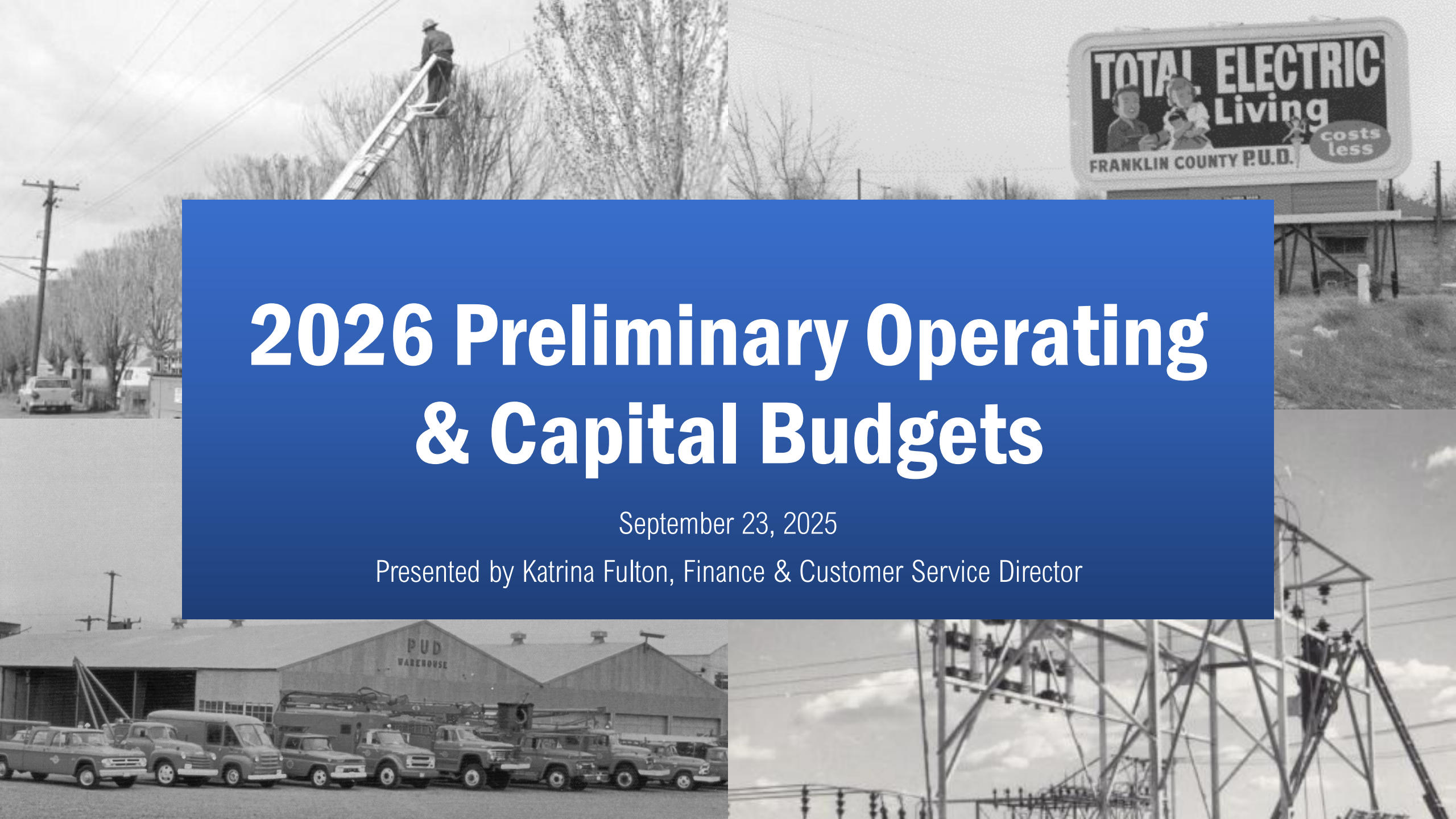


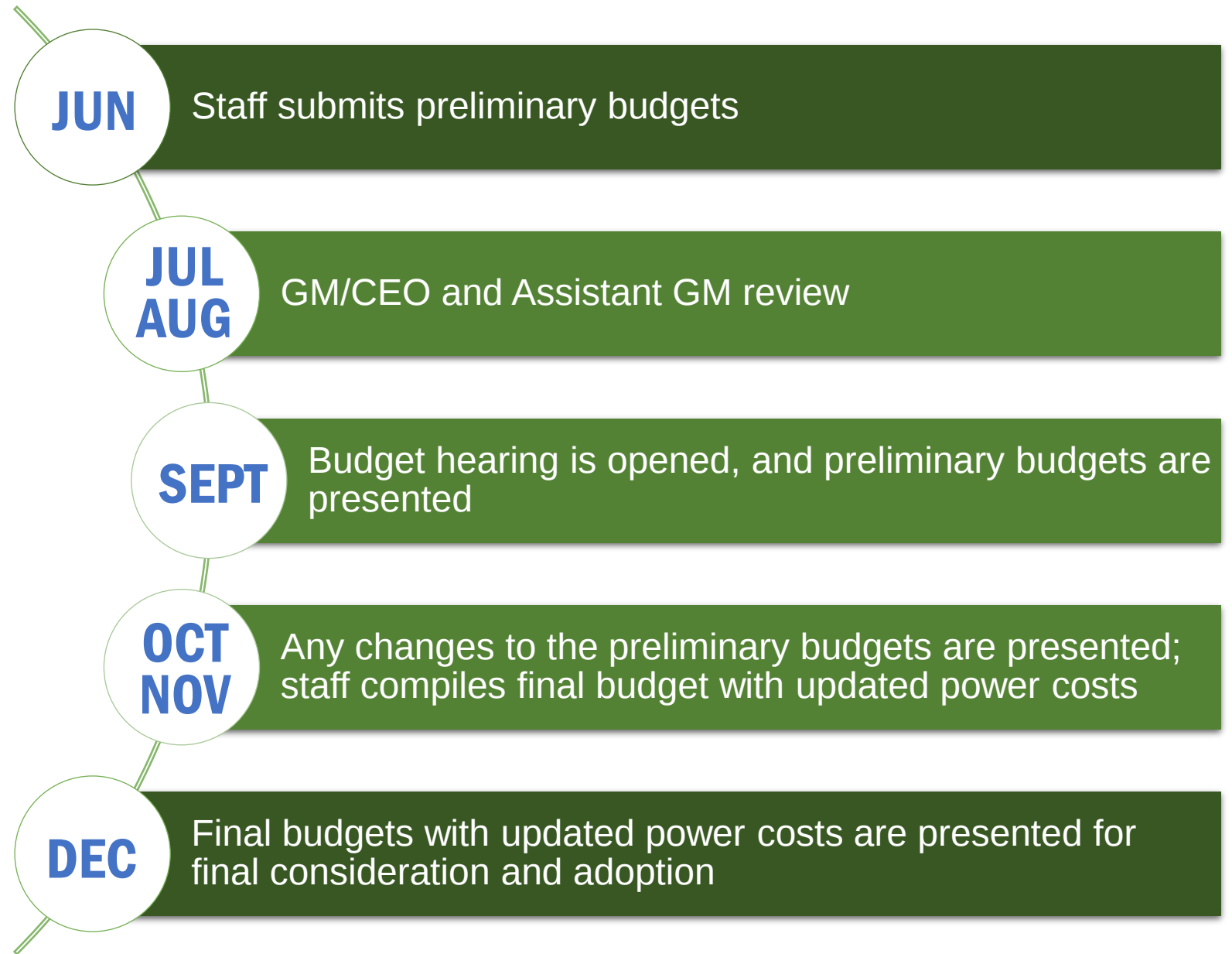


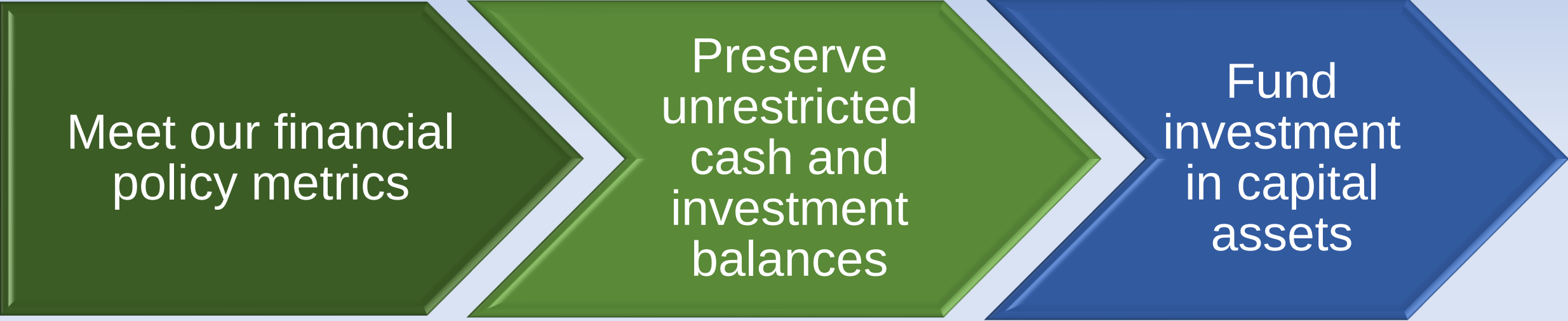
2026 Preliminary Operating & Capital Budgets

September 23, 2025

Presented by Katrina Fulton, Finance & Customer Service Director

Budget Process





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graph LR; A[Meet our financial policy metrics] --> B[Preserve unrestricted cash and investment balances]; B --> C[Fund investment in capital assets];
```

Meet our financial
policy metrics

Preserve
unrestricted
cash and
investment
balances

Fund
investment
in capital
assets



Operating Revenues



Retail Energy Sales

	2026 Budget	2025 Forecast	\$ Increase (Decrease)	% Increase (Decrease)
Residential	42,177,869	40,429,843	1,748,026	4.32%
Small General	9,585,967	9,599,718	(13,751)	-0.14%
Medium General	12,116,227	11,361,861	754,367	6.64%
Large General	20,372,531	13,642,074	6,730,456	49.34%
Industrial	2,845,940	7,837,340	(4,991,399)	-63.69%
Small Irrigation	2,765,458	4,203,547	(1,438,089)	-34.21%
Large Irrigation	6,879,673	4,690,386	2,189,287	46.68%
Street Lighting	199,330	193,908	5,422	2.80%
Security Lighting	96,000	95,756	244	0.25%
Total	97,038,996	92,054,434	4,984,562	5.41%

3% overall retail rate revenue increase (beginning May 1)

- Approved by Commission April 2024

Reflects organic load growth and ramp up of new loads

- Darigold
- City Water Reuse

Other Revenues

Broadband Sales

- In line with 2025

Secondary Market Sales

- Longer power position created by Wheat Field resource addition; resale to Lewis PUD

Other Operating Revenue

- Temporary Services
- Late Charges
- Rental Revenue (Pole Contacts)
- Miscellaneous Service Revenues



Operating Expenses



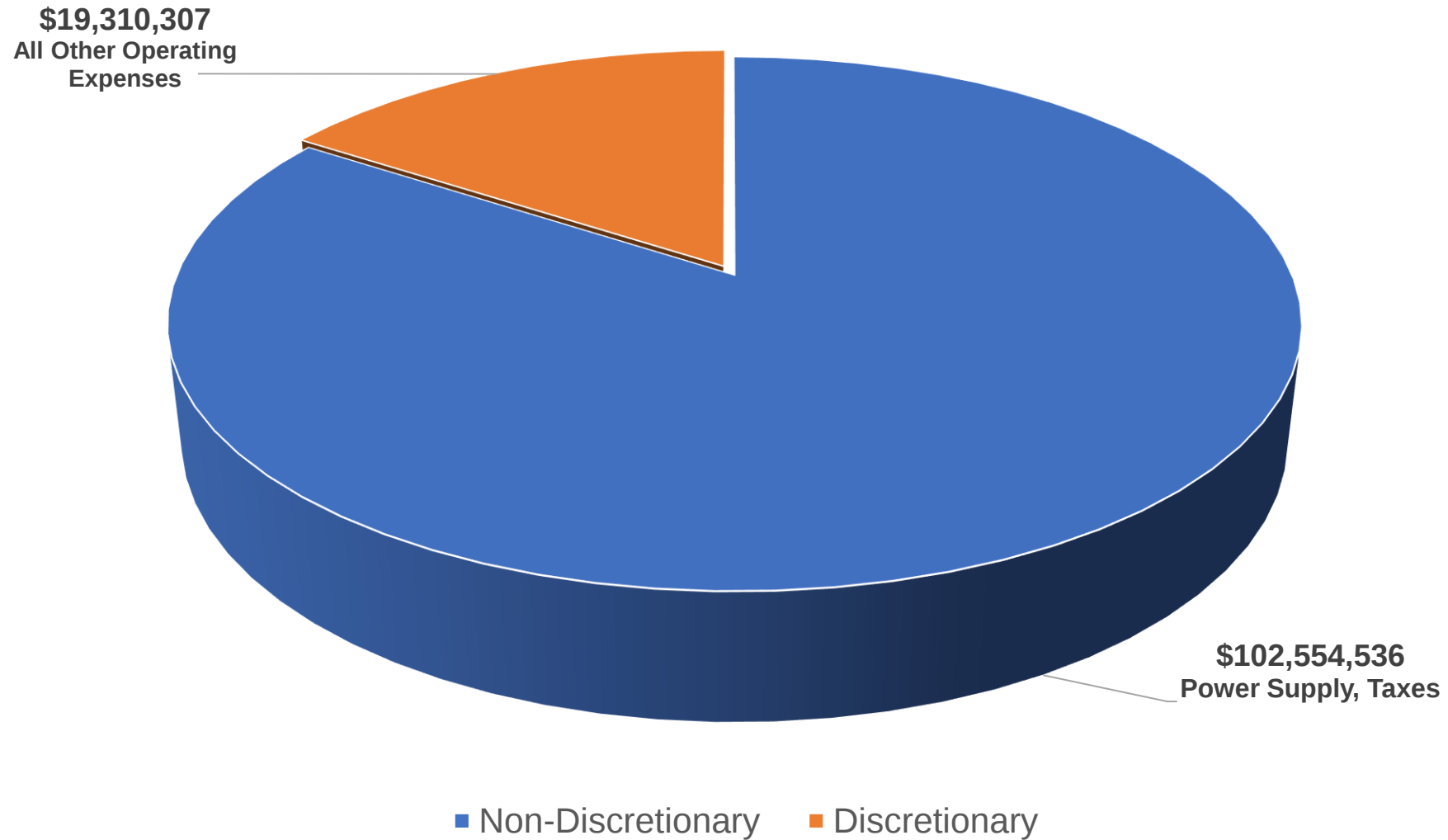
Operating Expenses Overview

Attachment A
Lines 9-14



	Labor & Benefits	Other Expenses	Outside Services	Power Cost	Supplies	Transportation	Total
Power Supply	\$790,945	\$320,465	\$95,000	\$95,467,803	\$2,990	\$2,458	\$96,679,661
System O&M	\$6,573,212	\$687,956	\$210,100		\$232,206	\$478,350	\$8,181,824
Broadband O&M	\$110,033	\$347,406	\$528,538		\$13,400		\$999,376
Customer Accounts Expense	\$1,168,634	\$148,520	\$715,316		\$6,775		\$2,039,244
Administrative & General	\$5,088,115	\$1,622,252	\$1,205,430		\$155,110	\$18,956	\$8,089,863
Taxes							\$5,874,875
Total	\$13,730,939	\$3,126,599	\$2,754,384	\$95,467,803	\$410,481	\$499,764	\$121,864,843

Operating Expenses Overview



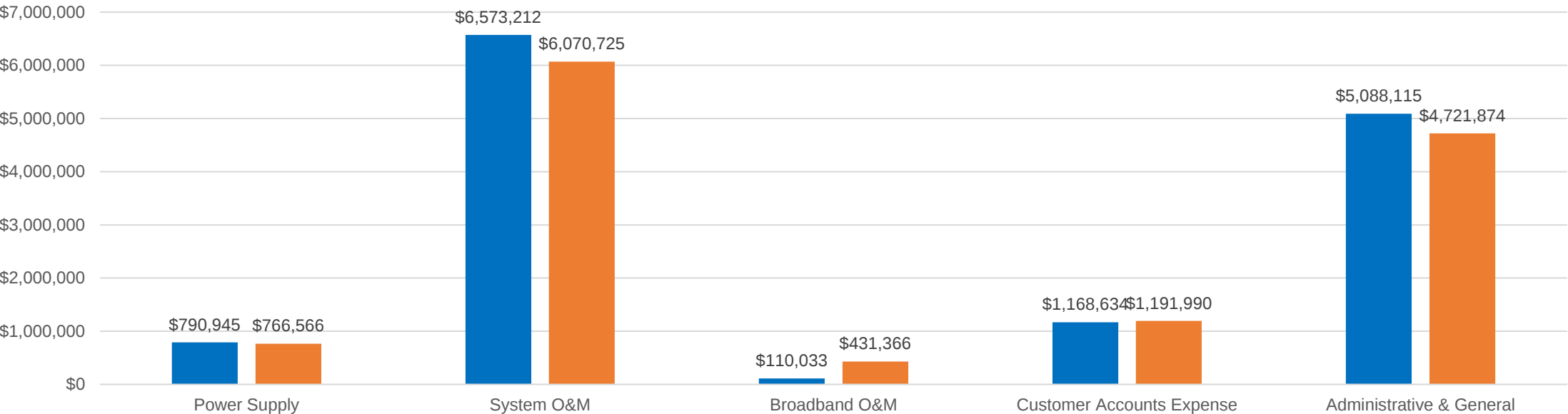
Power Supply 2026

Conservative Assumptions

- 25th percentile slice
- Average wind generation
- Assumption for market volatility
- Forward price similar to recent years experience
- Includes load from Industrial customer based on most current ramp data
- Full year of new BPA rates effective for FY 2026-2029
- Refresh Power Supply costs in November

Power Supply	2026	2025 YTD Forecast
BPA Power	\$38,434,739	\$37,149,768
Market Related Purchases	1,026,447	3,474,076
Hedge Settlements	4,021,577	11,791,525
BPA Funded Conservation	1,200,000	1,200,000
BPA Reimbursement	(1,200,000)	(1,200,000)
Utility Funded Conservation	300,000	300,000
Power Supply Contracts	19,156,770	14,427,785
Resource Management	1,789,554	1,609,365
Renewables	22,468,837	8,014,332
Transmission	8,569,879	7,278,573
Power Department	657,526	635,884
Energy Services Department	254,332	280,906
Total Power Supply Costs	\$96,679,661	\$84,962,214
Less: Secondary Market & Transmission Sales	(27,164,361)	(17,370,256)
Net Power Supply Costs	\$69,515,300	\$67,591,958

Labor & Benefits



Labor & Benefits by Function	Budget 2026	Yearend Forecast 2025*	\$ Change/ % Change
Power Supply	\$790,945	\$766,566	\$24,379 / 3.2%
System O&M	\$6,573,212	\$6,070,725	\$502,487 / 8.3%
Broadband	\$110,033	\$431,366	-\$321,333 / -74.5%
Customer Accounts Expense	\$1,168,634	\$1,191,990	-23,357 / -2.0%
Administrative & General	\$5,088,115	\$4,721,874	\$366,241 / 7.8%
Total	\$13,730,939	\$13,182,521	\$548,418 / 4.2%

- Keeping wages competitive
- 50% benefit load

**Yearend Forecast represents actual results through August, plus budget amounts for Sept. – Dec. 2025.*

Other Operating Expenses

Item	2026 Budget	2025 Forecast	Change	%
529 - SOFTWARE MAINTENANCE	\$971,779	\$917,538	\$54,240	6%
410 – INSURANCE	\$452,694	\$401,654	\$51,040	13%
413 – CONSULTING	\$244,999	\$127,578	\$117,421	92%
420 - BANK FEES/PAYMENT PROCESSING	\$413,016	\$386,292	\$26,724	7%
430 - MAILING SERVICES	\$270,000	\$269,268	\$732	0%
431 - DUES & MEMBERSHIPS	\$348,632	\$317,033	\$31,599	10%
559 - TREE TRIMMING & REMOVAL	\$290,000	\$330,377	(\$40,377)	-12%

Non-Operating Items

Interest Income
\$1.4m

Assumes average of 3.0% return on invested funds based on federal funds rate forecast.

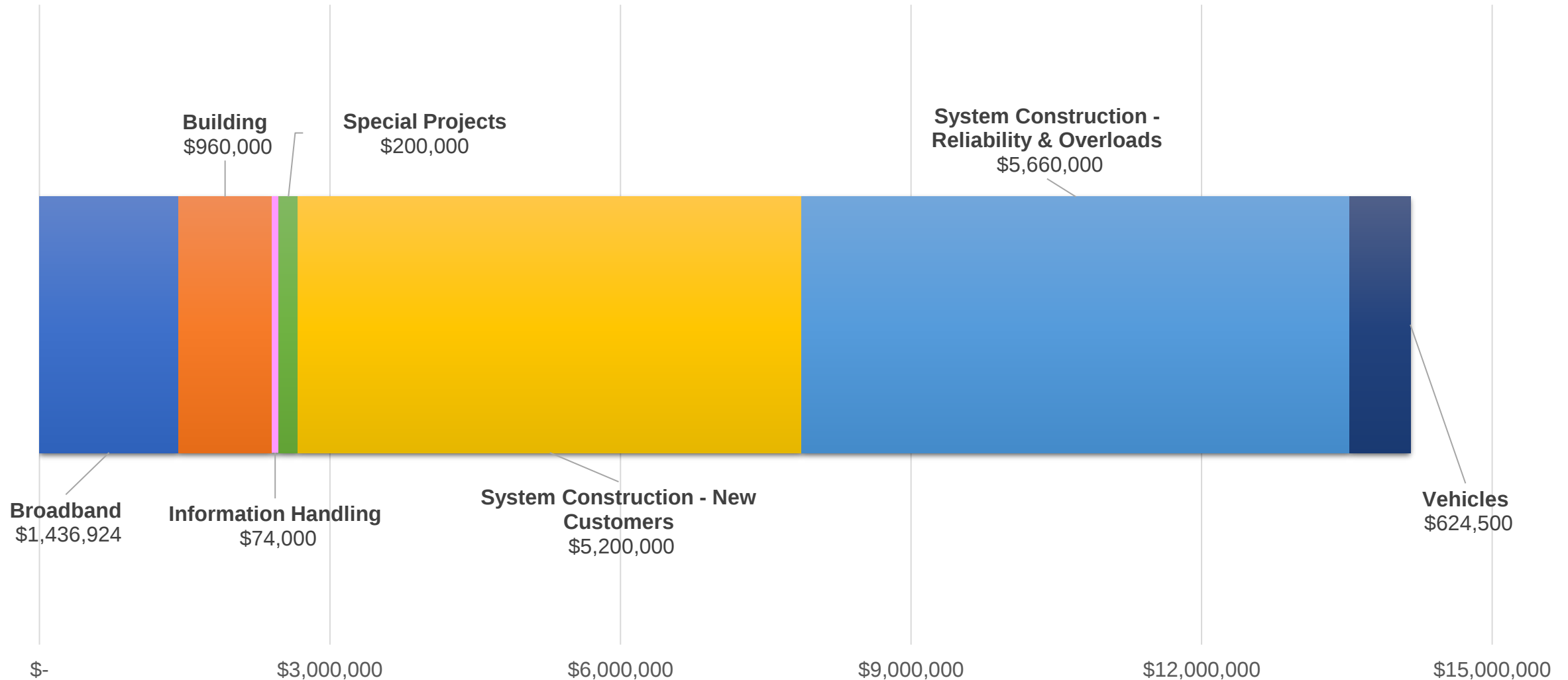
Interest Expense
(\$2.5m)

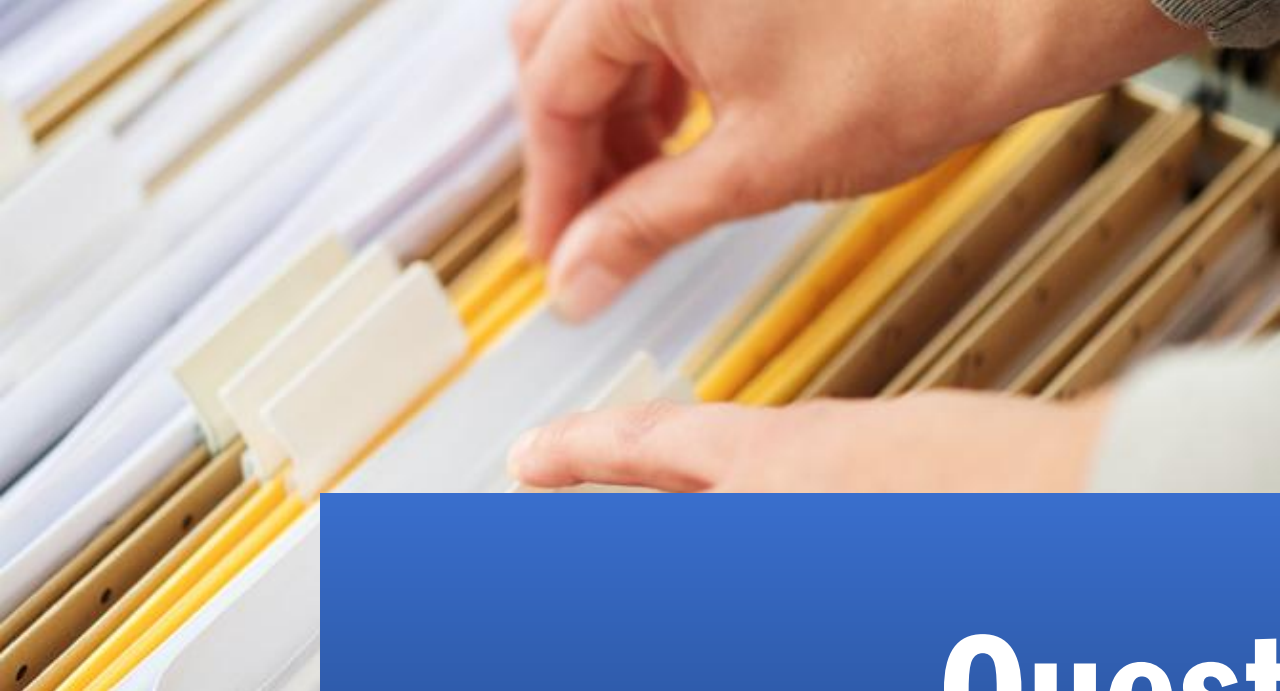
Based on current debt service schedule for all outstanding bonds.

Capital Contributions
\$4.3m

Includes capacity fees

2026 Preliminary Capital Budget





Questions?

