

Strategic Plan Metrics

2024-Q4

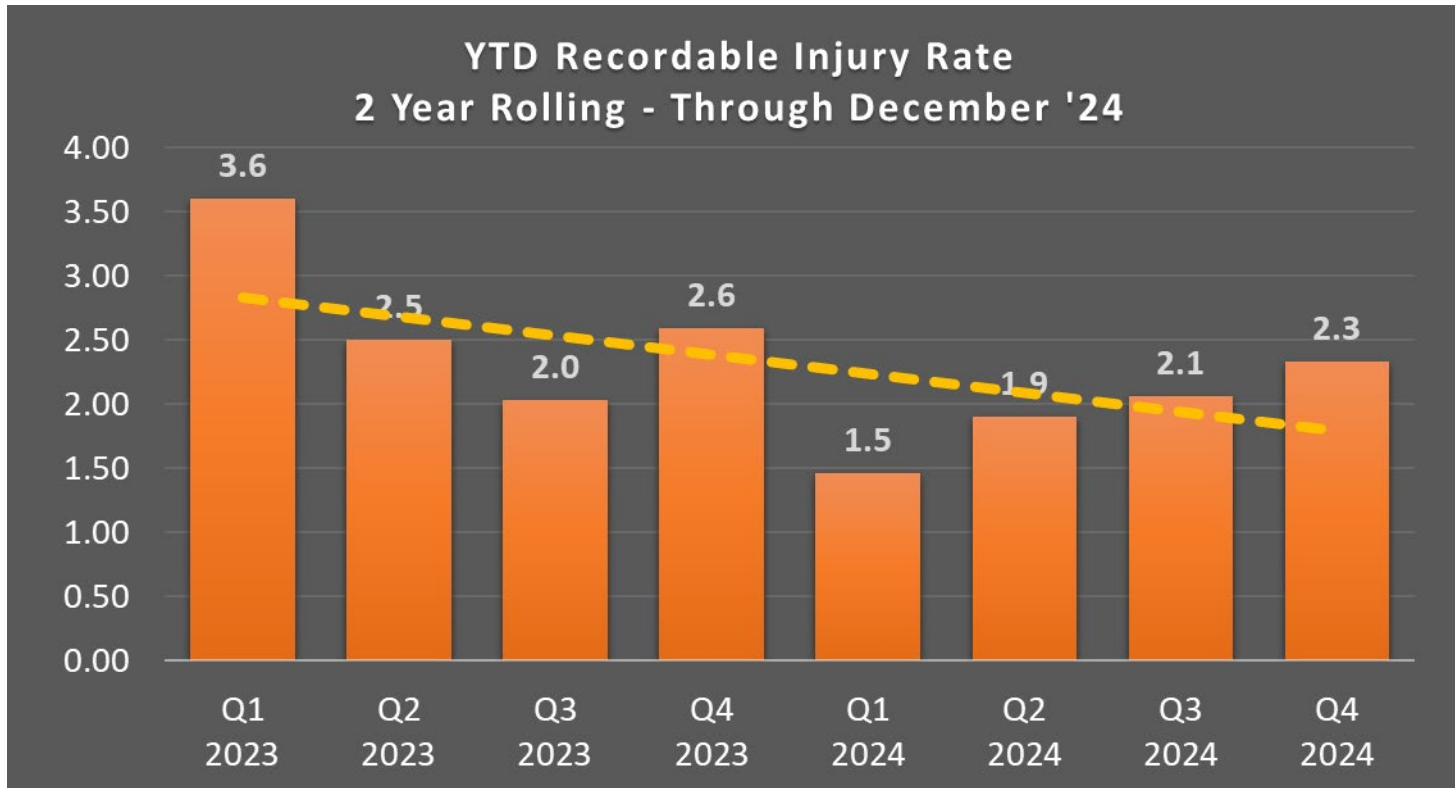
March 4, 2025



Powering our way of life.

Objective 1 – Safety Performance

Zero Recordable Incident Rate	2024 Target	2024
	0	2.1



- Recordable Injury Rate through 2024-Q4: 2.1

Changing the Culture

- Safety Meeting attendance (12 months ending December 2024)

Jan 90%, Feb 97%, Mar 85%, Apr 93%, May 90%, Jun 86%, Jul 95%, Aug 90%, Sept 90%, Oct 92%, Nov 93%. Dec 96%.

- 234 jobsite reviews conducted through December 2024

Objective 2 – Design and Sustain an Engaging and Fulfilling Grant PUD Culture

Employee Engagement Assessment	2024 Target	2024
	≥ 75	38

- Current score is from October 2024
- Scored every two years. Next assessment is planned for fall of 2026 (to be recorded at 2026-Q4)
- Target is 50th percentile rank

Objective 2 – Design and Sustain an Engaging and Fulfilling Grant PUD Culture

Educational Reimbursement Target	2024 Target	2024
	75%	78%

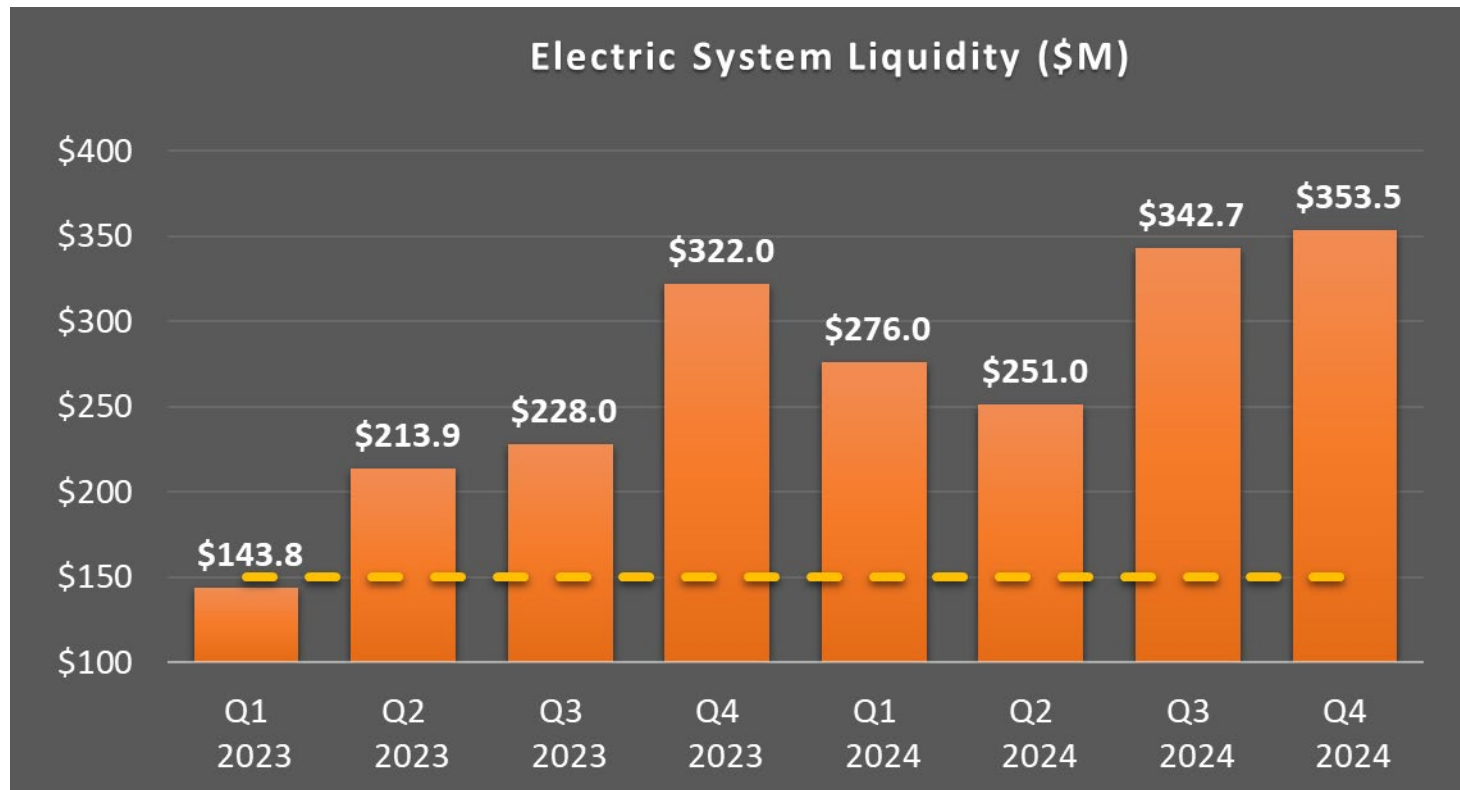
- Target is 75% completion rate of the learning path (e.g., degrees, certifications, apprenticeship) measured upon program exit
- Since 2016, 45 of 58 employees exiting the program have completed what they set out to accomplish
- Currently have 22 program participants; Historically, average participation has been 11 employees

Training Effectiveness Assessment	2024 Target	2024
	4 out of 5 stars	4.63 stars

- Based on employee-reported training results
- Includes LMS and Live/Virtual training scores

Objective 3 – Maintain a Strong Financial Position

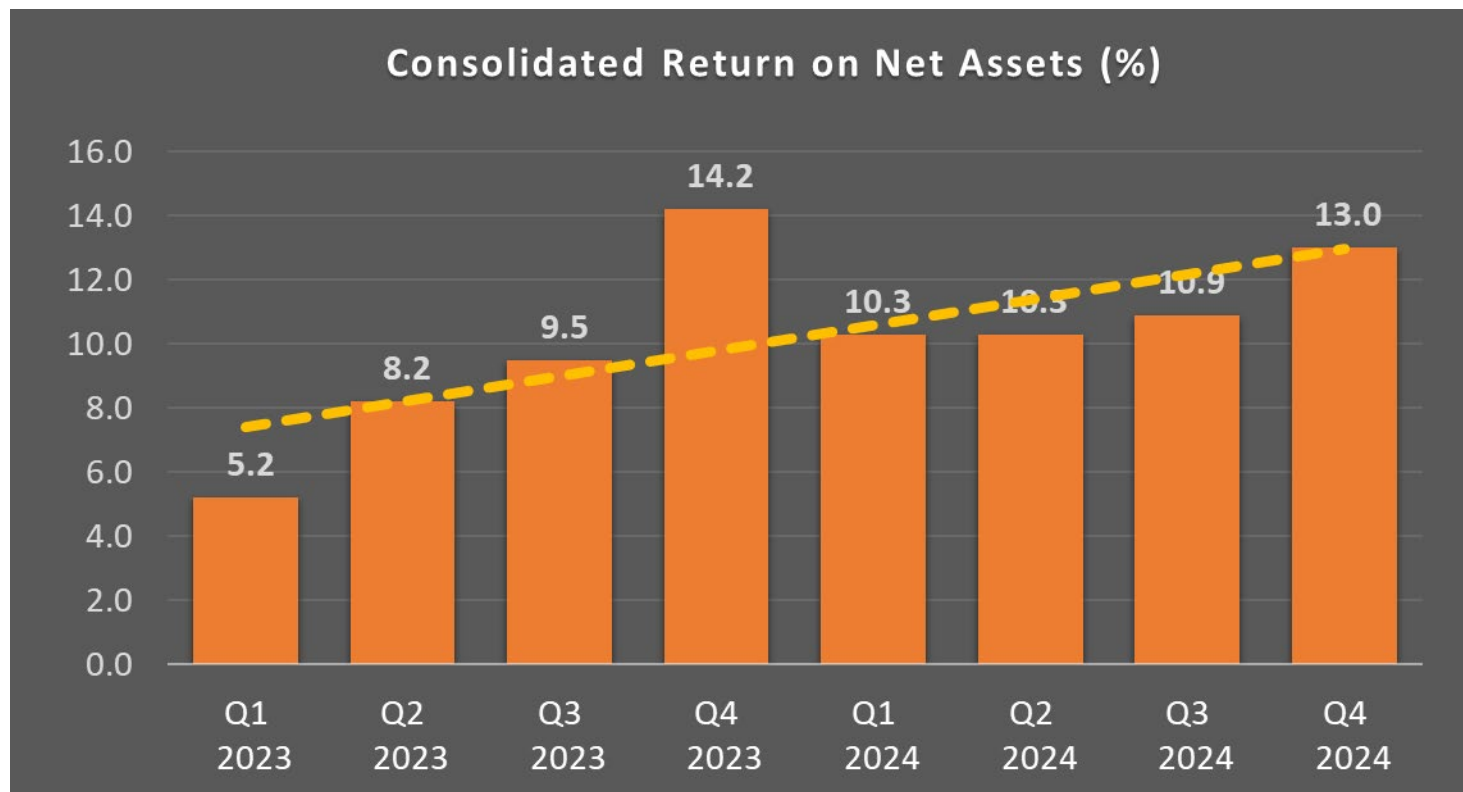
Electric System Liquidity	2024 Target	2024
	≥ \$150 M	\$353.5 M



- Electric System Liquidity is comprised of the *ELEC System Revenue Fund* + *ELEC System Reserve & Contingency Fund*
- Preliminary value for 2024 as of 2024-Q4

Objective 3 – Maintain a Strong Financial Position

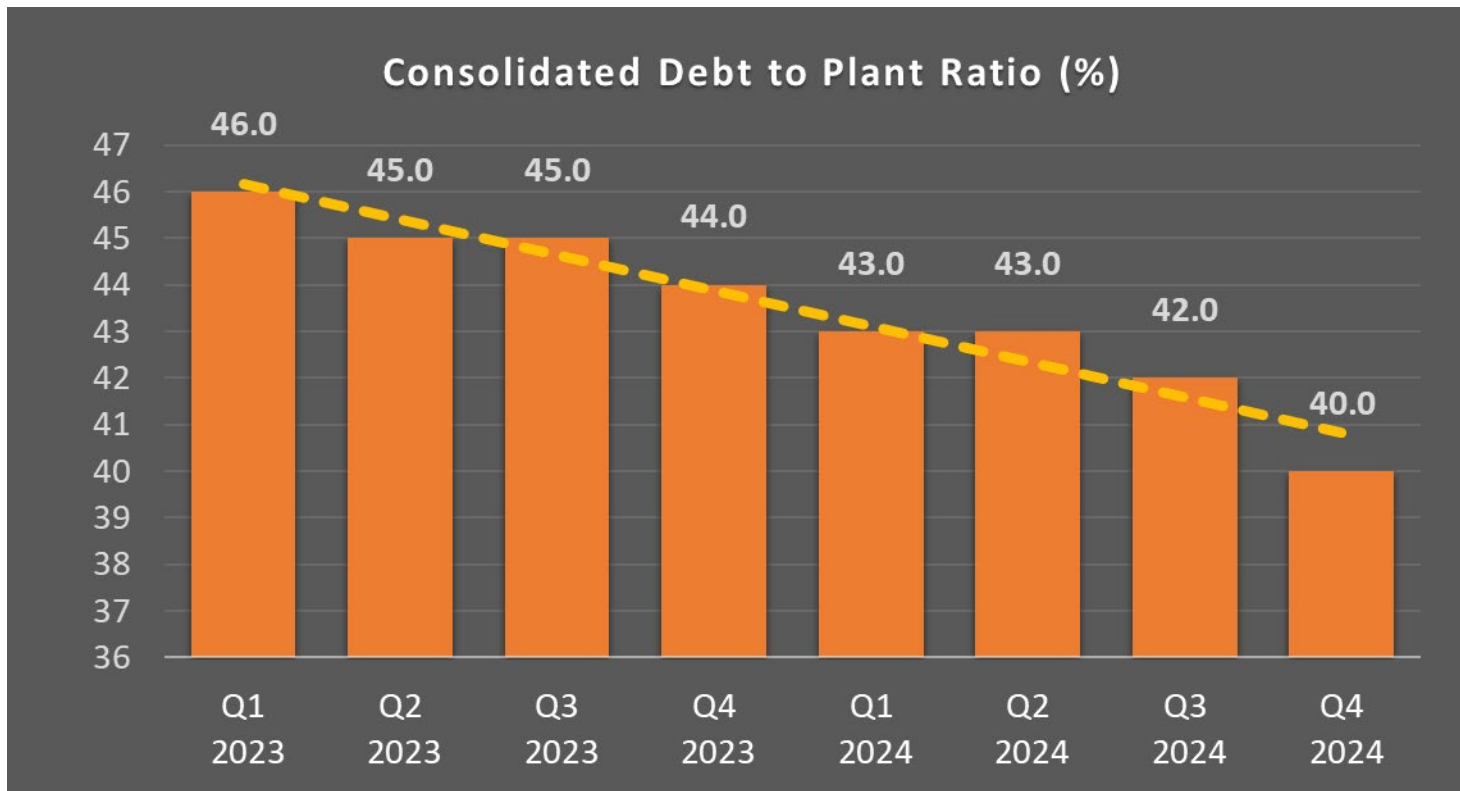
Consolidated Return on Net Assets	2024 Target	2024
	≥ 4.0%	13%



- Change in Net-Assets / Net-Plant
- Preliminary value for 2024 as of 2024-Q4

Objective 3 – Maintain a Strong Financial Position

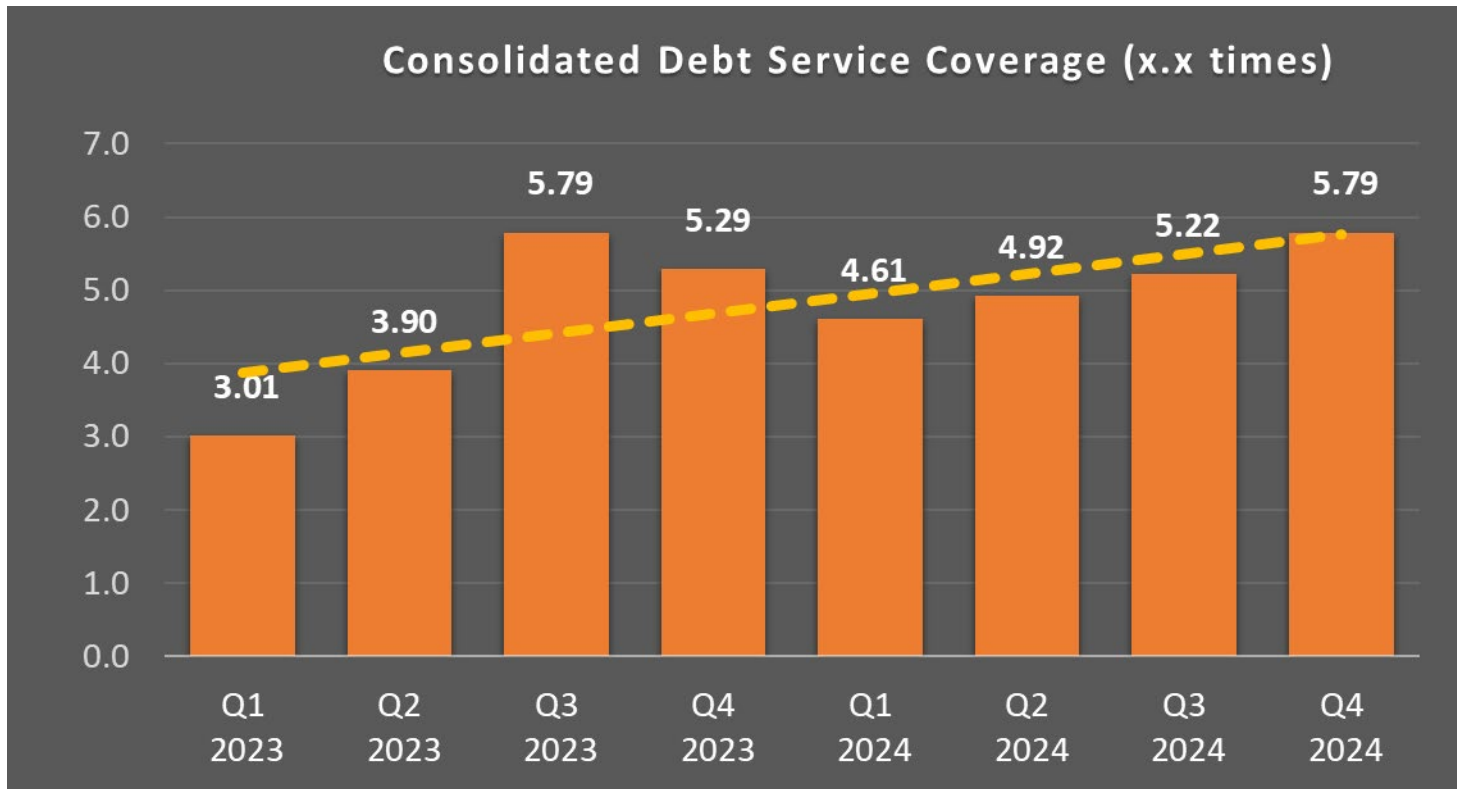
Consolidated Debt to Plant Ratio	2024 Target	2024
	≤ 60%	40%



- Based on book value
- Preliminary value for 2024 as of 2024-Q4

Objective 3 – Maintain a Strong Financial Position

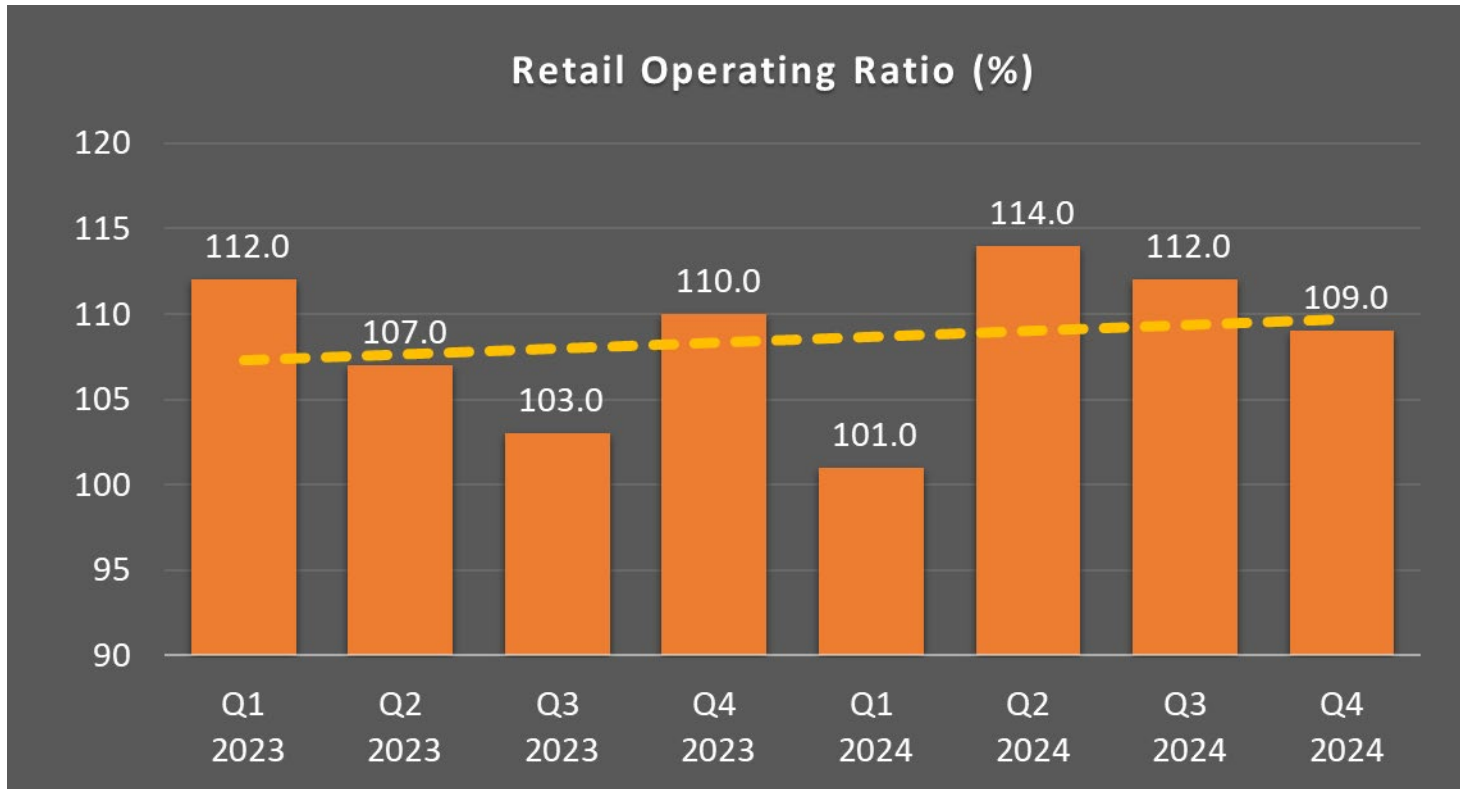
Adjusted Consolidated Debt Service Coverage	2024 Target	2024
	≥ 1.8 x	5.79 x



- Upward trend due to wholesale market conditions
- Preliminary value for 2024 as of 2024-Q4

Objective 4 – Provide Long Term Low Rates

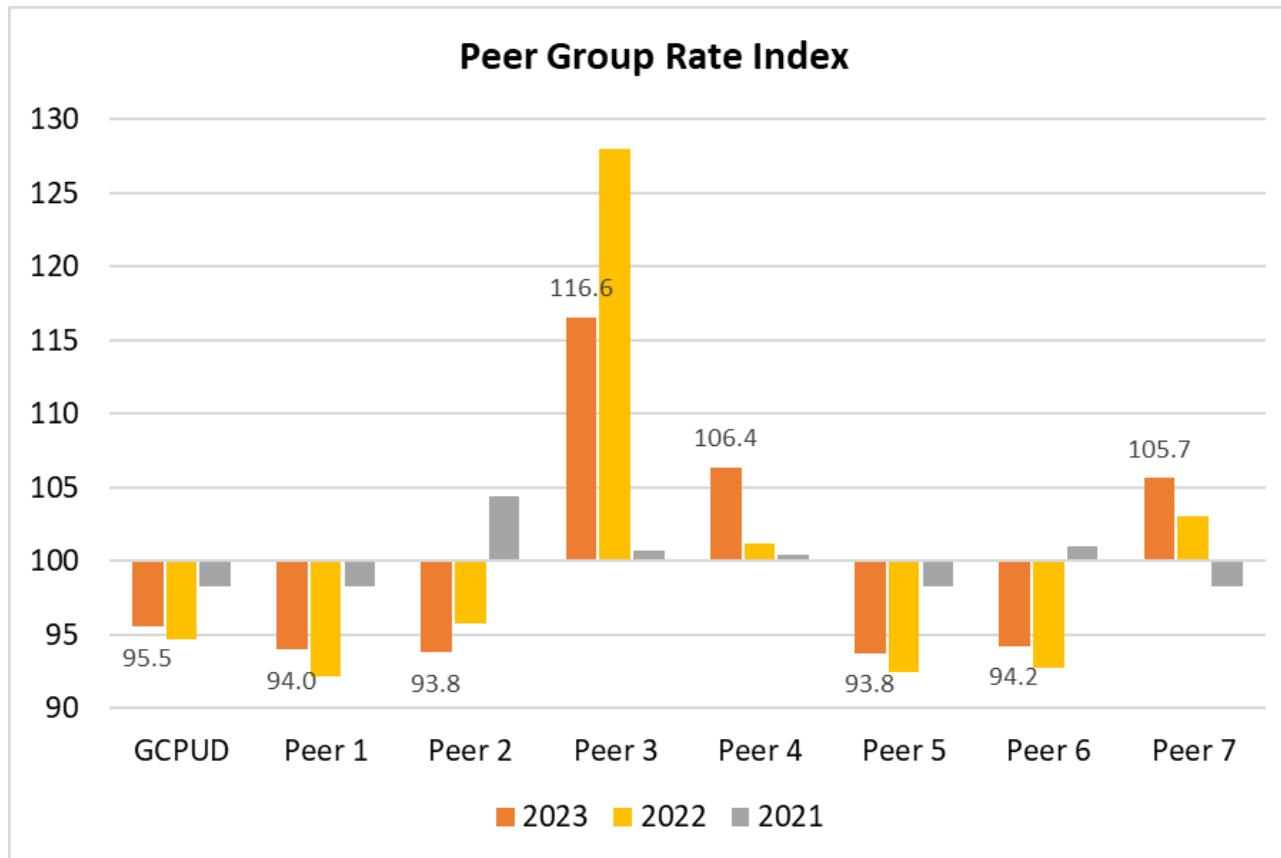
Retail Operating Ratio - Adjusted	2024 Target	2024
	≤ 100%	109%



- Calculated as total retail expenditures divided by total retail revenue
- Preliminary value for 2024 as of 2024-Q4

Objective 4 – Provide Long Term Low Rates

Peer Group of Excellence Retail Rate Index	2024 Target	2024
	≤ 100	95.5



- Index is based on a comparison of GCPUD rate growth to the rate growth of a selected peer group
- Looks at the trend over a three-year period
- A value less than 100 indicates rates growing at a slower pace than the average for the peer group
- Updated as of 2024-Q3 with final 2023 EIA data

Objective 4 – Provide Long Term Low Rates

District Credit Rating	2024 Target	2024
		≥ Aa3

System	Moody's	S&P	Fitch
Electric	Aa3	AA+	AA
Outlook	Positive	Stable	Stable
Effective Date	05/24/24	08/02/24	07/29/24
PRP	Aa3	AA	AA
Outlook	Positive	Stable	Stable
Effective Date	05/24/24	08/02/24	07/29/24

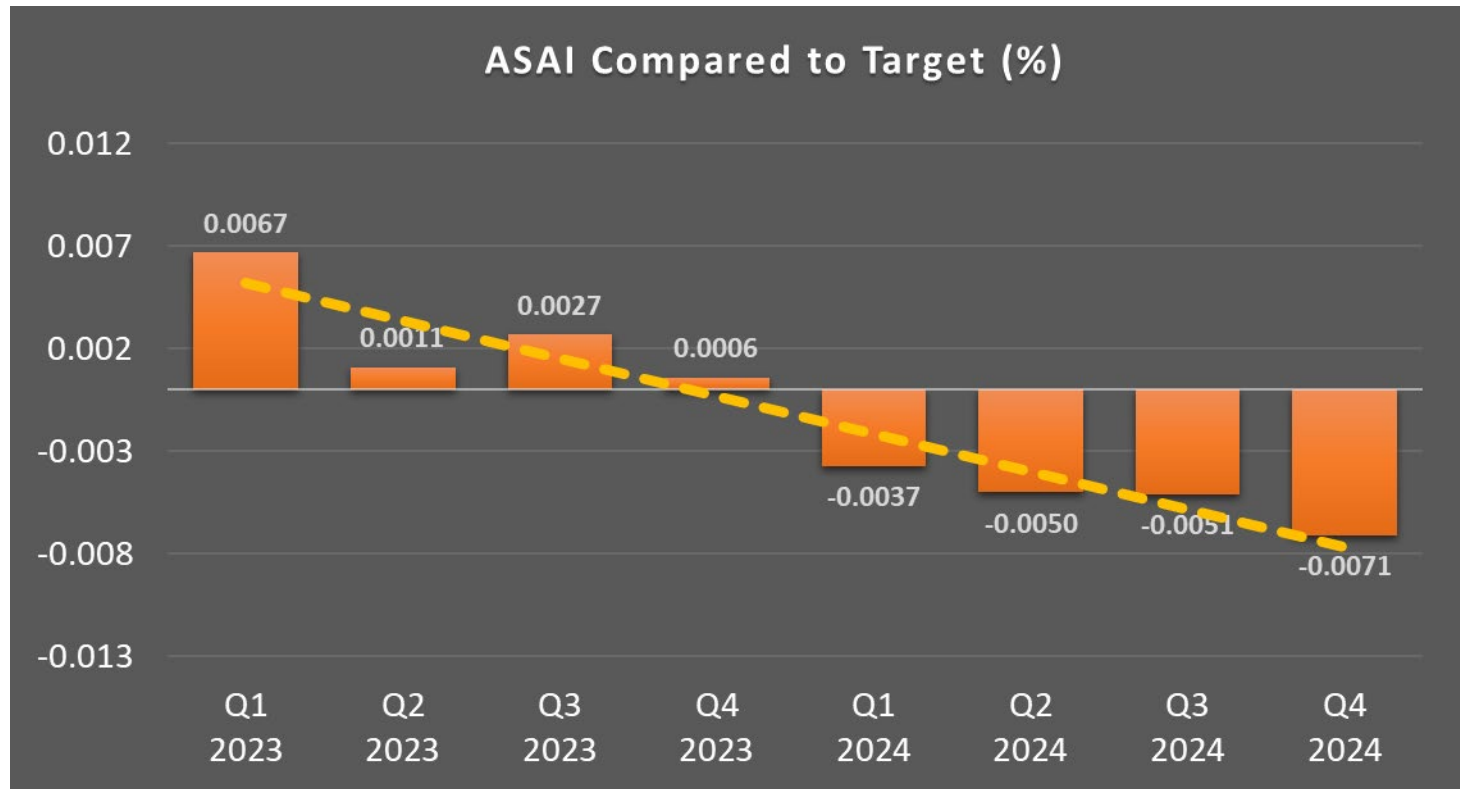
FINANCIAL RATINGS			
Credit grade	MOODY'S	FITCH	S&P
HIGHEST	Aaa	AAA	AAA
VERY HIGH	Aa1, Aa2, Aa3	AA+, AA, AA-	AA+, AA, AA-
HIGH	A1, A2, A3	A+, A, A-	A+, A, A-
GOOD	Baa1, Baa2, Baa3, Baa4	BBB+, BBB, BB-	BBB+, BBB, BB-
SPECULATIVE	Ba1, Ba2, Ba3	BB+, BB, BB-	BB+, BB, BB-
VERY SPECULATIVE	B1, B2, B3	B+, B, B-	B+, B, B-
SUBSTANTIAL RISK	Caa1, Caa2, Caa3, Ca	CCC, CC, C, RD, D	CCC+, CCC, CCC-, CC, C, D



Items to our Favor: Ownership of competitive hydro generation, low rates, water and power price risks reduced by exchange contract, and favorable debt service coverage

Objective 5 – Outstanding Service to Customers

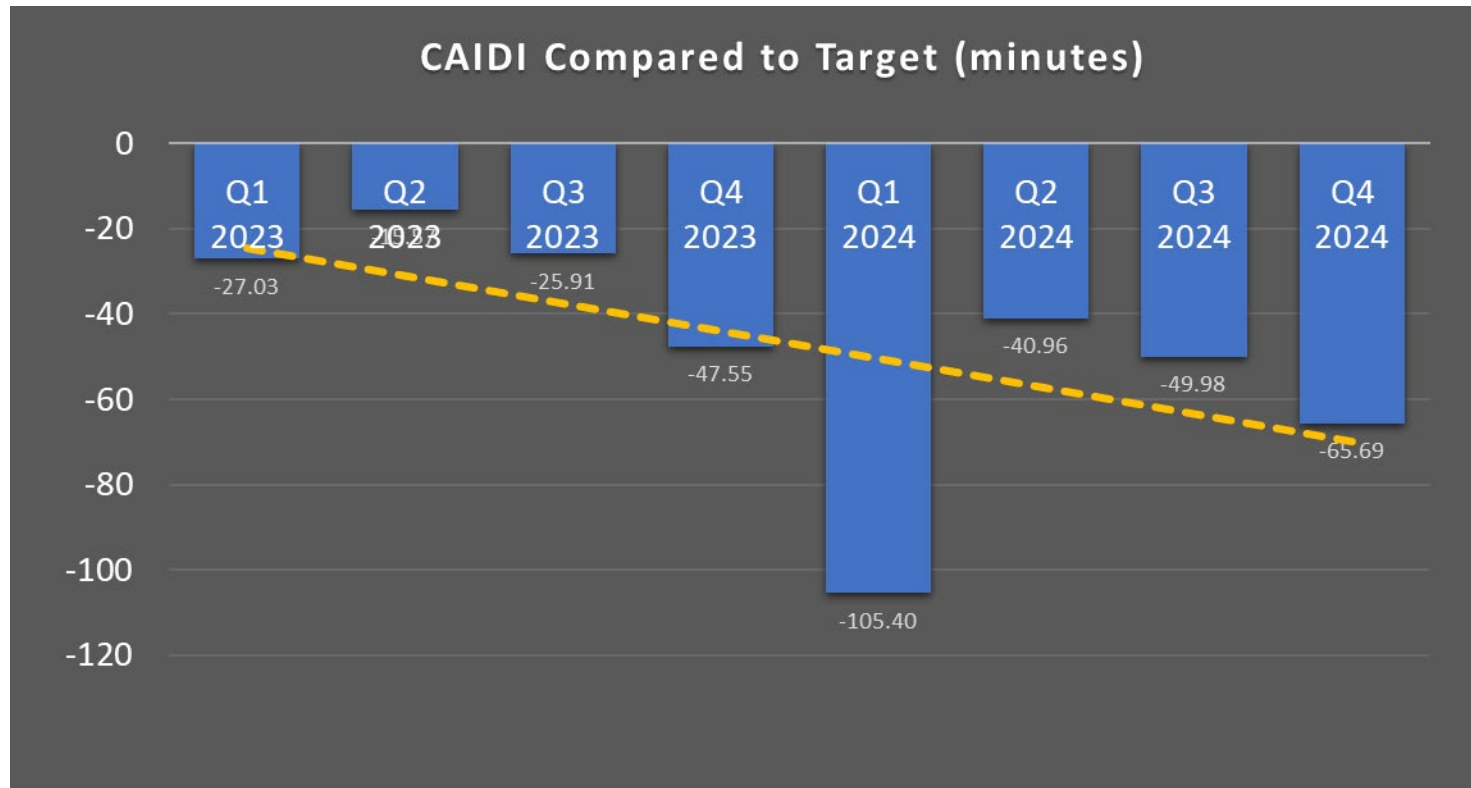
Average Service Availability Index (ASAI)	2024 Target	2024
	≥ 99.985%	99.9779%



- 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

Objective 5 – Outstanding Service to Customers

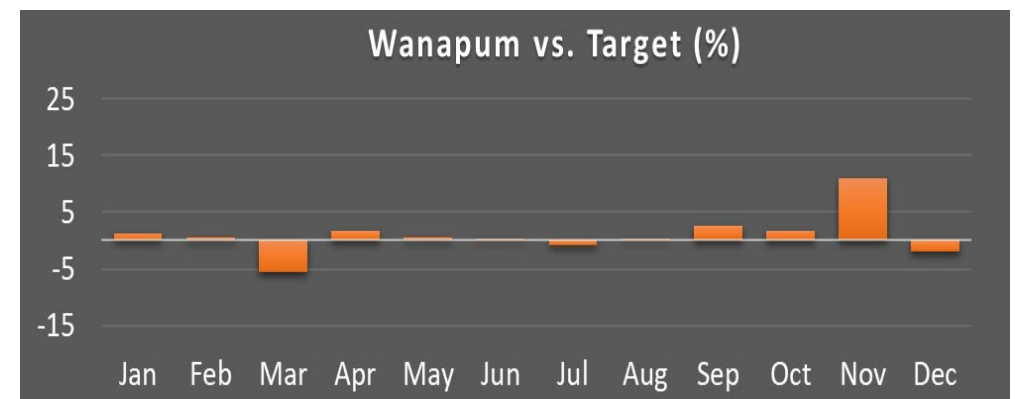
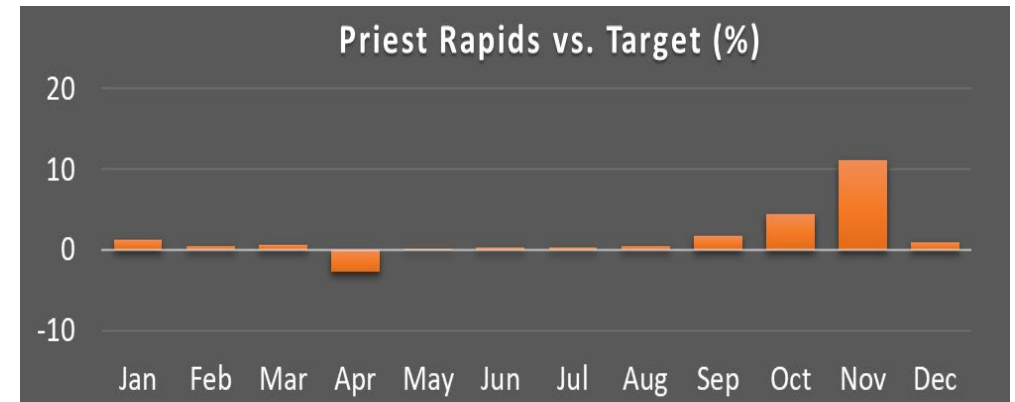
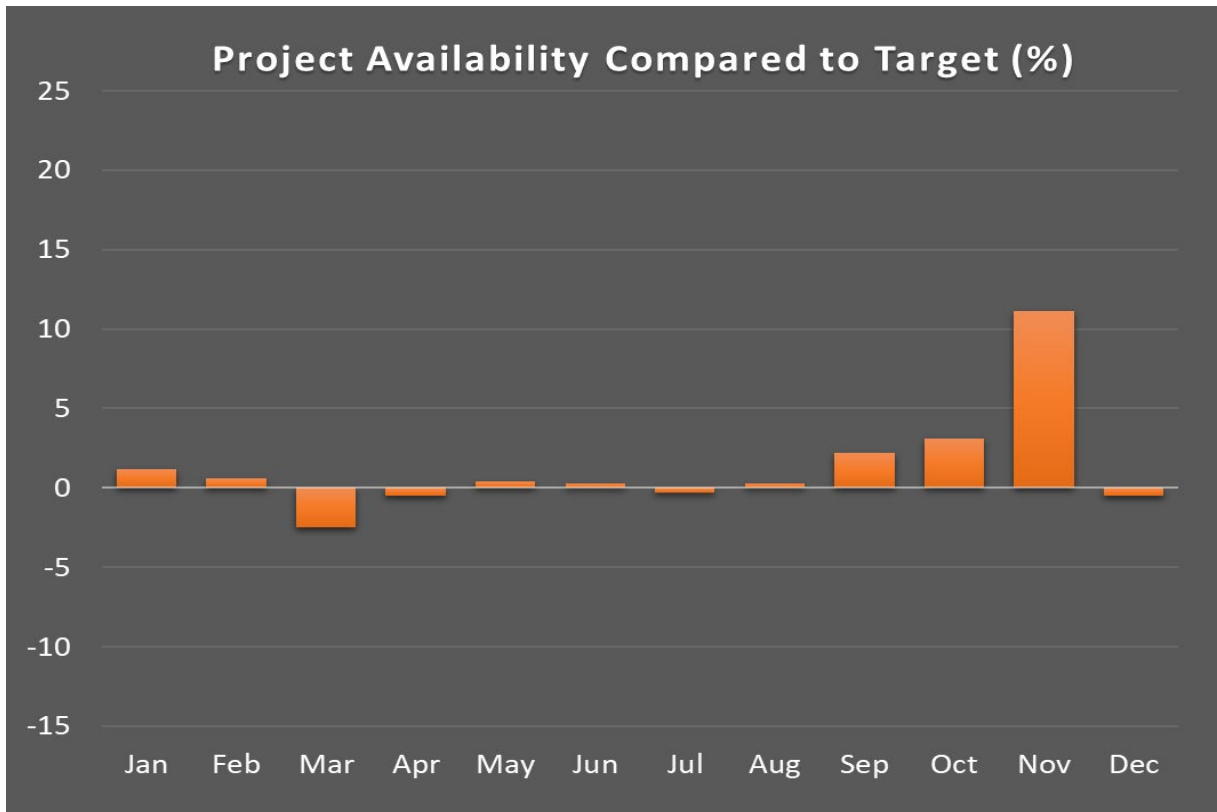
Customer Average Interruption Index (CAIDI)	2024 Target	2024
	< 110 min	175.689 min



- 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.

Objective 5 – Outstanding Service to Customers

PRP Availability	2024 Target	2024
	Meet 12 of 12 Monthly Targets	8 of 12 Monthly Targets



Objective 6 – Operate Responsibly

	2024 Target	2024
Financial Statement Audit Performance	Unmodified Audit Opinion	Unmodified Opinion for 2023
WA State Audit Office Compliance Audit	No Audit Findings	No Audit Findings
FERC / NERC / WECC Compliance Performance	No Findings	0 2024 Findings, 3 Self Reports *
FERC and Regulatory Filings	No Late Filings	No Late Filings
Environmental and Cultural	No Issues	No Issues

* Open Enforcement Actions are currently recognized but not reported in this forum.

Customer Service Survey	2024 Target	2024
	85%	84%

Objective 7 – Develop a Sustainable Fiber Optic Network

Achieve Planned Capital Build	2024 Target	2024
	100%	91%

- Year-to-date spend through December is 91% of the 2024 capital project budget

Average System Take Rate	2024 Target	2024
	≥ 80.0%	71.1%

- End of Q4 take rate was 71.1%, compared to the Q3 take rate of 71.1%

Participation by Community (as of 12/31/2024)					
Coulee City	54.92%	Hartline	66.3%	Royal City	65.93%
Desert Aire	96.5%	MarDon	68.96%	Soap Lake	65.17%
Electric City	66.36%	Mattawa	83.97%	Warden	58.5%
Ephrata	74.8%	Moses Lake	74.13%	Wilson Creek	60.74%
Grand Coulee	62.59%	Quincy	79.86%	George-Burke	87.36%

Strategic Objectives	Strategic Plan Metrics	2024 Target	2024 (Q4)
Objective 1: Safety	Zero Recordable Incident Rate	0	2.3
Objective 2: Design and Sustain an Engaging and Fulfilling Grant PUD Culture	Employee Engagement Assessment	≥ 75	38
	Educational Reimbursement Target	75%	78%
	Training Effectiveness Assessment	≥ 4	4.63 stars
Objective 3: Maintain a Strong Financial Position	Electric System Liquidity	≥ \$150 M	\$353.492 M
	Consolidated Return on Net Assets	≥ 4.0%	13.0%
	Consolidated Debt to Plant Ratio	≤ 60%	40%
	Adjusted Debt Service Coverage	≥ 1.8 x	5.79 x
Objective 4: Provide Long-Term Low Rates	Retail Operating Ratio	≤ 100%	109%
	Peer Group Retail Rate Index	≤ 100	95.5%
	District Credit Rating	≥ Aa3	Aa3
Objective 5: Outstanding Service to Customers	Average System Availability Index	≥ 99.985%	99.9779%
	Customer Average Interruption Index	< 110 min	175.689
	PRP Availability	12 of 12 Monthly Targets	8 of 12 Monthly Targets
	Customer Service Survey	85%	84%
Objective 6: Operate Responsibly	Audits, Findings, Filings	No Findings, No Late Filings	No 2024 Findings, No Late Filings, 3 Self Reports
Objective 7: Develop a Sustainable Broadband Network	Achieve Planned Capital Build	100%	91.0%
	Average System Take Rate	≥ 80.0%	71.1%

Q4 Financial Statements

Commission Meeting

March 11, 2025



PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
UNAUDITED Preliminary
STATEMENT OF NET POSITION
December 31, 2024 and 2023
(amounts in thousands)

	2024	2023	Difference
CURRENT ASSETS			
Cash	\$ 1,095	\$ 1,627	\$ (532)
Investments	211,314	144,688	66,625
Restricted funds			
Cash	1,259	682	577
Investments	226,754	214,817	11,937
Accounts receivable, net	53,980	35,566	18,415
Materials and supplies	33,183	29,079	4,104
Due from power purchasers	205	-	205
Current lease receivable	508	495	13
Other current assets	9,326	8,989	337
Total current assets	537,625	435,943	101,682
NONCURRENT ASSETS			
Investments	22,953	1,280	21,674
Restricted funds			
Cash	439	214	225
Investments	368,346	284,388	83,957
Net pension assets	21,012	26,091	(5,079)
Long-term lease receivable	16,248	16,756	(508)
Conservation loans	109	137	(28)
Preliminary survey costs	3,726	3,726	-
Total other noncurrent assets	432,834	332,593	100,241
Utility plant, net	2,573,903	2,485,949	87,953
Total noncurrent assets	3,006,737	2,818,542	188,194
DEFERRED OUTFLOWS			
Net pension, change in proportion	28,732	21,466	7,266
Other Post Employment Benefits	2,115	2,520	(405)
Unamortized refunding loss	32,186	36,621	(4,435)
Total deferred outflows	63,033	60,607	2,426
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,607,395	\$ 3,315,093	\$ 292,302

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
UNAUDITED Preliminary
STATEMENT OF NET POSITION
December 31, 2024 and 2023
(amounts in thousands)

	2024	2023*	Difference
CURRENT LIABILITIES			
Accounts payable			
Trade	\$ 56,247	\$ 44,957	\$ 11,290
Accrued salaries and compensated absences	17,066	14,169	2,896
Due to Power Purchasers	-	1,421	(1,421)
Accrued taxes	9,588	10,169	(581)
Customer deposits	6,960	6,066	895
Accrued bond interest	19,811	21,024	(1,213)
Unearned revenue	13,015	23,118	(10,103)
Habitat liability	21,980	20,515	1,465
Other current liabilities	87	85	2
Current portion of licensing obligations	2,877	2,800	78
Current portion of subscription liability	2,929	2,089	840
Current portion of long-term debt	76,974	30,029	46,945
Total current liabilities	227,535	176,443	51,092
NONCURRENT LIABILITIES			
Long-term debt, less current portion	1,011,931	1,103,114	(91,183)
Licensing obligations, less current portion	61,654	63,938	(2,283)
Net pension liability	8,738	11,354	(2,616)
Other post-employment benefits liability	9,499	9,628	(130)
Long-term unearned revenue	2,350	4,203	(1,853)
Long-term subscription liability, less current portion	3,048	3,784	(736)
Other long-term liabilities, less current portion	5,112	3,911	1,201
Total noncurrent liabilities	1,102,332	1,199,932	(97,600)
DEFERRED INFLOWS			
Net pension	8,162	13,939	(5,777)
Regulatory Liability - Pension	58,055	47,475	10,580
Other post employemnt benefits	2,645	2,394	251
Leases	15,888	16,560	(672)
Total deferred inflows	84,749	80,368	4,382
Total liabilities and deferred inflows of resources	1,414,617	1,456,743	(42,127)
NET POSITION			
Net investment in capital assets	1,504,852	1,327,961	176,890
Restricted	479,491	430,482	49,009
Unrestricted	208,436	99,906	108,530
Total net position	2,192,778	1,858,349	334,429
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES	\$ 3,607,395	\$ 3,315,093	\$ 292,302

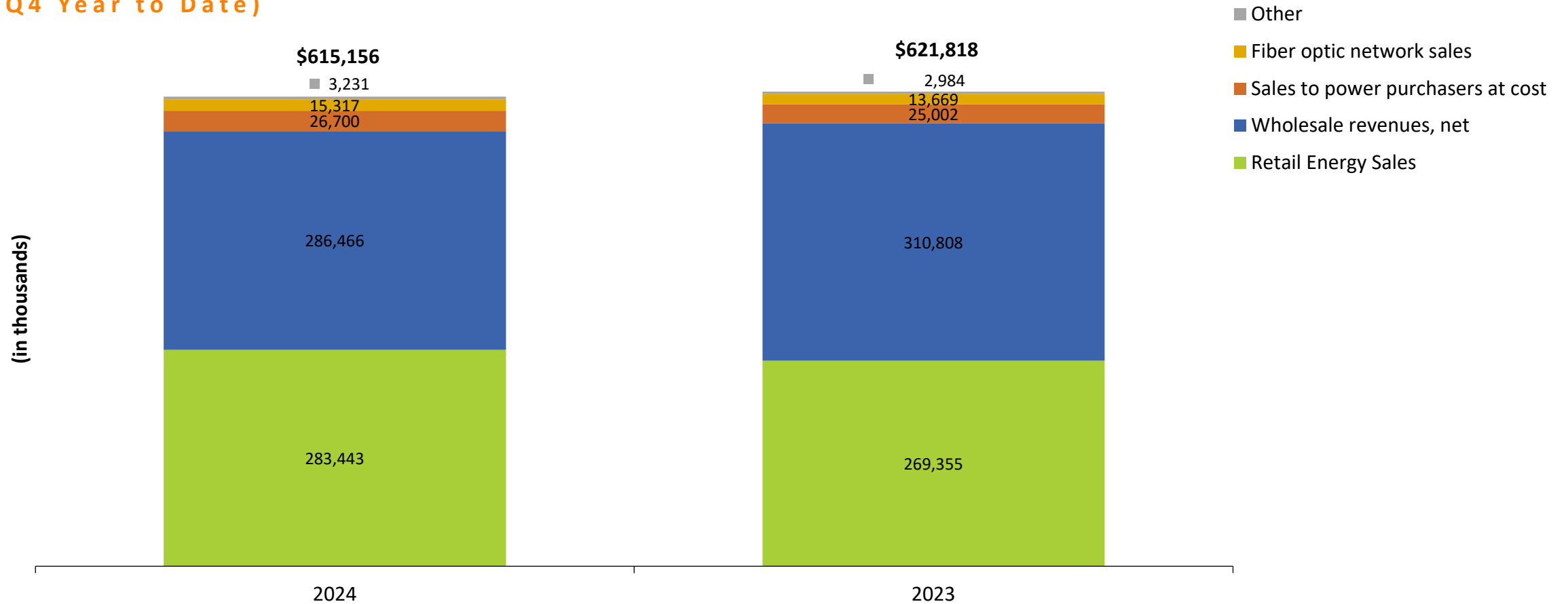
*Certain items were reclassified to conform with the current year implementation of GASB 101.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
UNAUDITED Preliminary
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
For the Twelve Months Ended December 31, 2024 and 2023
(amounts in thousands)

	2024	2023	Difference
OPERATING REVENUES			
Sales to power purchasers at cost	\$ 26,700	\$ 25,002	\$ 1,698
Retail energy sales			
Residential	50,832	50,699	134
Irrigation	30,453	27,767	2,686
Commercial and industrial	199,347	189,634	9,713
Governmental and others	2,811	1,256	1,555
Wholesale revenues, net	286,466	310,808	(24,342)
Fiber optic network sales	15,317	13,669	1,648
Other	3,231	2,984	246
Total operating revenues	615,156	621,818	(6,662)
OPERATING EXPENSES			
Generation	54,461	49,396	5,066
Transmission	3,878	3,980	(102)
Distribution	38,908	38,392	516
Customer and information services	6,651	5,391	1,260
Fiber optic network operations	3,660	4,433	(773)
Administrative and general	76,768	70,569	6,200
License compliance and related agreements	13,709	16,580	(2,872)
Depreciation and amortization	90,411	86,439	3,972
Taxes	21,202	22,622	(1,420)
Total operating expenses	309,648	297,802	11,846
NET OPERATING INCOME	305,508	324,017	(18,508)
OTHER REVENUES (EXPENSES)			
Interest and other income (expense)	40,084	28,908	11,177
Interest on revenue bonds and other, net	(44,005)	(45,060)	1,054
Federal rebates on revenue bonds	9,507	10,454	(947)
Amortization of debt discount/premium	859	(1,116)	1,975
Cost of debt issuance	(1,837)	(1,657)	(180)
Total other revenue (expenses)	4,609	(8,471)	13,079
CONTRIBUTIONS IN AID OF CONSTRUCTION	24,312	37,131	(12,818)
CHANGE IN NET POSITION	334,429	352,676	(18,247)
NET POSITION			
Beginning of year	1,858,349	1,505,673	352,676
End of year	\$ 2,192,778	\$ 1,858,349	\$ 334,429

Operating Revenue

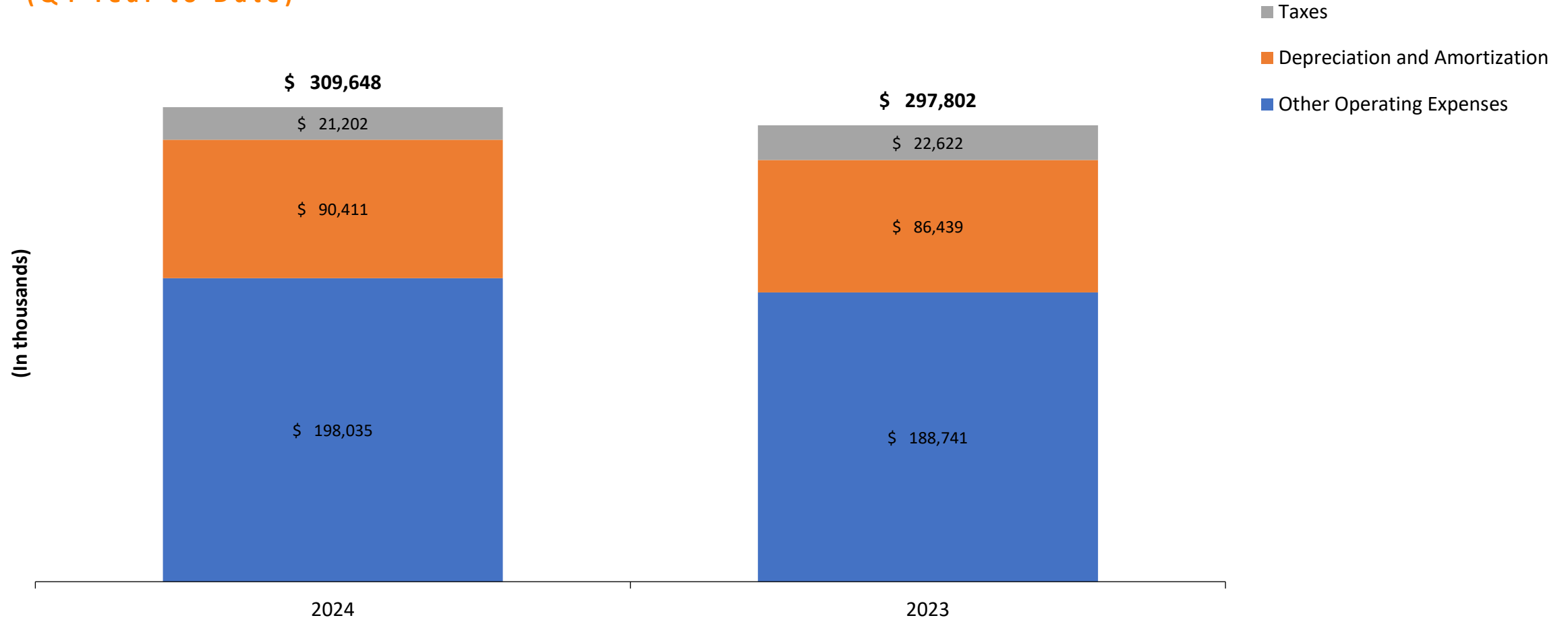
(Q4 Year to Date)



Total Operating Revenues of \$615.2M decreased by \$6.7M (1.1%), driven by a \$24.3M decline in Wholesale revenues, net, partially offset by a \$14.1M increase in retail energy sales. Wholesale revenues declined due to a \$26.9M decrease in net wholesale transactions, partially offset by \$2.5M in higher proceeds from long-term power sales contracts. Retail energy sales increased due to rate adjustments and continued load growth across Residential, Commercial, and Industrial customers.

Operating Expenses

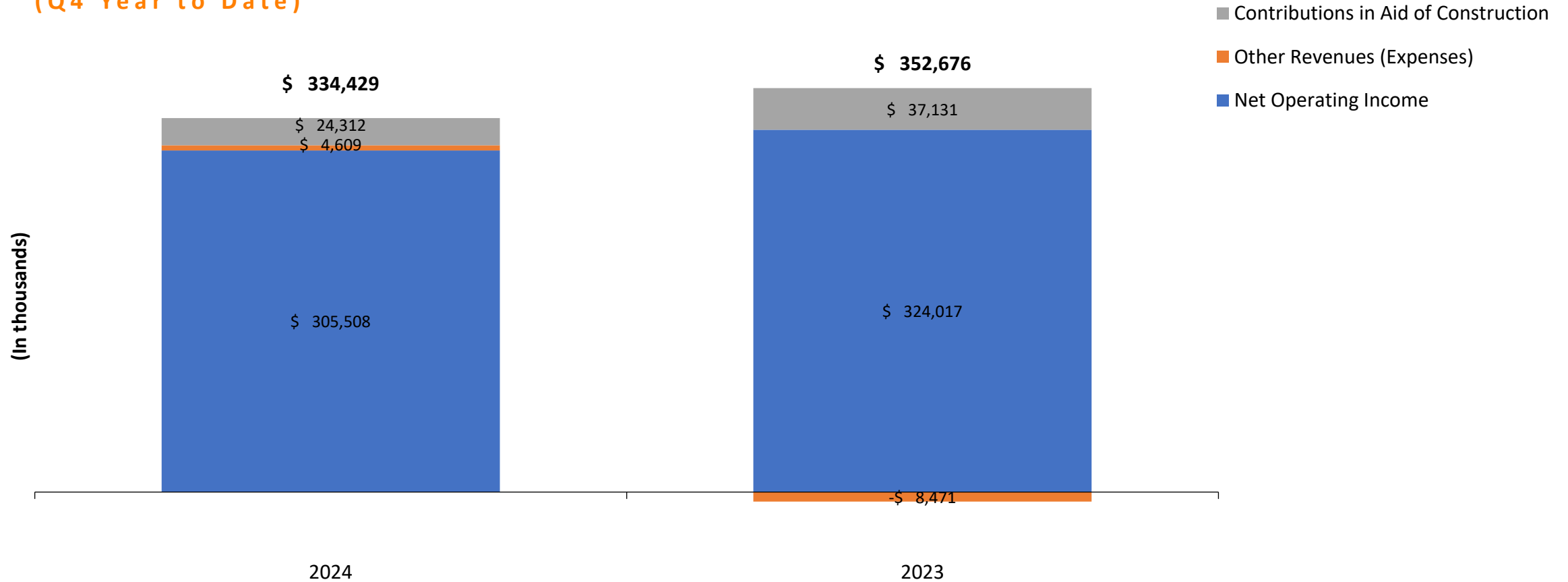
(Q4 Year to Date)



Total Operating Expenses of \$309.6M increased by \$11.8M (4.0%), driven by a \$4.0M increase in Depreciation and amortization, consistent with utility plant growth and significant assets being placed into service. The remaining \$9.3M increase reflects workforce investment to support the demands of load growth, customer needs, and changes in the energy and utility industry, leading to higher labor and benefit costs.

Change in Net Position

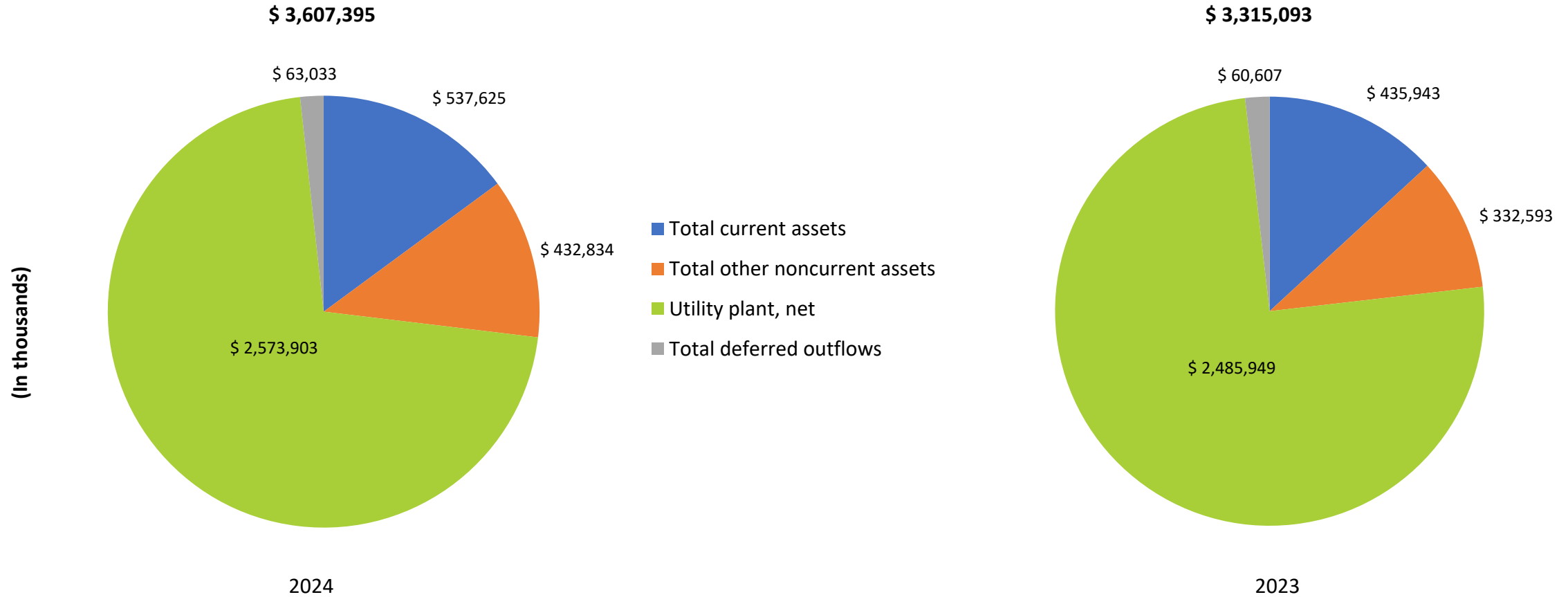
(Q4 Year to Date)



Total change in Net Position through December 31, 2024, was positive \$334.4M. Net operating income of \$305.5M was \$18.5M (5.7%) lower than the prior year, as discussed in the operating revenues and expenses slides. In addition, other revenues (expense) increased \$13.1M, impacted by increases in interest income and regular amortization of debt discounts and premiums, offset by a \$12.8M in decrease to Contributions in Aid of Construction.

Total Assets & Deferred Outflows

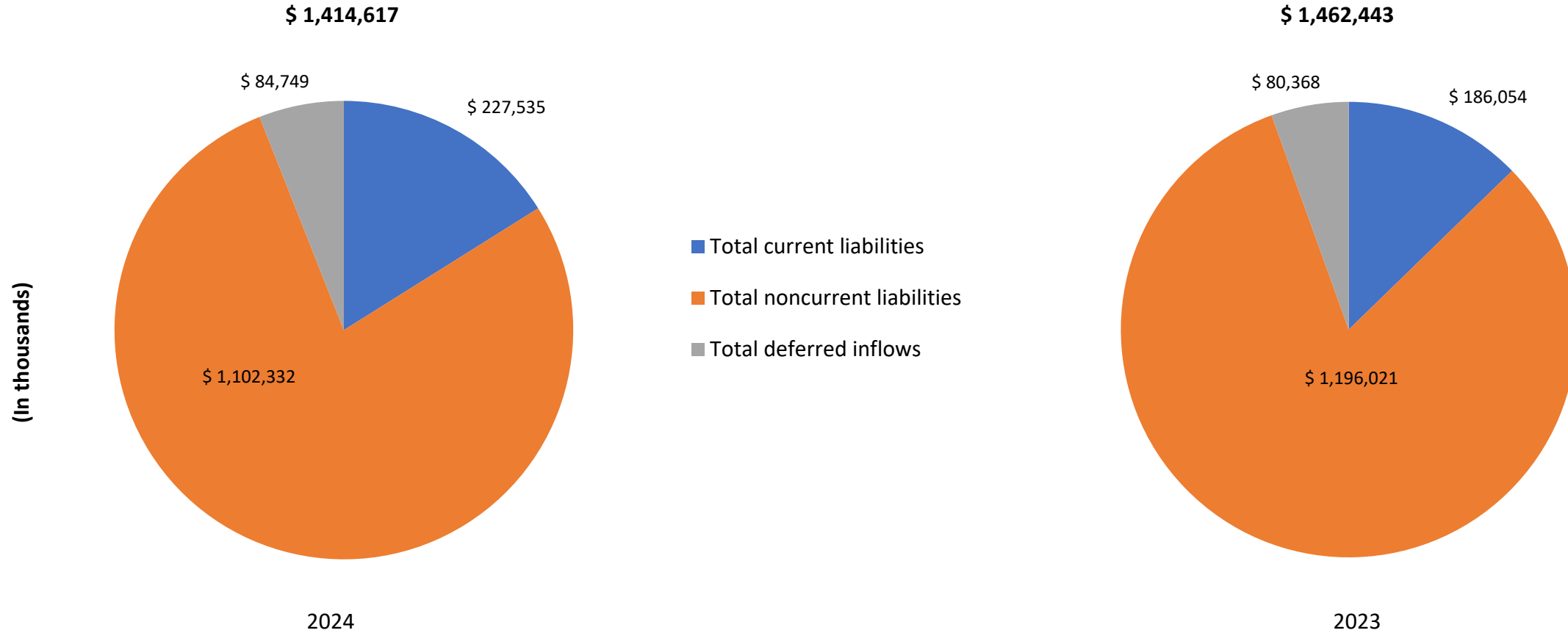
(As of end of Q4)



Overall, assets and deferred outflows increased \$292.3M (8.8%) from the prior year, driven by increases of \$184.5M in cash and investments, \$88.0M in utility plant net, and \$18.4M of accounts receivable.

Total Liabilities & Deferred Inflows

(As of end of Q4)





Overall liabilities and deferred inflows decreased \$42.1M (2.9%), driven by decreases in total long-term debt of \$44.2M and unearned revenue of \$12.0M, offset by increases in trade payables of \$11.3M.

MEMORANDUM

March 11, 2025

TO: Rich Wallen, General Manager/CEO

VIA: Bonnie Overfield, Chief Financial Officer
Jennifer Sager, Senior Manager Accounting 

FROM: Emily Estell, Assistant Controller 

SUBJECT: Preliminary Unaudited Q4 2025 Financial Statements

Financial Highlights

All comparisons unless otherwise stated are year to date (January through December) of 2024 versus 2023.

Operating Revenues

Total Operating Revenues of \$615.2M decreased by \$6.7M (1.1%), driven by a \$24.3M decline in Wholesale revenues, net, partially offset by a \$14.1M increase in retail energy sales. Wholesale revenues declined due to a \$26.9M decrease in net wholesale transactions, partially offset by \$2.5M in higher proceeds from long-term power sales contracts. Retail energy sales increased due to rate adjustments and continued load growth across Residential, Commercial, and Industrial customers.

Operating Expenses

Total Operating Expenses of \$309.6M increased by \$11.8M (4.0%), driven by a \$4.0M increase in Depreciation and amortization, consistent with utility plant growth and significant assets being placed into service. The remaining \$9.3M increase reflects workforce investment to support the demands of load growth, customer needs, and changes in the energy and utility industry, leading to higher labor and benefit costs.

Other Revenue (Expenses)

Other Revenues (Expenses) of \$4.6M increased by \$13.1M (154.4%) driven by an \$11.2M increase in Interest and other income, a \$2.0M shift to net premium amortization from new debt issuances, and a \$1.1M decrease in net interest expense on bonds. In 2024, the market performed above returns yielded in 2023, driving the overall increase in revenue.

Contributions in Aid of Construction

Contributions in Aid of Construction of \$24.3M decreased \$12.8M (34.5%) from the prior year. Revenues are earned as Grant PUD completes infrastructure requests funded by customers. Completion of project work, specifically on large power facility contracts, drives the recognition of contributions. The variability in revenue is caused by the volume of completion of those ongoing capital projects.

Cash & investments

Total cash & investments of \$832.2M increased \$184.5M (28.5%). This increase is in line with the annualized year-over-year net operating income experienced over the previous 12 months.

Current Assets

Current Assets (excluding cash & investments) of \$97.2M increased \$23.1M (31.1%), driven by an \$18.4M increase in accounts receivable primarily due from power agreements and estimated insurance proceeds for the Soap Lake Substation fire. Materials and supplies also increased \$4.1M due to higher inventory and material costs.

Noncurrent Assets

Noncurrent Assets (excluding cash & investments) of \$41.1M decreased \$5.6M (12.0%), driven by adjustments to Net pension assets and Long-term lease receivables, remaining largely in line with the prior year.

Utility plant, net

Utility Plant, net of \$2.6B increased \$88.0M (3.5%), driven by significant ongoing and recently completed capital projects throughout Grant PUD, including DB2, QTEP, WAN left-bank seismic, fiber expansion, turbine & generator replacements, the Soap Lake Substation rebuild, and ongoing Large Power Solutions projects.

Deferred Outflows of Resources

Deferred Outflows of Resources of \$63.0M increased \$2.4M (4.0%) driven by an increase in Net pension of \$7.3M, offset by decreases of \$4.4M in Unamortized refunding loss and \$405K in Other post-employment benefits.

Current Liabilities

Current Liabilities of \$227.5M increased \$51.1M (29.0%), driven by increases in the current portion of Long-term debt of \$46.9M and Trade payables of \$11.3M, offset by a decrease in current unearned revenue of \$10.1M. Unearned revenue and Long-term debt are further discussed below with Noncurrent Liabilities.

Noncurrent Liabilities

Total Noncurrent Liabilities of \$1.1B decreased \$97.6M (8.1%). Total outstanding Long-term debt of \$1.1B decreased \$44.2M (3.9%), in line with regular principal debt payments and the issuance of bonds to refund existing debt in 2023 and 2024. Total Licensing obligation of \$64.5M decreased \$2.2M (3.3%) in line with regular scheduled payments. Total Unearned revenue decreased \$12.0M (43.8%), due to expected project completion.

Deferred Inflows of Resources

Deferred Inflow of Resources of \$84.7M increased \$4.4M (5.5%), driven by an increase of \$4.8M in pension adjustments, offset by a decrease of \$0.7M in lease inflows.