

Rate Making Policy 2024 Proposed Revisions

Presented by:
Rates and Pricing

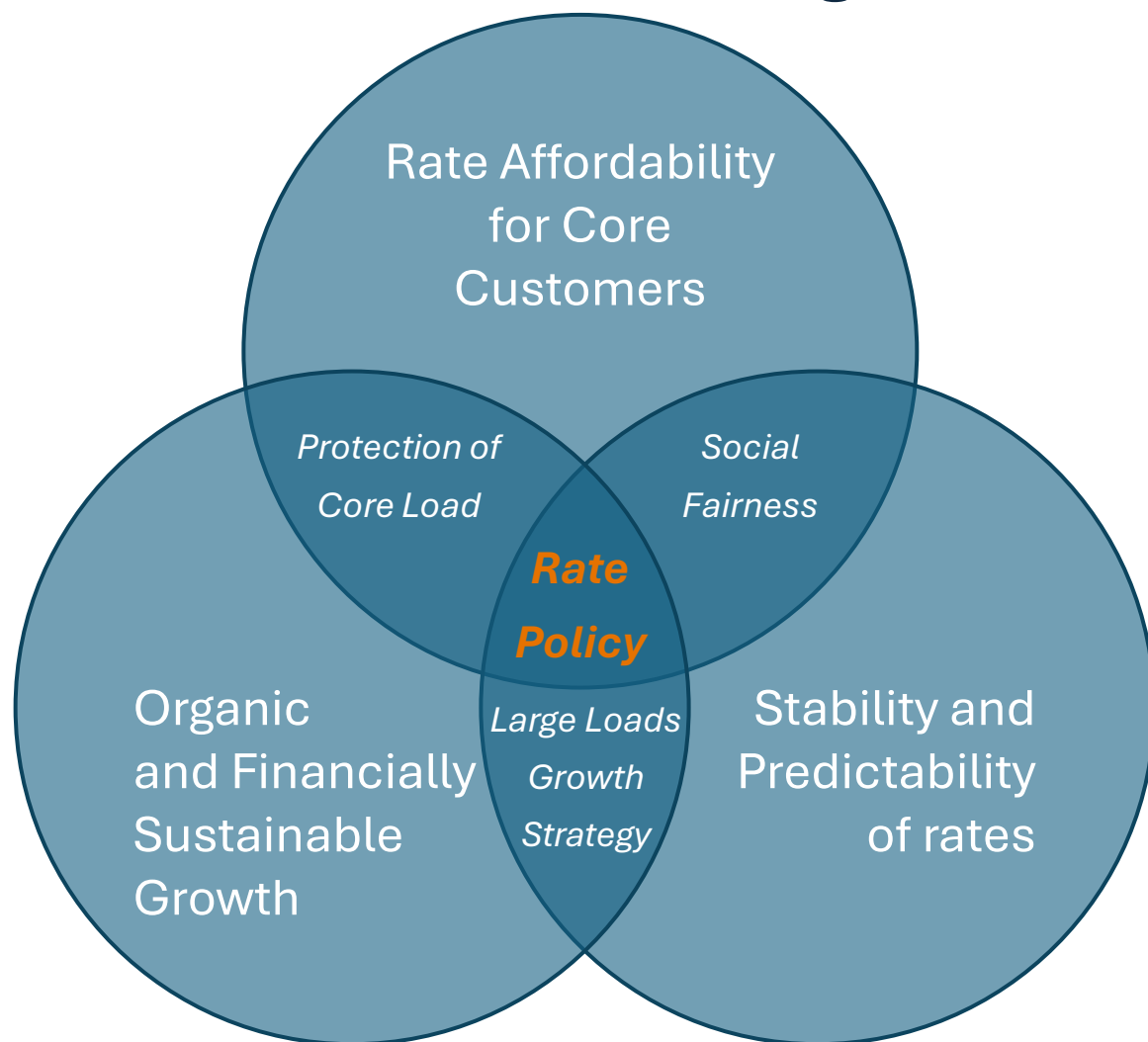
August 13th, 2024

1. Key Goals of GCPUD's Rate Making Policy

- i. Provide the Commission's guiding principles to approach the rate making process (i.e., affordability of rates for core customers, preferential access to PRP, small and predictable rate changes, consideration of other social/societal goals)
- ii. Outline the general criteria required to address cost allocation and rate design (i.e., timing, methods, data sources, etc.)
- iii. Provide specific parameters for class allocations and to mitigate rate impacts (i.e., core customers definition, *rate shock*, small and predictable increases, COSS every 2 years, etc.)
- iv. Describe other alternatives available to address cost recovery (i.e., rate contracts, caps, incremental costs, EUDL CRAC, etc.)

2. Rate Making Policy Framework

- GCPUD Rate Making Pillars



Policy Guiding Directives:

- 1.- Protection of Core Load Customers**
- 2.- Determination of social fairness in rate making process**
- 3.- A rate making process aligned with the power growth strategy (particularly of large loads)**

3. Rate Structure Changes Being Considered

- A. Restructuring of existing cost recovery mechanism for power costs:
 - 1) Unbundling of generation/power costs
 - 2) Changes to the existing allocation of generation/power costs (from Average-Excess Demand to Energy)
 - 3) Revision of existing EUCL CRAC mechanism in Rate Rider No.18

- B. Explicitly identify and recognize alternative cost recovery mechanisms that could align with Commission's policy directives and strategic goals
 - 1) Special rate contracts
 - 2) Retail wheeling + standard retail service
 - 3) Rate riders (e.g., load growth (RS94), environmental compliance, new evolving industries, etc.)

3. Rate Structure Changes Being Considered (cont.)

Unbundling of Generation/Power Costs

	Cost Type:	Recovered in:	Rate Change:	True-Up:	Allocation Approach:
1	PRP Generation	Power Supply Schedule	Annually	?	Energy basis. Core Load will have Preferential Access + Policy Considerations
2	Other GCPUD Power Costs (Incremental Power Supply Cost Rider- Generation/PPA)	Power Supply Schedule	Annually	?	Non-Core Only- formerly EUDL CRAC
3	Other Renewable Energy Costs (i.e., 9-Canyon)	Power Supply Schedule	Annually	?	Based on regulatory and compliance requirements
4	Retail Transmission	Base Tariff	With rate review	No	Based on COSS+ Policy Considerations
5	Retail Distribution	Base Tariff	With rate review	No	
6	Retail Customer Costs	Base Tariff	With rate review	No	


3. Rate Structure Changes Being Considered (cont.)

Unbundling of Generation/Power Costs- Bill Example

Large Industrial Rate, RS15		95% LF					Monthly Cost	
Description		Current Rate	New Structure Rate	Determinant	Unit	Monthly Current Cost	Monthly Cost under New Structure	
Std. Service	Basic Charge	\$ 1,035.20	\$ 1,035.20	1	Month =	\$ 1,035	\$ 1,035	
	Demand Charge	\$ 5.88	\$ 5.88	42,660	kWh =	\$ 250,842	\$ 250,842	
Power Supply Cost Adjustment Rider	Base Power Supply Cost Charge*		\$ 0.02200	29,584,857	kWh =	\$ -	\$ 650,867	
	Deferred Power Costs/Credits		\$ -	0	kWh =		\$ -	
	Incremental Power Supply Cost Charge**		Tbd- Formerly EUDL CRAC	29,584,857	kWh =	\$ -	\$ -	
Std. Service	Delivery Energy Charge (Block 1)	\$ 0.02642	\$ 0.00442	7,300,000	kWh =	\$ 192,880	\$ 32,280	
	Delivery Energy Charge (Block 2)	\$ 0.02880	\$ 0.00680	14,600,000	kWh =	\$ 420,478	\$ 99,278	
	Delivery Energy Charge (Block 3)	\$ 0.03136	\$ 0.00936	7,684,857	kWh =	\$ 241,004	\$ 71,937	
Total Bill***						\$ 1,106,239	\$ 1,106,239	
						\$ 0.03739	\$ 0.03739	
						<i>per kWh</i>		
						% Change: 0.00%		
* Not voltage adjusted								
** Assumes all Non-Core Load and no preferential access.								
*** Not including taxes, power factor or other applicable fees or charges. Rates effective on 4/1/2024								

4. Next Steps for Rate Making Policy

(tentative dates, subject to Commission's regulatory process)

- 7/23 – Present initial proposal to Commission 
- 8/13 – 9/10 – Commission/Customer discussion/review.
Additional Feedback
- 9/24 – Present revised policy draft in formal resolution format
- 11/12 – Commission review of resolution
- 12/10 – Commission anticipated approval of resolution

Dam Safety Briefing

August 13, 2024

Zach Ruby – Chief Dam Safety Engineer



Agenda

- Civil/Dam Safety Group
- Dam Safety Projects
- Dam Safety Program Audit
- Questions

Civil/Dam Safety Group

- Becca Simpson – Civil/Dam Safety Engineering Manager
 - 2024 Recipient of Women with Hydro Vision Award
- Zach Ruby – Chief Dam Safety Engineer
- Tony Vader – Civil/Structural
- Chris Steinmetz – Civil/CEM
- Logan Castle – Civil/CEM
- Open Position – Civil/Dam Safety Engineer
- Deb Firestone – Project Specialist



Dam Safety Projects

- Priest Rapids Right Embankment Improvement Project
 - Construction completed November 2023
- Priest Rapids Spillway Stability Improvement Project – \$50M
 - Permitting and contract documents
 - Submit revised design package by November 22, 2024
 - Anticipate beginning construction mid-2026
- Priest Rapids Part 12D Comprehensive Assessment – \$650k
 - Regulatory requirement
 - Includes risk analysis for prioritizing projects
- Priest Rapids Left Embankment Drilling – \$1.7M
 - Supporting seismic stability analyses
 - Performing in 2025

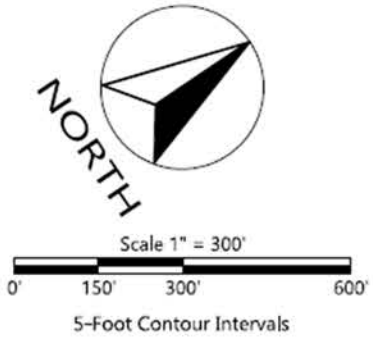
Dam Safety Projects

- Wanapum Left Embankment Seismic Risk Analysis – \$9 million
 - Fragility Analysis report writing and peer review
 - Fragility Analysis – February 2025 (Draft anticipated November 2024)
 - Risk Analysis – March 2025 (Draft anticipated January 2025)
 - Dam Safety Case – November 2025 (Draft anticipated July 2025)
- Wanapum Left Embankment Internal Erosion Evaluation – \$860k
 - Failure modes and risk-based drilling justification
 - Settlement modeling
- Wanapum Spillway Gate 12 Repair – \$500k
 - Return gate to service by December 31, 2024
 - Western Machine Works and Northbank Civil and Marine

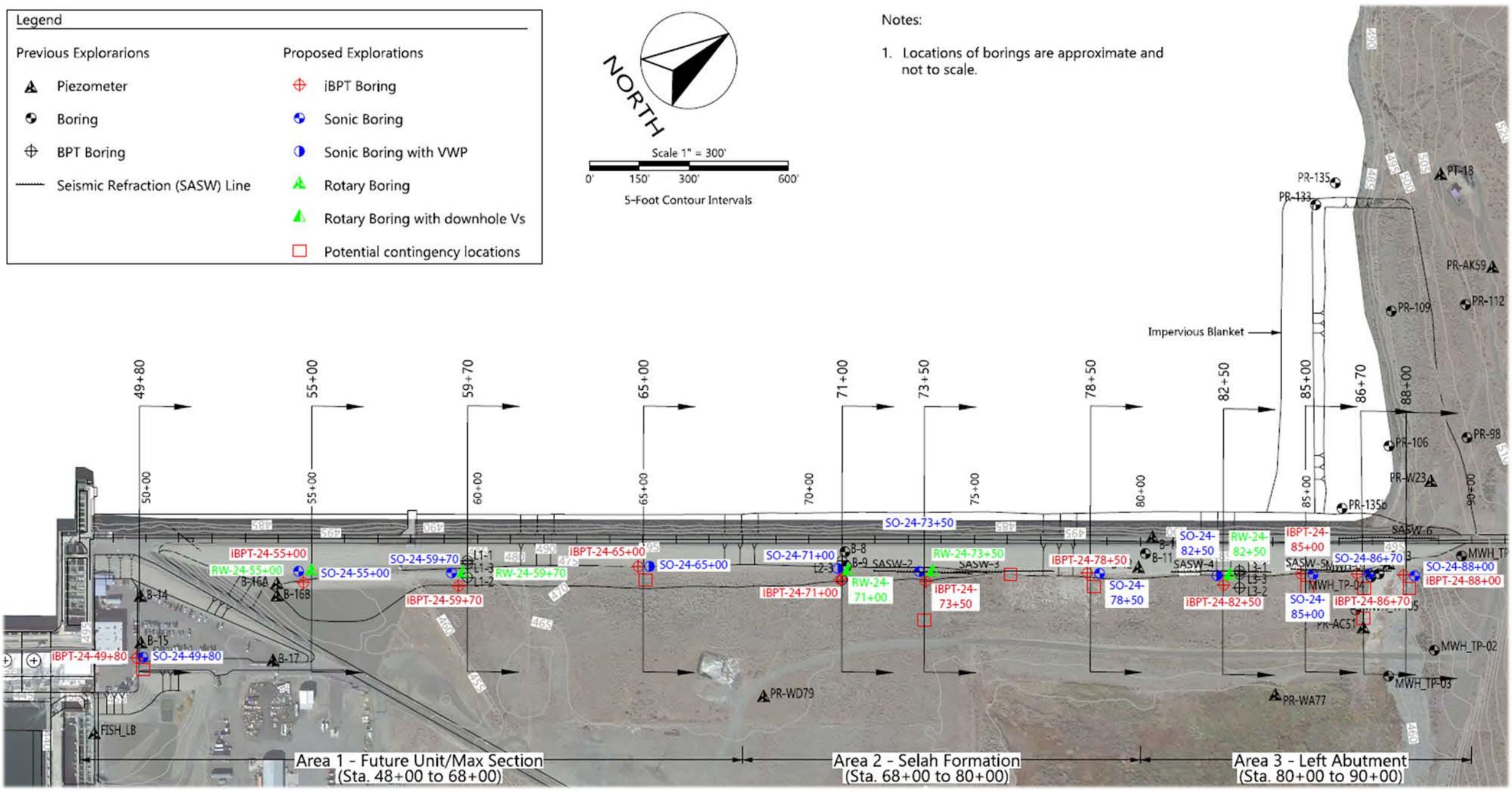
Priest Rapids Left Embankment Drilling

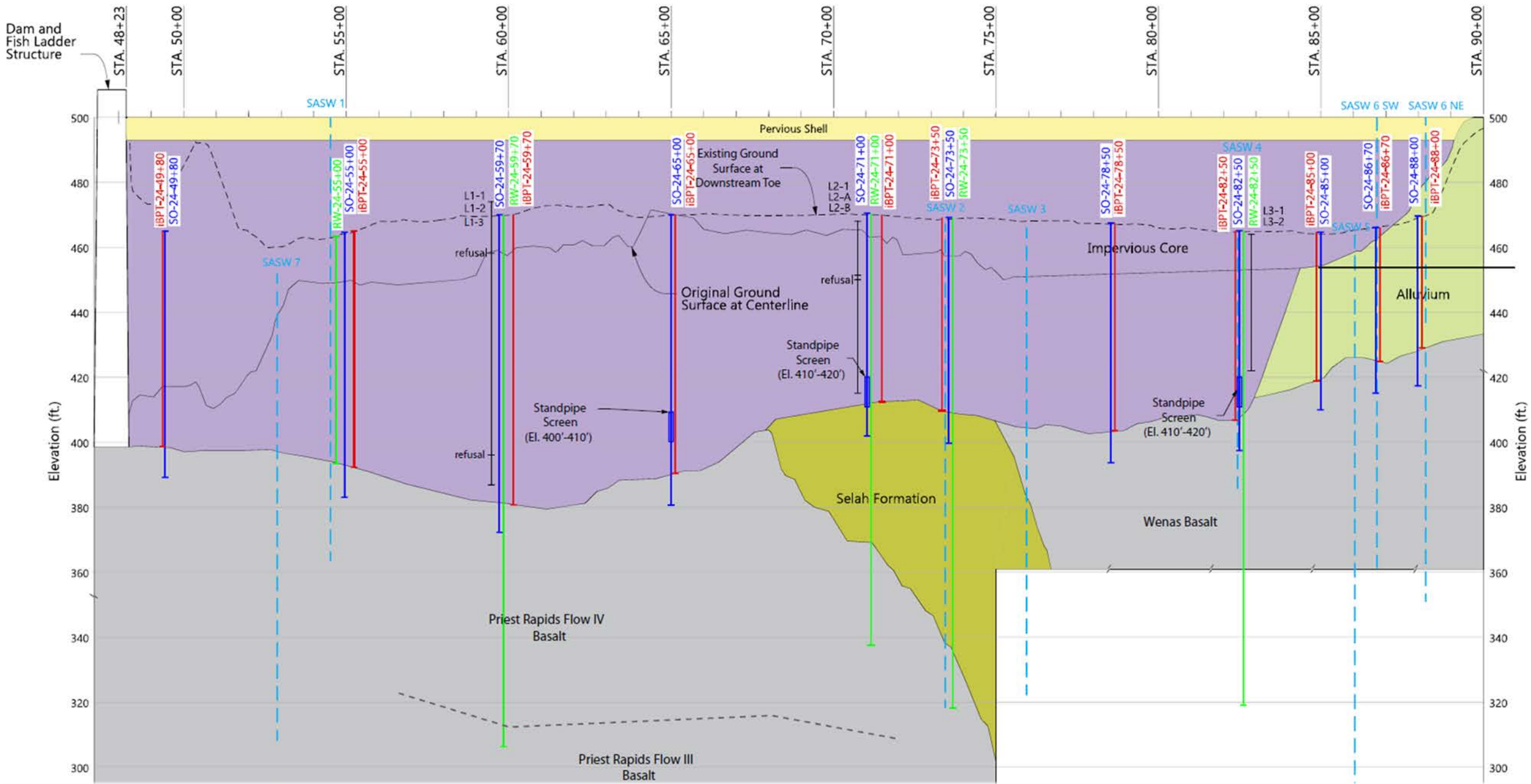
- Board of Consultants (BOC) Recommendation
- Verify Seismic Stability Analysis Modeling
- 27 Borings, 40 to 165 ft Deep
- Various Drilling, Sampling, and Testing Methods
- Drilling Program Plan has been approved by FERC
- Performing in 2025

Legend	
Previous Explorations	Proposed Explorations
Piezometer	IBPT Boring
Boring	Sonic Boring
BPT Boring	Sonic Boring with VWP
Seismic Refraction (SASW) Line	Rotary Boring
	Rotary Boring with downhole Vs
	Potential contingency locations



Notes:
 1. Locations of borings are approximate and not to scale.





Dam Safety Program Audit

- Auditors: *GCPUD has a well-established dam safety program. The staff and managers associated with the program have a good understanding of the program and their responsibilities associated with the program. ... **Staff and management have a commitment to high standards for dam safety**, and they are continually working towards improving the program. ... GCPUD's ODSP [includes] the most important aspects of a dam safety program and **has the resources, including a team of professionals and appropriate funding**, to continue safely operating the dams and to continually improve the program.*

Questions?



Enterprise Technology Business Review

Commission Update – August 2024



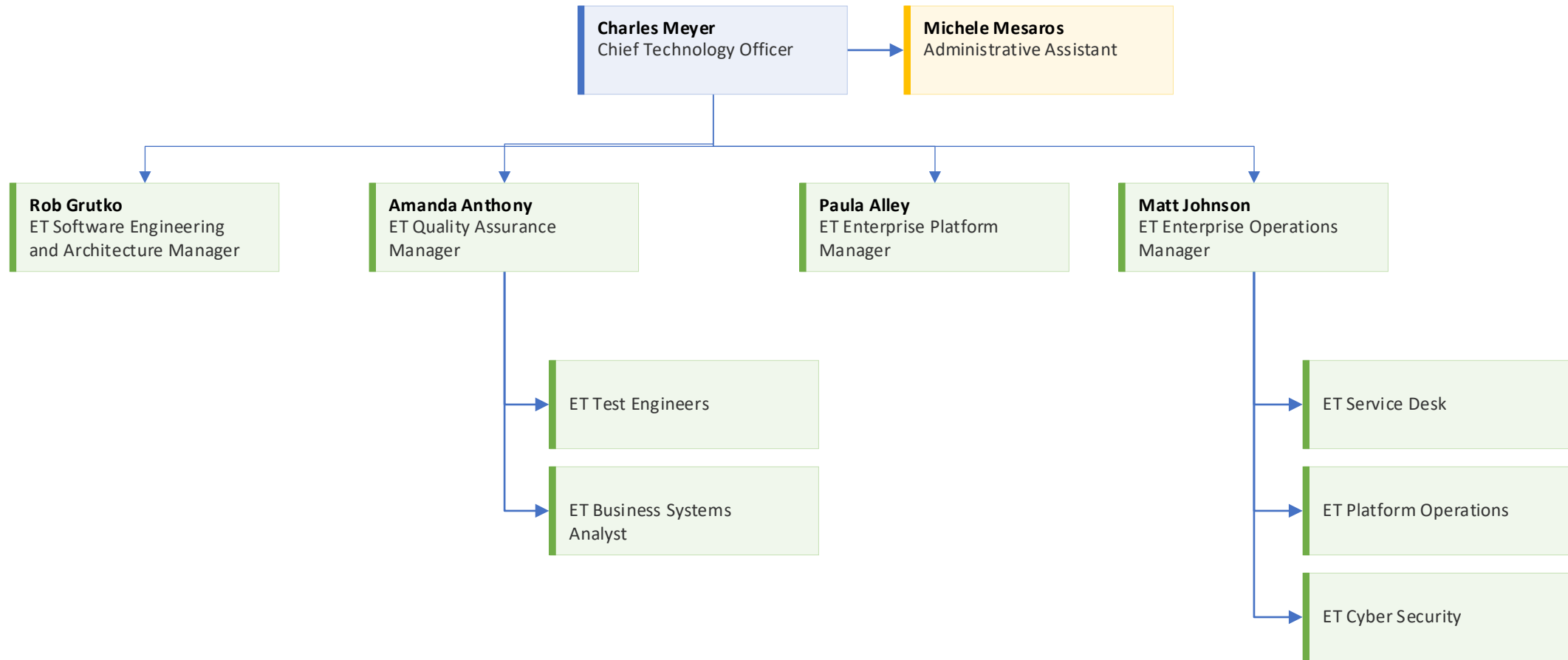
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01

Functional Review

**Key Accomplishments
Since Last Update**

Enterprise Technology Organization



Service Desk

Service Desk focusing on Continuous Improvement Activities:

Staffing Changes

- Backfilling positions to ensure reliable support of the District's IT needs.
 - Phong Nguyen – Backfilling Cody St. Marie (moved to Cyber)
 - Corey Johnson – Backfilling Jeff Jones (moved to OCM)

Projects

- Collecting Data to build case for Managed Print Service
 - Should save money on purchases and maintenance
- Continuing to work with HR to optimize UKG for account automation and management
- Working to update employee devices to ensure security needs are met

Key Performance Indicators – Reaching our Goals

- Completed over 2500 Service Requests/Incidents in 2024
- Maintained average ticket count per Technician of <30
- SLA Improvement expected with full staffing



Requests Within SLA: 2024

95% ↑
Q1

Requests Within SLA: 2024

91% ↓
Q2

Platform Operations

Focus on continuous improvement of our Core IT Services and Server Infrastructure

Stabilization Standardization Documentation Processes Governance

Projects Completed:

- New Teams Implementation
- Migration from Legacy MFA methods to Modern MFA Methods
- Entra Enterprise Application Clean Up
- Standardized Processes for Server Builds and Decommissions
- Fish Count Infrastructure Refresh (Go-Live August 5th)

Projects Nearing Completion:

- Microsoft Entra Risky Sign-In Policy Implementation
- Microsoft Entra Self Service Password Implementation

Projects in early phases:

- ITSM and CMDB
- IT Service redundancy and Disaster Recovery
- Active Directory re-design
- Server Hardening Policies
- Network Core Replacement

SQL Roadmap and Migrations

Migrate SQL Instances to most current version possible (Min 2019)

	Total	2019	2022	Decomm	In Progress	Not Started
Previous	39	16	10	7	4	2
Current	42	22	12	0	3	5

Server OS Roadmap

Migrate/Decomm older Server OS's (Min 2019)

Decomm Completed	Decomm In Progress	Migration In Progress	Migration needing App support	On-hold (file server, citrix, etc.)
103	7	16	49	56
116	0	8	50	45

Cyber Security

Patch Management

- Monitor and Adjust

Endpoint Protection Platform

- Selected Solution – SentinelOne to replace Symantec and Mandiant
- #1 for Protection Across All MITRE Evaluations and Magic Quadrant Leader Three Years in a Row
- More Powerful Solution and Cost Savings

Penetration Testing

- Selected Vendor - Raxis (PO in process - Scoping meeting September – est. go-live in Fall 2024)

Azure Security Score

- Cross-Functional Security Team – focus is “increase our overall posture”
- We continue to maintain a higher-than-average score when compared to similar organizations
- Up almost 4.8 points, Over 26% points higher than similar sized organizations

Other Projects

- Iterative improvements - MAM, WebApp policies, Attack Surface Reduction actions
- Microsoft Data Loss Prevention Policy (blocking PII, HIPPA, Etc.)
- FortiAuthenticator/Firewall Updates/Zero Trust/Secure Edge

Type	Patched
All Vulns	6089
CVSS 10	1483
Exploitable	2954
Windows	4193
Linux, Cisco, Other	1896

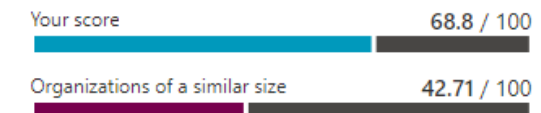
Previous

Comparison



Current

Comparison



Enterprise Applications

Enterprise Applications manages and maintains all our enterprise applications at the District to ensure the business has the working tools it needs to meet their business processes. Successes year to date for 2024:

- **Continue** to support UKG (our Human Capital Management System) and participate in the Payroll and HR Modernization project.
- **Completing** the CCS 23C release on August 17, 2024.
- **Completed** the movement of resources off one server and added it to the main ArcFM (GIS) server to improve performance when pulling up maps.
- **Continue** to streamline/automate some of our financial processes by implementing new workflows within our current financial system MSGP. Working with the business to define/refine their current AP Process before implementing a new automation tool.
- **Continue** to work with other business units including Power Delivery, Facilities and Security to bring their assets into Maximo. Working to create some standards around naming conventions for locations and asset attributes. Centralizing our assets into one system will set us up to be more consistent and successful when we implement an ERP system.
- **Completed** the rollout of the Clearance Request process for Power Production. Power Delivery was already using the process.
- **Continue** to support the multiple enterprise applications to maintain/manage and to address any issues or new business needs.

Software Engineering and Architecture

Software Engineering & Architecture provides all the custom software development activities for the District.

- **Operlog** upgrade project.
 - Version 1 - Implemented June 2024 - .NET Upgrade
 - Version 2 – Implemented July 2024 - Help files and bug fixes / Misc features
- **SharePoint Enhancements**
 - Summer Intern - Dawson Harris
 - Removed many unused sites (freeing up resources)
 - Many small updates and changes – reaching out to all site owners
 - Currently doing a big update for Dispatch
- **Continued** development and support of SharePoint and PowerApps applications
 - Employment Separation Updates
 - PO Check sheet updates / fixes
- **Continued** support of development activities projects.
 - Financial Reporting / Financial Database / VENA
 - Union Seniority Database / Migrate to on-demand report
- **Consolidating & Supporting** FME workspaces (2014) to support one production instance.
 - Fish Count / Water Quality / CCS / Maximo / Arcos

Quality Assurance

Quality Assurance provides the organization with a framework and team to ensure the quality of the solutions developed and implemented by the Enterprise Technology organization. Key accomplishments for **Quarter 1 of 2024**:

- **Completed** Operlog (PP LOTO) .net upgrade as well as Release 2
- **Completed** Vendor evaluations and demos for the ERP+ project
- **Continued** collaboration and alignment between Enterprise Technology and our Portfolio Team to capture all Technology projects (CAP and O&M), to improve the intake, Phase Gating to PWG, prioritization, scheduling, and resourcing process of the ongoing technology requests
- **Continued** growing the Resource Management planning within Enterprise Technology to ensure we have the right and necessary resources available to complete a project and meet business objectives
- **On-going** quality assurance and control activities in various CAP and O&M projects, requests, and solution analysis efforts

- Operlog Release 3 (Power Production)
- Fiber Auto-Provisioning solution (Wholesale Fiber)
- Azure Security Posture (Enterprise Technology)
- Windows 11 (Enterprise Technology)
- Oracle CCS (Customer Solutions)
- Vena (Finance)
- External Funding Program (Finance)

- AP Automation tool (Finance)
- PPM (Portfolio/Resource Management) tool
- BlastPoint (Customer Solutions)
- Operations Optimizer (EMS)
- Life Safety EAS (Emergency Management)
- CIP Nintex Workflow (Compliance and Security)
- Customer Excellence Program (Customer Solutions)

- Drawing Records solution
- Genesys Call Center
- Purchase Order Checksheet PowerApp
- Apprentice Tracking PowerApp

Quality Assurance cont...

- **Started** engagement with our Service Desk, PlatOps, and Cyber Security team members to provide quality management best practices to improve Grant PUD's Azure Security posture
- **Continued** the process mapping with the business to support the ERP+ project
- **Onboarded** several new team members for the ERP+ project
 - OCM has added their newest department member to this team, our own Jeff Jones
 - Continuous Improvement
 - Thomas Karcz as Project Manager
- **Continuing** to build out our Release Management Program to standardize the "Build and Release" process, implement industry best practices, define policy, procedure, rollout plans for deployment and environment progression
- **Continued** support of our local school STEM studies and the North Central Educational Services (NCESD)
 - NCW Tech Alliance annual digital equity event
 - Almira-Coulee-Hartline annual Career Day
 - MLHS first annual Career Day

02

Technology Project Update

Key Projects in Flight

Work in Progress

- Energy Management System replacement – completion Q4 2024
- Network Core replacement – completion Q1 2025
- Operlog enhancements – completion Q2 2025
- Vena - Project to GL – completion Q4 2024
- Fiber Auto-Prov update – completion Q4 2024
- Fish Video equipment replacement – completion Q3 2024
- Records Management Info Governance - ongoing
- SBITA renewal - ongoing
- OATT & OASIS - ongoing
- AD cleanup project (Service Desk)
- Azure Security Score
- ERP+ As-Is Process Mapping – completion Q1 2025
- Payroll and HR Modernization project

In the Queue

- ERP+ Implementation
 - Select vendor
 - Requirements refinement
 - To-be process mapping
- AP Automation
- Project Portfolio Management Solution
- Life Safety EAS
- Operations Optimizer Grid Operations
- Data Warehouse POC



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