

# 2025 BUDGET PRESENTATION

OUR PLAN FOR DELIVERING VALUE TO OUR CUSTOMERS

DRAFT



Powering our way of life.

# Topics Covered



Strategic Focus



Budget Process



Summary of Results



Appendices

# Budget Public Hearing Schedule

- **Compliance with RCW 54:** The budget process adheres to the RCW 54 requirements, which include specific notice periods and public hearings.
- **Public Hearings for 2025 Budget:** Two public hearings will be held for the proposed 2025 budget, providing an opportunity for the Commission to hear public comments.
- **Anticipated Adoption in November:** The 2025 budget is expected to be adopted in November following the public hearings.
- **Separate Review for Rate Increases:** The review of the projected rate increases will occur separately from the budget process.

## Public Hearings - 2024 Budget

Oct. 8, 2 p.m.

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

Oct. 8, 6 p.m.

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

Virtual Microsoft Teams meeting / phone dial in options posted on The District's website

01

Strategic Focus





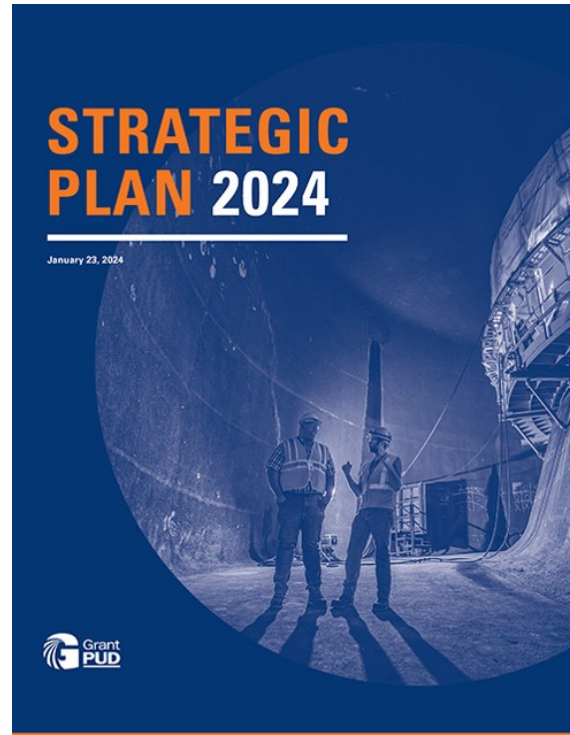
# Strategic Drivers – Budget Focus

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



## OUR KEY OBJECTIVES

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



### ■ SAFETY

We believe that employee and public safety is paramount

### ■ INNOVATION

We make decisions that best serve present and future generations

### ■ SERVICE

We are committed to excellent customer service

### ■ TEAMWORK

We are one team with the same mission

### ■ RESPECT

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

### ■ INTEGRITY

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

### ■ HERITAGE

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

# District Initiatives

## -Org Strategy & Alignment

### Our Strategy



#### ANCHOR:

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

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

1



Ensuring long-term affordable rates for our core electric customers

2



Sustaining our focus on engaged, empowered & enabled employees

3



Committing to accurate & responsive customer service

4



Developing an intentional power demand strategy

5



Caring for our communities through active engagement

# 02

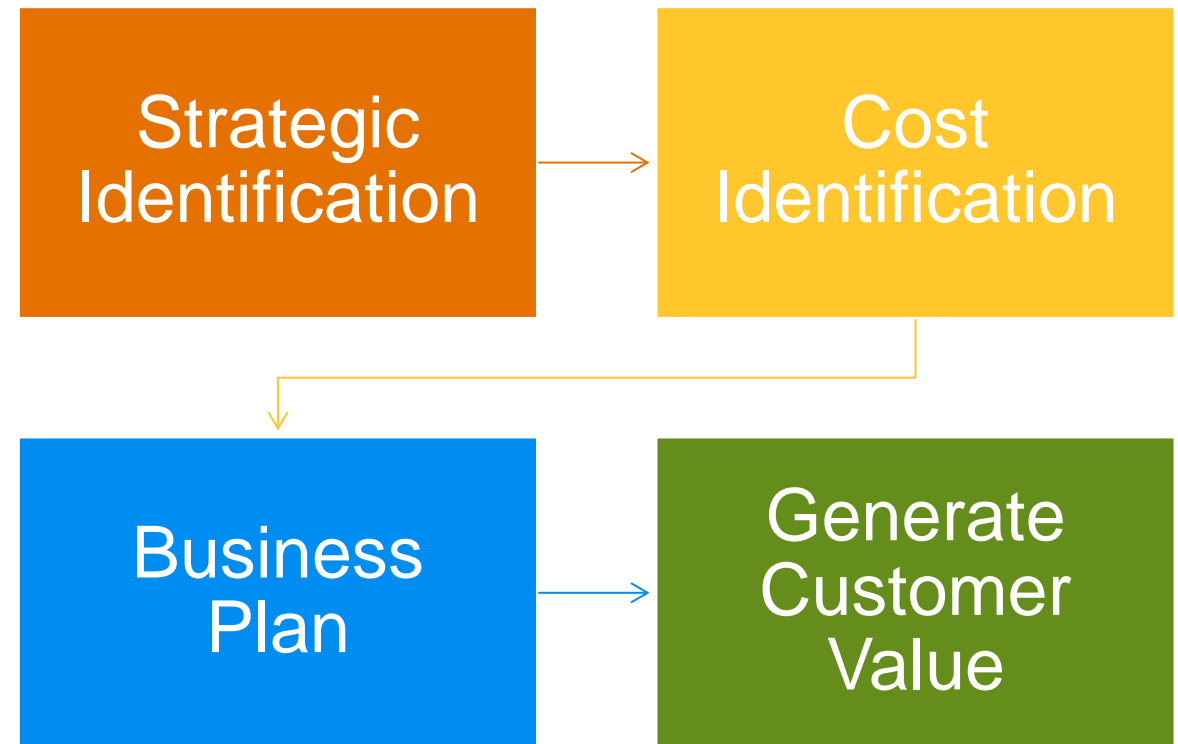
## Budget Process



# Keys for the Budget & Planning Process

## Guiding Principles:

1. **Deliver Value** to current and future customers.
2. **Maintain Financial Health** of the utility.
3. **Align Strategy and Costs** for effective planning.
4. **Generate Customer Value** through execution.





# 2025 Budget Timeline

July Review Preliminary Budget

August Allocate operating Budget

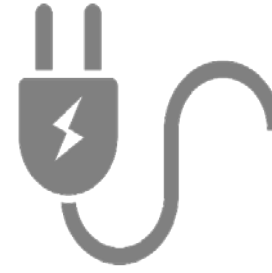
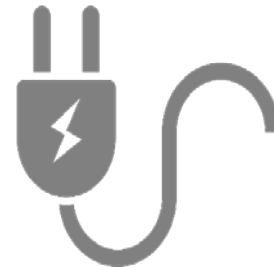
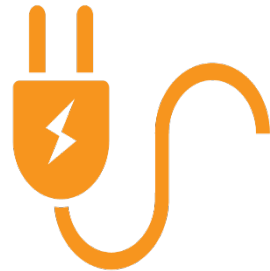
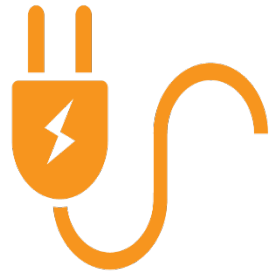
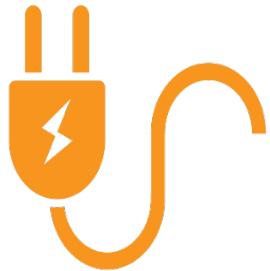
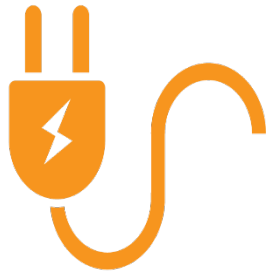
August Preliminary Budget filing

October Public Budget filing

November Review Budget Hearings

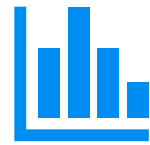
November Review final budget

November Budget Adoption



03

## Summary of Results



# Preliminary Budget Summary – Total Expenditures

The preliminary budget below has increased \$10.7M from the August filing

**Total Budget for 2025 = \$367.8 million**

- Compared to 2024 budget of \$317.0 million

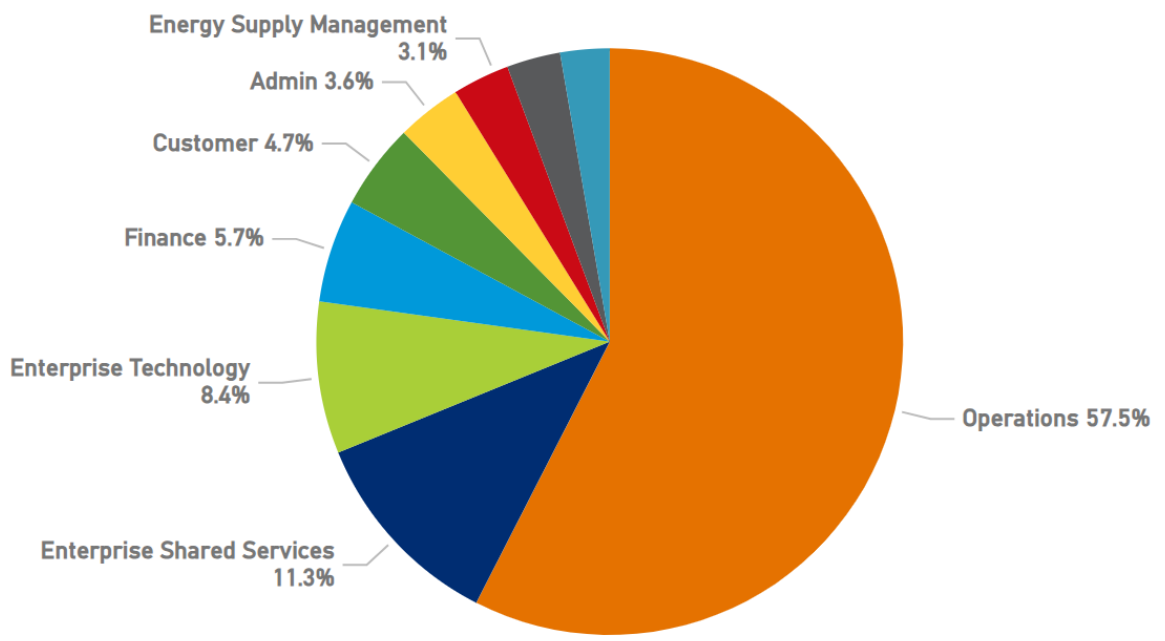
**O&M Expense** is an increase of \$34.6M (+17.1%) vs the 2024 budget and \$18.2M (+12.6%) vs current 2024 expectations (current forecast)

**Capital Spend** is expected to increase by \$80.1M (+46.3%) vs the 2024 budget and \$81.1M (+47.1%) vs current 2024 spend expectations.

- Capital is based on specific projects in the portfolio by year and is an estimate at the time the budget is set
- Prior years the budget process has implemented a scaling for fiscal management that factors in timing and likelihood of spend. Due to outcome of spending in prior year, a methodology change was implemented, which now the process is based solely on the spend by project forecasted by project managers without any scaling.

Exhibit A - \$ in thousands	restated	audited	Budget 2023	Budget 2024	Forecast 2024	Budget 2025
	Actuals 2022	Actuals 2023				
<b>Budgeted Items</b>						
<b>Total O&amp;M</b>	\$ 167,074	\$ 188,741	\$ 188,170	\$ 201,879	\$ 210,015	\$ 236,487
<b>Taxes</b>	\$ 21,151	\$ 22,622	\$ 21,556	\$ 23,662	\$ 23,599	\$ 24,048
<b>Electric Capital</b>	\$ 86,550	\$ 114,791	\$ 80,842	\$ 101,017	\$ 100,652	\$ 189,664
<b>PRP Capital</b>	\$ 69,822	\$ 88,378	\$ 74,139	\$ 71,896	\$ 71,332	\$ 63,384
<b>Total Capital</b>	\$ 156,372	\$ 203,169	\$ 154,981	\$ 172,913	\$ 171,984	\$ 253,048
<b>Debt Service - (net of Rebates)</b>	\$ 73,717	\$ 73,167	\$ 71,986	\$ 68,022	\$ 71,931	\$ 72,722
<b>Total Expenditures</b>	\$ 418,313	\$ 487,698	\$ 436,693	\$ 466,476	\$ 477,528	\$ 586,304
<b>Expenditures offsets for deduction</b>						
Contributions in Aid of Construction	\$ (10,781)	\$ (37,131)	\$ (10,713)	\$ (12,257)	\$ (17,808)	\$ (16,550)
Sales to Power Purchasers at Cost	\$ (28,654)	\$ (25,298)	\$ (13,765)	\$ (16,889)	\$ (22,163)	\$ (19,125)
Net Power (+ Expense, -Revenue)	\$ (86,554)	\$ (310,808)	\$ (95,178)	\$ (90,167)	\$ (246,656)	\$ (182,791)
<b>Total Expenditures Offset</b>	\$ (125,989)	\$ (373,236)	\$ (119,656)	\$ (119,312)	\$ (286,627)	\$ (218,466)
<b>Total Budgeted Expenditures</b>	\$ 292,324	\$ 114,462	\$ 317,038	\$ 347,163	\$ 190,901	\$ 367,839

2025 Total Budget by Budget Area



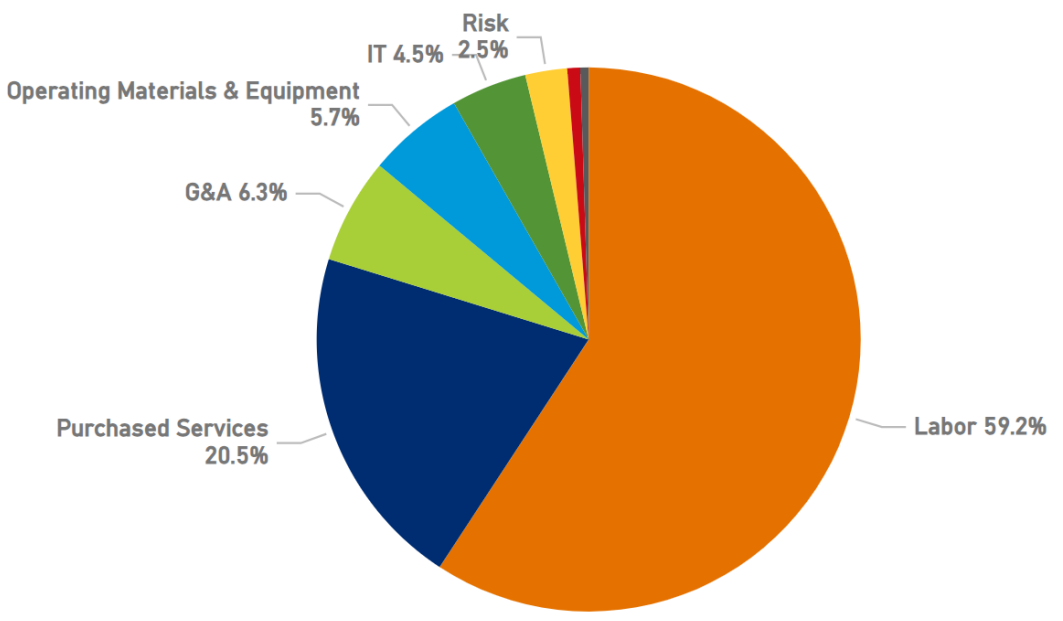
Budget Area	2024 Total Budget	2025 Total Budget	Budget vs Budget Variance %
Operations	103,980,413	114,684,281	10.3%
Enterprise Shared Services	19,601,799	22,528,574	14.9%
Enterprise Technology	13,826,335	16,684,164	20.7%
Finance	9,925,585	11,328,922	14.1%
Customer	9,517,091	9,446,458	-0.7%
Admin	6,697,167	7,124,931	6.4%
Energy Supply Management	5,326,696	6,246,759	17.3%
Executive	6,231,764	5,900,738	-5.3%
Human Resources	4,659,132	5,415,302	16.2%
<b>Total</b>	<b>183,623,090</b>	<b>209,020,683</b>	<b>13.8%</b>

**Business Unit Management:** Operating budgets are directly managed by business unit managers, who monitor and report on them monthly.

**Inclusions in Budget:** These budgets cover O&M directs and total salaries/wages, regardless of whether they are for O&M or capital, but they do not include capital directs.

**2025 Budget Increase:** The 2025 budget reflects a **13.8%** increase over the 2024 budget, indicating growth and adjustment in resource allocation.

2025 Total Budget by Cost Category Type



Cost Category Type	2024 Total Budget	2025 Total Budget	Budget vs Budget Variance %
Labor	111,032,602	123,803,613	11.5%
Purchased Services	34,367,943	42,944,205	25.0%
G&A	11,726,814	13,095,354	11.7%
Operating Materials & Equipment	10,300,396	11,939,385	15.9%
IT	8,007,885	9,403,971	17.4%
Risk	4,626,588	5,204,997	12.5%
Transportation	1,402,409	1,605,215	14.5%
Utilities	2,158,453	1,023,944	-52.6%
<b>Total</b>	<b>183,623,090</b>	<b>209,020,683</b>	<b>13.8%</b>

**Labor:** Increased due to continued investment in workforce resources, including salaries, benefits, and other labor, to meet operational needs.

**Purchased Services:** Grew by 25%, reflecting an increased reliance on external expertise such as consulting, and specialized services to support operational goals.

**G&A (General & Administrative):** Increased to cover a wide range of essential business expenses, including regulatory expenses, travel, training, memberships and dues, subscriptions, and miscellaneous operating expenses ensuring adequate support for core business functions.

**Operating Materials & Equipment:** Increased by 15.9%, driven by the need to maintain physical assets essential for ongoing operations.

**IT:** Grew by 17.4% as a result of investments in technological infrastructure, including hardware and software aimed at enhancing digital capabilities and operational efficiency.

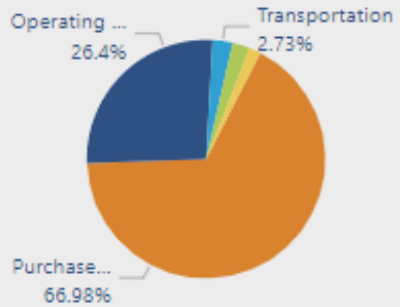
**Risk:** Increased to ensure comprehensive risk management, covering insurance premiums and risk mitigation initiatives.

**Transportation:** Grew due to rising fuel costs and vehicle maintenance necessary to support operational demands and service delivery.

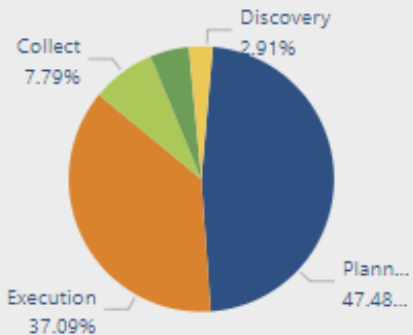
**Utilities:** Decreased due to the reclassification of Misc. Utility Expenses to better align with actual costs. This category includes Network, Water, Sewer, Garbage, and Telephone services.



## 2025 by Cost Category Type



## 2025 cost by Current Phase



## Total Capital Portfolio (Direct Capital)

Portfolio	2024 Approved Spend	2024 Actuals	2024 BOY Fx	2024 YEP	2024 VAR	2024 VAR %	2025 Forecast	2026 Forecast	2027 Forecast
Power Delivery	\$62,294,149	\$34,963,841	\$23,543,926	\$58,507,767	(\$3,786,382)	-6%	\$103,445,005	110,539,422	\$85,036,768
Power Production	\$48,107,556	\$22,046,434	\$23,528,489	\$45,574,923	(\$2,532,633)	-5%	\$57,879,873	62,780,602	\$77,587,412
Fiber	\$25,277,199	\$16,069,967	\$11,353,411	\$27,423,378	\$2,146,179	8%	\$7,586,432	5,010,000	\$4,810,000
IS/Facilities	\$24,618,975	\$3,557,165	\$9,599,672	\$13,156,837	(\$11,462,138)	-47%	\$62,948,575	101,546,408	\$101,590,600
Technology	\$3,839,438	\$2,935,603	\$2,183,691	\$5,119,295	\$1,279,857	33%	\$4,954,945	3,955,375	\$4,606,625
Other		\$20,058	\$1,798,000	\$1,818,058	\$1,818,058	Infinity	\$3,050,000	0	\$0
<b>Total</b>	<b>\$164,137,316</b>	<b>\$79,593,067</b>	<b>\$72,007,189</b>	<b>\$151,600,257</b>	<b>(\$12,537,060)</b>	<b>-8%</b>	<b>\$239,864,830</b>	<b>283,831,807</b>	<b>\$273,631,405</b>

## Total Capital Portfolio (Direct Capital)

Initiative Name	2024	2025	2026
FMPI - PDF_PD Facilities	\$5,237,257	\$32,222,191	80,594,528
PR Turbine Upgrade	\$22,894,108	\$26,161,577	22,000,420
PR Generator Rewind	\$10,250,044	\$12,795,595	11,397,824
QTEP - MT View Breaker & Half	\$2,366,479	\$12,162,253	13,402,976
FMPI - PDF_SC2	\$205,859	\$10,430,000	11,125,000
DB2 - Red Rock Transmission	\$8,009,912	\$10,269,754	0
LPS Microsoft MWH06	\$662,890	\$9,589,348	1,264,693
IQ#3 ECBID Ruff Substation	\$1,109,944	\$9,529,137	360,816
QTEP - WAN-MT View 230kV Line	\$1,988,050	\$9,283,142	2,152,161
IQ#5 SR Quincy Valley	\$2,138,336	\$8,631,293	160,110
<b>Total</b>	<b>\$151,600,257</b>	<b>\$239,864,830</b>	<b>283,831,807</b>

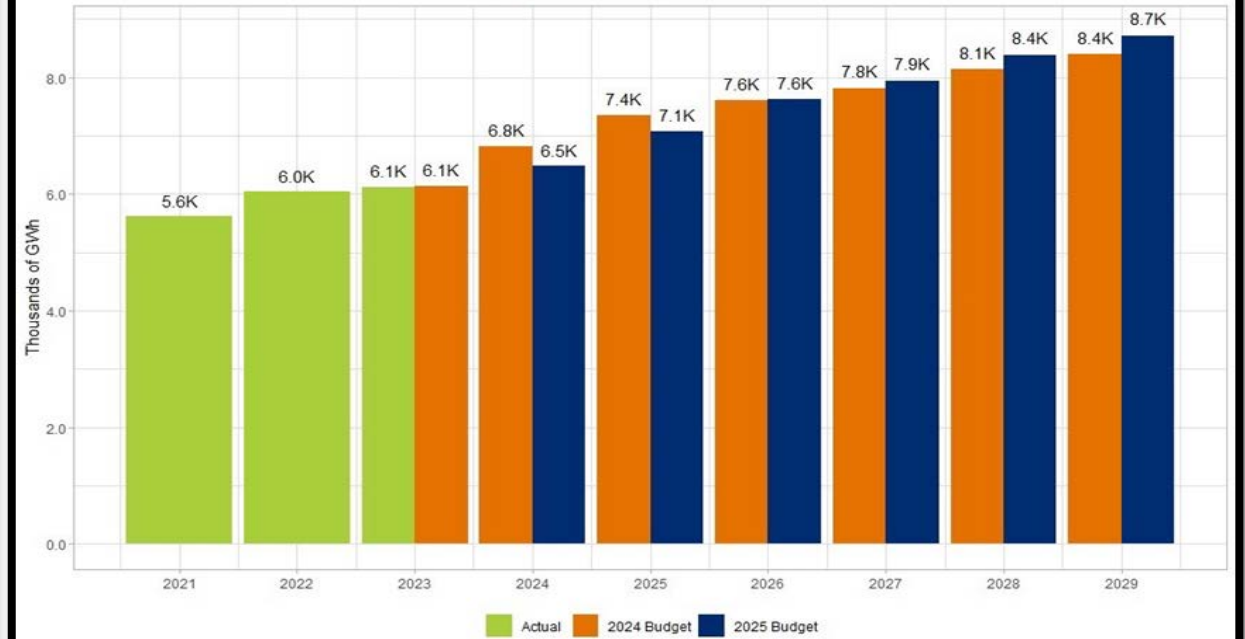
- Capital projects are updated thru the project management process, dollars are adjusted accordingly to align with budgeted amount
- Dollars shown as directs (no allocated internal labor – capital labor included in forecast for 2025 is \$17.3 million)
- 2025 total capital proposed portfolio is \$239.8 million
- Most significant projects (Top 10) are shown to the left

# 2025 Electric System Plan – Load Growth

Retail Sales Forecast - Accumulated Growth Rate, %



Retail Sales Forecast - GWh



- District load forecast utilizes an econometric model approach plus input for growth on large loads
- The load forecast for 2025 is 3.7% lower than what was forecasted for 2025 last year
- By 2029, the forecast is 3.7% higher than last year. You can see this on the first graph
- The 5 year compound annual growth rate (CAGR) (2025-2029) for the new forecast is 4.2% while the 5 year CAGR (2025-2029) for the old forecast was 2.7%
- Construction delays reduced industrial load growth in the first couple years, but later, increased demand from industrial customers led to higher load in subsequent years.

# Preliminary Budget Summary – Total Expenditures

<b>Exhibit A - \$ in thousands</b>	restated	audited									
Budgeted Items	Actuals	Actuals	Budget	Budget	Forecast	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	2022	2023	2023	2024	2024	2025	2025	2026	2027	2028	2029
<b>Total O&amp;M</b>	\$ 167,074	\$ 188,741	\$ 188,170	\$ 201,879	\$ 210,015	\$ 236,487	\$ 236,487	\$ 251,165	\$ 255,862	\$ 267,608	\$ 279,319
<b>Taxes</b>	\$ 21,151	\$ 22,622	\$ 21,556	\$ 23,662	\$ 23,599	\$ 24,048	\$ 24,048	\$ 24,505	\$ 24,972	\$ 25,448	\$ 25,933
<b>Electric Capital</b>	\$ 86,550	\$ 114,791	\$ 80,842	\$ 101,017	\$ 100,652	\$ 189,664	\$ 189,664	\$ 212,945	\$ 147,722	\$ 147,461	\$ 86,578
<b>PRP Capital</b>	\$ 69,822	\$ 88,378	\$ 74,139	\$ 71,896	\$ 71,332	\$ 63,384	\$ 63,384	\$ 96,789	\$ 74,021	\$ 56,107	\$ 139,498
<b>Total Capital</b>	\$ 156,372	\$ 203,169	\$ 154,981	\$ 172,913	\$ 171,984	\$ 253,048	\$ 253,048	\$ 309,734	\$ 221,743	\$ 203,568	\$ 226,076
<b>Debt Service - (net of Rebates)</b>	\$ 73,717	\$ 73,167	\$ 71,986	\$ 68,022	\$ 71,931	\$ 72,722	\$ 72,722	\$ 72,692	\$ 67,284	\$ 80,919	\$ 83,723
<b>Total Expenditures</b>	\$ 418,313	\$ 487,698	\$ 436,693	\$ 466,476	\$ 477,528	\$ 586,304	\$ 586,304	\$ 658,096	\$ 569,861	\$ 577,542	\$ 615,051
<b>Expenditures offsets for deduction</b>											
Contributions in Aid of Construction	\$ (10,781)	\$ (37,131)	\$ (10,713)	\$ (12,257)	\$ (17,808)	\$ (16,550)	\$ (16,550)	\$ (13,240)	\$ (12,136)	\$ (11,033)	\$ (11,033)
Sales to Power Purchasers at Cost	\$ (28,654)	\$ (25,298)	\$ (13,765)	\$ (16,889)	\$ (22,163)	\$ (19,125)	\$ (19,125)	\$ (14,687)	\$ (15,161)	\$ (15,811)	\$ (16,492)
Net Power (+ Expense, -Revenue)	\$ (86,554)	\$ (310,808)	\$ (95,178)	\$ (90,167)	\$ (246,656)	\$ (182,791)	\$ (182,791)	\$ (128,873)	\$ (45,303)	\$ 2,626	\$ (15,644)
<b>Total Expenditures Offset</b>	\$ (125,989)	\$ (373,236)	\$ (119,656)	\$ (119,312)	\$ (286,627)	\$ (218,466)	\$ (218,466)	\$ (156,800)	\$ (72,600)	\$ (24,218)	\$ (43,169)
<b>Total Budgeted Expenditures</b>	\$ 292,324	\$ 114,462	\$ 317,038	\$ 347,163	\$ 190,901	\$ 367,839	\$ 367,839	\$ 501,296	\$ 497,261	\$ 553,325	\$ 571,882

## Expenditure Offsets

- The material impact is net power, driven by the increase EUDL value and slice contracts. The increased EUDL value has occurred in the last three auctions. However, due to increased load needs and energy costs, these dollars are expected to be consumed by market purchases to meet said growth.

# Preliminary Budget Summary – Net Position

## Exhibit B - \$ in thousands

	restated Actuals 2022	audited Actuals 2023	Budget 2023	Budget 2024	Forecast 2024	Budget 2025	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
<b>CONSOLIDATED OPERATIONAL PERFORMANCE</b>											
Sales to Power Purchasers at Cost	\$ 28,654	\$ 25,298	\$ 13,765	\$ 16,889	\$ 22,163	\$ 19,125	\$ 19,125	\$ 14,687	\$ 15,161	\$ 15,811	\$ 16,492
Retail Energy Sales	\$ 265,721	\$ 269,355	\$ 272,425	\$ 313,316	\$ 292,199	\$ 324,494	\$ 324,494	\$ 359,616	\$ 413,507	\$ 456,194	\$ 502,607
Net Power (Net Wholesale + Other Power Reven	\$ 86,554	\$ 310,808	\$ 95,178	\$ 90,167	\$ 246,656	\$ 182,791	\$ 182,791	\$ 128,873	\$ 45,303	\$ (2,626)	\$ 15,644
Fiber Optic Network Sales	\$ 12,775	\$ 13,669	\$ 12,300	\$ 13,522	\$ 13,522	\$ 13,793	\$ 13,793	\$ 14,069	\$ 14,350	\$ 14,637	\$ 14,930
Other Revenues	\$ 3,409	\$ 3,023	\$ 2,354	\$ 3,295	\$ 3,023	\$ 3,023	\$ 3,023	\$ 3,023	\$ 3,023	\$ 3,023	\$ 3,023
Operating Expenses	\$ (167,074)	\$ (188,741)	\$ (188,170)	\$ (201,879)	\$ (210,015)	\$ (236,487)	\$ (236,487)	\$ (251,165)	\$ (255,862)	\$ (267,608)	\$ (279,319)
Taxes	\$ (21,151)	\$ (22,622)	\$ (21,556)	\$ (23,662)	\$ (23,599)	\$ (24,048)	\$ (24,048)	\$ (24,505)	\$ (24,972)	\$ (25,448)	\$ (25,933)
<b>Net Operating Income (Loss) Before Depreciati</b>	<b>\$ 208,888</b>	<b>\$ 410,791</b>	<b>\$ 186,296</b>	<b>\$ 211,648</b>	<b>\$ 343,950</b>	<b>\$ 282,691</b>	<b>\$ 282,691</b>	<b>\$ 244,597</b>	<b>\$ 210,509</b>	<b>\$ 193,982</b>	<b>\$ 247,443</b>
Depreciation and amortization	\$ (80,307)	\$ (86,439)	\$ (77,841)	\$ (89,397)	\$ (95,061)	\$ (101,728)	\$ (101,728)	\$ (108,015)	\$ (114,599)	\$ (120,536)	\$ (127,183)
<b>Net Operating Income (Loss)</b>	<b>\$ 128,581</b>	<b>\$ 324,351</b>	<b>\$ 108,455</b>	<b>\$ 122,250</b>	<b>\$ 248,889</b>	<b>\$ 180,963</b>	<b>\$ 180,963</b>	<b>\$ 136,581</b>	<b>\$ 95,910</b>	<b>\$ 73,446</b>	<b>\$ 120,260</b>
Interest, debt and other income	\$ (48,948)	\$ (8,509)	\$ (25,485)	\$ (15,875)	\$ (2,530)	\$ (5,263)	\$ (5,263)	\$ (3,800)	\$ 279	\$ (7,106)	\$ (7,350)
CIAC	\$ 10,781	\$ 37,131	\$ 10,713	\$ 12,257	\$ 17,808	\$ 16,550	\$ 16,550	\$ 13,240	\$ 12,136	\$ 11,033	\$ 11,033
<b>Change in Net Position</b>	<b>\$ 90,414</b>	<b>\$ 352,973</b>	<b>\$ 93,683</b>	<b>\$ 118,632</b>	<b>\$ 264,166</b>	<b>\$ 192,250</b>	<b>\$ 192,250</b>	<b>\$ 146,021</b>	<b>\$ 108,325</b>	<b>\$ 77,373</b>	<b>\$ 123,943</b>

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

## Retail Energy Sales

- Same as reported in Q2 Financial Forecast; includes the latest Retail Sales Forecast.
- 2025 retail sales expected to increase operating revenues \$32.3M over 2024 (decreased in relation to prior load forecast by \$15M).
- Includes assumed rate increases of 2% for 2025 through 2029 (note this is uplift to total revenue, not reflective of actual rate increases)
- Initial estimate of forecasted “EUDL CRAC” revenue starting in 2026 (expense and revenue offset – total amount added \$209M for 2026-2029).

## Net Power

- CCA Auction results thru June included in the YTD flowing into 2024 Forecast (\$19.5M).
- Auction results and respective EUDL came in higher than historical
- PGE Slice revenue incorporated into 24Q4 forecast (impacts 2024-2027).
  - 2024 - \$87.3M
  - 2025 - \$85.0M
  - 2026 - \$85.5M
- Total fixed slice payments forecasted for 2024 is \$104.0M.

## Interest, debt and other income

- CREBs 2010M Bullet Payment Matures 1/2027 (\$90M)
  - Annual Interest that ends in 2026 ~\$5M per year



# Preliminary Budget Summary – Key Metrics

## Combined Financial Results

Financial Metrics	Target	Actuals 2022	Actuals 2023	Budget 2024	Prelim Budget 2025	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
<b>Change in Net Position</b>		\$ 90,414	\$352,973	\$ 118,632	\$ 192,250	\$264,166	\$192,250	\$146,021	\$108,325	\$ 77,373	\$123,943
<b>Liquidity</b>											
Elect System Liquidity (Rev + R&C)	\$155 MM	\$126,794	\$322,394	\$172,095	\$321,568	\$374,378	\$321,566	\$249,952	\$230,539	\$219,587	\$270,808
Days Cash On Hand	> 250	305	628	348	368	501	368	306	308	325	313
<b>Leverage</b>											
Consolidated DSC	>1.8x	2.57	5.29	3.17	4.09	4.92	4.09	3.60	3.53	2.75	3.27
Consolidated Debt/Plant Ratio	<= 60%	48%	44%	43%	38%	42%	38%	35%	29%	32%	31%
<b>Profitability</b>											
Consolidated Return on Net Assets	>4%	3.8%	14.2%	4.7%	7.1%	10.3%	7.1%	5.0%	3.6%	2.5%	3.9%
Retail Operating Ratio	<=100%	108%	110%	104%	109%	114%	109%	118%	98%	100%	98%

## Dashboard - Financial Metrics/Performance

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



# 04

## Appendix A - Scenarios

*Events that could have a significant impact on budget*

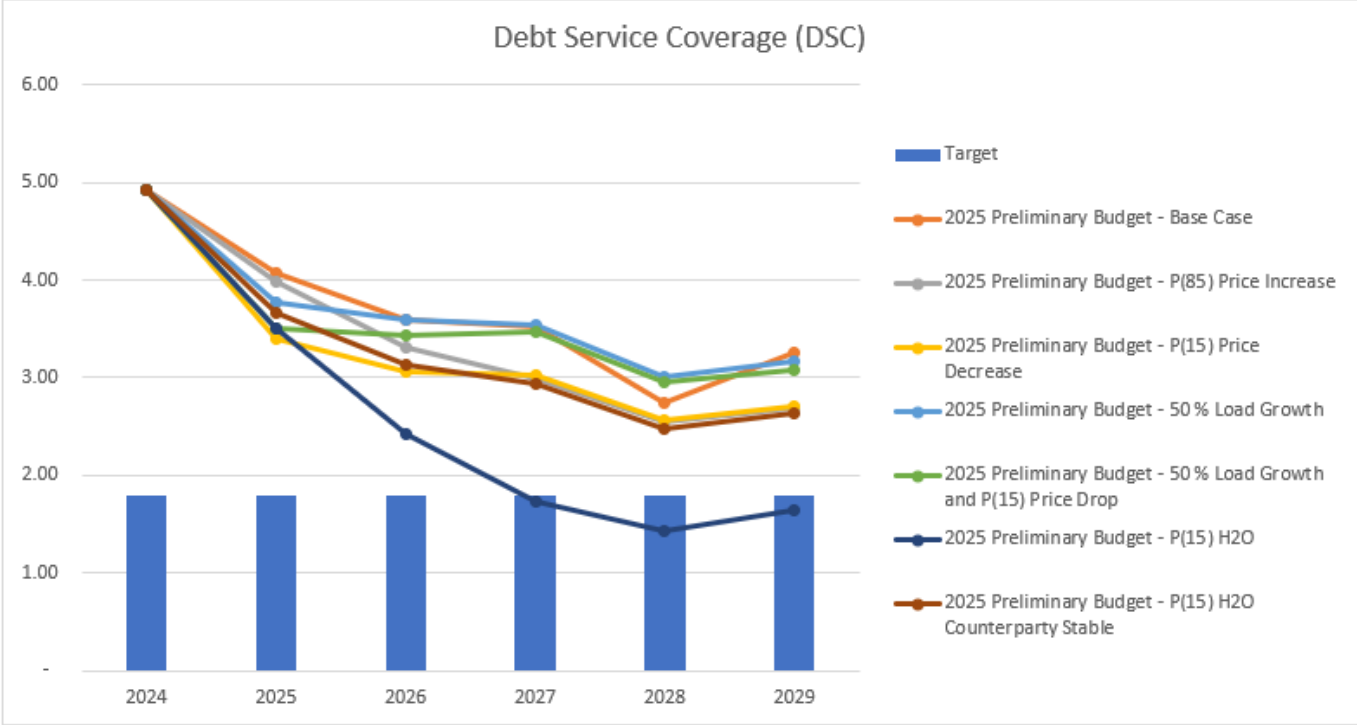


# Operational Scenario Descriptions

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

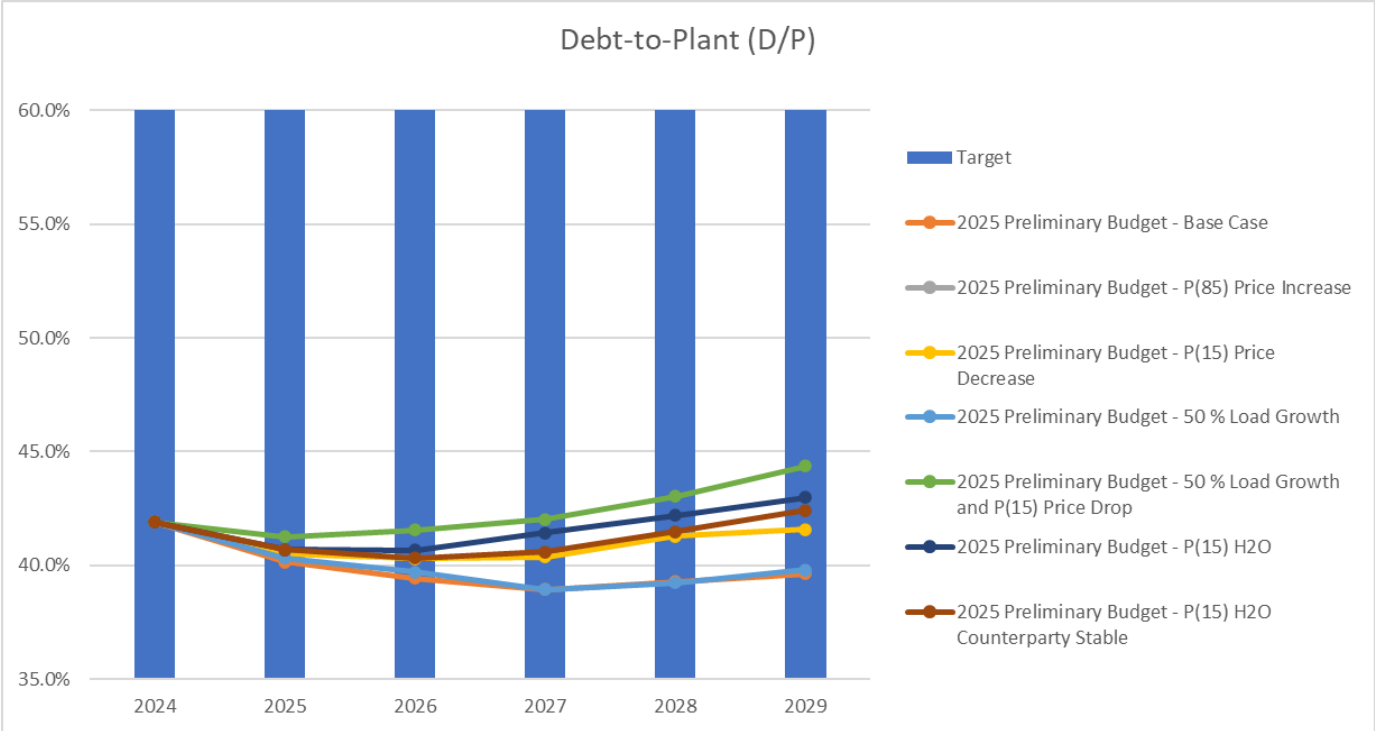
- Scenarios that provide insight on Grant PUD's exposure to wholesale prices, that is selling and buying from the market when Grant's resources don't match load needs.
  - High wholesale prices (P85, prices only higher 15% of time)
  - Low wholesales prices (P15, prices only lower 15% of time)
- Scenarios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

# Operational Scenarios – Comparison to Base Budget



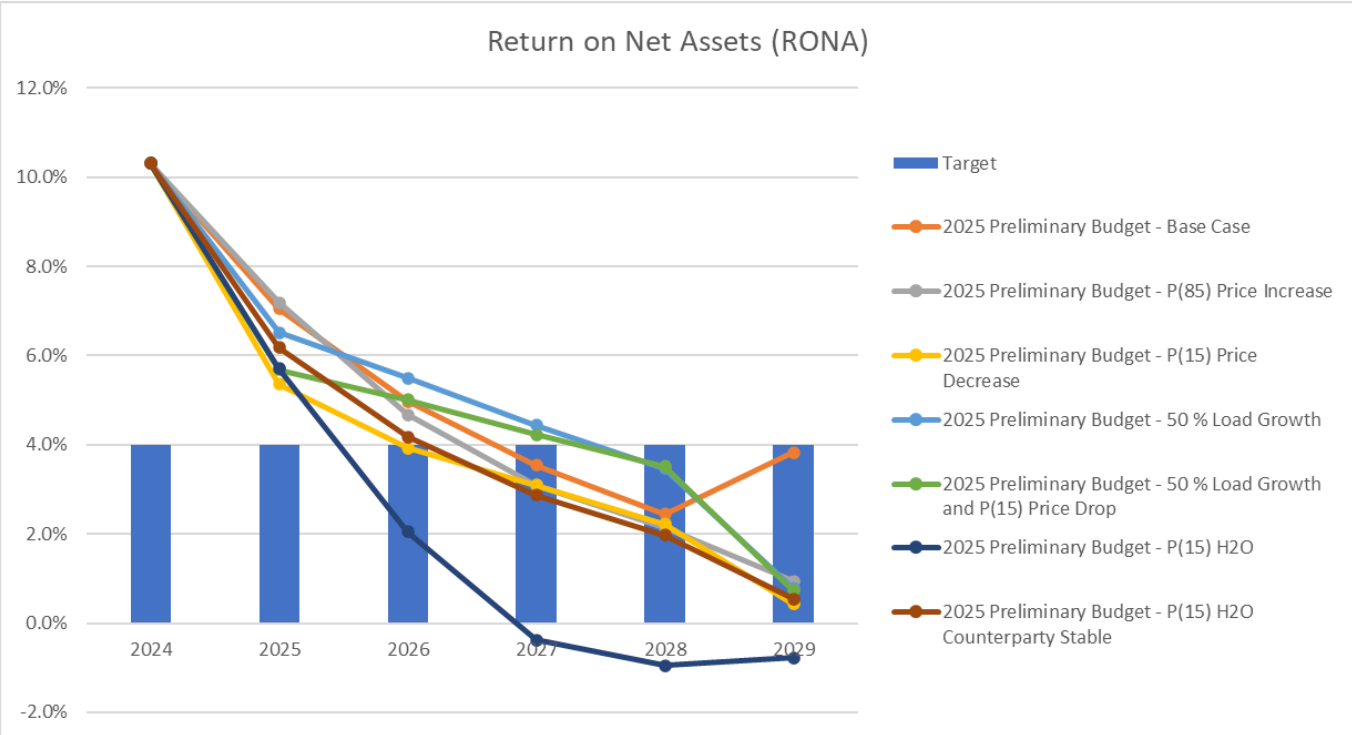
Debt Service Coverage (DSC)	2024	2025	2026	2027	2028	2029
<b>Target</b>	1.80	1.80	1.80	1.80	1.80	1.80
2025 Preliminary Budget - Base Case	4.92	4.08	3.59	3.52	2.74	3.25
2025 Preliminary Budget - P(85) Price Increase	4.92	3.98	3.30	3.00	2.55	2.69
2025 Preliminary Budget - P(15) Price Decrease	4.92	3.40	3.06	3.03	2.56	2.70
2025 Preliminary Budget - 50 % Load Growth	4.92	3.77	3.59	3.53	3.00	3.16
2025 Preliminary Budget - 50 % Load Growth and P(15) Price Drop	4.92	3.51	3.43	3.47	2.95	3.08
2025 Preliminary Budget - P(15) H2O	4.92	3.51	2.42	1.74	1.43	1.64
2025 Preliminary Budget - P(15) H2O Counterparty Stable	4.92	3.67	3.14	2.93	2.47	2.63

# Operational Scenarios – Comparison to Base Budget



Debt-to-Plant (D/P)	2024	2025	2026	2027	2028	2029
<b>Target</b>	60%	60%	60%	60%	60%	60%
2025 Preliminary Budget - Base Case	41.9%	40.1%	39.4%	39.0%	39.3%	39.6%
2025 Preliminary Budget - P(85) Price Increase	41.9%	39.4%	37.2%	36.0%	36.0%	36.1%
2025 Preliminary Budget - P(15) Price Decrease	41.9%	40.5%	40.3%	40.4%	41.3%	41.6%
2025 Preliminary Budget - 50 % Load Growth	41.9%	40.3%	39.7%	38.9%	39.3%	39.8%
2025 Preliminary Budget - 50 % Load Growth and P(15) Price Drop	41.9%	41.3%	41.6%	42.0%	43.0%	44.4%
2025 Preliminary Budget - P(15) H2O	41.9%	40.7%	40.7%	41.4%	42.2%	43.0%
2025 Preliminary Budget - P(15) H2O Counterparty Stable	41.9%	40.7%	40.3%	40.6%	41.5%	42.4%

# Operational Scenarios – Comparison to Base Budget



Return on Net Assets (RONA)	2024	2025	2026	2027	2028	2029
<b>Target</b>	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
2025 Preliminary Budget - Base Case	10.3%	7.0%	5.0%	3.5%	2.5%	3.8%
2025 Preliminary Budget - P(85) Price Increase	10.3%	7.2%	4.7%	3.1%	2.2%	0.9%
2025 Preliminary Budget - P(15) Price Decrease	10.3%	5.4%	3.9%	3.1%	2.2%	0.4%
2025 Preliminary Budget - 50 % Load Growth	10.3%	6.5%	5.5%	4.4%	3.5%	0.8%
2025 Preliminary Budget - 50 % Load Growth and P(15) Price Drop	10.3%	5.7%	5.0%	4.2%	3.5%	0.7%
2025 Preliminary Budget - P(15) H2O	10.3%	5.7%	2.0%	-0.4%	-1.0%	-0.8%
2025 Preliminary Budget - P(15) H2O Counterparty Stable	10.3%	6.2%	4.2%	2.9%	2.0%	0.5%





**Powering our way of life.**

04

## Appendix B – Summarized Budget Reconciliation



# Appendix – 2025 Budget Comparison QFR BvA items

## Budget Comparison

### 2025 Budget ---Preliminary---

					9.97%	= Labor-to-CAP
		<u>BU OP Budgets</u>	<u>Enterprise</u>	<u>O&amp;M</u>	<u>CAP</u>	<u>TOTAL</u>
Labor	Salaries & Wages	\$ 112,416,049		\$ 101,562,714	\$ 10,853,335	\$ 112,416,049
	Overtime	\$ 8,017,848		\$ 6,775,240	\$ 1,242,608	\$ 8,017,848
	Benefits		\$ 47,776,862	\$ 42,531,677	\$ 5,245,185	\$ 47,776,862
	Other Labor	\$ 940,079	\$ 2,429,639	\$ 3,369,718	\$ -	\$ 3,369,718
	<b>TOTAL</b>	<b>\$ 121,373,976</b>	<b>\$ 50,206,501</b>	<b>\$ 154,239,348</b>	<b>\$ 17,341,128</b>	<b>\$ 171,580,477</b>
Directs	G&A	\$ 13,095,354		\$ 13,095,354		\$ 13,095,354
	IT	\$ 9,403,971		\$ 9,403,971		\$ 9,403,971
	Operating Materials & Equipment	\$ 11,939,384		\$ 11,939,384		\$ 11,939,384
	Purchased Services	\$ 42,944,205		\$ 42,944,205		\$ 42,944,205
	Risk	\$ -	\$ 5,204,997	\$ 5,304,997		\$ 5,304,997
	Transportation	\$ 1,605,215		\$ 1,605,215		\$ 1,605,215
	Utilities	\$ 1,023,944		\$ 1,023,944		\$ 1,023,944
	Capitalized A&G			\$ (4,335,267)	\$ 4,335,267	\$ -
	PRP CAP				\$ 54,122,935	\$ 54,122,935
	ELEC CAP				\$ 177,248,595	\$ 177,248,595
		\$ 80,012,073	\$ 5,204,997	\$ 80,981,803	\$ 235,706,797	\$ 316,688,600
		\$ 201,386,049	\$ 55,411,498	\$ 235,221,151	\$ 253,047,926	\$ 488,269,077
	<b>Enterprise TOTALs</b>	<b>\$ 201,386,049</b>	<b>\$ 55,411,498</b>	<b>\$ 235,221,151</b>	<b>\$ 253,047,926</b>	<b>\$ 488,269,077</b>
	<i>Balance Sheet, COGs, &amp; Other Activity</i>			\$ 1,265,428		\$ 1,265,428
	<i>Debt Service (net of rebates)</i>		\$ 72,722,360			\$ 72,722,360
	<i>Taxes</i>		\$ 24,047,622			\$ 24,047,622
	<b>Enterprise TOTALs</b>	<b>\$ 201,386,049</b>	<b>\$ 55,411,498</b>	<b>\$ 236,486,579</b>	<b>\$ 253,047,926</b>	<b>\$ 586,304,487</b>

Exhibit A & B =