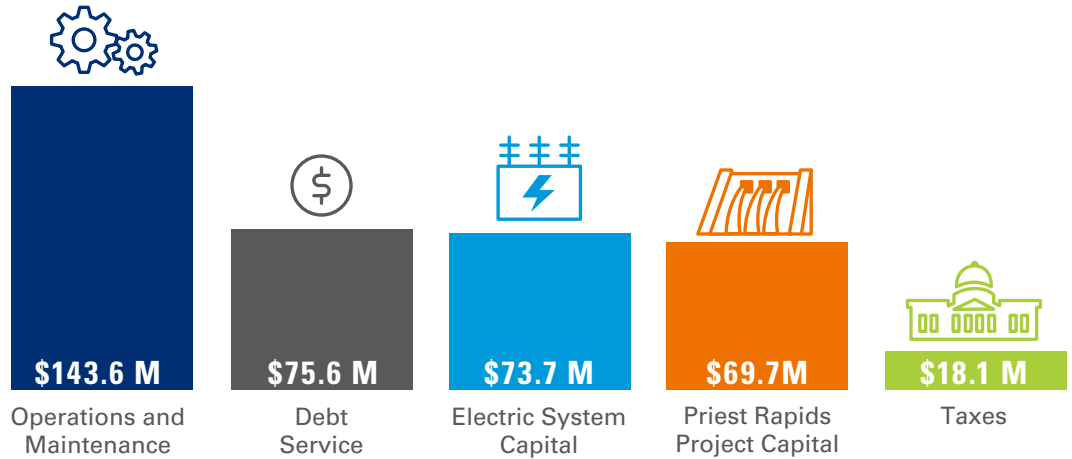
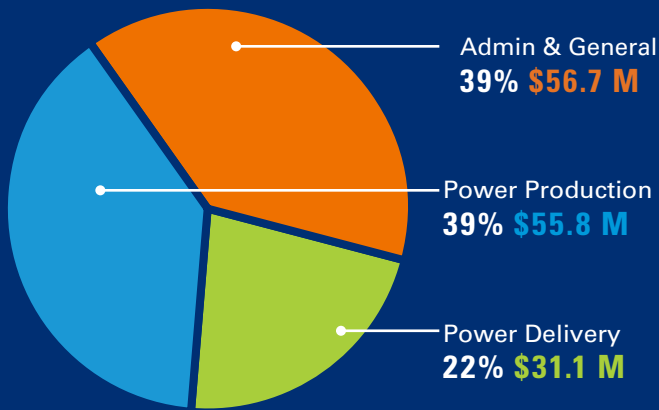


2021 PROPOSED TOTAL EXPENSES

(BEFORE OFFSETS)



2021 O&M EXPENSES BY PROGRAM

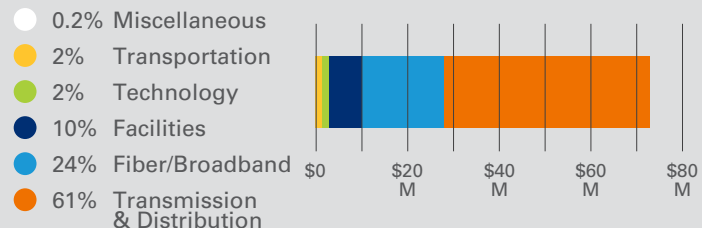


2021 PRIEST RAPIDS PROJECT CAPITAL SPENDING - \$69.7 M

(Expenses associated with Priest Rapids and Wanapum Dams.)



2021 ELECTRIC SYSTEM CAPITAL SPENDING - \$73.7 M



2021 EXPENSE OFFSETS



Total Offsets:
\$102.1 M



Total Expenses after Offsets:
\$278.4 M

NET POWER

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

+\$77.8 M

CONSERVATION LOANS

Money paid back from low-interest conservation loans to customers

+\$0.1 M



SALES TO POWER PURCHASERS AT COST

As required by our Federal License

+\$17.8 M

CONTRIBUTIONS IN AID OF CONSTRUCTION

Money paid by customers to build infrastructure

+\$6.5 M



Powering our way of life.

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2021 BUDGET AT A GLANCE

The proposed 2021 Budget continues our focus on long-term value for all customers so we can continue to provide low-cost, reliable power for future generations.

EXPENSES	2020 BUDGET	2021 BUDGET
Operations & Maintenance	\$126.6 M	\$143.6 M
Taxes	\$18.3 M	\$18.1 M
Electric System Capital	\$61.1 M	\$73.7 M
Priest Rapids Project Capital	\$79.6 M	\$69.7 M
Debt Service	\$85.2 M	\$75.6 M
Total Gross Expenses	<u>\$370.9 M</u>	<u>\$380.6 M</u>
EXPENSE OFFSETS		
Contributions in Aid of Construction	(\$2.3 M)	(\$6.5 M)
Sales to Power Purchasers at Cost	(\$21.1 M)	(\$17.8 M)
Net Power (+ Expense, - Revenue)	(\$55.7 M)	(\$77.8 M)
Conservation Loans	(\$0.1 M)	(\$0.1 M)
Total Offsets	<u>(\$79.2 M)</u>	<u>(\$102.1 M)</u>
TOTAL EXPENSES AFTER OFFSETS	<u>\$291.6 M</u>	<u>\$278.4 M</u>
NET POSITION	2020 BUDGET	2021 BUDGET
CONSOLIDATED OPERATIONAL PERFORMANCE		
REVENUE		
Sales to Power Purchasers at Cost	\$21.1 M	\$17.8 M
Retail Energy Sales	\$222.9 M	\$211.8 M
Net Power (Net Wholesale+Other Power Revenue)	\$55.7 M	\$77.8 M
Fiber Optic Network Sales	\$9.8 M	\$10.4 M
Other Revenues	\$1.7 M	\$1.5 M
EXPENSES		
Operating Expenses	(\$126.6 M)	(\$143.6 M)
Taxes	(\$18.3 M)	(\$18.1 M)
Net Operating Income or Loss Before Depreciation	\$166.3 M	\$157.6 M
Depreciation and amortization	(\$75.9 M)	(\$76.1 M)
NET OPERATING INCOME OR LOSS	<u>\$90.4 M</u>	<u>\$81.4 M</u>
OTHER REVENUES OR EXPENSES		
Interest, debt and other income	(\$27.1 M)	(\$40.2 M)
CIAC (Money paid by customers to build infrastructure)	\$2.3 M	\$6.5 M
CHANGE IN NET POSITION (BOTTOM LINE)	<u>\$65.6 M</u>	<u>\$47.7 M</u>
KEY METRICS	2020 BUDGET	2021 BUDGET
NET INCOME LIQUIDITY (Measured at year end)	\$65.6 M	\$47.7 M
Elect System Liquidity (Rev + R&C)	\$113.4 M	\$109.9 M
Excess Liquid Cash	\$14.1 M	\$102.7 M
Days Cash On Hand	410	412
LEVERAGE		
Consolidated Debt Service Coverage	2.04X	2.10X
Consolidated Debt/Plant Ratio	57%	52%
PROFITABILITY		
Cons. Return on Net Assets (chg. in net assets / net plant)	3%	2%
Retail Op Ratio (assumes baseline capital)	106%	116%