in 2023 with future years managed in the Enterprise Technology Department. Additionally, certain bond issue fees were capitalized in 2023 and will be a department expense in 2024 due to timing/accounting treatment of transaction related costs.

QFR Segment

Internal Services

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
Labor	\$7,869,626	\$7,459,090	\$9,894,462	32.6%
CC001 - Salaries & Wages	\$7,263,603	\$6,867,653	\$9,337,322	36.0%
CC002 - Overtime	\$559,884	\$540,000	\$503,766	-6.7%
CC006 - Other Labor	\$46,139	\$51,437	\$53,375	3.8%
Purchased Services	\$4,181,628	\$4,997,597	\$3,764,012	-24.7%
Operating Materials & Equipment	\$1,515,559	\$1,152,810	\$1,459,490	26.6%
Transportation	\$1,752,056	\$1,606,080	\$1,402,409	-12.7%
G&A	\$896,131	\$839,505	\$887,767	5.7%
Utilities	\$256,334	\$219,357	\$250,392	14.1%
IT	\$41,051		\$0	
Total	\$16,512,383	\$16,274,439	\$17,658,533	8.5%

- This Group is Responsible For

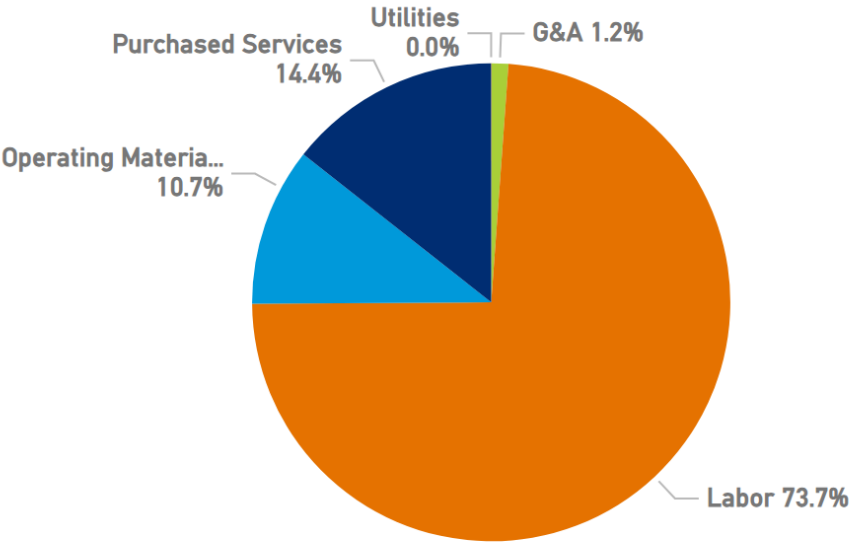
Providing day-to-day operational support for internal customers. This includes development and maintenance of emergency preparedness and recovery plans, protection of district assets, fleet and equipment availability, clean, safe and reliable facilities for staff and equipment.

- 2024 Top Initiatives -
- Transportation Apprenticeship Program
 - Vehicle Safety Program
 - Maintain adequate and efficient fleet and equipment availability
 - Reduce and improve work order response time
 - Maintain clean, safe, efficient and functional facilities
 - Continue to work through Dept’s 5-year roadmaps (Security & Emergency Management)
 - Conduct Emergency Management drills & training across district
 - Increase security program visibility

QFR Segment

Power Delivery

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
<div>[-] Labor</div>	\$26,226,196	\$25,490,126	\$26,822,582	5.2%
<div>[+] CC001 - Salaries & Wages</div>	\$21,210,615	\$21,218,730	\$22,433,954	5.7%
<div>[+] CC002 - Overtime</div>	\$4,765,701	\$4,024,816	\$4,170,805	3.6%
<div>[+] CC006 - Other Labor</div>	\$249,880	\$246,580	\$217,822	-11.7%
<div>[+] Purchased Services</div>	\$4,600,430	\$5,499,756	\$5,226,625	-5.0%
<div>[+] Operating Materials & Equipment</div>	\$4,139,585	\$4,418,648	\$3,900,813	-11.7%
<div>[+] G&A</div>	\$405,675	\$511,097	\$419,629	-17.9%
<div>[+] Utilities</div>	\$42,406		\$4,000	
<div>[+] IT</div>	\$98,396	\$95,945		
<div>[+] Transportation</div>	\$7,266			
Total	\$35,519,955	\$36,015,572	\$36,373,648	1.0%

-Main Objective-

Power Delivery is responsible for designing, constructing, maintaining, and operating Grant PUD's transmission, distribution, and substation assets and providing retail electric service to Grant County customers.

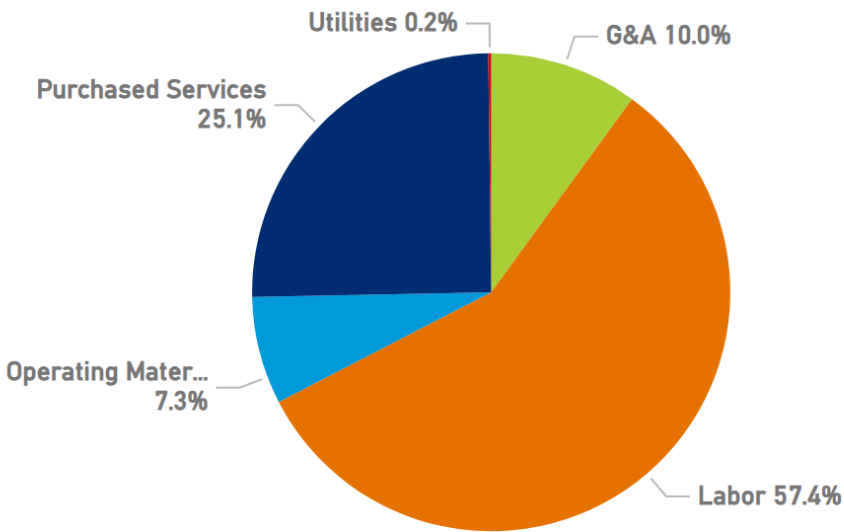
- 2024 Top Initiatives -

- Correcting low voltage/power quality issues on distribution feeders
- Tree trimming and removal to improve system reliability
- Transmission studies and aerial surveys to address load growth and system reliability
- Testing and maintaining substation transformers, breakers, and relays
- Employee and apprentice training and development
- Service fees paid to external entities (BPA and NWPP)

QFR Segment

Power Production

2024 Total Budget by Cost Category Type



O&M Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	2023 Expected Spend	2023 Budget	2024 Budget	Budget vs Budget Variance %
Labor	\$32,031,434	\$32,401,667	\$34,765,296	7.3%
CC001 - Salaries & Wages	\$29,665,105	\$30,041,299	\$32,361,425	7.7%
CC002 - Overtime	\$2,215,163	\$2,240,618	\$2,275,035	1.5%
CC006 - Other Labor	\$151,166	\$119,750	\$128,836	7.6%
Purchased Services	\$13,762,268	\$15,065,119	\$15,210,883	1.0%
G&A	\$5,518,594	\$5,925,551	\$6,070,215	2.4%
Operating Materials & Equipment	\$3,415,166	\$2,713,384	\$4,409,171	62.5%
Utilities	\$271,581	\$114,968	\$119,956	4.3%
IT	\$87,625	\$63,916		
Transportation	\$11,447			
Total	\$55,098,116	\$56,284,605	\$60,575,521	7.6%

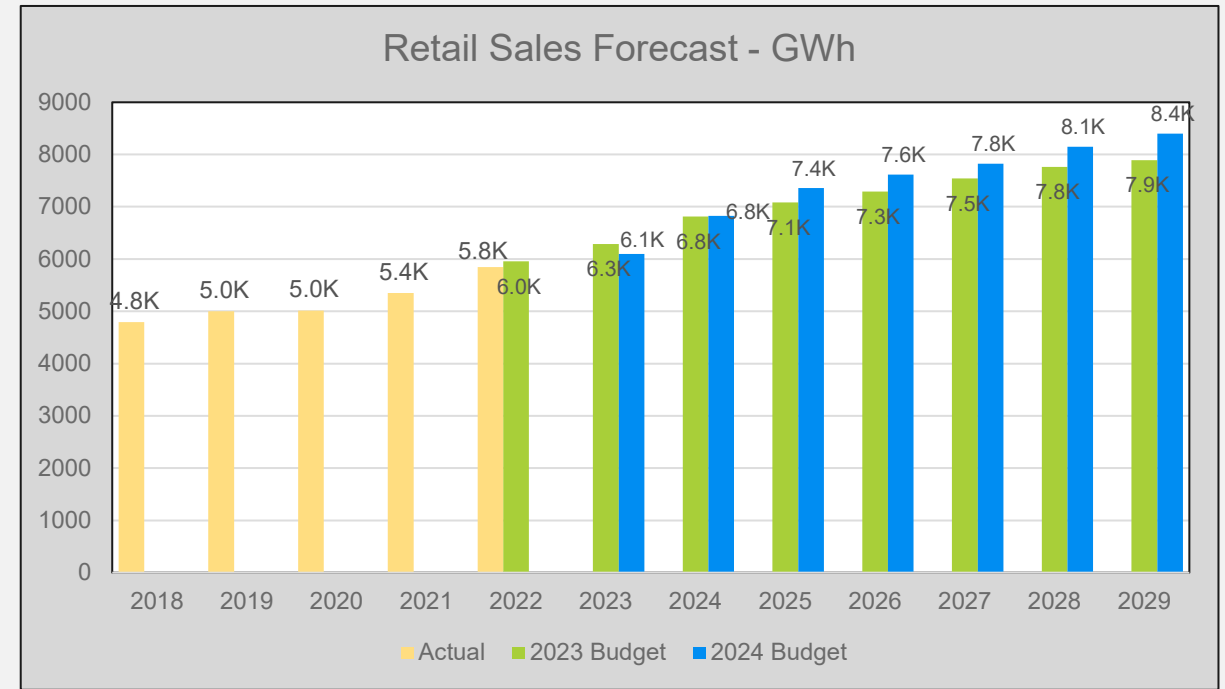
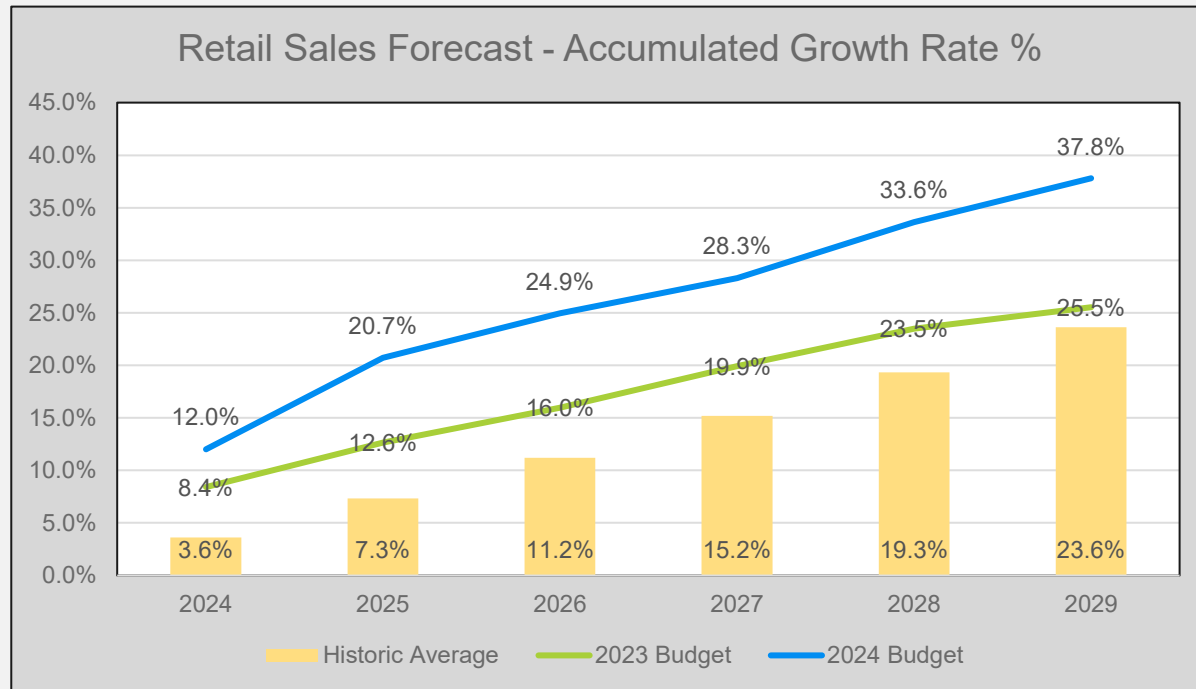
-Main Objective-

Power Production is responsible for designing, constructing, maintaining, and operating Grant PUD's generation assets and ensuring environmental and cultural resource compliance.

- 2024 Top Initiatives -

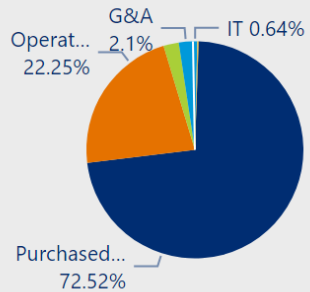
- Federal regulatory fees for hydropower project
- Required independent engineering inspection of Priest Rapids Dam
- Employee training and development
- Routine overhauls of turbine and generators at each plant
- Fish ladder maintenance at each plant

2024 Electric System Plan – Load Growth

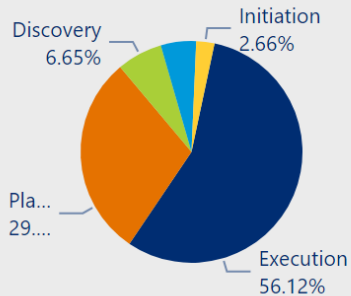


- District load forecast utilizes an econometric model approach for trended customer classes plus input for growth on discrete large loads
- The 2024 growth outpaces the previous forecast by 3.6% (historical growth rate calculated as the average of 2008-2020)
- By 2029 growth rates have diverged by 12.3%
 - 2024 Fx = 5.5% annual growth vs 2023 Fx = 3.9% annual growth
 - The increasing growth rate is associated with an increase in Rate Schedule 15 loads and larger evolving industry loads

2024 by Cost Category Type



2024 cost by Current Phase



Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
Power Production	\$78,713,814	\$51,712,069	\$23,332,353	\$75,044,422	(\$3,669,392)	-5%	\$62,330,237	\$54,495,986	\$61,306,987
Power Delivery	\$62,356,215	\$34,824,091	\$31,071,811	\$65,895,902	\$3,539,688	6%	\$40,275,989	\$72,963,387	\$186,914,208
Fiber	\$30,182,620	\$17,854,686	\$13,060,263	\$30,914,949	\$732,329	2%	\$22,158,230	\$24,334,718	\$5,090,000
Technology	\$10,049,345	\$3,230,887	\$6,855,702	\$10,086,589	\$37,244	0%	\$3,501,753	\$7,279,125	\$5,200,000
IS/Facilities	\$7,948,711	\$3,080,802	\$4,620,286	\$7,701,089	(\$247,622)	-3%	\$6,668,733	\$38,068,622	\$80,501,867
Other			\$170,000	\$170,000	\$170,000	Infinity		\$4,007,000	\$0
Total	\$189,250,704	\$110,702,536	\$79,110,416	\$189,812,951	\$562,247	0%	\$134,934,942	\$201,148,839	\$339,013,061

Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
PR Turbine Upgrade	\$21,844,766	\$25,484,657	\$23,927,036
FMPI - PDF_PD Facilities	\$854,932	\$24,350,800	\$72,645,001
Fiber Expansion	\$24,367,989	\$18,844,718	\$0
DB2 - Red Rock Transmission	\$1,652,873	\$17,624,384	\$3,390,291
PR Generator Rewind	\$9,794,284	\$13,301,640	\$14,593,240
Lar-Strat 115kV Relocation	\$230,606	\$8,956,463	\$151,667
IQ#3 ECBID Ruff Substation	\$1,267,050	\$6,639,040	\$0
Distribution Feeder Lines	\$6,581,811	\$6,602,529	\$3,669,674
Broadband Customer Connectivity	\$6,331,669	\$5,240,000	\$4,840,000
IQ#5 SR Quincy Valley	\$425,133	\$5,222,949	\$6,596,434
Fleet Replacement Program	\$4,489,662	\$4,280,025	\$3,687,600
IQ#1 Invenergy	\$1,449,156	\$4,177,124	\$3,265,102
Customer Line Extensions	\$4,830,686	\$4,050,000	\$4,050,000
Total	\$189,812,951	\$201,148,839	\$339,013,061

- Dollars shown as directs (no allocated internal labor)
- 2024 total capital proposed portfolio is \$201.1 million
 - Most significant projects (top 13 shown to the left)
 - Subsequent slides detail each portfolio
- For financial purposes the District adjusts dollars for fiscal management due to known variances with phase of project and slippages (\$-28.4M adjustment)
- The planned financial impact for 2024 in Exhibit A of the budget = \$172.9M



Portfolio Summary

Portfolio

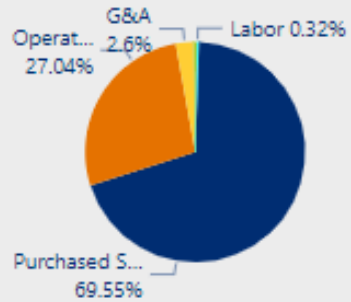


Power Production

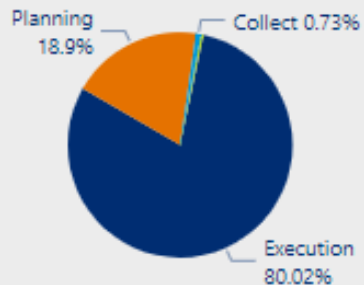
Refreshed as of

9/11/2023 12:27:53 AM

2024 by Cost Category Type



2024 cost by Current Phase



Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
Power Production	\$78,713,814	\$51,712,069	\$23,332,353	\$75,044,422	(\$3,669,392)	-5%	\$62,330,237	\$54,495,986	\$61,306,987
Total	\$78,713,814	\$51,712,069	\$23,332,353	\$75,044,422	(\$3,669,392)	-5%	\$62,330,237	\$54,495,986	\$61,306,987

Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
PR Turbine Upgrade	\$21,844,766	\$25,484,657	\$23,927,036
PR Generator Rewind	\$9,794,284	\$13,301,640	\$14,593,240
PRP Station & Substation Replace	\$3,296,174	\$1,967,996	\$4,935,236
Carlton Acci Facility Wells	\$1,299,581	\$1,762,750	\$0
PR Dam Unit Controls	\$1,260,130	\$1,671,953	\$1,402,564
WAN Left Embankment Improvements	\$1,924,885	\$1,538,144	\$55,181
Wanapum Emergency Diesel Generator	\$52,657	\$1,464,884	\$253,150
CO2 Supplemental Fire Study	\$29,303	\$1,089,400	\$0
WAN Capital Renewal	\$481,762	\$975,000	\$150,000
PR CO2 Supression System at PR	\$29,224	\$927,300	\$0
Eastbank Hatchery ILA	\$711,046	\$650,781	\$0
Total	\$75,044,422	\$54,495,986	\$61,306,987

Major Projects:

- 71% of the Power Production 2024 capital budget is the Priest Rapids Dam turbine and generator project
 - Work began in 2016, 10 units total @ 14 months per unit
 - Extends life and efficiencies of generating asset
- PRP substation, Priest Rapids Unit controls multi year impacts
- Wanapum left embankment improvement work
- Environmental focused projects:
 - Developing new production and domestic wells at Carlton fish acclimation facility
 - Eastbank Hatchery (partnership with Chelan PUD)



Portfolio Summary



Portfolio

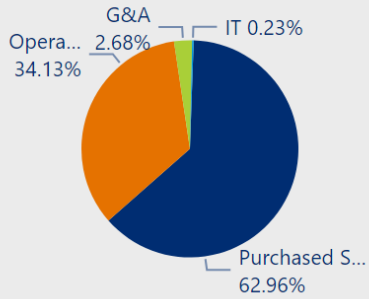
Power Delivery



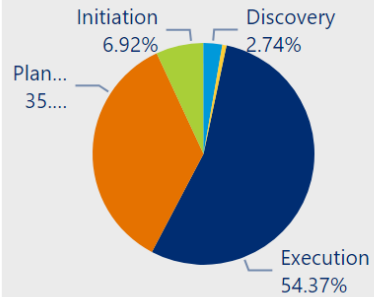
Refreshed as of

9/11/2023 12:27:53 AM

2024 by Cost Category Type



2024 cost by Current Phase



Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
Power Delivery	\$62,356,215	\$34,824,091	\$31,071,811	\$65,895,902	\$3,539,688	6%	\$40,275,989	\$72,963,387	\$186,914,208
Total	\$62,356,215	\$34,824,091	\$31,071,811	\$65,895,902	\$3,539,688	6%	\$40,275,989	\$72,963,387	\$186,914,208

Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
DB2 - Red Rock Transmission	\$1,652,873	\$17,624,384	\$3,390,291
Lar-Strat 115kV Relocation	\$230,606	\$8,956,463	\$151,667
IQ#3 ECBID Ruff Substation	\$1,267,050	\$6,639,040	\$0
Distribution Feeder Lines	\$6,581,811	\$6,602,529	\$3,669,674
IQ#5 SR Quincy Valley	\$425,133	\$5,222,949	\$6,596,434
IQ#1 Invenergy	\$1,449,156	\$4,177,124	\$3,265,102
Customer Line Extensions	\$4,830,686	\$4,050,000	\$4,050,000
DB2 - South Ephrata Substation	\$5,911,778	\$2,795,038	\$0
QTEP - WAN-MT View 230kV Line	\$668,880	\$2,597,334	\$15,069,751
DB2 - Mountain View Cap Bank	\$1,852,268	\$2,558,614	\$0
QTEP - MT View Breaker &	\$486,462	\$2,297,048	\$26,760,624
Total	\$65,895,902	\$72,963,387	\$186,914,208

Major Projects:

- Building new and relocating existing transmission lines to accommodate load growth and county road widening
- Building new and upgrading existing substations to accommodate load growth
- Extending distribution system to serve new customers
- Building new infrastructure to connect a new solar farm customer



Portfolio Summary



Portfolio

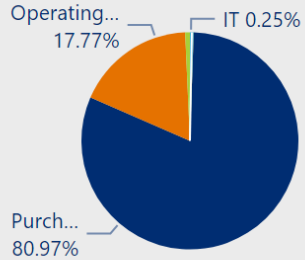
Fiber



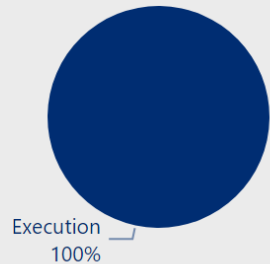
Refreshed as of

9/11/2023 12:27:53 AM

2024 by Cost Category Type



2024 cost by Current Phase



Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
Fiber	\$30,182,620	\$17,854,686	\$13,060,263	\$30,914,949	\$732,329	2%	\$22,158,230	\$24,334,718	\$5,090,000
Total	\$30,182,620	\$17,854,686	\$13,060,263	\$30,914,949	\$732,329	2%	\$22,158,230	\$24,334,718	\$5,090,000

Total Capital Portfolio (Direct Capital)

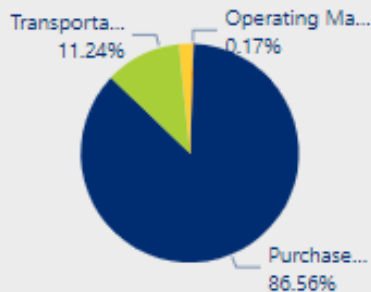
Initiative Name	2023	2024	2025
Fiber Expansion	\$24,367,989	\$18,844,718	\$0
Broadband Customer Connectivity	\$6,331,669	\$5,240,000	\$4,840,000
Wholesale Fiber Cable Replacement	\$215,292	\$250,000	\$250,000
Total	\$30,914,949	\$24,334,718	\$5,090,000

Major Projects:

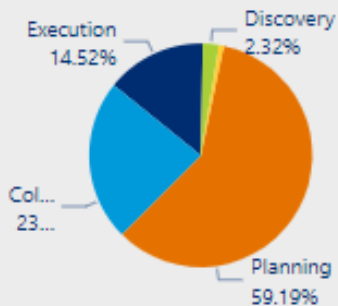
- Complete buildout of wholesale fiber network
 - 8 areas completed in 2023 and final 8 areas completed with the 2024 budget
- Annual connectivity and fiber replacement necessary for system



2024 by Cost Category Type



2024 cost by Current Phase



Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
IS/Facilities	\$7,948,711	\$3,080,802	\$4,620,286	\$7,701,089	(\$247,622)	-3%	\$6,668,733	\$38,068,622	\$80,501,867
Total	\$7,948,711	\$3,080,802	\$4,620,286	\$7,701,089	(\$247,622)	-3%	\$6,668,733	\$38,068,622	\$80,501,867

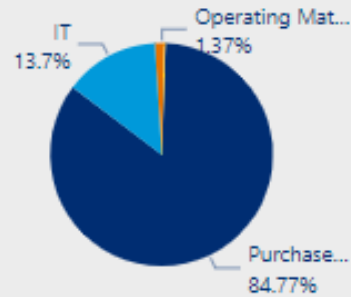
Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
FMPI - PDF_PD Facilities	\$854,932	\$24,350,800	\$72,645,001
Fleet Replacement Program	\$4,489,662	\$4,280,025	\$3,687,600
Control Center Improvements	\$63,318	\$3,380,189	\$0
Facility Capital Improvement Pool	\$1,507,232	\$1,528,300	\$1,125,600
FMPI - MLLO Relocation	\$0	\$1,389,590	\$0
Royal City Paving Project	\$36,000	\$992,500	\$0
Wanapum Switchyard Well Intertie	\$0	\$870,000	\$0
FMPI - GCSC Surplus	\$53,000	\$668,330	\$123,666
ESC Storage Rack Improvements	\$43,000	\$304,605	\$0
PRD Gates and Security Station	\$0	\$304,283	\$0
Total	\$7,701,089	\$38,068,622	\$80,501,867

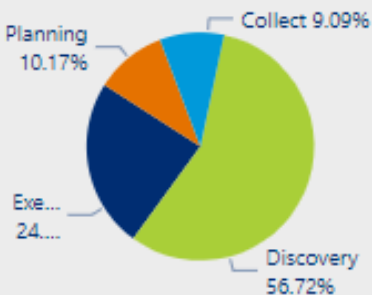
Major Projects:

- Ephrata Service Center, also referenced as part of the larger Power Delivery Facilities (PDF) project is 64% of the 2024 portfolio
 - Design phase 2024-2025, construction slated 2025-2027
 - More information at www.grantpudor/key-projects-eph-service-center
- Fiber equipment relocation in Moses Lake budgeted
- Balance of portfolio is facility updates needed for safe and compliant work spaces
 - Facilities Cap Pool supports maintenance plan and necessary needed equipment.

2024 by Cost Category Type



2024 cost by Current Phase



Total Capital Portfolio (Direct Capital)

Portfolio	2023 Approved Spend	2023 Actuals	2023 BOY Fx	2023 YEP	2023 VAR	2023 VAR %	2023 FPA Budget	2024 Forecast	2025 Forecast
Technology	\$10,049,345	\$3,230,887	\$6,855,702	\$10,086,589	\$37,244	0%	\$3,501,753	\$7,279,125	\$5,200,000
Total	\$10,049,345	\$3,230,887	\$6,855,702	\$10,086,589	\$37,244	0%	\$3,501,753	\$7,279,125	\$5,200,000

Total Capital Portfolio (Direct Capital)

Initiative Name	2023	2024	2025
13.1 Re-engineer Supply Chain	\$0	\$3,850,000	\$3,500,000
Maximo Asset Mgmt for PD	\$0	\$1,000,000	\$1,000,000
Mobile Workforce	\$0	\$400,000	\$0
Transfer Trip Replacement	\$0	\$375,000	\$0
10.14 Network Core Replacements	\$3,531,842	\$314,431	\$0
6.2 Replace Energy Management System	\$2,751,177	\$309,403	\$0
Customer Relationship Mgr (CRM)	\$0	\$200,000	\$0
IT Project Pool - Small Projects	\$200,000	\$200,000	\$200,000
Copy Machine Replacements	\$100,000	\$100,000	\$100,000
SCADA Communication	\$33,333	\$100,000	\$100,000
Total	\$10,086,589	\$7,279,125	\$5,200,000

Major Projects:

- Replacement of network core components provides stability and reliability for Fiber and operational networks
- Replacement of the Emergency Management System needed for FERC regulatory compliance requirements
- Mobile Workforce software to go live in 2024 - automates the power delivery work orders and replaces non functioning tool
- Expanding the use of Maximo into asset management – enables more efficient management of assets from purchase to retirement
- Customer Relationship Management software slated in 2024 to enhance customer interfaces

Preliminary Budget Summary – Total Expenditures

Combined Financial Results

Exhibit A - \$ in thousands	audited Actuals 2021	audited Actuals 2022	Budget 2023	As of Q2 FC Forecast 2023	Budget 2024	As of '24 Budget Forecast 2025	As of '24 Budget Forecast 2026	As of '24 Budget Forecast 2027	As of '24 Budget Forecast 2028	As of '24 Budget Forecast 2029
Budgeted Items										
Total O&M	\$ 165,689	\$ 167,074	\$ 188,170	\$ 183,668	\$ 201,879	\$ 209,102	\$ 216,331	\$ 223,778	\$ 231,455	\$ 239,419
Taxes	\$ 20,081	\$ 21,151	\$ 21,556	\$ 22,991	\$ 23,662	\$ 24,335	\$ 25,010	\$ 25,687	\$ 26,365	\$ 27,045
Electric Capital	\$ 92,567	\$ 86,550	\$ 80,842	\$ 88,590	\$ 101,017	\$ 120,364	\$ 130,595	\$ 126,365	\$ 67,522	\$ 49,438
PRP Capital	\$ 77,146	\$ 69,822	\$ 74,139	\$ 81,637	\$ 71,896	\$ 69,730	\$ 64,773	\$ 53,939	\$ 52,942	\$ 108,675
Total Capital	\$ 169,713	\$ 156,372	\$ 154,981	\$ 170,227	\$ 172,913	\$ 190,094	\$ 195,368	\$ 180,304	\$ 120,464	\$ 158,113
Debt Service - (net of Rebates)	\$ 74,152	\$ 73,717	\$ 71,986	\$ 73,841	\$ 68,022	\$ 78,032	\$ 78,831	\$ 79,513	\$ 88,648	\$ 89,649
Total Expenditures	\$ 429,635	\$ 418,313	\$ 436,693	\$ 450,727	\$ 466,476	\$ 501,564	\$ 515,540	\$ 509,282	\$ 466,932	\$ 514,227
Expenditures offsets for deduction										
Contributions in Aid of Construction	\$ (14,110)	\$ (10,781)	\$ (10,713)	\$ (17,544)	\$ (12,257)	\$ (12,650)	\$ (11,297)	\$ (11,490)	\$ (6,853)	\$ (6,853)
Sales to Power Purchasers at Cost	\$ (23,584)	\$ (28,654)	\$ (13,765)	\$ (20,590)	\$ (16,889)	\$ (7,258)	\$ (7,406)	\$ (7,757)	\$ (8,099)	\$ (7,902)
Net Power (+ Expense, -Revenue)	\$ (90,567)	\$ (86,554)	\$ (95,178)	\$ (180,779)	\$ (90,167)	\$ (69,956)	\$ (58,138)	\$ (49,099)	\$ (31,122)	\$ (22,778)
Total Expenditures Offset	\$ (128,261)	\$ (125,989)	\$ (119,656)	\$ (218,914)	\$ (119,312)	\$ (89,863)	\$ (76,841)	\$ (68,346)	\$ (46,074)	\$ (37,532)
Total Budgeted Expenditures	\$ 301,374	\$ 292,324	\$ 317,038	\$ 231,813	\$ 347,163	\$ 411,701	\$ 438,699	\$ 440,936	\$ 420,858	\$ 476,695

TOTAL O&M

- 2024 total O&M aggregated 7.2% increase over 2023 budget
- 2023 actual spending is outperforming the budget due to scope reductions and deferrals
- O&M is inflated at ~3.4% annually post 2024

ELEC & PRP Capital

- Inflation is a significant driver and an impact both the ELEC and PRP systems' capital plans
- Capital projects impact years differently based upon timing and scope, refer to capital detail slides for specifics

Debt

- Fluctuations in debt service payments result from savings from refinancing in 2024 and out year increase is due to market rate increases
 - 2024 capital projected to be cash funded
 - 2025 forecasted for an external debt issue ~\$125M (and corresponding debt service increase)

Expenditure Offsets

- The material impact is net power driven from growing load needs over the forecast period. Noted in 2023 is an abnormal influx of revenues from unique market conditions. This trend is not expected to occur and this value to decrease from historical levels.

Preliminary Budget Summary – Net Position

Combined Financial Results

Exhibit B - \$ in thousands	restated	restated	As of Q2 FC			As of '24	As of '24	As of '24	As of '24	As of '24
	Actuals	Actuals	Budget	Forecast	Budget	Budget	Budget	Budget	Budget	Budget
	2021	2022	2023	2023	2024	2025	2026	2027	2028	2029
CONSOLIDATED OPERATIONAL PERFORMANCE										
Sales to Power Purchasers at Cost	\$ 23,584	\$ 28,654	\$ 13,765	\$ 20,590	\$ 16,889	\$ 7,258	\$ 7,406	\$ 7,757	\$ 8,099	\$ 7,902
Retail Energy Sales	\$ 231,937	\$ 265,721	\$ 272,425	\$ 276,280	\$ 313,316	\$ 338,774	\$ 348,832	\$ 361,293	\$ 384,482	\$ 398,522
Net Power (Net Wholesale + Other Power Revenue)	\$ 90,567	\$ 86,554	\$ 95,178	\$ 180,779	\$ 90,167	\$ 69,956	\$ 58,138	\$ 49,099	\$ 31,122	\$ 22,778
Fiber Optic Network Sales	\$ 12,046	\$ 12,775	\$ 12,300	\$ 13,257	\$ 13,522	\$ 13,793	\$ 14,069	\$ 14,350	\$ 14,637	\$ 14,930
Other Revenues	\$ 1,758	\$ 3,409	\$ 2,354	\$ 3,295	\$ 3,295	\$ 3,295	\$ 3,295	\$ 3,295	\$ 3,295	\$ 3,295
Operating Expenses	\$ (165,689)	\$ (167,074)	\$ (188,170)	\$ (183,668)	\$ (201,879)	\$ (209,102)	\$ (216,331)	\$ (223,778)	\$ (231,455)	\$ (239,419)
Taxes	\$ (20,081)	\$ (21,151)	\$ (21,556)	\$ (22,991)	\$ (23,662)	\$ (24,335)	\$ (25,010)	\$ (25,687)	\$ (26,365)	\$ (27,045)
Net Operating Income (Loss) Before Depreciation	\$ 174,122	\$ 208,888	\$ 186,296	\$ 287,542	\$ 211,648	\$ 199,638	\$ 190,398	\$ 186,329	\$ 183,814	\$ 180,961
Depreciation and amortization	\$ (79,549)	\$ (80,307)	\$ (77,841)	\$ (84,405)	\$ (89,397)	\$ (94,958)	\$ (100,674)	\$ (105,866)	\$ (109,042)	\$ (113,450)
Net Operating Income (Loss)	\$ 94,574	\$ 128,581	\$ 108,455	\$ 203,137	\$ 122,250	\$ 104,679	\$ 89,725	\$ 80,463	\$ 74,773	\$ 67,511
Interest, debt and other income	\$ (33,733)	\$ (48,948)	\$ (25,485)	\$ (19,534)	\$ (15,875)	\$ (27,260)	\$ (28,486)	\$ (33,245)	\$ (37,732)	\$ (36,027)
CIAC	\$ 14,110	\$ 10,781	\$ 10,713	\$ 17,544	\$ 12,257	\$ 12,650	\$ 11,297	\$ 11,490	\$ 6,853	\$ 6,853
Change in Net Position	\$ 74,951	\$ 90,414	\$ 93,683	\$ 201,147	\$ 118,632	\$ 90,069	\$ 72,536	\$ 58,708	\$ 43,893	\$ 38,337

- Net wholesale is a major driver in out years
- Increasing costs growing with system needs additionally placing pressure on Net Operating Income
- Interest/Debt expense is outperforming prior years due to increased level of earnings on district investment portfolio as a result of current rate environment

Retail Energy Sales

- Same as reported in Q2 Financial Forecast includes the latest Retail Sales forecast
- 2024 retail sales expected to add \$37.1 million of operating revenues over 2023 (+13%)
- 2024-2028: Significant favorable impact of \$ 22.5M (on an average annual basis) vs the original 2023 Budget forecast.
 - Includes 2.5% rate revenue increase in 2024, and 2% annual increases thereafter (note this is uplift to total revenue, not reflective of actual rate increases)
 - +\$9.1M is Price related, +\$13.4M is Volume related

Preliminary Budget Summary – Key Metrics

Combined Financial Results

Financial Metrics	Target	Actuals 2022	Budget 2023	Forecast 2023	Budget 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
Net Position		\$ 90,414	\$ 93,683	\$201,147	\$ 118,632	\$ 90,069	\$ 72,536	\$ 58,708	\$ 43,893	\$ 38,337
Liquidity										
Elect System Liquidity (Rev + R&C)	\$105 MM	\$126,794	\$111,014	\$200,569	\$ 172,095	\$185,952	\$176,228	\$159,745	\$149,836	\$148,748
Days Cash On Hand	> 250	305	273	431	348	358	332	297	273	263
Leverage										
Consolidated DSC	>1.8x	2.57	2.57	3.37	3.17	2.65	2.50	2.50	2.23	2.18
Consolidated Debt/Plant Ratio	<= 60%	48%	48%	45%	43%	45%	42%	39%	37%	35%
Profitability										
Consolidated Return on Net Assets	>4%	3.8%	3.8%	8.2%	4.7%	3.4%	2.7%	2.1%	1.6%	1.3%
Retail Operating Ratio	<=100%	108%	108%	113%	109%	114%	116%	115%	100%	94%

Dashboard - Financial Metrics/Performance

	2024	2025	2026	2027	2028	2029
Electric Liquidity (R&C + WC)	+	+	+	+	+	+
Consolidated Debt Service Coverage	+	+	+	+	+	+
Consolidated Debt/Plant	+	+	+	+	+	+
Consolidated Return on Net Assets	+	-	-	-	-	-
Retail Operating Ratio	-	-	-	-	◆	+

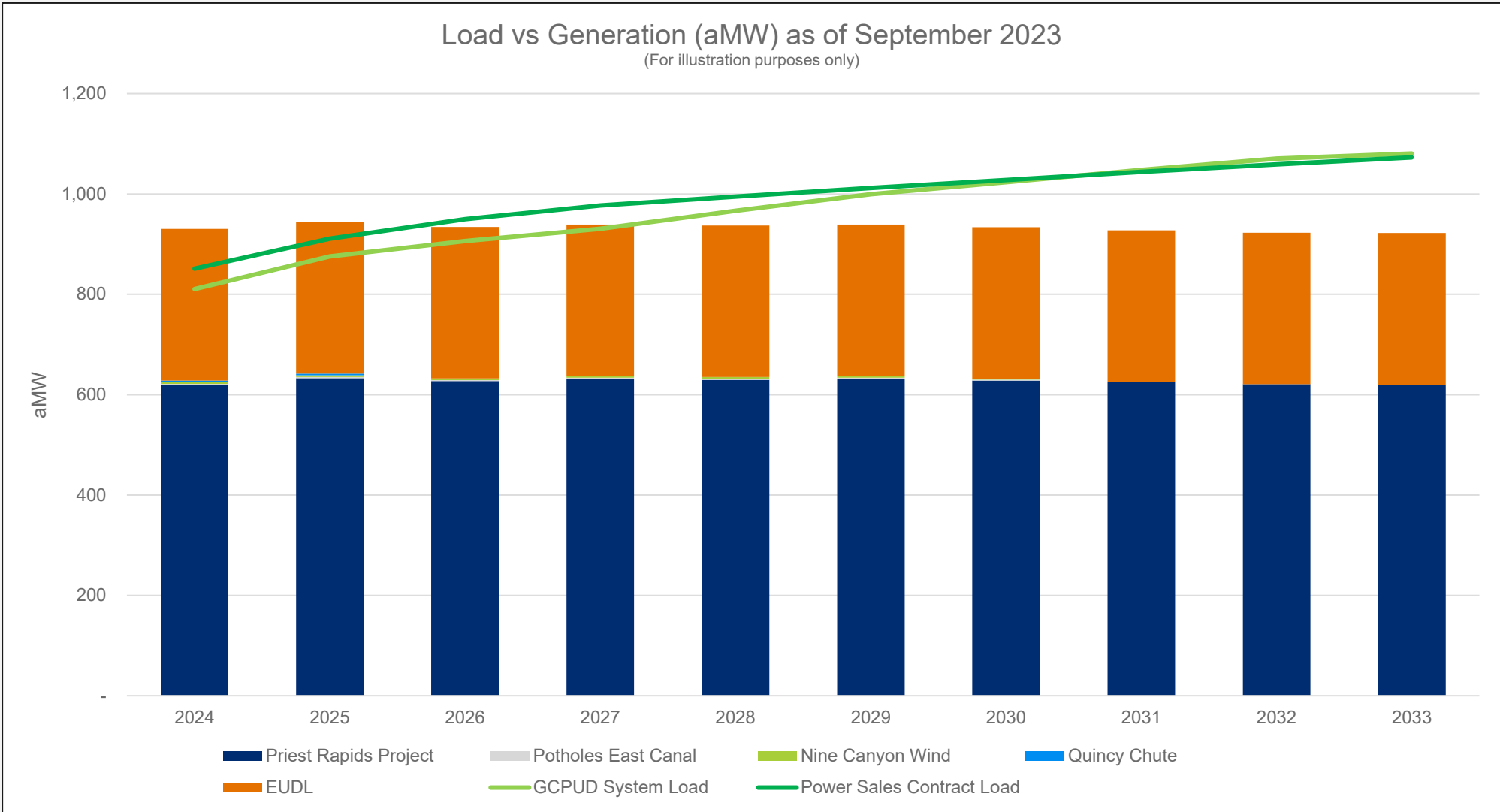
04

Appendix A - Scenarios

*Events that could have a
significant impact on budget*



Priest Rapids Project Remaining Availability Load Growth

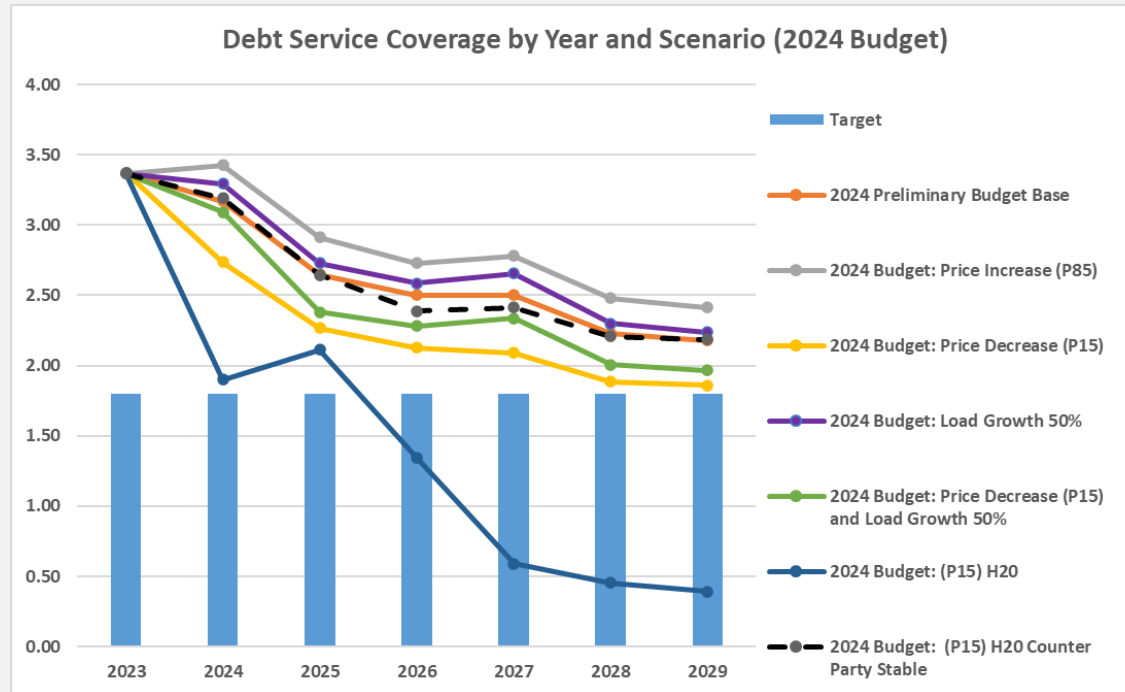


Operational Scenario Descriptions

6 Scenarios – provide metrics impact for movement in volatile parts of Grant PUD operations

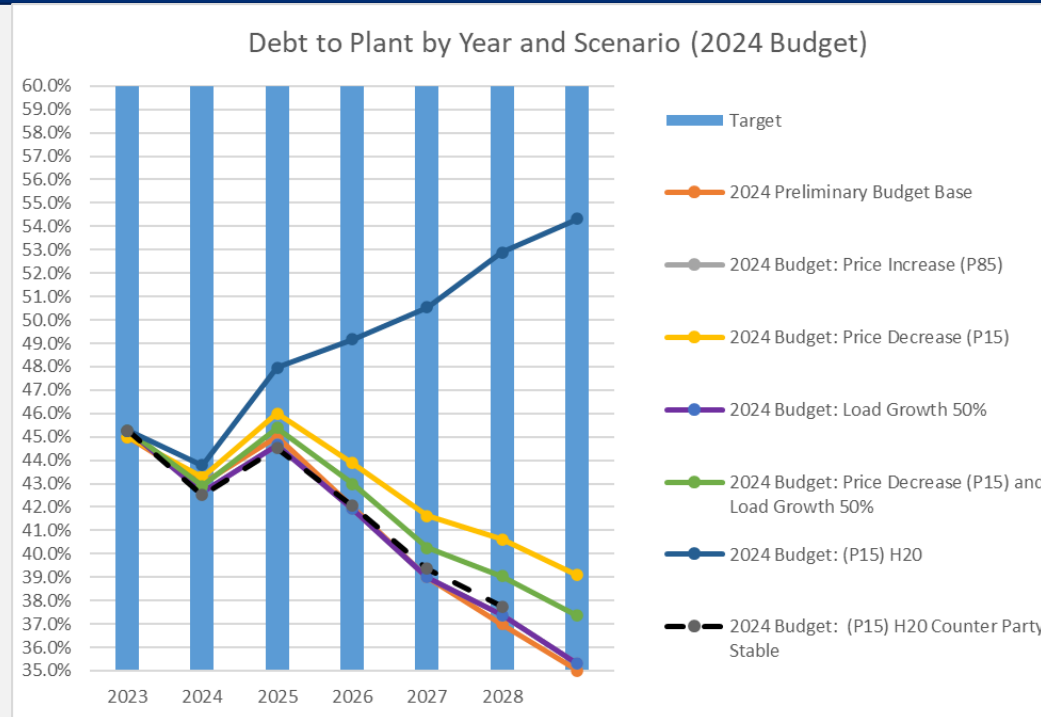
- Scenarios that provide insight on Grant PUD's exposure to wholesale prices, that is selling and buying from the market when Grant's resources don't match load needs.
 - High wholesale prices (P85, prices only higher 15% of time)
 - Low wholesales prices (P15, prices only lower 15% of time)
- Scenarios that show how Grant PUD's financial metrics respond when load growth (electricity sales to retail customers) slows down from expected growth.
 - Low load growth at $\frac{1}{2}$ growth rate of base forecast
 - Low load growth ($\frac{1}{2}$ Base) combined with low wholesale prices (P15)
- Scenarios that provide the impact of changing water conditions on the Columbia River
 - Low water (P15, water flow at dams only lower 15% of the time) Isolated
 - Low water and Counter Party Stable

Operational Scenarios – Comparison to Base Budget



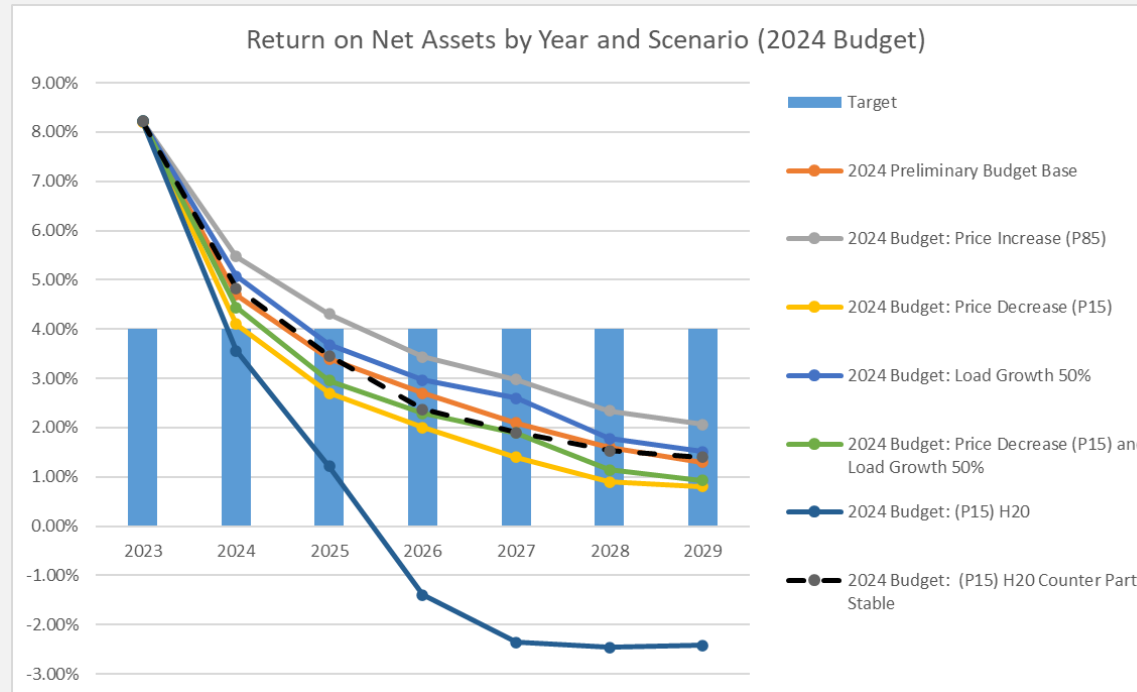
Debt Service Coverage (DSC)	2023	2024	2025	2026	2027	2028	2029
Target	1.80	1.80	1.80	1.80	1.80	1.80	1.80
2024 Preliminary Budget Base	3.37	3.17	2.65	2.50	2.50	2.23	2.18
2024 Budget: Price Increase (P85)	3.37	3.42	2.91	2.73	2.78	2.48	2.41
2024 Budget: Price Decrease (P15)	3.37	2.74	2.27	2.13	2.09	1.88	1.86
2024 Budget: Load Growth 50%	3.37	3.30	2.73	2.58	2.66	2.30	2.24
2024 Budget: Price Decrease (P15) and Load Growth 50%	3.37	3.09	2.38	2.28	2.34	2.00	1.97
2024 Budget: (P15) H20	3.37	1.90	2.11	1.35	0.59	0.46	0.39
2024 Budget: (P15) H20 Counter Party Stable	3.37	3.19	2.64	2.39	2.41	2.21	2.19

Operational Scenarios – Comparison to Base Budget



Debt to Net Plant	2023	2024	2025	2026	2027	2028	2029
Target	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
2024 Preliminary Budget Base	45.0%	43.0%	45.0%	42.0%	39.0%	37.0%	35.0%
2024 Budget: Price Increase (P85)	45.3%	42.6%	44.7%	41.9%	39.0%	37.4%	35.3%
2024 Budget: Price Decrease (P15)	45.0%	43.3%	46.0%	43.9%	41.6%	40.6%	39.1%
2024 Budget: Load Growth 50%	45.3%	42.6%	44.7%	41.9%	39.0%	37.4%	35.3%
2024 Budget: Price Decrease (P15) and Load Growth 50%	45.3%	42.9%	45.4%	43.0%	40.3%	39.0%	37.4%
2024 Budget: (P15) H20	45.3%	43.8%	48.0%	49.2%	50.5%	52.9%	54.3%
2024 Budget: (P15) H20 Counter Party Stable	45.3%	42.5%	44.5%	42.1%	39.4%	37.8%	35.6%

Operational Scenarios – Comparison to Base Budget



Return on Net Assets (RONA)	2023	2024	2025	2026	2027	2028	2029
Target	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
2024 Preliminary Budget Base	8.20%	4.70%	3.40%	2.70%	2.10%	1.60%	1.30%
2024 Budget: Price Increase (P85)	8.22%	5.48%	4.31%	3.44%	2.98%	2.34%	2.07%
2024 Budget: Price Decrease (P15)	8.20%	4.10%	2.70%	2.00%	1.40%	0.90%	0.80%
2024 Budget: Load Growth 50%	8.22%	5.08%	3.68%	2.96%	2.60%	1.77%	1.52%
2024 Budget: Price Decrease (P15) and Load Growth 50%	8.22%	4.44%	2.95%	2.29%	1.89%	1.14%	0.93%
2024 Budget: (P15) H2O	8.22%	3.56%	1.21%	-1.40%	-2.36%	-2.46%	-2.42%
2024 Budget: (P15) H2O Counter Party Stable	8.22%	4.82%	3.45%	2.37%	1.90%	1.53%	1.40%



Powering our way of life.

04

Appendix B – Summarized Budget Reconciliation



Appendix – 2024 Budget Comparison QFR BvA items

Budget Comparison		2024 Budget ---Preliminary---					
					12.76%	= Labor-to-CAP	
		BU OP Budgets	Enterprise	O&M	CAP	TOTAL	
Labor	Salaries & Wages	\$ 98,034,658		\$ 85,702,749	\$ 12,331,909	\$ 98,034,658	
	Overtime	\$ 7,570,556		\$ 6,413,137	\$ 1,157,419	\$ 7,570,556	
	Benefits		\$ 42,154,903	\$ 36,852,183	\$ 5,302,720	\$ 42,154,903	
	Other Labor	\$ 926,046	\$ 2,511,140	\$ 3,336,634	\$ 100,551	\$ 3,437,185	
	TOTAL	\$ 106,531,260	\$ 44,666,043	\$ 132,304,703	\$ 18,892,599	\$ 151,197,302	
Directs	G&A	\$ 11,671,273		\$ 11,671,273		\$ 11,671,273	
	IT	\$ 10,119,901		\$ 10,119,901		\$ 10,119,901	
	Operating Materials & Equipment	\$ 10,285,396		\$ 10,285,396		\$ 10,285,396	
	Purchased Services	\$ 34,173,280		\$ 34,173,280		\$ 34,173,280	
	Risk	\$ -	\$ 5,076,589	\$ 5,076,589		\$ 5,076,589	
	Transportation	\$ 1,402,409		\$ 1,402,409		\$ 1,402,409	
	Utilities	\$ 812,487		\$ 812,487		\$ 812,487	
	Capitalized A&G			\$ (4,243,252)	\$ 4,243,252	\$ -	
	Business Initiative		\$ 4,105,977	\$ 4,105,977		\$ 4,105,977	
	PRP CAP				\$ 62,693,238	\$ 62,693,238	
	ELEC CAP				\$ 87,083,840	\$ 87,083,840	
		\$ 68,464,746	\$ 9,182,566	\$ 73,404,060	\$ 154,020,330	\$ 227,424,390	
		\$ 174,996,006	\$ 53,848,609	\$ 205,708,763	\$ 172,912,929	\$ 378,621,692	
	Enterprise TOTALs	\$ 174,996,006	\$ 53,848,609	\$ 205,708,763	\$ 172,912,929	\$ 378,621,692	
	Balance Sheet, COGs, & Other Activity			\$ (3,829,996)		\$ (3,829,996)	
	Enterprise TOTALs	\$ 174,996,006	\$ 53,848,609	\$ 201,878,768	\$ 172,912,929	\$ 374,791,696	

Exhibit A & B =