1 Safety Report

January 2021

Date	Injury	Description	Causes	Prevention
12/2/2020	Strain	An employee was ascending and descending stairs frequently over a 2-day period carrying a light load and felt a sharp pain in the left foot. The tendon had a burning sensation when walking or twisting, the pain comes and goes.	Overexertion	Flex and stretch
12/3/2020	Particulate in eye	While operating a Tele-Handler employees were grinding and demolishing material. Employee noticed something in their eye. Employee was wearing safety glasses.	Airborne material/debris	Situational awareness
12/6/2020	Strain?	Twisted knee	???	???
12/23/2020	Particulate in eye	While grinding on a piece of metal, a spark came off bouncing inside of safety glasses ending up in the eye.	Airborne material/debris	Use face mask along with safety glasses while grinding.

Injuries Reported

2020	Month	YTD
Total Incidents Reported	4	32
Recordable Case(s)	0	7
Restricted Duty Case(s)	0	1
Lost Workday Case(s)	0	5

Monthly and Year to Date

Date	Vehicle	Driver's Account:	Prevention
12/10/2020	V#481	ESC, vehicle #481 (4dr Ford Escape) was started to let it warm up. The employee performed a 360 walkaround, 5 minutes of letting the vehicle warm up, got in and proceeded to back up checking mirrors. Cleared the pickup on the driver's side while looking in the driver side mirror. When the employee did this the front of the vehicle's passenger side front quarter panel rubbed against a flatbed trailer causing a scratch and crease in the panel	Situational Awareness
12/16/2020 12/20/2020 12/23/2020	???	Multiple entries with no information.	

Vehicle Incidents

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Date	Location	Description
12/7/2020	Burke Substation	While excavating for the new feeder conduits at the substation a contractor dug into direct buried conductors. All work was stopped, and dispatch was notified. A serviceman was sent out and tested for voltage. We determined the cables were de-energized and abandoned. They were not located during locates and do not appear on any drawings. We believe they are abandoned BPA feeders and will be removed out to the road.
12/15/2020	MLSC	Outside contractor working on Garage door opener at MLSC. One person was in the lift and one was on the ground. Person in the lift was tightening hardware and wrench slipped and fell striking the person below in the back, near his head. Person was ok and no medical attention was required. Work was stopped and incident reviewed.

Contractor Close Calls & Incidents

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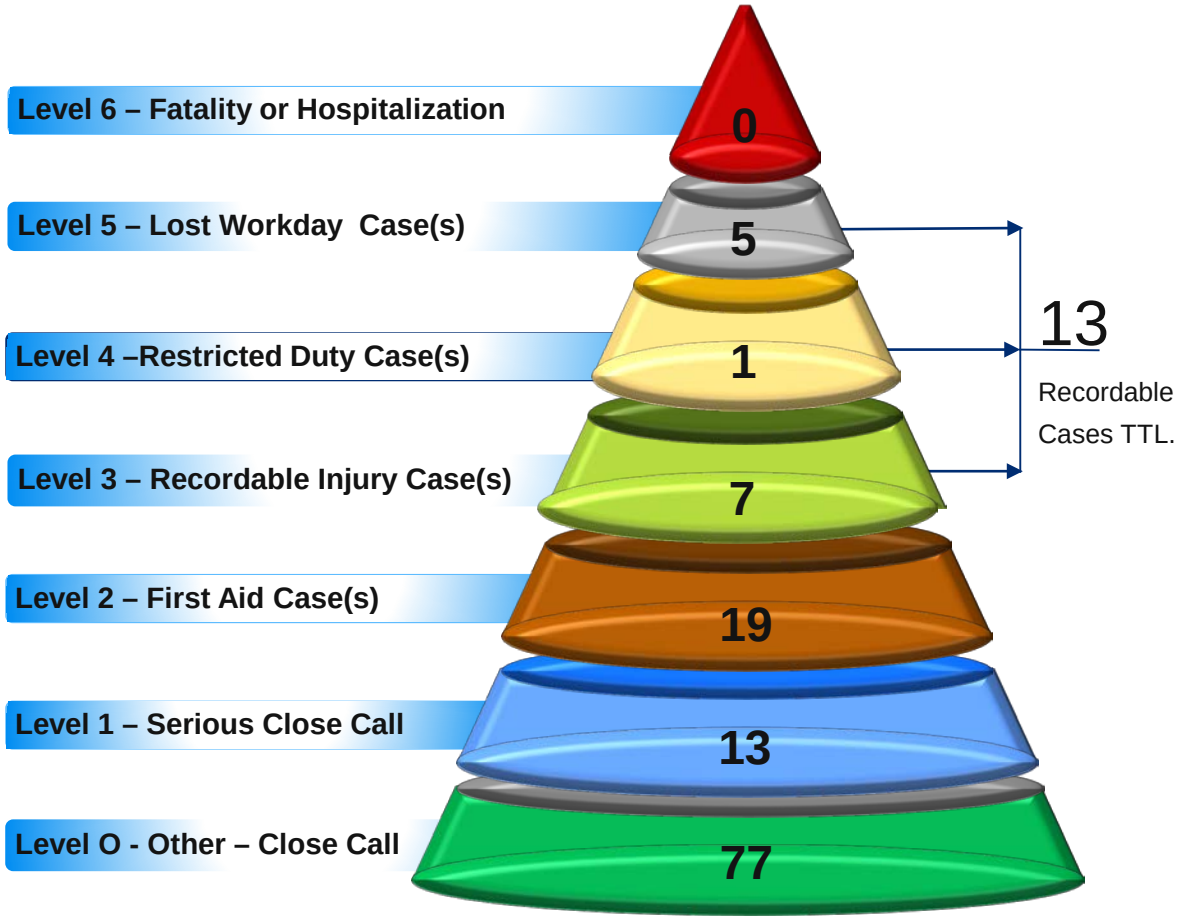
Date	Location	Description
12/12/2020	Priest Rapids Dam	Toolbox was damaged while transporting it in the material lift elevator. Did not allow enough space around perimeter of the elevator.
12/12/2020	Priest Rapids Dam	While a large fully loaded toolbox was being moved, it fell over. While loading the toolbox on to material lift, half of the box was on the loading platform and the other half was on the elevator. The elevator was loaded with other toolboxes causing the elevator deck to be lower than the loading dock. The height difference caused the toolbox to fall over.
12/28/2020	Highway 17	While travelling on Hwy 17 the new 12V plug in with the flashlight and seatbelt cutter made a buzzing noise, flashlight blinked on, and shot sparks out the front. I quickly pulled it out of the plug in and threw it on the floor. I pulled over and called Safety to report the problem and getting these removed from the system. While talking to Safety smoke started billowing out of the plug on the floor and then EXPLODED, throwing flames and shrapnel all over the cab of the service truck. I ran around to the passenger side and grabbed the burning plug and pieces and discarded outside into the snow. (not UL approved)

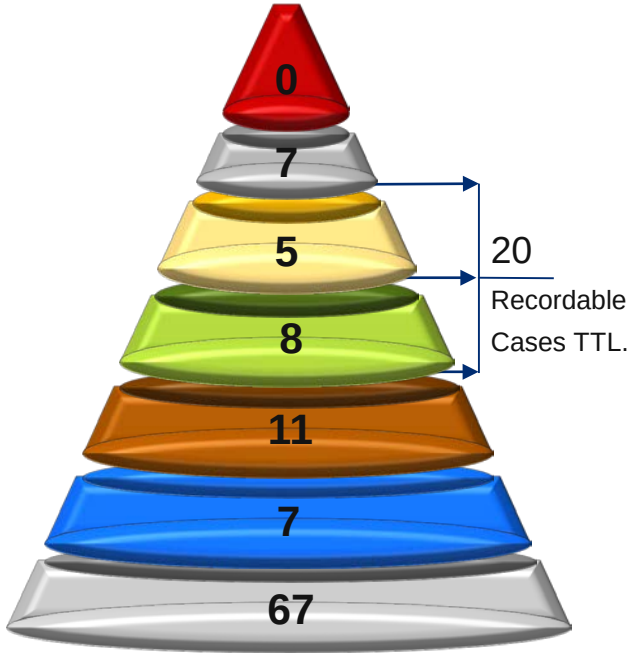
Close Calls

2020 incidents Year to Date Summary

Employee Safety

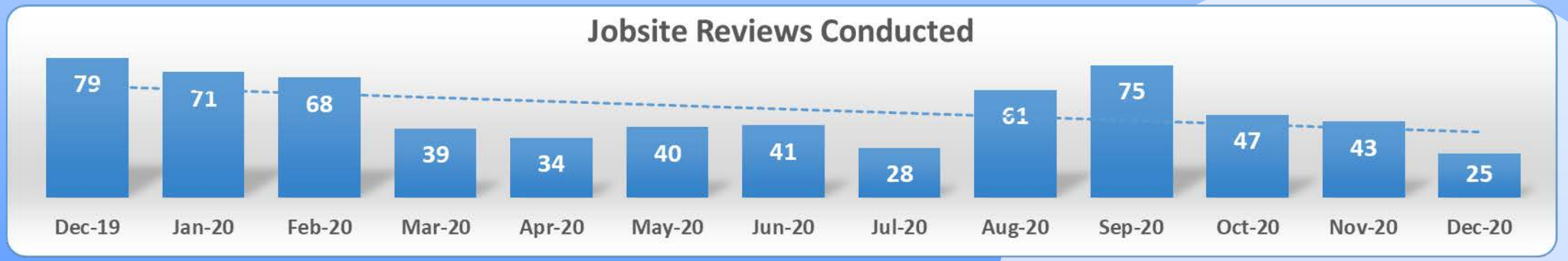


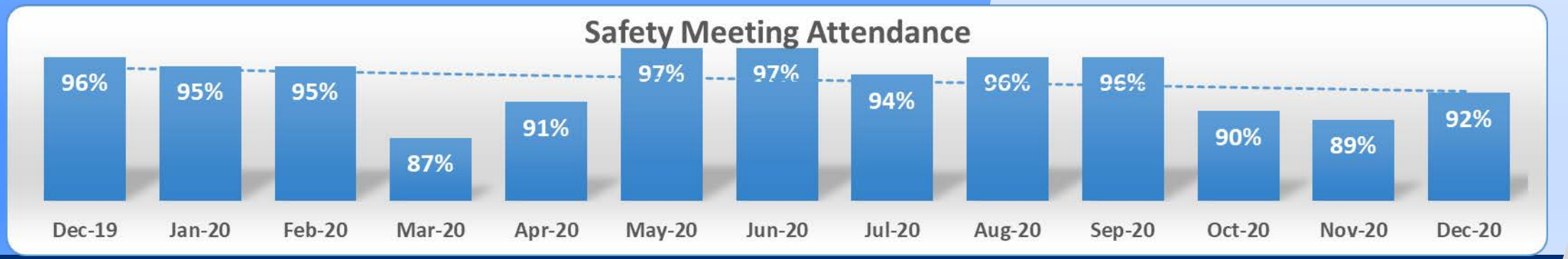
2020



2019

Leading & Lagging Indicators





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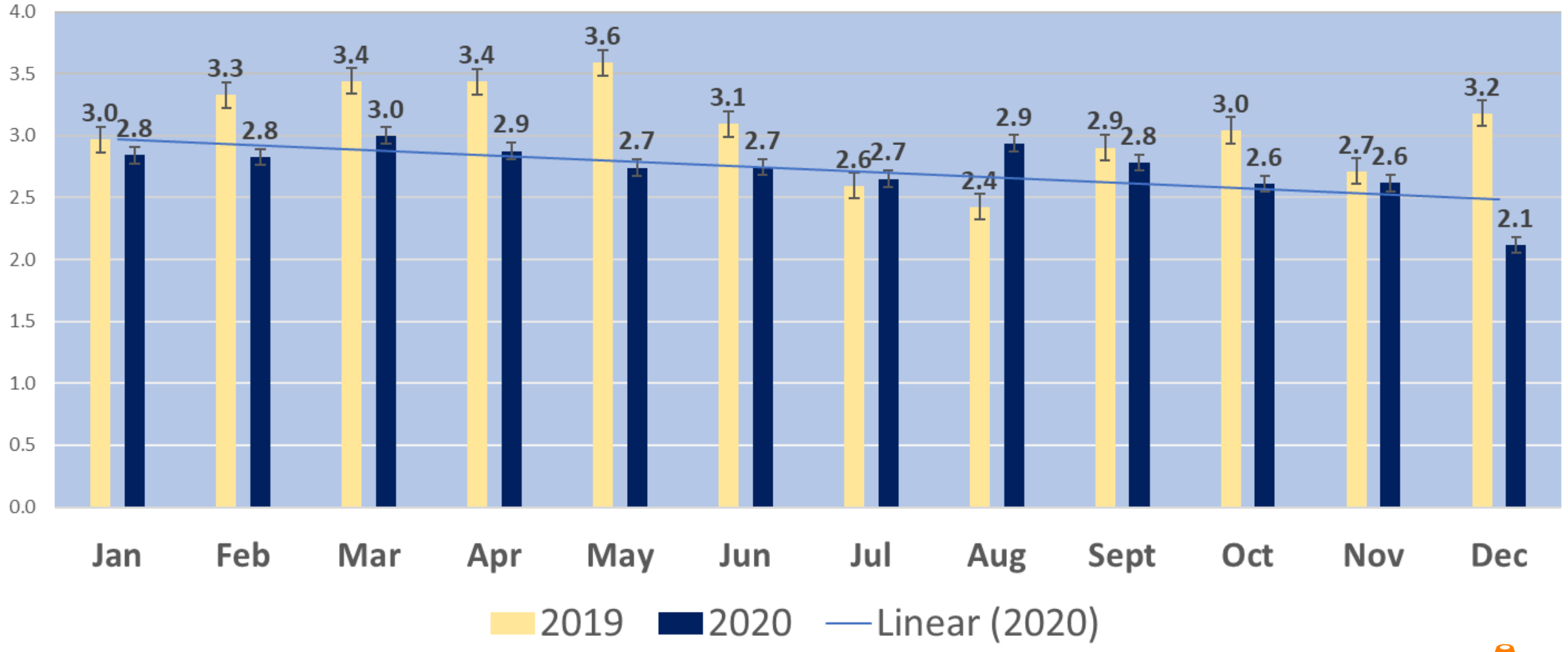
12 MONTH ROLLING - RECORDABLE INJURY RATE - 2019 VS. 2020



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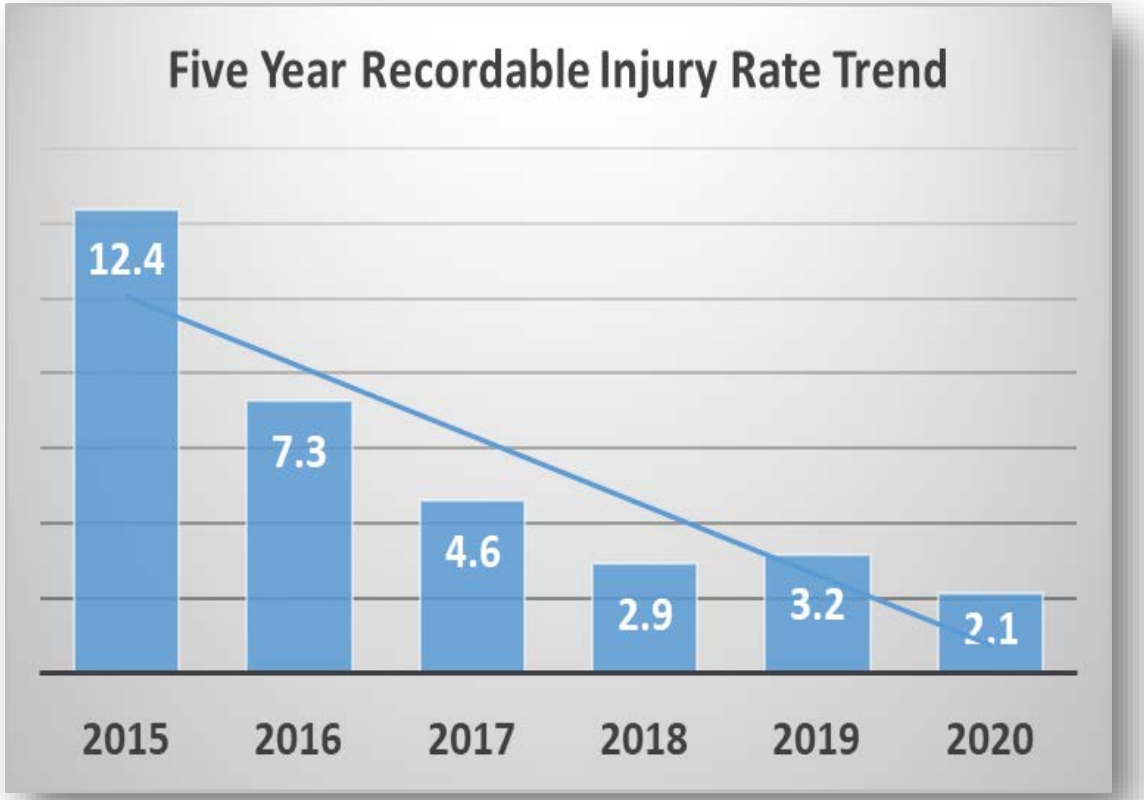
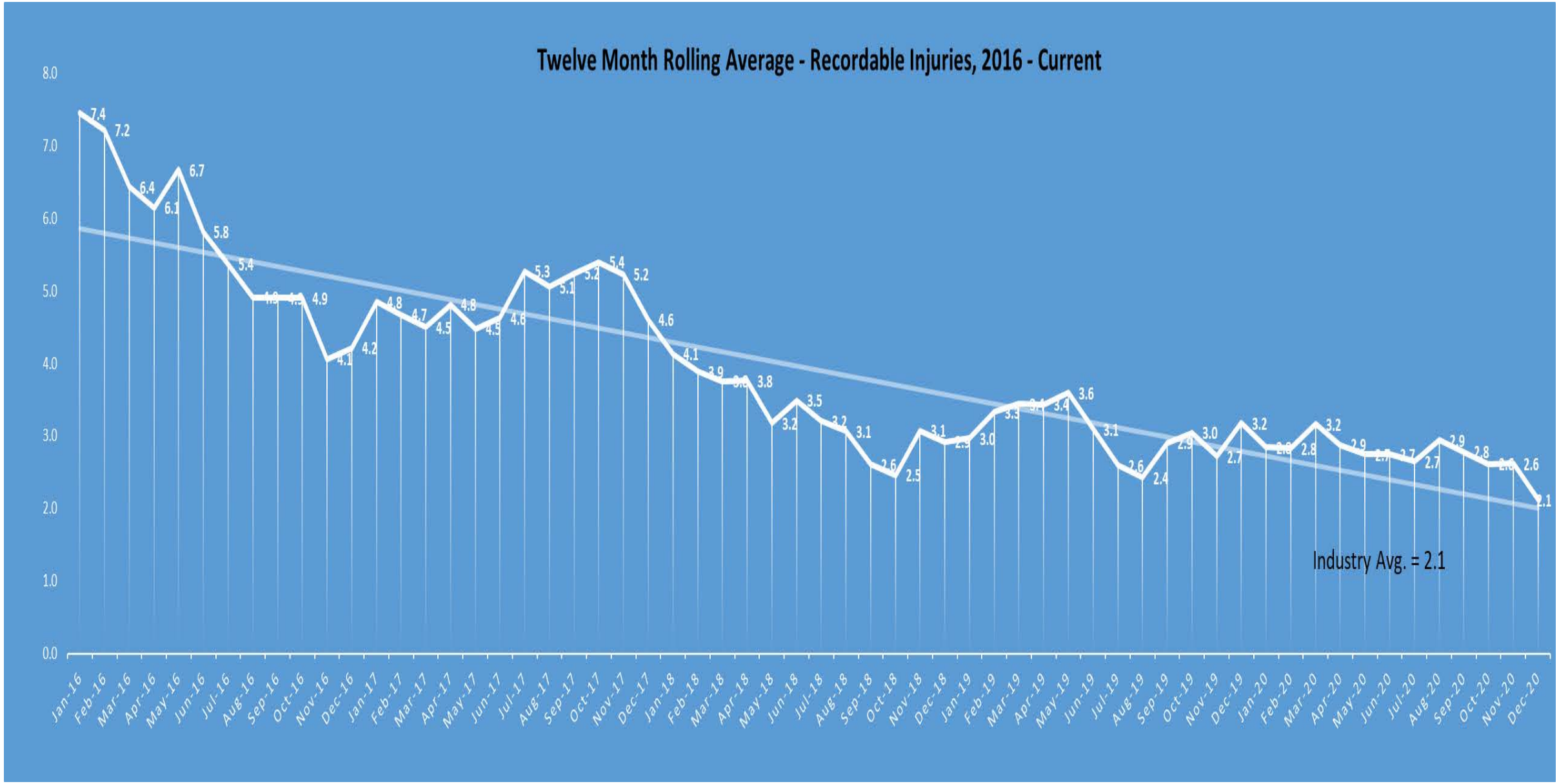
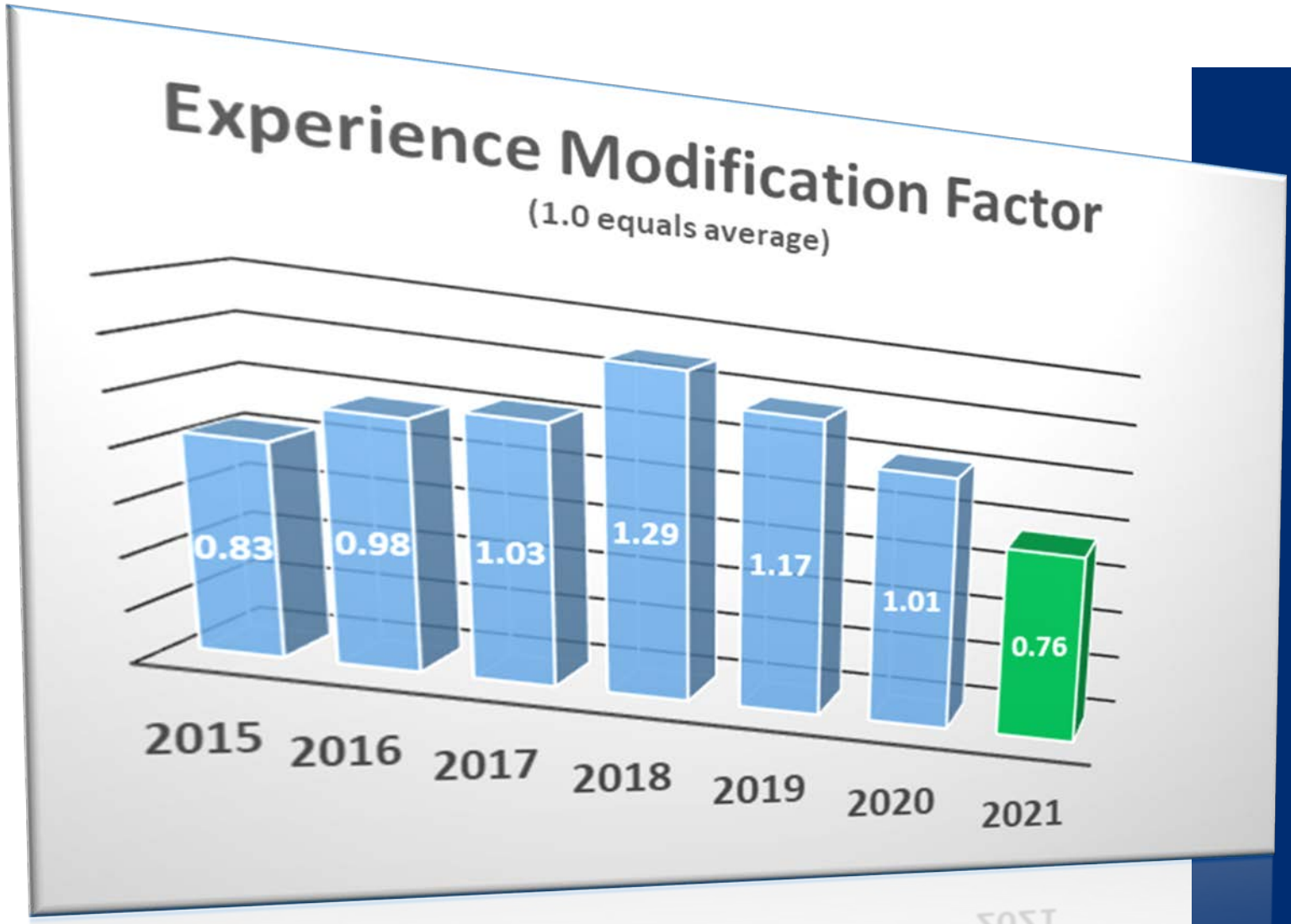
Where We've Been – Where We Are Now




Twelve Month Rolling Average - Recordable Injuries, 2016 - Current
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
Industry Avg. = 2.1
Jan-16 Feb-16 Mar-16 Apr-16 May-16 Jun-16 Jul-16 Aug-16 Sep-16 Oct-16 Nov-16 Dec-16 Jan-17 Feb-17 Mar-17 Apr-17 May-17 Jun-17 Jul-17 Aug-17 Sep-17 Oct-17 Nov-17 Dec-17 Jan-18 Feb-18 Mar-18 Apr-18 May-18 Jun-18 Jul-18 Aug-18 Sep-18 Oct-18 Nov-18 Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19 Jul-19 Aug-19 Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20



An Experience Modification Factor is essentially a company's safety score in reference to their workers' compensation insurance coverage.

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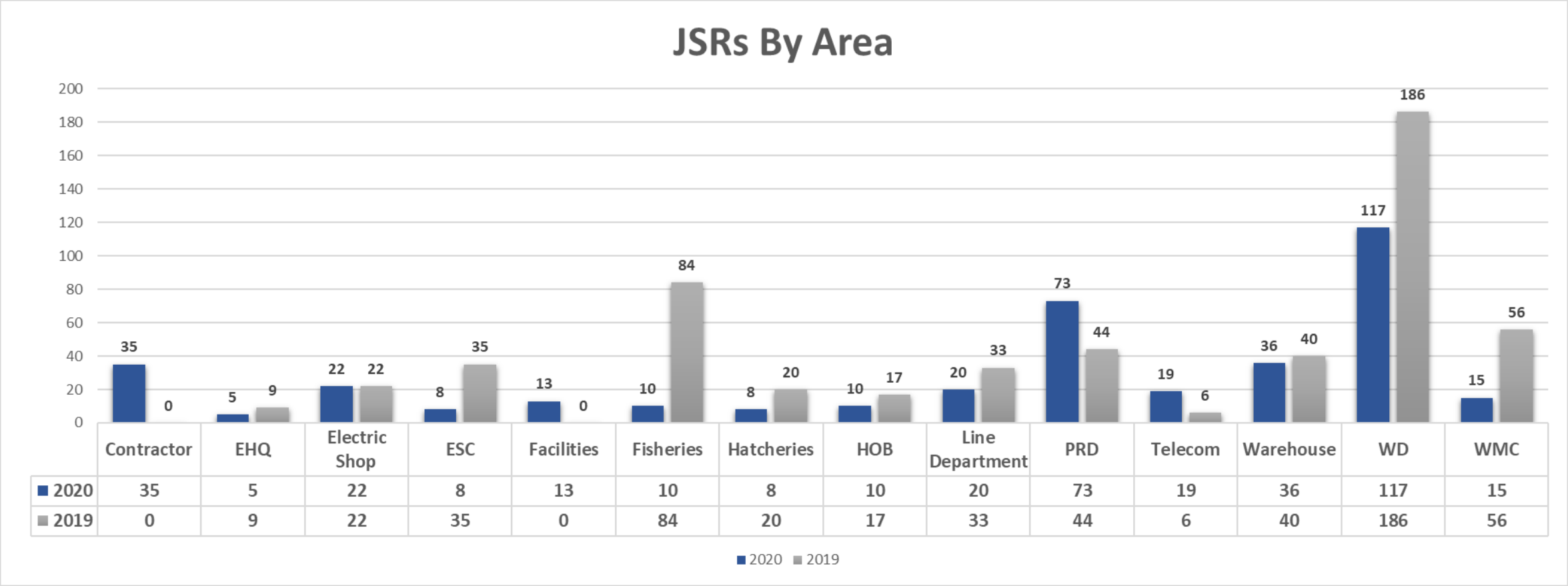

Jobsite Reviews 2019 vs 2020

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District Wide – Recurring Testing Plan for access into Power Production and Dispatch.

District Wide – Recurring Testing Plan V1

Does your job require that you enter a District facility or be on a District job site?

NO → Does not need to be included in the testing program.

YES → Under the current COVID-19 work assignments do you ever enter a District facility or work at a District jobsite?
Or
Do you come in contact with District employees?

NO → Does not need to be included in the testing program.

YES → DRAFT → Do you enter any of the following facilities or work stations?

- ❑ PRD
- ❑ WD
- ❑ Quincy Chute
- ❑ Pot Holes (PEC)
- ❑ Ephrata Control Center
- ❑ Moses Lake Control Center

NO → Do you work in the vicinity (within 6') of Senior System Operators or Plant Operators?

NO → Does not need to be included in the testing program.

YES → Employee and/or contractor should be included in the testing program.

Note: In the event of an emergency not allowing time for responding individuals to be tested, approval for entry without testing may be approved by the owning department manager.
Such as;
- Dispatch Manager (ECC, MLCC)
- Plant Managers (PRD, WAN, WSY, QC, PEC)

Safety Action Item Critical Success Factors

Incident Reporting (Date of Entry into System vs Data of Distribution Systemwide)
• Number of Close Calls in **December** = 5
• Number of Close Calls sent Next day after being entered into the system = 4

Number of Open Action Items over 60 days old	
As of **November** 2020	As of **December** 2020
Year 2017 = 7	Year 2017 = 7
Year 2018 = 10 (-1)	Year 2018 = 10
Year 2019 = 21 (-5)	Year 2019 = 21
Year 2020 = 12 (+1)	Year 2020 = 11 (-1)
Month Total = **50**	Month Total = **49**
	Net - December 2020: **-1**

Incident Reporting for November 2020

(Date of Incident vs. Date of Entry into System)

Injuries
• Total Number of Injuries = 4
• Total Number of Injuries Which Date of Incident and Date Entered into System Match = 2

Mobile
• Total Number of Mobile Incidents = 5
• Total Number of Mobile Incidents that Date of Incident and Date Entered into system match = 5

Coming Soon

Vivid Learning Management System
is being replaced with

UltiPro Learning through *myHR*

Starting February 1st

Join the Learning and Development Team for one of the instructional training sessions below and learn how to navigate the new UltiPro LMS.

<u>Manager Training Sessions</u>

- January 19th at 10 AM
- January 20th at 3 PM
- January 26th at 10 AM
- January 27th at 2 PM

<u>Employee Training Sessions</u>

- January 19th at 2 PM
- January 20th at 10 AM
- January 21st at 10 AM
- January 26th at 2 PM
- January 27th at 10 AM
- January 28th at 2 PM

Thank You!

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Q4 RETAIL LOAD AND REVENUE VARIANCE

Contributors:
Baxter Gillette, Large Power Solutions
Amanpreet Singh, Rates & Pricing

January 26, 2021

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Year End Summary – Budget Forecast vs. Actual

Year End Summary – Budget Forecast versus Actuals		
Load	Budget Forecast Load (aMW)	621
	Actual Load (aMW)	566
	Load Variance (aMW)	(55)
	Load Variance %	(8.9%)
Revenue	Budget Forecast Retail Revenue	$221,048,815
	Actual Retail Revenue	$205,864,926
	Retail Revenue Variance	$(15,183,888)
	Retail Revenue Variance %	(6.9%)

Q4 Summary – Budget Forecast vs. Actual

Q4 Summary – Budget Forecast versus Actuals		
Load	Budget Forecast Load (aMW)	583
	Actual Load (aMW)	555
	Load Variance (aMW)	(28)
	Load Variance %	(4.7%)
Revenue	Budget Forecast Retail Revenue	$53,713,359
	Actual Retail Revenue	$51,906,594
	Retail Revenue Variance	$(1,806,765)
	Retail Revenue Variance %	(3.4%)

Q4 Summary – Revised Forecast vs. Actual

Q4 Summary – Revised Forecast versus Actuals		
Load	Revised Forecast Load (aMW)	550
	Actual Load (aMW)	555
	Load Variance (aMW)	5
	Load Variance %	1.0%
Revenue	Revised Forecast Retail Revenue	$51,249,988
	Actual Retail Revenue	$51,906,594
	Retail Revenue Variance	$656,606
	Retail Revenue Variance %	1.3%

Rate Schedule Load Variances

Q4 Budget Forecast, Revised Forecast, and Actuals Variance by Rate Schedule

	2020 Q4 Budget Forecast and Actual Loads (aMW)				2020 Q4 Revised Forecast and Actual Loads (aMW)			
	Forecast	Actual	Difference	Variance %	Forecast	Actual	Difference	Variance %
Residential (1)	90	94	4	4.4%	94	94	1	0.9%
Commercial (2)	68	62	(6)	-8.6%	65	62	(4)	-5.8%
Irrigation (3)	7	32	25	378.8%	30	32	2	7.8%
Streetlights (6)	1	1	(0)	-1.7%	1	1	(0)	-1.7%
Large General (7)	37	45	8	21.9%	38	45	7	17.9%
Industrial (14)	58	28	(30)	-51.3%	33	28	(5)	-15.6%
Industrial (15)	242	225	(17)	-7.0%	230	225	(5)	-2.2%
Ag Food (16)	41	38	(3)	-6.9%	38	38	0	0.0%
Evolving Industry (17)	22	1	(21)	-95.5%	3	1	(2)	-61.0%
Ag Food-Boiler (85)	-	-	-	N/A	-	-	-	N/A
New Large Load (94)	19	30	11	59.4%	19	30	11	59.4%
Totals	**583**	**555**	**(34)**	**-4.7%**	**550**	**555**	**5**	**1.0%**

Q4 Rate Schedule variances from the revised forecast are smaller than the budget forecast variance.

Q4 Rate Schedule Differences (1 of 3)

- Residential (RS 1: Actuals +4.4% vs. Budget Forecast, +0.9% vs. Revised Forecast)
  - Mild weather conditions led to Residential load being about 5% lower than it would have been given normal weather conditions.
- Commercial / General Service (RS 2: Actuals -8.6% vs. Budget Forecast, -5.8% vs. Revised Forecast)
  - Mild weather conditions led to Commercial load being over 10% lower than it would have been given normal weather conditions.
  - The November 2020 unemployment rate was 7.2%*, 0.7% higher than November 2019.
  - The August 2020 unemployment rate was 8.6%, 2.9% higher than in August 2019.
- Irrigation (RS 3: Actuals +378.8% vs. Budget Forecast, +7.8% vs. Revised Forecast)
  - The Irrigation budget forecast was for the period of the load, not the period of billing. For example, the budget forecast reflects October to December actual consumption, which is low, but the reported actuals include some September consumption, which is billed in October.
  - Taking out effects of a dry, windy Q4, adjusted irrigation loads are below the revised forecast.

*Source: St. Louis FED. https://fred.stlouisfed.org/series/WAGRAN5URN#0

Q4 Rate Schedule Differences (2 of 3)

- Large General (RS 7: Actuals +21.9% vs. Budget Forecast, +17.9% vs. Revised Forecast)
  - New, small data center premises previously Evolving Industry.
  - Two Rate Schedule 14 loads transferred into Rate Schedule 7.
- Industrial (RS 14: Actuals -51.3% vs. Budget Forecast, -15.6% vs. Revised Forecast)
  - One large account exited to Rate Schedule 15.
  - Two accounts exited to Rate Schedule 7.
  - Some loads coming in under forecasted projections.
- Large Industrial (RS 15: Actuals -7.0% vs. Budget Forecast, -2.2% vs. Revised Forecast)
  - Difference versus budget forecast mostly new load that did not come on-line in 2020 and some of one customer's RS 94 load being forecast as RS 15.

Q4 Rate Schedule Differences (3 of 3)

- Agricultural Food Processors (RS 16: Actuals -6.9% vs. Budget Forecast, +0.02% vs. Revised Forecast)
  - Deviations from the Budget forecast from a handful of plants below forecast
- Evolving Industry (RS 17: Actuals -95.5% vs. Budget Forecast, -61.0% vs. Revised Forecast)
  - Loads have dropped from approximately 22 aMW in February 2020 to a low of 0.6 aMW in November 2020 before rebounding slightly to 1.4 aMW in December 2020.
- New Large Load (RS 94: Actuals +59.4% vs. Budget Forecast, +59.4% vs. Revised Forecast)
  - Growth of RS 15 loads that grow faster than 10 aMW in a year.
  - Some of this growth was forecasted as part of RS 15.

Wholesale Prices

- Wholesale prices stronger than Q3
  - Q4: $28.14 / MWh
  - Q3: $25.23 / MWh
  - Higher natural gas prices

	Wholesale Electricity Prices	
	Actual Average $/MWh	
	Heavy-Load Hours	**Light-Load Hours**
October	$33.53	$27.23
November	$26.63	$23.21
December	$30.53	$25.69

Takeaways

- The August 2020 revised forecast was the basis for the 2021 budget.
- Residential and Commercial loads are above normal on a weather adjusted basis.
- Net Rate Schedule 7, 14, 15, 16, 85, & 94 actual loads are down substantially from the budget forecast but are near the revised forecast.
- Evolving Industry (Rate Schedule 17) demand continued to fall through November before rising in December coincident with increased BTC prices.

Thank You

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Powering our way of life.

M E M O R A N D U M **January 26, 2021**

TO: Kevin Nordt, General Manager

VIA: Dave Churchman, Chief Customer Officer

FROM: Baxter Gillette, Large Power Solutions Manager
Amanpreet Singh, Sr. Financial Analyst

SUBJECT: 2020 Q4 Retail Load and Revenue Variance

Purpose: Review the 2020 Q4 variances of actual retail load (aMW) and revenue versus the 2020 budget and the most recent official retail load forecast.

Background: This memo discusses quarterly variances between actual retail load and revenue compared to the most recent Commission-adopted budget forecast (2020 financial budget) and the most recent revised load forecast. The budget forecast figures are from the August 2019 load forecast, which was the basis for the 2020 budget. The revised forecast is the most recent load forecast from August 2020. The revised forecast was used by Forecasting, Planning & Analysis as the basis for the 2021 Budget.

In the following sections, any reference to "budget" refers to the 2020 budget forecast as adopted in 2019; any reference to "revised" refers to the most recent revised load forecast.

Summary:

- ***Budget* Forecast versus Actual (see Table 1, and Appendix, Tables A and B)**
  - Loads were 28 aMW, or -4.7%, below budgeted levels. This is a smaller shortfall than in both Q1 at -9.8%, Q2 at -15.6% and Q3 at -5.3%.
  - Q4 Revenues were $1.8M, or -3.4%, below budget, reflecting basic charges and demand charges, which are not as sensitive to changes in energy consumption (aMW).

Table 1: Quarter 4 Budget Forecast versus Actuals Summary

		2020 Q4
Load	Budget Forecast Load (aMW)	583
	Actual Load (aMW)	555
	Load Variance (aMW)	(28)
	Load Variance %	-4.7%
Revenue	Budget Forecast Retail Revenue	$ 53,713,359
	Actual Retail Revenue	$ 51,906,594
	Retail Revenue Variance	$ (1,806,765)
	Retail Revenue Variance %	-3.4%

- ***Revised* Forecast versus Actual (see Table 2, and Appendix, Tables C and D)**
  - Loads were 5 aMW, or +1.0%, above revised forecast levels. This was driven primarily by stronger than forecasted Rate Schedule 94 load (+11 aMW).
  - Q3 Revenues were $657K, or 1.3%, above forecast.

Table 2: Quarter 4 Revised Forecast versus Actuals Summary

		2020 Q4	
Load	Revised Forecast Load (aMW)		550
	Actual Load (aMW)		555
	Load Variance (aMW)		5
	Load Variance %		1.0%
Revenue	Revised Forecast Retail Revenue	$	51,249,988
	Actual Retail Revenue	$	51,906,594
	Retail Revenue Variance	$	656,606
	Retail Revenue Variance %		1.3%

Explanation of Variance:

- ***Budget* Forecast versus Actual – Q4**
  - In the fourth quarter (See Appendix, Tables A & B), retail load was down 4.7% and revenues were down 3.4%.
  - Streetlights were within 2% of budgeted loads.
  - Residential, Irrigation and Large general came in above the budget forecast.
    - Irrigation loads came in much higher than revised forecast (378.8%; see **Analysis**, below).
  - Commercial, Industrial, Large Industrial and New Large Load as a netted group were below budget forecast due to:
    - Rate Schedule 14 loads migrating during the year into Rate Schedules 7, and
    - Slower than anticipated growth in new customer loads and in growth of some existing customers.
  - Evolving Industry had a budget forecast of 22 aMW, but actual load has decreased to a low of 0.6 aMW in November 2020 before rebounding slightly to 1.4 aMW in December.

- ***Revised* Forecast versus Actual – Q4**
  - Overall, both load (+1.0%) and revenues (+1.3%) were close to the revised forecast values (see Appendix, Tables C & D).
  - There were larger differences between actuals and the revised forecast within rate schedules.
  - Residential, Irrigation, Streetlights, Large General, and New Large Load actuals were above the revised forecast values.
    - Large General (RS 7) is seeing growth from new accounts and transfers from smaller Industrial (RS 14) accounts.

        - Irrigation loads came in slightly higher than the revised forecast (7.8%; see **Analysis**, below).
        - New Large Load (RS 94) is substantially higher than the revised forecast (+11 aMW)
    - Commercial, Industrial, Large Industrial and Evolving Industry came in below the revised forecast.
        - Commercial was not updated from the previous revised forecast and continues to be depressed.
        - Industrial had some accounts move to Large General in due to reduced loads, which elevates Large General and depresses Industrial.
        - Two large industrial customers' loads came in lower than the revised forecasted one which was due to a slower than forecasted resumption of normal operations from Q3 into Q4, and the other a consistent reduction across the period.

Analysis: This section details the reasons for the Q4 rate schedule variances between budget forecast, the revised forecast and actuals. See Tables A through D in the Appendix for reference.

- Q4 Residential (RS 1) actual loads were 94 aMW, 4.4% higher than budget forecast and 0.9% higher than the revised forecast.
    - Mild weather conditions led to Residential load being lower than it would have been given normal weather conditions.
    - Adjusted for the weather, actual load was 99 aMW, Residential loads are 10% higher than the budget forecast and 6.3% higher than the revised forecast.
- Q4 General Service / Commercial (RS 2) actual loads were 62 aMW, 8.6% below budget forecast and 5.8% below revised forecast.
    - Mild weather conditions led to Commercial load being lower than it would have been given normal weather conditions.
    - The weather-normalized Commercial actual load is 70 aMW, 3.2% higher than the budget forecast and 6.3% higher than the revised forecast.
    - The November 2020 unemployment rate was 7.2%, or 0.7% higher than in November 2019, but is an improvement from the August (Q2) unemployment rate of 8.6%, or 2.9% higher than August 2019 (source: https://fred.stlouisfed.org/series/WAGRAN5URN#0).
        - Note: the unemployment figures are subject to revision on the website.
- Q4 Irrigation (RS 3) actual loads were 32 aMW, 378.8% above budget forecast and 7.8% above the revised forecast.
    - The budgetary deviation arises from a mismatch between the forecast methodology employed during the 2020 budget and billing timing.
        - The budget forecast reflects the loads and revenues associated with those loads in the period in which they occur.
        - Actuals attribute load and revenues to the periods in which the bills were actually sent. This means that a portion of "actual" revenues in any month arise from loads from the previous month.
        - In consecutive months with relatively stable loads, the deviations arising between budget forecast and actuals are small.
        - In consecutive months with highly variable loads the deviations will be large. For example, the March 2020 irrigation budget forecast was 19.9 aMW. Actuals from billing were 0.01 aMW as only a few bills were sent out in March for March irrigation loads, resulting in a -99.9% load variance. In Q4, average budget forecasted loads are 6.7 aMW, mostly from October irrigation. Q4 "actuals" came in at 32.1 aMW, reflecting October billing of September loads, which resulted in the 378.8% variance.

        - Rates and Forecasting is working with other departments to move as soon as possible to reliably match forecasts and actual reporting to the same periods in which the loads actually occur. This will require both forecast and actual reporting changes.
        - The August 2020 revised forecast uses data that more accurately reflects billing timing.
    - 15% lower precipitation and 11% higher average windspeed increased evapotranspiration, which increased irrigation demand.
        - Decreased precipitation accounted for 65% of the weather variance while the windspeed accounted for 32% of the variance. A slightly above average Growing Degree Days (17% higher) accounted for 3% of the weather deviation.
    - The weather-normalized Irrigation load was below what would otherwise have been expected given the weather conditions.
- Q4 Large General (RS 7) actual loads were 45 aMW, 21.9% above budget forecast and 17.9% above the revised forecast.
    - Large commercial growth is largely attributable to new, small data center customers occupying premises previously serving Evolving Industry and two Rate Schedule 14 loads that transferred into Rate Schedule 7.
- Q4 Industrial (RS 14) actual loads were 28 aMW, 51.3% below budget forecast and 15.6% below the revised forecast.
    - The budget deviation arose from a one large customer exiting to Rate Schedule 15, two accounts contracting and exiting to Rate Schedule 7, and another account experiencing load contraction.
    - The forecast deviation is primarily attributable to the loads exiting to Rate Schedule 7.
- Q4 Large Industrial (RS 15) actual loads were 225 aMW, 2.2% below budget forecast and 0.1% below the revised forecast.
    - The budget variance was primarily driven by the net effect of some RS 94 growth being forecasted as RS 15 and a RS 14 customer transitioning into RS 15 which was not in the budget forecast.
- Q4 Ag Food Processors (RS 16) actual loads were 38 aMW, 6.9% below budget forecast and 0.02% above the revised forecast.
    - The budget variance is due to a handful of customers modestly scaling back compared to the forecast.
- Q4 Evolving Industry (RS 17) actual loads were 1 aMW, 61% below budget forecast and 46% below revised forecast.
    - Loads have dropped from approximately 22 aMW in February 2020 to a low of 0.6 aMW in November 2020 before rebounding slightly to 1.4 aMW in December 2020.
- Q3 New Large Load (RS 94) actuals were 30 aMW, 59.4% above budget forecast and 51.3% above the revised forecast.
    - Growth in New Large Loads is arising from one customer growing faster than forecast.

- **Wholesale Prices**
    - When retail loads fall, excess energy is liquidated in the wholesale market, and when conversely, loads rise, energy is procured from the market. In Q4, average light-load hours and heavy-load hours wholesale prices were well below average retail rates (about $41/MWh), but above PRP cost. The average Q4 price was $28.14 per MWh, or 11.5% higher than Q3, supported in part by higher natural gas prices. Most Sumas natural gas price Q4 daily settles were above $3/MMBtu compared to below $2/MMbtu for most of the summer.

Table 3: Average Q4 2020 Wholesale Day-Ahead Prices

	Wholesale Electricity Prices	
	Actual Average $/MWh	
	Heavy-Load Hours	**Light-Load Hours**
October	$33.53	$27.23
November	$26.63	$23.21
December	$30.53	$25.69

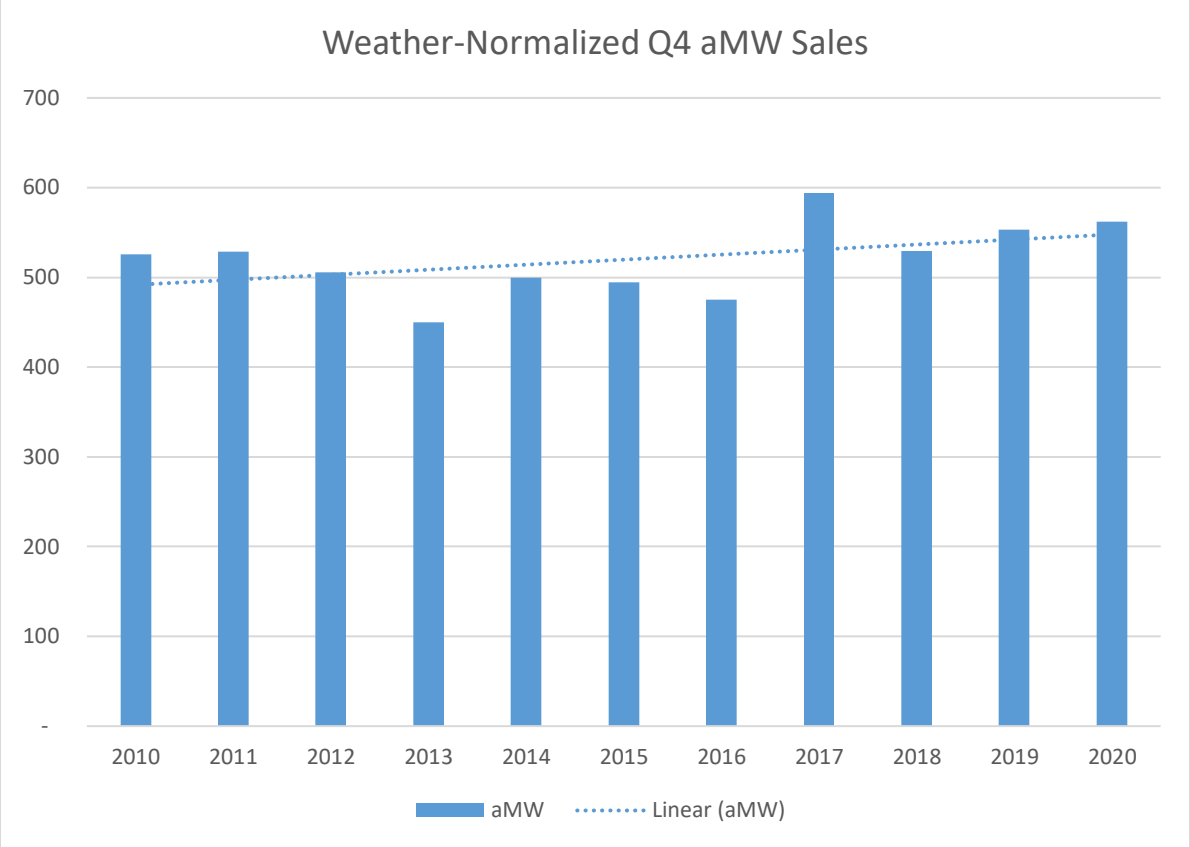


Table 4: Q4 Weather Normalized Loads (aMW)

Appendix

Table A:	Retail Load Budget Forecast, Actual, & Variance for 2020 Q4						
	2020 Q4 Budget Forecast Load		2020 Q4 Actual Load		2020 Q4 Load Variance		2020 Q4 Load Variance %
	aMW	MWh	aMW	MWh	aMW	MWh	
Residential (1)	90	199,699	94	208,403	4	8,705	4.4%
Commercial (2)	68	149,054	62	136,202	(6)	(12,851)	-8.6%
Irrigation (3)	7	14,806	32	70,894	25	56,088	378.8%
Streetlights (6)	1	1,186	1	1,165	(0)	(21)	-1.7%
Large General (7)	37	81,267	45	99,024	8	17,757	21.9%
Industrial (14)	58	127,462	28	62,047	(30)	(65,415)	-51.3%
Lg. Industrial (15)	242	533,978	225	496,419	(17)	(37,559)	-7.0%
Ag Food-Process (16)	41	89,945	38	83,708	(3)	(6,237)	-6.9%
Evolving Industry (17)	22	48,000	1	2,152	(21)	(45,848)	-95.5%
Ag Food-Boiler (85)	-	-	-	-	-	-	N/A
New Large Load (94)	19	41,052	30	65,441	11	24,389	59.4%
Totals	583	1,286,447	555	1,225,455	(28)	(60,993)	-4.7%

Table B:	Retail Revenue Budget Forecast, Actual, & Variance for 2020 Q4			
	2020 Q4 Budget Forecast Retail Revenue	2020 Q4 Actual Retail Revenue	2020 Q4 Retail Revenue Variance	2020 Q4 Retail Revenue Variance %
Residential (1)	$ 11,022,396	$ 11,703,087	$ 680,691	6.2%
Commercial (2)	$ 6,922,389	$ 6,515,203	$ (407,186)	-5.9%
Irrigation (3)	$ 2,951,688	$ 4,806,260	$ 1,854,572	62.8%
Streetlights (6)	$ 263,127	$ 259,819	$ (3,308)	-1.3%
Large General (7)	$ 2,638,941	$ 3,207,406	$ 568,465	21.5%
Industrial (14)	$ 3,854,382	$ 1,922,783	$ (1,931,599)	-50.1%
Lg. Industrial (15)	$ 19,738,737	$ 18,633,108	$ (1,105,629)	-5.6%
Ag Food-Process (16)	$ 2,820,791	$ 2,618,753	$ (202,038)	-7.2%
Evolving Industry (17)	$ 1,950,051	$ 135,797	$ (1,814,254)	-93.0%
Ag Food-Boiler (85)	$ 3,663	$ 3,647	$ (16)	-0.4%
New Large Load (94)	$ 1,547,196	$ 2,100,732	$ 553,536	35.8%
Totals	$ 53,713,359	$ 51,906,594	$ (1,806,765)	-3.4%

Power Delivery

2020 Year-End Business Report

January 26th 2021

Grant County
PUBLIC UTILITY DISTRICT

Outline

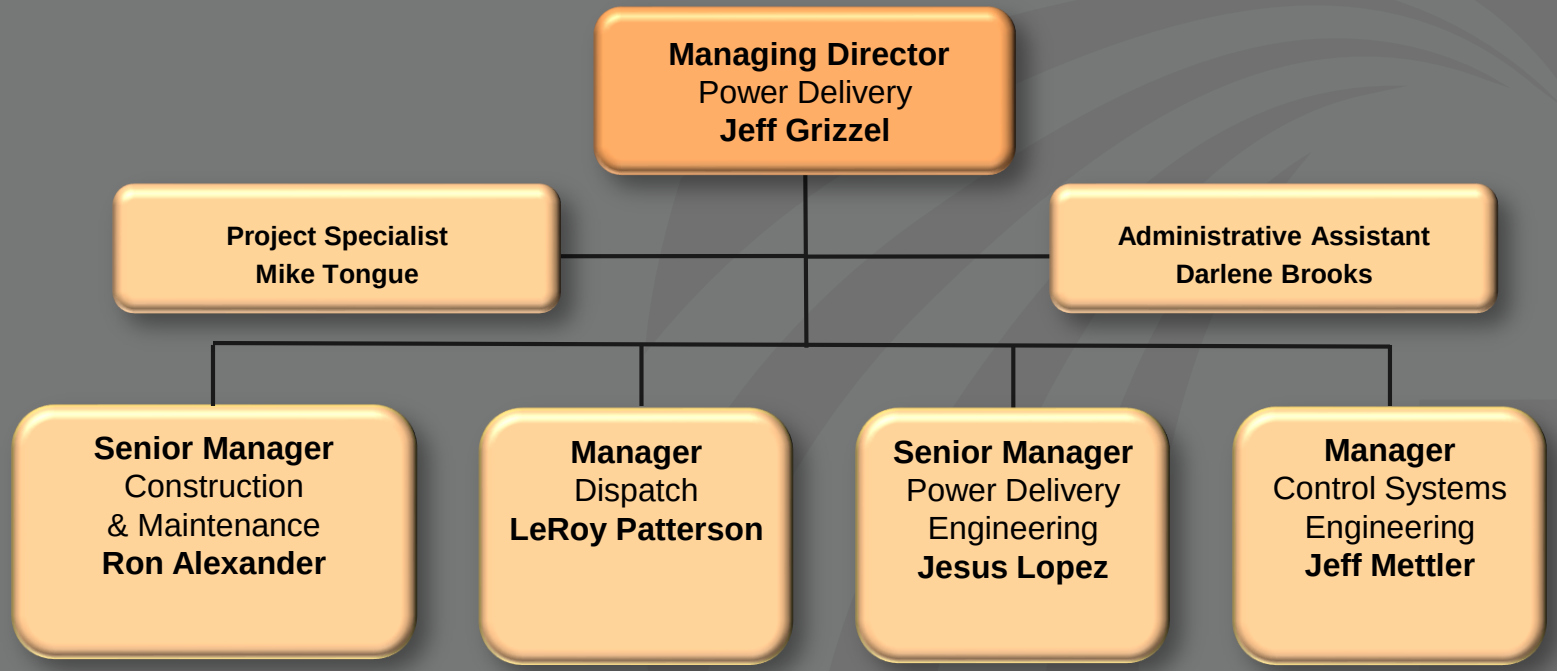
- Purpose and Goal
- Structure and Personnel
- 2020 Safety & Operational Performance
- 2020 Financials
- 2020 Highlights
- 2021 Focal Areas

Purpose and Goal

Purpose: **Provide our customers with safe, reliable electric and communication services by effectively planning, designing, constructing, maintaining and operating our transmission, substation, distribution, and fiber assets and their associated control systems.**

Goal: **Achieve our purpose while championing a culture of safety and operational excellence with continual focus on our values of safety, innovation, service, teamwork, respect, integrity and heritage.**

Structure and Personnel



- Line Department
- Electric Shop
- Meter/Relay Shop
- Fiber & Electronics

- Dispatch

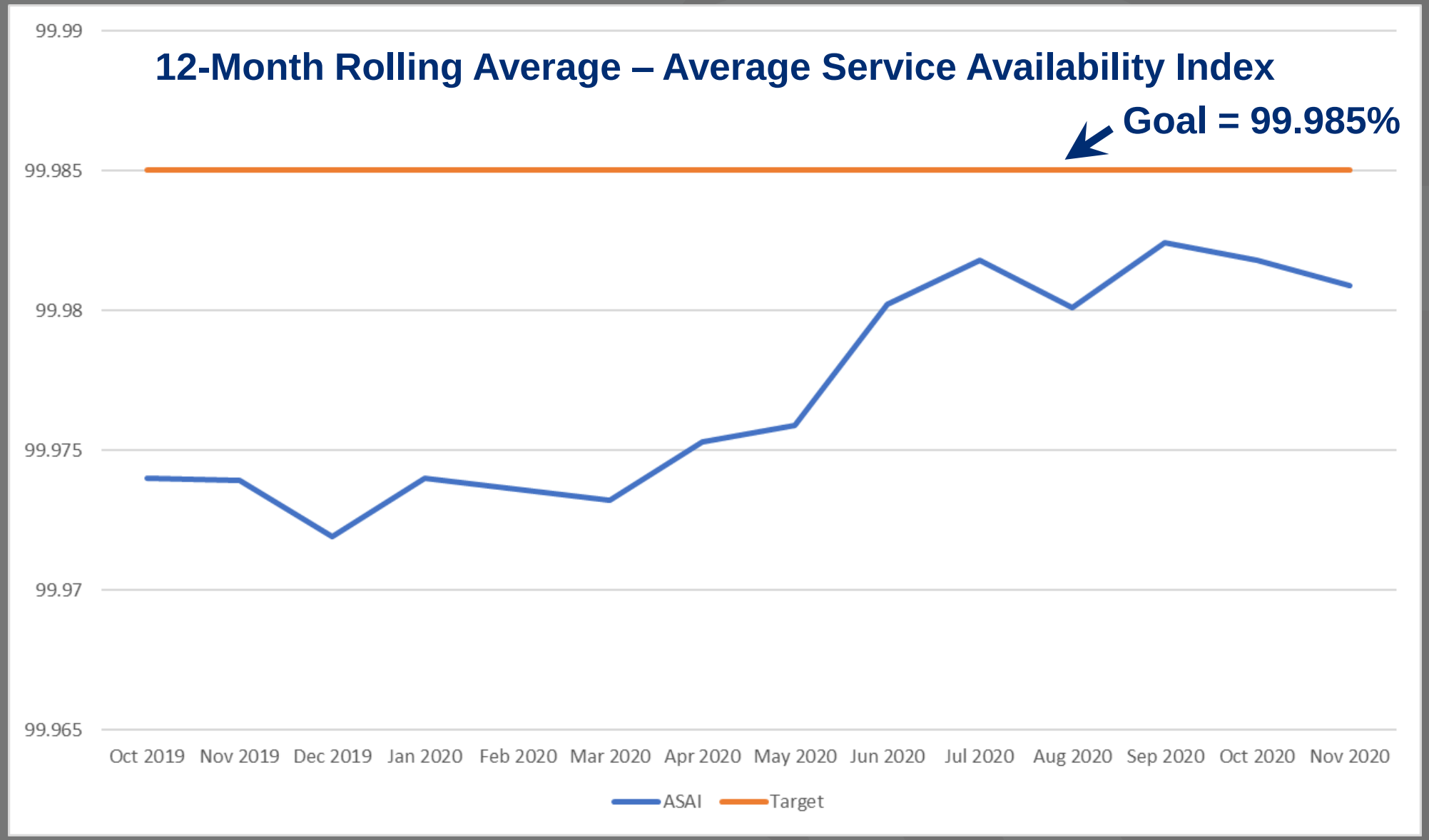
- Systems Planning & Standards
- Transmission, Substation & Automation
- Customer & Distribution Engineering

- Control Systems

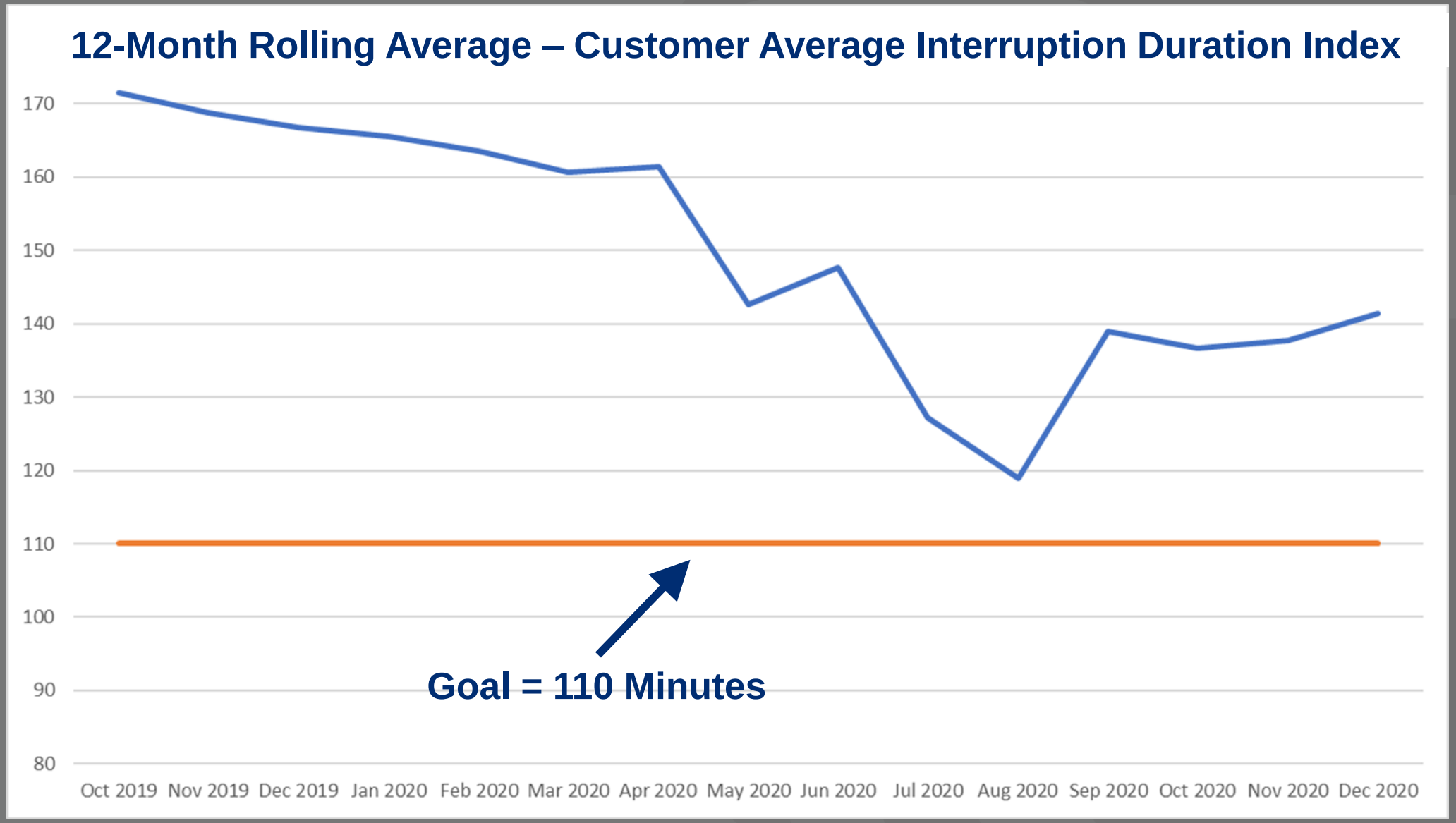
Safety Performance

- Very high safety meeting attendance (>92%)
- Only one recordable incident for the year
- Regular job briefs
- Regular field audits/job site reviews
- Higher than average vehicle incident rate
- Close call reporting can/should be improved

Operational Performance - ASAI



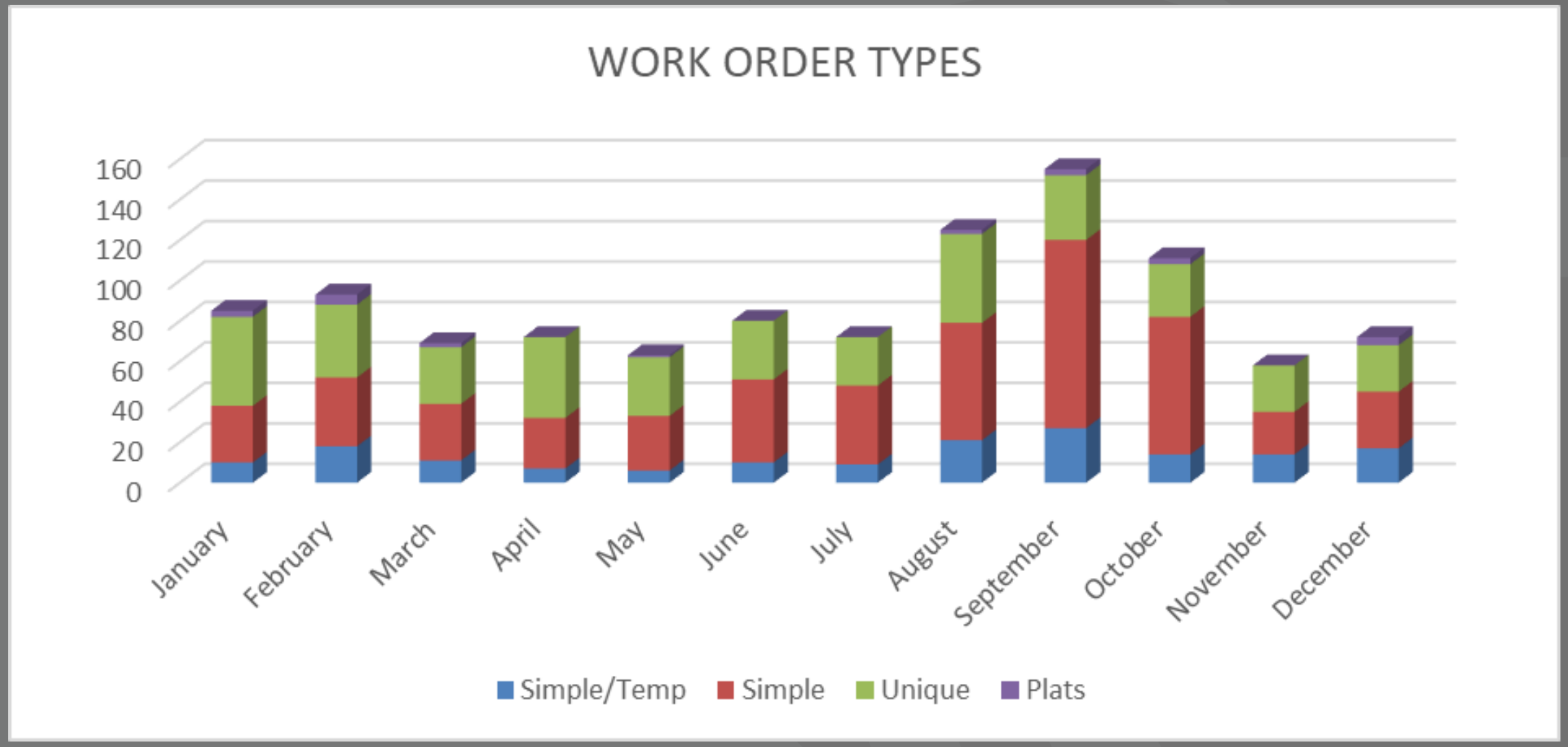
Operational Performance - CAIDI



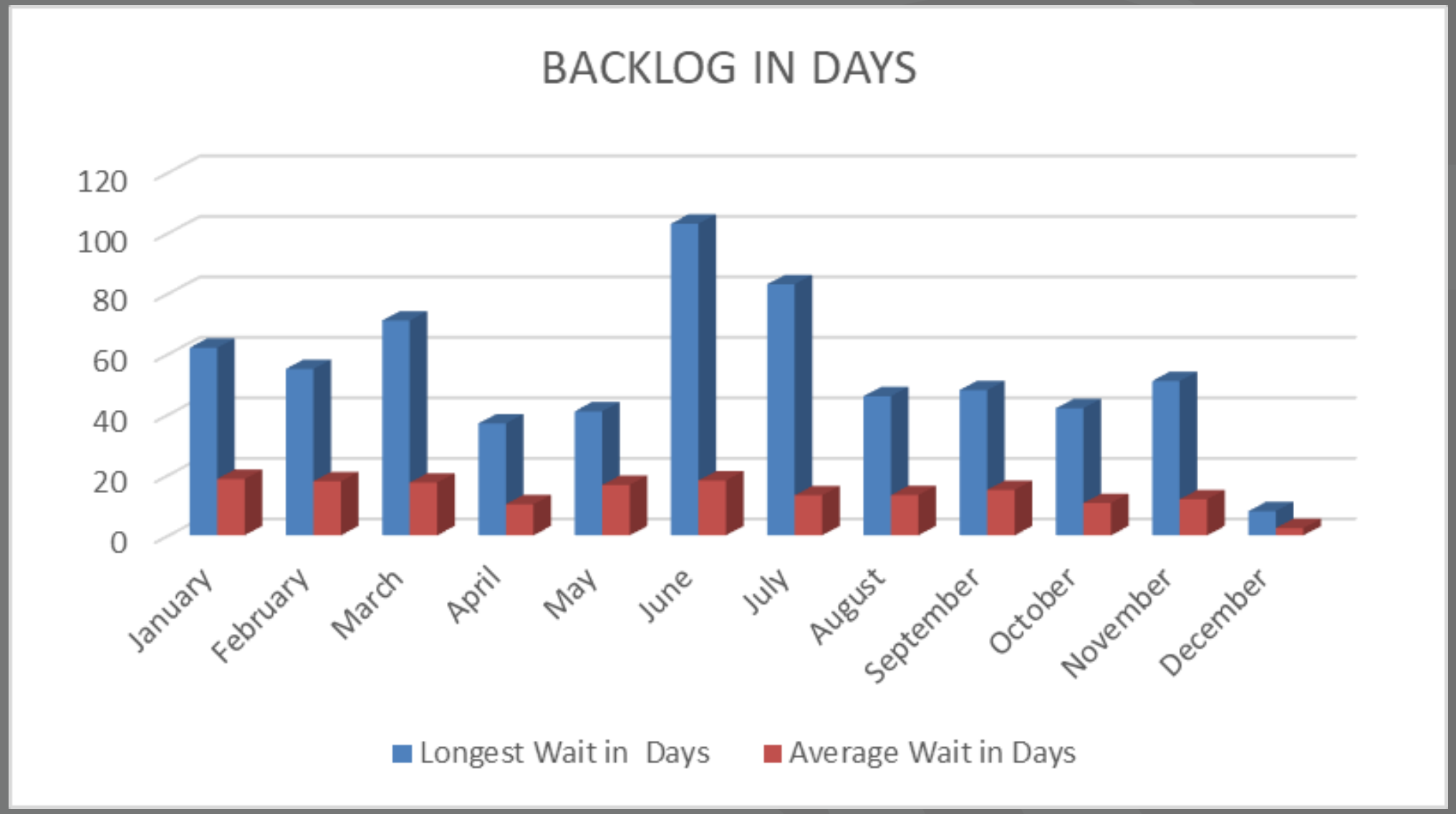
Performance Benchmarking – Year End 2018

Electric Utility	CAIDI (minutes)
PUD No 1 of Benton County	92.7
PUD No 1 of Franklin County	96.6
PUD No 2 of Grant County	**114.0**
Inland Power & Light Company	126.4
Avista Corp	162.7
PUD No 1 of Chelan County	176.6
PUD No 1 of Okanogan County	218.1

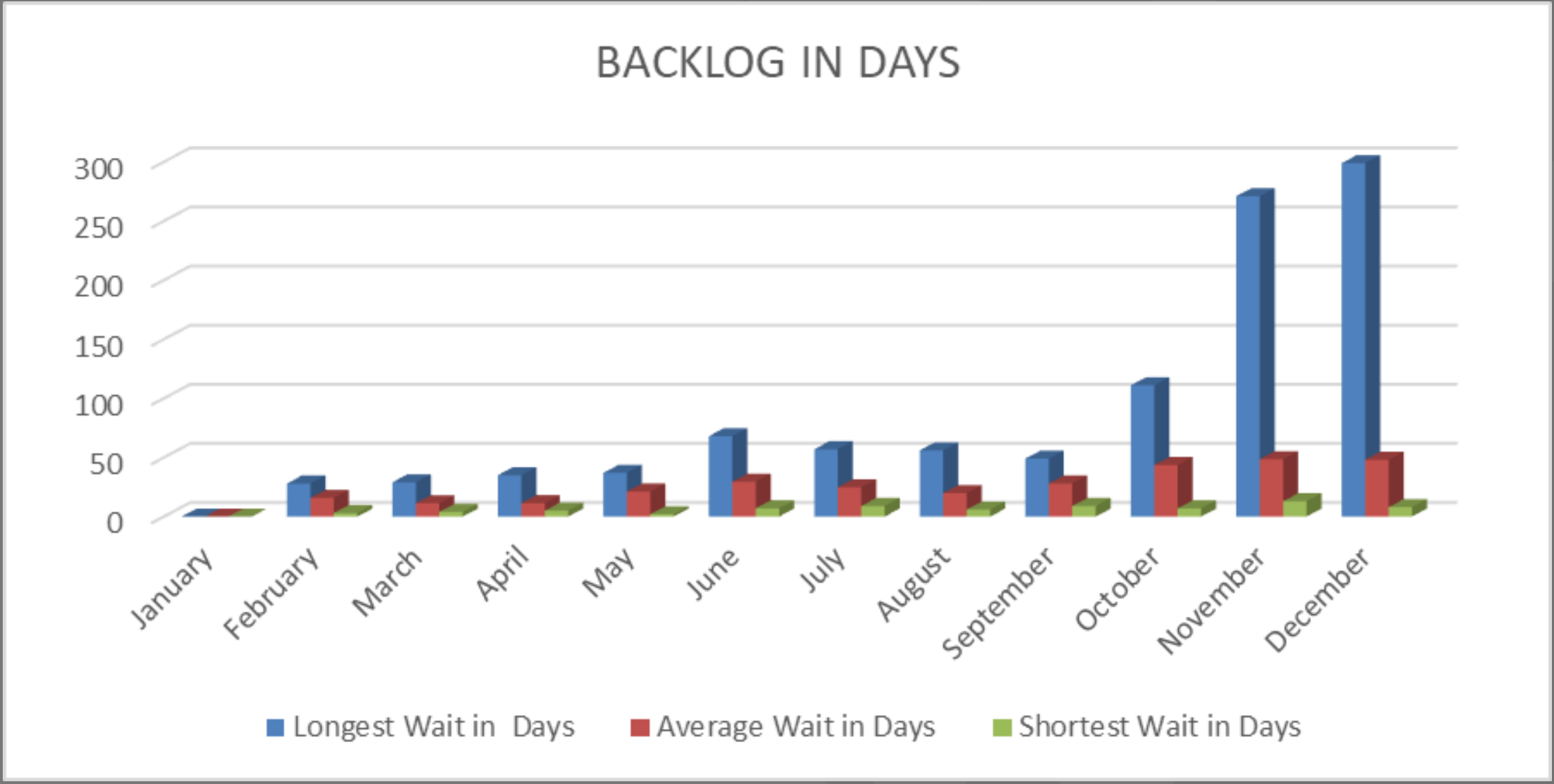
Operational Performance – Work Orders Rec'd



Operational Performance – Design Backlog



Operational Performance – Construction Backlog



2020 Capital – Budget v Actuals

Budget vs Actuals (Capital Directs)

Cost Center	2020 Budget	2020 Spending Approval	2020 Actuals to Date	Current Yr YEP
EC4000	$33,960,711	$29,109,600	$16,645,152	$21,784,028
EC5000	$2,594,852	$415,000	$4,389	$104,389
EC1000	$1,019,967	$1,057,823	$742,588	$1,142,588
Total	**$37,575,530**	**$30,582,423**	**$17,392,130**	**$23,031,006**

Actuals reflect spending through November 30th, 2020

2020 Capital – Budget v Actuals

Capital Project	2020 Budget	2020 Spending Approval	2020 Actuals to Date	Current Yr YEP
11.1 ESRI ArcGIS Implementation for Power Delivery	$2,290,441	$836,024	$580,032	$853,097
6.2 Replace Energy Management System	$2,594,852	$100,000	$0	$100,000
DB2 - Baird Springs Substation	$5,921,600	$275,521	$349,975	$535,994
DB2 - Burke Substation #2 Lineup	$3,500,000	$4,462,282	$941,246	$2,356,225
DB2 - Frenchman Hills Breaker	$50,000	$179,822	$273,638	$365,352
DB2 - Mountain View Cap Bank	$150,000	$1,880,691	$891,890	$2,387,709
DB2 - Quincy Plains Substation Second Lineup	$3,465,000	$2,738,264	$1,382,080	$1,742,008
DB2 - Red Rock Substation	$200,000	$230,923	$285,110	$375,783
DB2 - Red Rock Transmission Line	$500,000	$370,118	$268,646	$367,305
DB2 - Royal City Substation Lineup Rebuild	$7,029,000	$257,371	$456,054	$670,676
DB2 - South Ephrata Substation	$300,000	$399,492	$576,168	$666,894
Energy Accounting System	$0	$315,000	$4,389	$4,389
ESC Facility Improvements	$5,745,000	$500,000	$88,415	$266,082
MLSC Facility Improvements	$3,750,000	$350,000	$88,247	$213,247
Total	**$35,495,893**	**$12,895,508**	**$6,185,890**	**$10,904,761**

Actuals reflect spending through November 30th, 2020

2020 Labor & O&M – Budget vs. Actuals

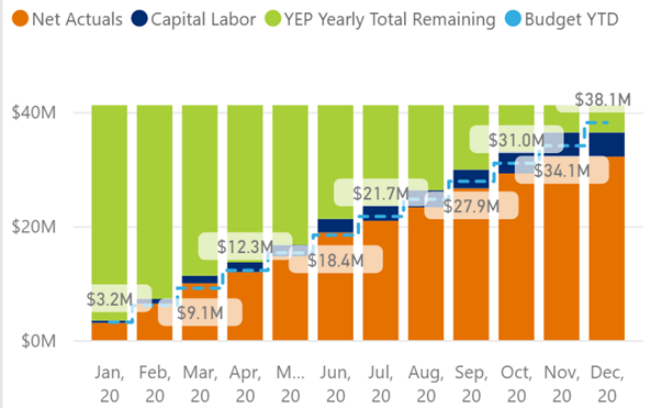
Grant PUD | Budget Versus Actuals

EC - Power Delivery QBR Year-to-Date November, 2020

Operating Unit

EC - Power Delivery

Capital Labor & Net Actuals YTD Vs. Year-End-Projections



Gross Actuals Vs. Budget

$36.4M +6.9%

Capital Labor Actuals Vs. Budget

$4.2M -52.2%

Net Actuals Vs. Budget

$32.2M +27.7%

Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	Budgeted	Actuals	Budget Var	Budget Var %	Consumed %
Labor	**$28,391,175**	**$31,276,897**	**$2,885,722**	**10.2%**	**110.2%**
Salaries & Wages	$17,145,265	$15,723,934	-$1,421,331	-8.3%	91.7%
Benefits	$7,575,431	$10,860,915	$3,285,484	43.4%	143.4%
Overtime	$3,431,636	$4,311,412	$879,776	25.6%	125.6%
Other Labor	$238,843	$380,636	$141,793	59.4%	159.4%
Operating Materials & Equipment	**$2,837,297**	**$2,609,875**	**-$227,422**	**-8.0%**	**92.0%**
Purchased Services	**$1,828,436**	**$1,946,815**	**$118,379**	**6.5%**	**106.5%**
G&A	**$718,272**	**$316,654**	**-$401,618**	**-55.9%**	**44.1%**
		$133,796			
IT	**$97,874**	**$111,736**	**$13,862**	**14.2%**	**114.2%**
Utilities	**$196,251**	**$14,538**	**-$181,713**	**-92.6%**	**7.4%**
Transportation		**$8,448**			
Risk		**$6,174**			
Total	**$34,069,305**	**$36,424,931**	**$2,355,626**	**6.9%**	**106.9%**

Actuals reflect spending through November 30th, 2020

- Capital Labor is a subset of the Labor above

- Net Actuals vs Budget = Gross Actuals minus Capital Labor

2020 Highlights

- COVID-19 (Lowlight?)
- Safe Work!
- NERC/WECC Compliance Audit
- Design-Build 2 Project Launched
- GEN2 (ESRI) GIS Project Launched
- Initiated Quincy Transmission Expansion Plan
- Labor Day Storm Response

2021 Focal Areas

- 10-Year Electric System Improvement Plan
  - ► Complete Plan, Initiate Improvement Work
- Asset Management
- Ongoing Support for Service Connections/Growth
- Deployment & Implementation of New Technology
- Leveraging Operational Excellence Programs
- Overhaul of Customer Work Order Process
- Standardize Outage Reporting Process

Grant County
PUBLIC UTILITY DISTRICT

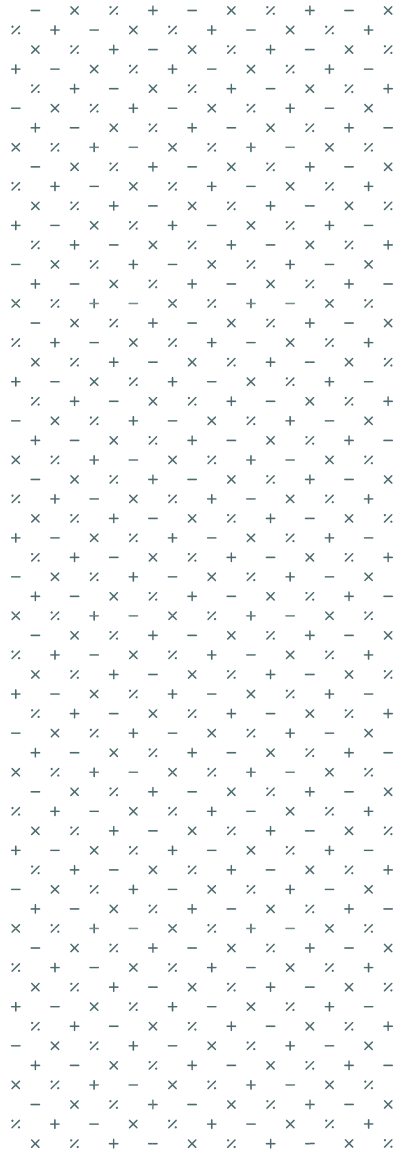
MOSSADAMS

Grant County Public Utility District

2020 Audit Plan

Presentation to Management and
Those Charged with Governance

January 26, 2021



Agenda

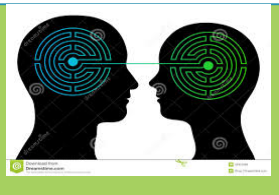
- Scope of Work and Audit Objectives
- Responsibilities of Auditor and Management
- Relationship with Commission
- Consideration of Fraud
- Audit Timeline
- Significant Audit Areas
- Concept of Materiality
- New Accounting and Auditing Standards
- Moss Adams Service Team Leaders

Scope of Work – Summary of Services and Audit Objectives

- Audit and report on financial statements for Grant County Public Utility District.
- Audit and report on internal control and compliance over financial reporting in accordance with *Government Auditing Standards*.
  - Issue a management letter of recommendations and observations, as necessary.

Audit

Reasonable Assurance



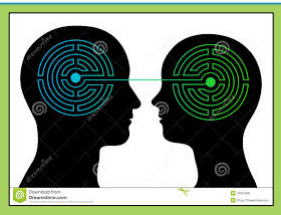
Communicate with Board and Management

Moss Adams Responsibilities

Express Opinion/Issue Reports

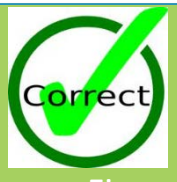
GAGAS Audit

Read Other Information

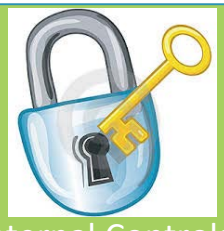


Communicate

Management's Responsibilities



Prepare Financial Statements



Internal Controls

Make Staff Available

Representation Letter

Our Relationship with the Commission

- The Commission serves as 'Those Charged with Governance"
- Our primary responsibility is to report to the Commission
- We will:
  - Ask you to approve our audit plan
  - Communicate any material weaknesses in internal control or material irregularities as soon as they arise
  - Report on status throughout the audit
  - Provide an exit conference summarizing results of the audit
  - Be available to the Commission members at any time

Consideration of Fraud

To identify fraud-related risks of material misstatement, we:

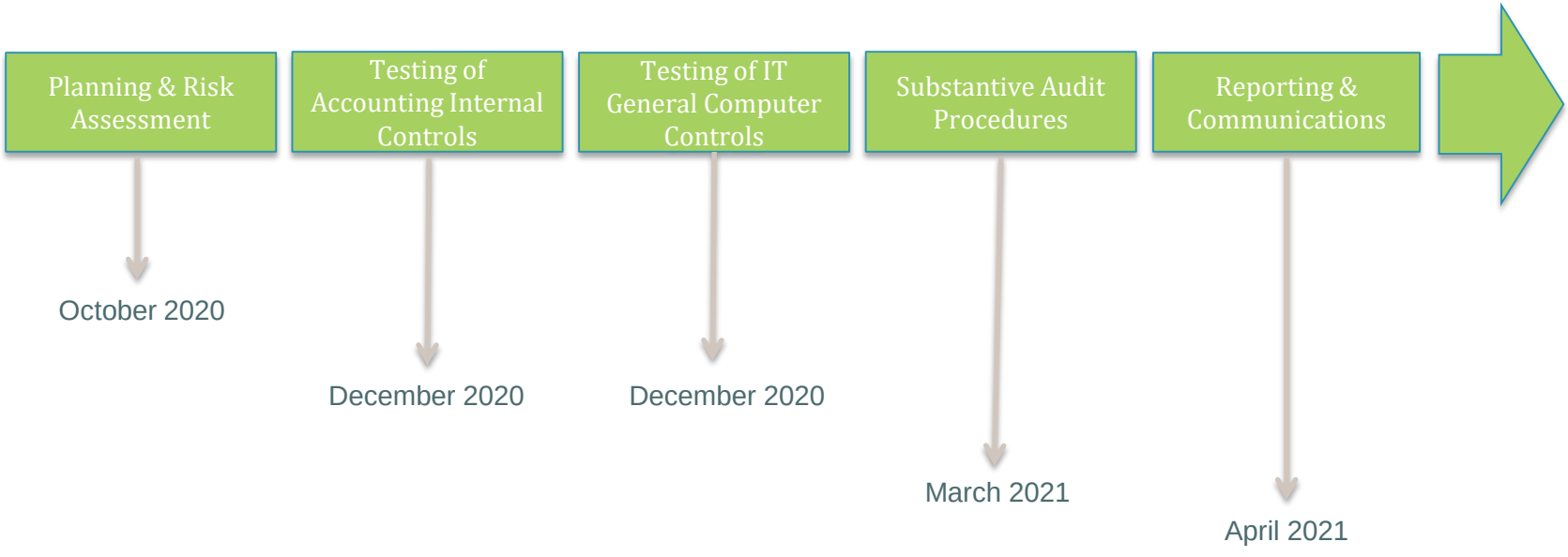
- Brainstorm internally with team
- Conduct personnel interviews
- Document understanding of internal controls
- Consider unusual or unexpected relationships identified in planning and performing the audit

Auditors must consider fraud to "improve the likelihood that auditors will detect material misstatements due to fraud in a financial statement audit."

Procedures we perform:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Unpredictable 'surprise' procedures
- Test and analyze significant accounting estimates for biases
- Evaluate rationale for significant unusual transactions

Audit Timeline



Commission Presentations:

- January 26, 2021
- April 2021: To be determined
- Fall 2021 (2021 audit plan)

Significant Audit Areas

- Capital assets and construction in process
- Bonds payable and related accounts
- Power sales transactions – wholesale and sales to other utilities
- Retail energy sales
- Net position (equity) classification
- Internal controls related to financial systems and financial statements
- General computer controls
- Note disclosures

What is Materiality?

It's the amount of a misstatement that could influence the economic decisions of users, taken on the basis of the financial statements.

=

It's calculated using certain **quantitative** (total assets or total revenues) and **qualitative** factors (covenants, expectations of ratepayers and stakeholders, and industry factors)

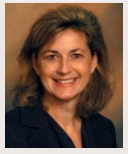
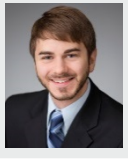
It identifies:

1. Significant risk areas
2. Nature, timing, extent, and scope of test work
3. Findings or misstatements

What's New This Year?

- Governmental Accounting Standards Board (GASB) Statement No. 95: *Postponement of the Effective Dates of Certain Authoritative Guidance*
  - The GASB postponed nearly all outstanding pronouncements in light of the pandemic
  - Postponed Statements include No. 87 *Leases*
- Statement No. 83 *Asset Retirement Obligations* is effective this year
- Statement No. 84 *Fiduciary Activities* is effective this year
  - The GASB issued Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans,* which amends Statement No. 84 related to employee benefit plans
  - This relates to the deferred compensation plan (457b plan) and the money purchase plan and trust defined contribution plan (401a plan) administered by the District

Your Moss Adams Audit Service Team Leaders

Team Members		Responsibilities
Laurie Tish, Partner laurie.tish@mossadams.com 206. 302-6466		Engagement Reviewer – Laurie will serve as your lead client service partner, overseeing all projects we perform for the District. Laurie is the Firm's National Practice Leader for Government Services and has over 30 years of experience serving municipal electric utilities.
Kim Koch, Partner kim.koch@mossadams.com 509.777-0107		IT Partner – Kim will lead our procedures over the IT general computer controls.
Olga Darlington, Partner olga.darlington@mossadams.com 425.551-5712		Concurring Reviewer – Olga will serve as a second partner reviewer, approving our audit plan and serving as a resource to the audit team. Olga specializes in serving municipal electric utilities.
Keith Simovic, Senior Manager keith.simovic@mossadams.com 503.478-2284		Keith will be managing our audit and assisting Laurie with review of our audit files. Keith specializes in serving municipal electric utilities.
Daniel Roberts, Manager Daniel.roberts@mossadams.com 425. 551-5729		Dan will supervise our staff and be our primary point of contact during audit fieldwork. Dan specializes in serving municipal electric utilities

Questions?

THANK YOU

Wholesale Fiber

Q4 2020 Business Report

Grant PUD | High Speed Network

Business Unit Mission

To improve the quality of life for the communities we serve through increased access to competitive fiber optic internet services.

2020 Priorities & Outcomes

PRIORITY 1: Expand the Network

- Outcome: Completion of construction in areas not finished in 2019, as well as areas 10-15 of the expansion sequence list. We did not release about ½ of Area 12 nor any of Areas 14 and 15

PRIORITY 2: Increase the take rate of services on the Network.

- Outcome: Take rate will rise to 60%. We ended the year with a 63% take rate

PRIORITY 3: Technological Roadmap

- Outcome: A multiyear technological roadmap for the Network including Service Provider tools. Do not have a full roadmap per se, but are in the contracting stages for the major core upgrade and operational support services/business support services (OSS/BSS) software implementation

PRIORITY 4: Achieve Average System Up-time

- Outcome: Meet or exceed 99.98% average system up-time at the hub level, excluding scheduled maintenance windows. After actions complete following outages. Average system up-time ended the year at 99.96%. We did not remove scheduled maintenance from the calculation. We did not have consistent after-action reviews.

2021 Priorities

PRIORITY 1: Upgrade Network Core

- Core links to each distribution node at least 100G with built in expansion capability to at least 400G

PRIORITY 2: Upgrade Oldest Hubs

- Replace all hubs that have less than 10G uplink capability

PRIORITY 3: Expand the Network

- Complete the remaining 2020 areas – portion of Area 12 plus Areas 14 and 15 – as well as Areas 16 through 19

PRIORITY 4: Increase the take rate of services on the Network

- Increase take rate to 67%

PRIORITY 5: Achieve Average System Uptime

- Meet or exceed 99.98%

Challenges

Permits

- DOT and RR continue to be unpredictable performers

Workforce

- Contractor has a stable quantity of trained workforce, but struggles to expand to meet the demand

Materials

- Variability of lead times, even on items never before a problem, have made materials logistics seem like a real-life manifestation of whack-a-mole.

Budget Versus Actuals

Wholesale Fiber QBR

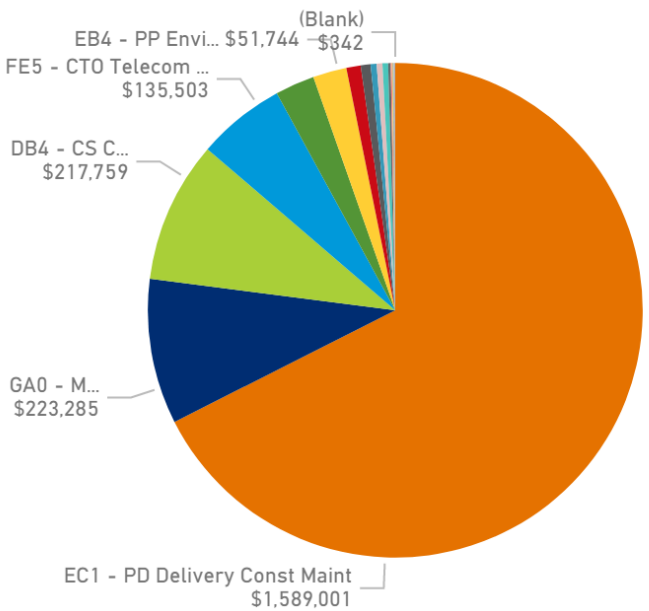
Date Range

1/1/2020 — 11/30/2020

Budget vs Actuals

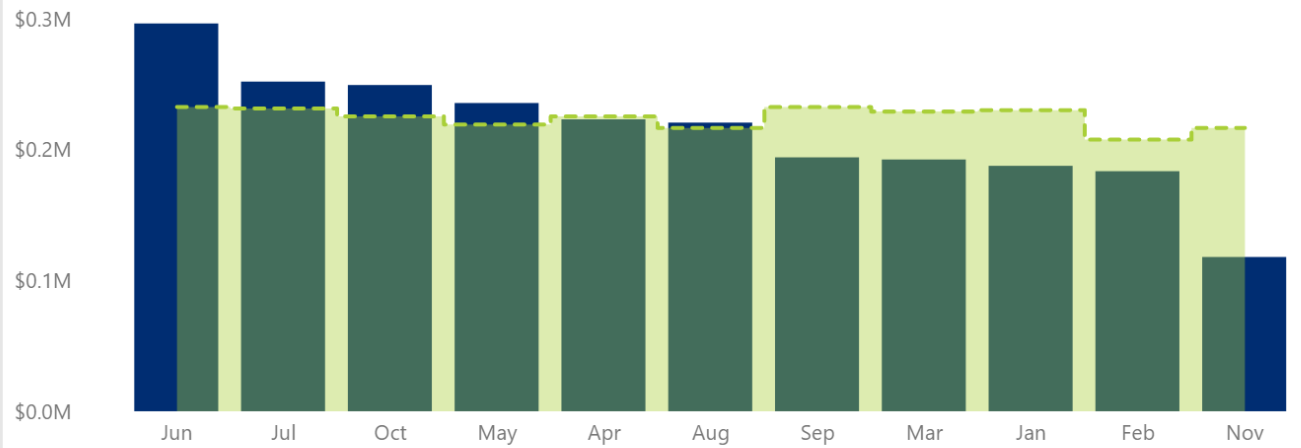
Cost Category Type/Cost Category	Budgeted	Actuals	Budget Var	Budget Var %	Consumed %
Labor	**$1,549,820**	**$2,039,129**	**$489,309**	**31.6%**	**131.6%**
Salaries & Wages	$932,203	$978,440	$46,237	5.0%	105.0%
Benefits	$425,014	$755,229	$330,215	77.7%	177.7%
Overtime	$185,331	$301,605	$116,274	62.7%	162.7%
Other Labor	$7,272	$3,856	-$3,416	-47.0%	53.0%
Operating Materials & Equipment	**$163,647**	**$141,466**	**-$22,181**	**-13.6%**	**86.4%**
Purchased Services	**$79,383**	**$92,753**	**$13,370**	**16.8%**	**116.8%**
IT	**$5,500**	**$36,317**	**$30,817**	**560.3%**	**660.3%**
		$19,340			
G&A	**$46,331**	**$18,675**	**-$27,656**	**-59.7%**	**40.3%**
Utilities	**$621,742**	**$4,766**	**-$616,976**	**-99.2%**	**0.8%**
Transportation		**$84**			
Total	**$2,466,423**	**$2,352,530**	**-$113,893**	**-4.6%**	**95.4%**

Actuals by Department



Monthly O&M Actuals Vs. Budget

$2.0M -1.9%



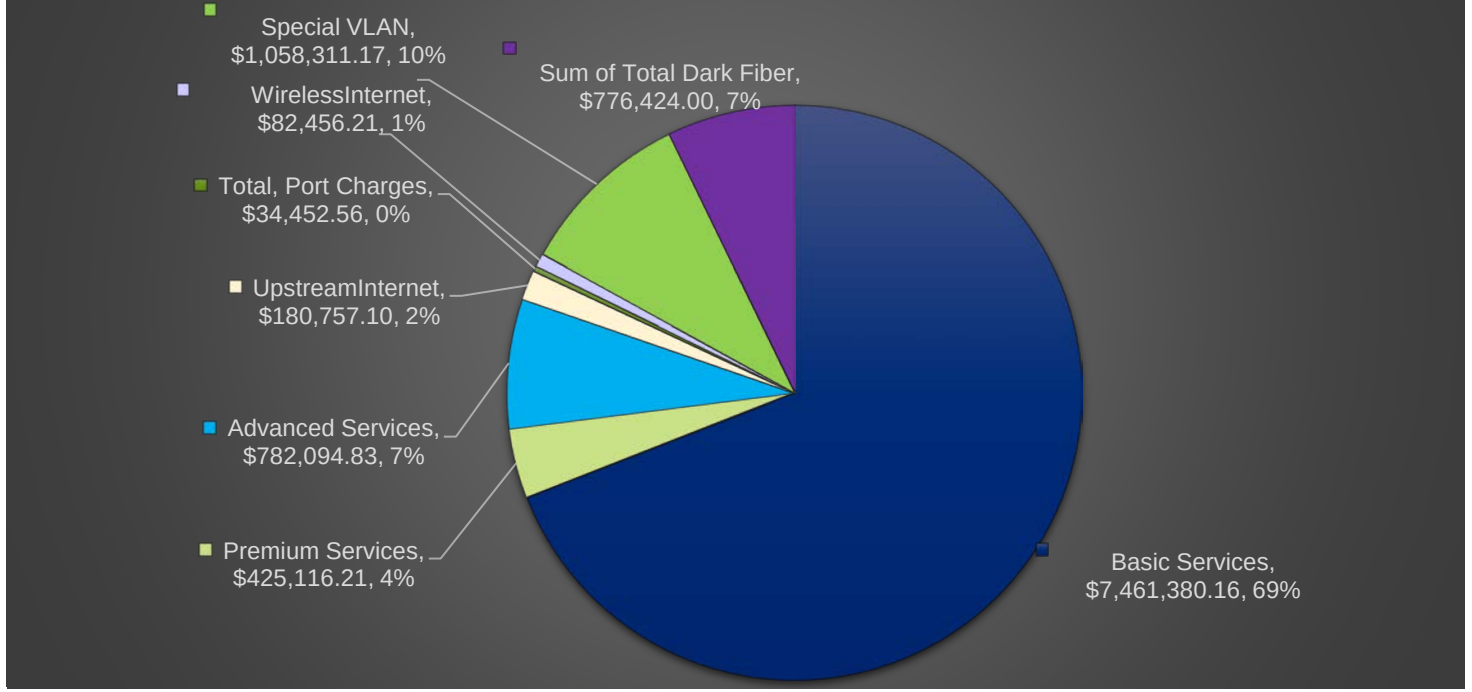
Expenditures

Type	As of 12/31/20	TOTAL BUDGET	PWG Approved $	% YTD Spend
Expansion Cap Directs	$18,795,631	$13,300,000	$16,539,792	114%
Expansion Labor	$990,844			
Routine Capital Directs	$6,330,403	$4,500,000	$4,500,000	141%
Routine Cap Labor	$170,448			
O&M	$2,352,530	$2,700,000		87%
TOTALS	$28,639,856			

$8,853,381

Revenue

2020 YTD INVOICES (No CIAC)	$10,800,992
2020 Q4 REVENUE TARGET	$9,760,000



Participation

Growth By Community (as of 12/31/20)

Area	Potential Subscribers	Actual Subscribers	Particpation Actual	Growth for Month	YTD Growth
Coulee City	987	388	39.31%	2	223
Desert Aire	1129	942	83.44%	-1	109
Electric City	660	455	68.94%	25	54
Ephrata	4058	2928	72.15%	59	353
Grand Coulee	663	418	63.05%	3	-8
Hartline	116	70	60.34%	-1	2
Mardon	676	362	53.55%	-5	46
Mattawa	1378	1063	77.14%	3	165
Moses Lake	17401	10734	61.69%	86	1509
Quincy	3557	2160	60.73%	-15	501
Royal City	759	546	71.94%	1	85
Soap Lake	2290	1366	59.65%	1	140
Warden	946	434	45.88%	2	102
Wilson Creek	163	85	52.15%	-2	8
George-Burke	949	519	54.69%	6	169
	35,732	**22,470**	**62.88%**	**164**	**3,458**

Take Rate Target: **60.0%**

Growth Target: **2,475 countywide**

Q4 2019

Area	Potential Subscribers	Actual Subscribers	Particpation Actual	Growth for Month	YTD Growth
Coulee City	302	165	54.64%	2	12
Desert Aire	1118	833	74.51%	-2	79
Electric City	660	401	60.76%	-5	3
Ephrata	3627	2575	71.00%	15	105
Grand Coulee	663	426	64.25%	6	39
Hartline	116	68	58.62%	1	0
Hydro	57	31	54.39%	0	3
Mardon	640	316	49.38%	3	54
Mattawa	1289	898	69.67%	10	62
Moses Lake	16615	9225	55.52%	259	1073
Quincy	3051	1659	54.38%	20	411
Royal City	752	461	61.30%	10	64
Soap Lake	2286	1226	53.63%	11	83
Warden	937	332	35.43%	6	80
Wilson Creek	163	77	47.24%	1	3
George-Burke	873	350	40.09%	68	291
	33,149	**19,043**	**57.45%**	**405**	**2,362**

Fiber Expansion Project Update

01/26/2021

Grant PUD

Powering our way of life.

Completed Build Areas

Crescent Bar

Beverly - Schwana

Sunland

Coulee City

Blue Lake

Ancient Lake / White Trail

McConihe

Base

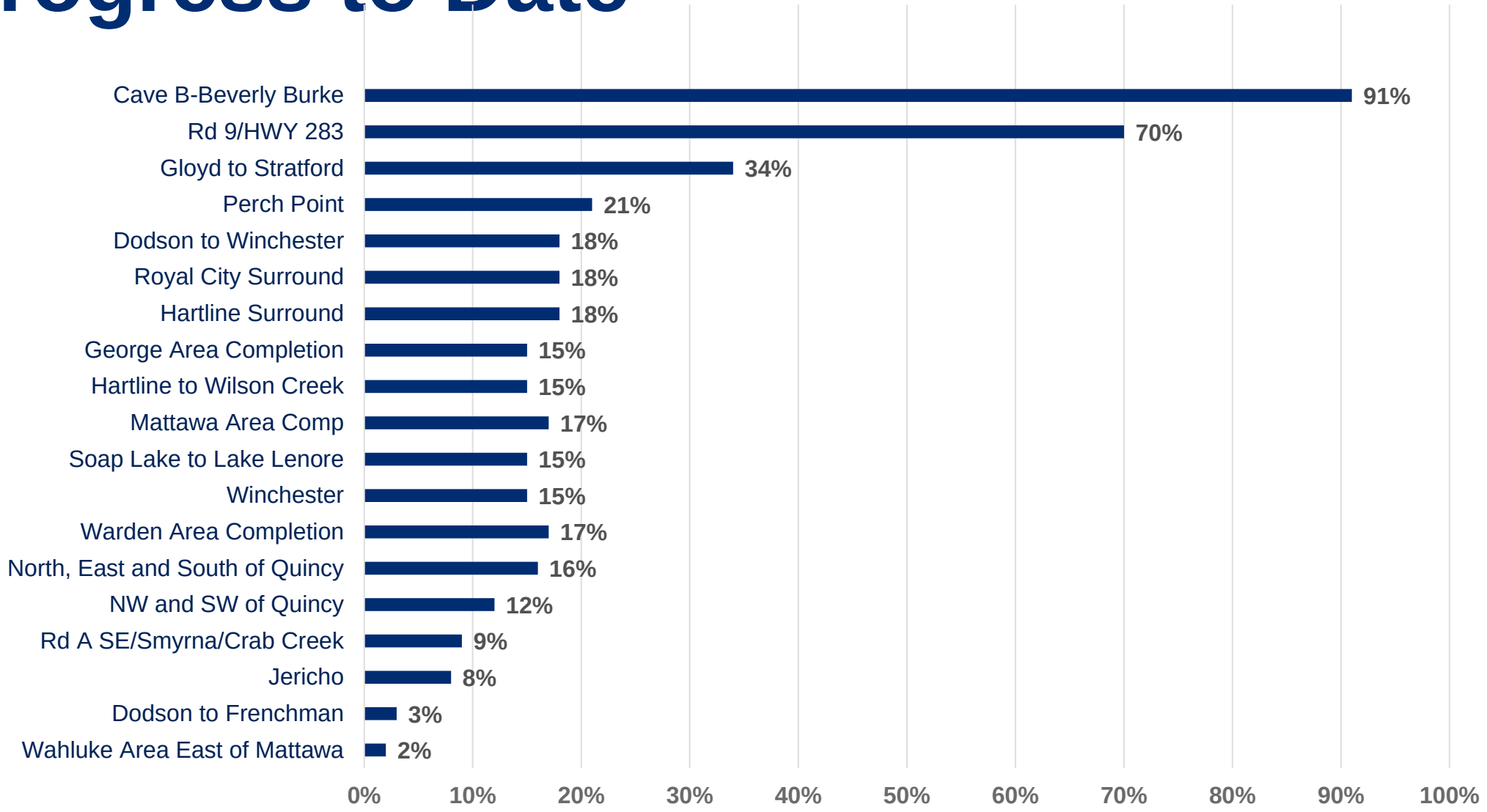
Kittleson

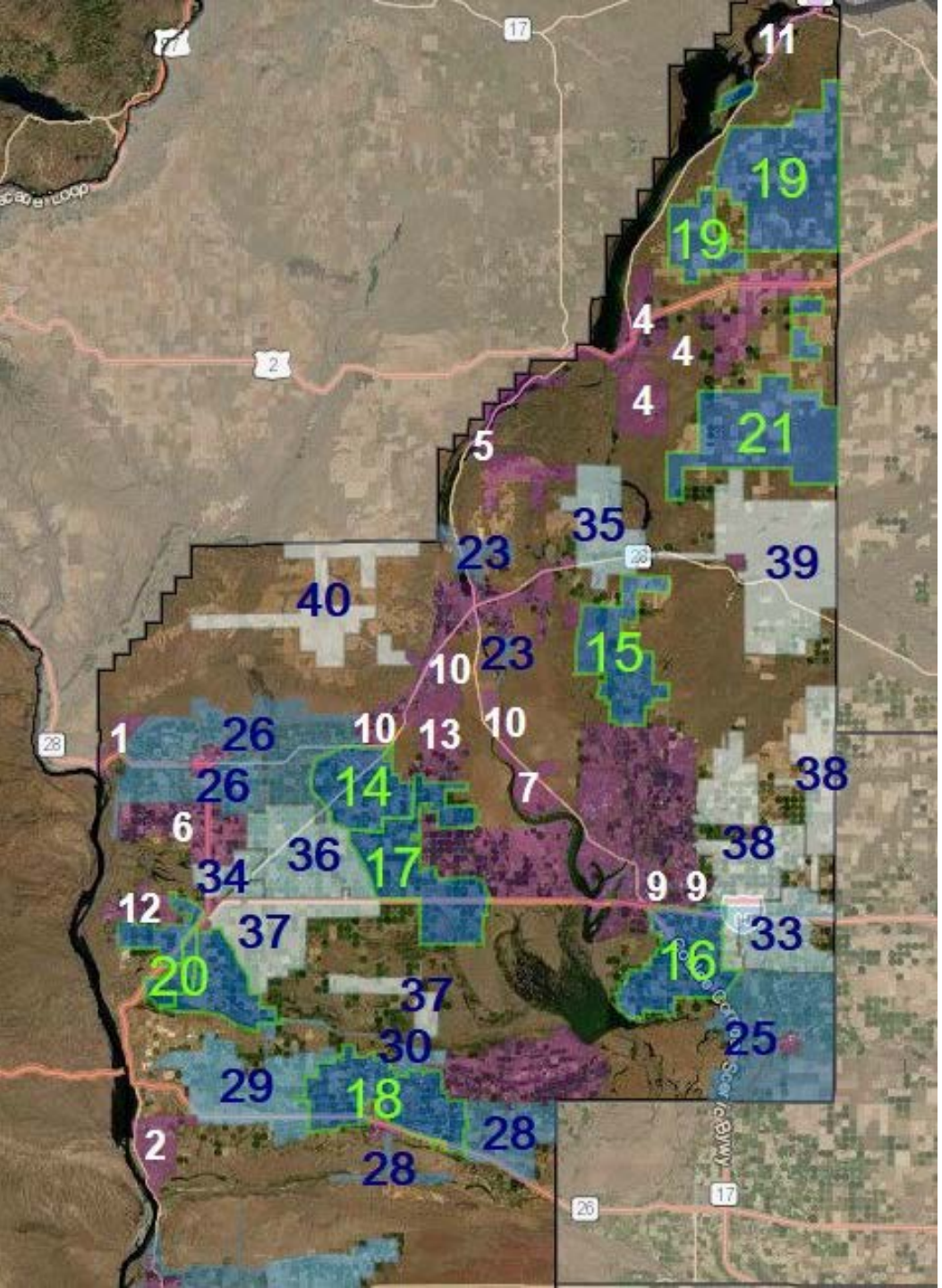
Ephrata City Limits

Electric City

Ephrata South Sub

Progress to Date





Progress to Date

Project Schedule Construction

		Release
• Area 14	Rd 9 NW & Hwy 283	2/15/21 Pending WSDOT Permits
• Area 15	Gloyd to Stratford	4/15/21
• Area 16	Perch Point/Wilbur Ellis	5/24/21
• Area 17	Dodson to Winchester	8/30/21
• Area 18	Royal City Surrounding	10/25/21
• Area 19	Complete Hartline Area	12/20/21
• Area 20	George Area Completion	start construction 8/24/21
• Area 21	Between Hartline & Wilson Creek	start construction 9/1/21

Powering our way of life.