

Public Utility District No. 1 of Franklin County, Washington
Regular Commission Meeting Agenda

January 27, 2026 | Tuesday | 8:30 A.M.
1411 W. Clark Street & via remote technology | Pasco, WA | www.franklinpud.com

Meetings of the Board of Commissioners are also available to the public via remote technology. Members of the public may participate by dialing: (888) 475-4499 US Toll-free or 1 (253) 215-8782

Join Zoom Meeting

<https://franklinpud.zoom.us/j/83056291020?pwd=fx35hqsrkKVO8KHQCzDAz9FaSbKw3u.1>

Meeting ID: **830 5629 1020** Passcode: **725365**

- 1) Pledge of Allegiance
- 2) Public Comment
Individuals wishing to provide public comment during the meeting (in-person or remotely) will be recognized by the Commission President and be provided opportunity to speak. Written comments can be sent ahead of the meeting and must be received at least two days prior to the meeting to ensure proper distribution to the District's Board of Commissioners. Comments can be emailed to clerkoftheboard@franklinpud.com or mailed to Attention: Clerk of the Board, PO BOX 2407, Pasco, WA, 99302.
- 3) Employee Minute. **Lisa Scott, Records Coordinator**
- 4) Commissioner Reports
- 5) Consent Agenda
- 6) Discussing a Proposed Resolution Amending the Policies and Procedures for Risk Management and Trading Operations and Superseding Resolutions 992, 993, and 1400.
Presenter: Katrina Fulton, Finance and Customer Service Director
- 7) Authorizing the General Manager/CEO or his Designee to Execute a Letter of Intent (LOI) with Energy Northwest (EN) to Extend the Life of Nine Canyon Wind Project (Nine Canyon, The Project). **Presenter: Katrina Fulton, Finance and Customer Service Director**
- 8) Authorizing the General Manager/CEO or his Designee to Execute a Contract for the Purchase of a Multi-Dwelling Unit Material Required for the Connell and Basin City Fiber-To-The-Home Project. **Presenter: Mark Hay, Engineering & Operations Director**
- 9) Authorizing the General Manager/CEO or his Designee to Execute a Contract Amendment with DJ's Electric, Inc. for Miscellaneous Dock Crew Projects. **Presenter: Mark Hay, Engineering & Operations Director**

2026 Board of Commissioners

Bill Gordon, President ~ Pedro Torres, Vice-President ~ Roger Wright, Secretary

- 10) Adopting a Resolution Authorizing the General Manager/CEO to Provide District-Logo Clothing to Employees and Authorized Representatives for Operational Identification to Maintain Public Safety, Promote a Professional Image and Superseding Previous Board Actions. **Presenter: Rosario Viera, Public Information Officer**
- 11) Management Reports
- 12) Schedule for Next Commission Meetings
- 13) Executive Session, if needed
- 14) Close Meeting – Adjournment
- 15) Closed Session, Collective Bargaining Agreement Discussion as permitted by RCW 42.30.140.

CONSENT AGENDA

Public Utility District No. 1 of Franklin County, Washington
Regular Commission Meeting

1411 W. Clark Street, Pasco, WA
January 27, 2026 | Tuesday | 8:30 A.M.

- 1) To approve the minutes of the December 9, 2025 Regular Commission Meeting.
- 2) To approve payment of expenditures for December 2025 amounting to \$14,690,771.62 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO as required by RCW 54.16.100, and expense reimbursement claims certified as required by RCW 42.24.090 and as listed in the attached registers and made available to the Commission for inspection prior to this action as follows:

Expenditure Type:	Amounts:
Direct Deposit Payroll – Umpqua Bank	\$ 589,157.71
Wire Transfers	11,400,922.59
Automated and Refund Vouchers (Checks)	824,104.99
Direct Deposits (EFTs)	1,877,238.15
Voids	(651.82)
Total:	\$14,690,771.62

- 3) To approve the Write Offs in substantially the amount listed on the January 2026 Write Off Report totaling \$9,730.08.
- 4) Contracts awarded during 2025 from the District's and Municipal Resources Service Center's (MRSC) statewide Small Works Roster as shown on Attachment A of this agenda item.

**THE BOARD OF COMMISSIONERS
OF
PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY, WASHINGTON**

MINUTES OF THE DECEMBER 9, 2025
REGULAR COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington held a regular meeting at 1411 W. Clark St., Pasco, WA, on December 9, 2025, at 8:30 a.m. Remote technology options were provided for the public to participate.

Those who participated from the District via remote technology or in person for all or part of the meeting included Commissioner Roger Wright, President; Commissioner Bill Gordon, Vice-President; Commissioner Pedro Torres, Secretary; Victor Fuentes, General Manager/CEO; Katrina Fulton, Finance and Customer Service Director; Rosario Viera, Public Information Officer; Mark Hay, Engineering & Operations Director; Tyler Whitney, General Counsel; Ben Hooper, Superintendent of Transmission & Distribution; Casey Roberts, Field Engineer II; and Jessica Marshall, Executive Assistant.

OPENING

Commissioner Wright called the meeting to order at 8:30 a.m. and led the Pledge of Allegiance.

PUBLIC COMMENT

Commissioner Wright called for public comment and no public was present.

COMMISSIONER REPORTS

Commissioner Gordon reported that:

- He would like to incorporate a stretch break during future Commission Meetings.

Commissioner Torres reported that:

- He attended the Pasco Chamber Non-Profit Showcase this week and shared an invitation from the Tri-Cities Chaplaincy to participate in a professional day at Orion High-School. He forwarded the information to Ms. Viera as well.
- He received a customer email in response to his Commissioner's Corner article in the most recent Hotline Newsletter.

Commissioner Wright reported that:

- He reviewed brief NoaNet updates and expressed interest in having Commissioner Torres attend a future NoaNet Board Meeting.
- He expressed interest in hearing information relayed during this week's Energy Northwest Board meeting regarding incentive pay.

- He would like staff to have information available for District customers interested in installing backup generators at their homes.

EMPLOYEE MINUTE

Commissioner Wright welcomed Mr. Roberts and asked general questions about his current position, tasks his position entails, favorite parts of the job, his professional growth at the District and what safety improvements or changes he has seen over the course of his employment.

Mr. Roberts has been with the District for seven years and briefly described his job duties within the Engineering Department. Mr. Roberts noted his favorite parts of the job include designing a reliable system, assisting customers who are completing projects on their own, and receiving positive feedback from customers about their experience working with the District.

A brief discussion was held on backup generators, solar battery storage, and windmills for residential properties.

Commissioner Wright reported that the Commission believes strongly in Safety First and asked if there were any improvements that could be made. Mr. Roberts noted the administration office carpet could be repaired in some areas. Mr. Fuentes reported that staff are aware of the carpet tile issues and are looking into the repair of this.

Commissioner Wright thanked Mr. Roberts for his attendance.

CONSENT AGENDA

Commissioner Wright reviewed a question he had regarding a vendor name from the November 2025 Check Registers included in the commission packet.

Motion by Commissioner Torres, seconded by Commissioner Gordon approving the Consent Agenda as follows.

MOTION PASSED UNANIMOUSLY.

- 1) To approve the minutes of the November 12, 2025 Regular Commission Meeting.
- 2) To approve payment of expenditures for November 2025 amounting to \$11,136,656.96 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO as required by RCW 54.16.100, and expense reimbursement claims certified as required by RCW 42.24.090 and as listed in the attached registers and made available to the Commission for inspection prior to this action as follows:

Expenditure Type:	Amounts:
Direct Deposit Payroll – Umpqua Bank	\$ 525,763.37
Wire Transfers	6,586,734.51
Automated and Refund Vouchers (Checks)	997,271.40
Direct Deposits (EFTs)	3,029,532.36
Voids	(2,644.68)
Total:	\$11,136,656.96

- 3) To approve the Write Offs in substantially the amount listed on the December 2025 Write Off Report totaling \$5,032.43.

Commissioner Wright requested Agenda Item 14 be moved to the end of today's Commission Meeting. Commissioners Gordon and Torres concurred with Commissioner Wright's request.

AGENDA ITEM 6, RE-OPENING THE 2026 BUDGETS PUBLIC HEARING, PRESENTING THE FINAL 2026 OPERATING AND CAPITAL BUDGETS, CLOSING THE PUBLIC HEARING AND ADOPTING A RESOLUTION APPROVING THE 2026 OPERATING AND CAPITAL BUDGETS

Commissioner Wright re-opened the public hearing for the 2026 Operating and Capital Budgets and called for public comment and none was provided. He called on Ms. Fulton for presentation of the agenda item.

Ms. Fulton presented the final 2026 Operating Budget and 2026 Capital Budget (Attachments A and B of the Agenda Item), and reviewed updates based on final power forecast information. She noted that the budgets meet the District's financial policy metrics. Staff reviewed their recommendation.

Motion by Commissioner Gordon, seconded by Commissioner Torres closing the 2026 Operating and Capital Budgets Public Hearing and adopt Resolution 1441 as presented.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 7, ADOPTING A RESOLUTION APPROVING THE PRE-QUALIFICATION OF ELECTRICAL AND FIBER OPTIC CONTRACTORS FOR CALENDAR YEAR 2026

Ms. Fulton introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. She noted this is an annual agenda item and reviewed new contractors for 2026 included in Exhibit A of Resolution 1442.

Motion by Commissioner Torres, seconded by Commissioner Gordon adopting Resolution 1442 as presented.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 8, APPROVING THE CONSERVATION TARGETS AS DESCRIBED IN THE CONSERVATION POTENTIAL ASSESSMENT REPORT FOR 2026-2045

Ms. Fulton introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet.

The measures and information used to develop the District's preliminary conservation potential were reviewed during the October 28, 2025 Commission Meeting and have been posted on the District's website. Ms. Fulton reviewed staff's recommendation.

Ms. Viera reported that the District hosted two weatherization workshops in Connell and Pasco and plans to follow up with customers who had expressed interest in attending but did not attend.

Motion by Commissioner Gordon, seconded by Commissioner Torres approving the 2-year and 10-year conservation targets as presented in the Conservation Potential Assessment 2026 to 2045 Final Report.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 9, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO APPROVE PAYMENTS FOR AUTOMATED MAILING SERVICES, BILL INSERTS, ON-LINE PAYMENT PROCESSING AND ANNUAL SOFTWARE MAINTENANCE FOR 2026 PAYABLE TO THE NATIONAL INFORMATION SOLUTION COOPERATIVE

Ms. Fulton introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet.

She noted this is an annual agenda item brought forward for Commission consideration and reviewed the services to be provided within the 2026 contract with National Information Solutions Cooperative (NISC). Ms. Fulton reviewed the reasons for the contract increase, and a brief discussion was held regarding vendors the District used prior to transitioning services over to NISC.

Motion by Commissioner Torres, seconded by Commissioner Gordon authorizing the General Manager/CEO or his designee to approve 2026 payments for the services as described, payable to NISC, in an amount not to exceed \$667,461.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 10, APPROVING A REVISED POLE ATTACHMENT RATE SCHEDULE

Ms. Fulton introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet.

A discussion was held on the operation and maintenance of a pole. Ms. Fulton reviewed the data used to determine the proposed pole attachment rate and reviewed staff's recommendation.

Ms. Viera reviewed current federal legislation on pole attachments. She noted that staff sent

a letter to Congresswoman Kim Schrier opposing the expansion of Federal Jurisdiction over Public Power Poles (Section 102 of H.R. 2289) and signed onto a similar letter submitted by WPUDA.

Motion by Commissioner Gordon seconded by Commissioner Torres approving the Revised Pole Attachment Rate Schedule as presented.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 11, ADOPTING A RESOLUTION APPROVING A REVISED BROADBAND SERVICES AND FACILITIES RATE SCHEDULE AND SUPERSEDING RESOLUTION 1341

Mr. Hay introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet.

Staff worked with NoaNet and Benton PUD to update the Broadband Services and Facilities Rate Schedule, which was last revised in August 2020. Mr. Hay reviewed staff's recommendation.

Motion by Commissioner Torres, seconded by Commissioner Gordon adopting Resolution 1443 as presented.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 12, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT EXTENSION WITH BOYD'S TREE SERVICES, LLC FOR TREE TRIMMING SERVICES

Mr. Hay introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. Staff reviewed their recommendation.

Motion by Commissioner Gordon, seconded by Commissioner Torres authorizing the General Manager/CEO or his designee to execute a contract extension with Boyd's Tree Services, LLC for year three funding, effective January 1, 2026 through December 31, 2026, in the amount not to exceed \$290,000.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 13, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO APPROVE CONTINUING THE UTILIZATION OF THE WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES CONTRACT FOR 2026 MISCELLANEOUS FIBER DOCK CREW PROJECTS

Mr. Hay introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. Staff reviewed their recommendation.

Motion by Commissioner Torres, seconded by Commissioner Gordon authorizing the General Manager/CEO or his designee to approve continuing the utilization of the Washington State

DES Contract 05620 for 2026 Miscellaneous Fiber Dock Crew Projects in an amount not to exceed \$622,000, including applicable taxes.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 15, ADOPTING A RESOLUTION APPROVING THE 2026 REGULAR COMMISSION MEETING SCHEDULE AND APPOINTING THE 2026 BOARD OF COMMISSION OFFICERS

Mr. Fuentes introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. Staff reviewed their recommendation.

Motion by Commissioner Wright, seconded by Commissioner Torres adopting Resolution 1444 as presented.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 16, PROVIDING A FINAL UPDATE AND APPROVING CLOSURE OF THE DISTRICT'S 2024-2025 OPERATING PLAN

Mr. Fuentes introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet.

Mr. Fuentes provided a final update on several tactics completed within the 2024-2025 Operating Plan. A brief discussion was held regarding facility planning, which continued into Agenda Item 17. Mr. Fuentes reviewed staff's recommendation.

Motion by Commissioner Torres, seconded by Commissioner Gordon approving the closure of the District's 2024-2025 Operating Plan.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 17, APPROVING THE 2026-2027 OPERATING PLAN

Mr. Fuentes introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet.

Commissioner Wright requested that a tactic for facility planning be added to the 2026-2027 Operating Plan. Staff will include this tactic under the reliability guiding principle. Mr. Fuentes reviewed staff's recommendation to approve the 2026-2027 Operating Plan, including the addition of the facility planning tactic.

Motion by Commissioner Gordon, seconded by Commissioner Torres approving the Operating Plan for years 2026-2027, to include a tactic for facility planning.

MOTION PASSED UNANIMOUSLY.

At 10:00 a.m., Commissioner Wright called for a 10-minute break.

At 10:10 a.m., Commissioner Wright reconvened the Commission Meeting.

MANAGEMENT REPORTS

GENERAL MANAGER/CEO REPORT

Mr. Fuentes reported that:

- He plans to close the Administration and Operation offices two hours early on Christmas Eve per District Policy. The Operations building will close at 2:30 p.m., and Administration offices will close at 4:00p.m.
- He participated in meetings with the Public Power Council regarding the Residential Exchange Credit process and will keep the Commissioners updated as more information becomes available.
- With the 2026 Operating and Capital Budgets approved, he requested the Commission hold a discussion on the 2026 dues and campaign contribution for Northwest RiverPartners (NWRP), which was included in the 2026 budget based on previous conversations. A brief discussion was held on the agency and campaign. The Commissioners concurred with staff's recommendation to continue membership with NWRP and contribute toward the campaign at the District's budgeted amount.

Commissioner Torres had a phone call with NWRP staff along with Mr. Fuentes regarding questions related to fish runs and dams. A brief discussion was held on having NWRP attend a Commission Meeting at least once a year to provide updates.

FINANCE & CUSTOMER SERVICE DIRECTOR REPORT

Ms. Fulton reported that:

- The October 2025 KPI's were included in the commission packet, and she reviewed pertinent slides from within the report.
- Staff are in negotiations with Powerex for their contract and will return to a future commission meeting with updates.
- The Nine-Canyon Wind contract will be brought to a future Commission Meeting.
- Staff reviewed the internal process for conducting meter audits.
- Staff performed an invoice audit on a line item from the November 2025 Check Register included in the commission packet.

ENGINEERING & OPERATIONS DIRECTOR

Mr. Hay reported that:

- He provided a brief update on the outage highlighted in the October 2025 KPI's included in the commission packet. A brief discussion was held on the Engineering Department.

PUBLIC INFORMATION OFFICER

Ms. Viera reported that:

- The WPUA Government Relations and Communications Committee has formed a Public Service Announcement (PSA) group.

- NWRP has formed a bilingual committee and is currently translating its content and flyers into Spanish.
- Staff sent a response to the customer Commissioner Torres mentioned during his Commissioner Report earlier in today's Commission Meeting.
- She received positive feedback from the Pasco Chamber board members regarding Mr. Fuentes' State of the PUD presentation.
- The District is hosting a Christmas breakfast for employees on December 16th at the Operations Building. Ms. Viera invited the Commissioners to attend if their schedules allow.

EXECUTIVE SESSION

At 10:50 a.m., Commissioner Wright called for an executive session to conclude at 11:10 a.m. He reported that the purpose of the executive session were the following reasons:

- RCW 42.30.110(1)(i): *to discuss with legal counsel representing the agency matters relating to potential litigation.*
- RCW 42.30.110(1)(g): *to review the performance of a public employee.*

At 11:10 a.m., Commissioner Wright extended the executive session to conclude at 11:20 a.m., for the same two reasons listed previously.

At 11:20 a.m., Commissioner Wright extended the executive session to conclude at 11:25 a.m., for the same two reasons listed previously.

At 11:25 a.m., Commissioner Wright extended the executive session to conclude at 11:30 a.m., for the same two reasons listed previously.

At 11:30 a.m., Commissioner Wright extended the executive session to conclude at 11:35 a.m., for the same two reasons listed previously.

At 11:35 a.m., Commissioner Wright ended the executive session and reconvened the regular meeting.

AGENDA ITEM 14, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO APPROVE ADDITIONAL FUNDING FOR PARAMOUNT COMMUNICATIONS INC. CONTRACT 10291 FOR THE LABOR FOR FIBER-TO-THE-HOME PROJECT

Mr. Hay introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet.

Commissioner Wright reviewed and recommended an amendment to staff's proposed motion, replacing the version that was provided in the commission packet for consideration.

Motion by Commissioner Wright, seconded by Commissioner Torres authorizing the General Manager/CEO or his designee to review and approve additional funding up to \$400,000 to

Contract 10291 Labor for Fiber-To-The-Home Project for a new not to exceed amount of \$2,777,469.

MOTION PASSED UNANIMOUSLY.

With no further business to come before the Commission, Commissioner Wright adjourned the regular meeting at 11:38 a.m. The next regular meeting will be January 27, 2026, and begin at 8:30 a.m. The meeting will be at the District's Auditorium located at 1411 W. Clark Street, Pasco, WA. Remote technology options will be provided for members of the public to participate.

CLOSED SESSION

The Board of Commissioners entered into a closed session at 11:38 a.m. to discuss collective bargaining matters with staff, as permitted by RCW 42.30.140.

William Gordon, President

Pedro Torres, Jr., Vice President

Roger Wright, Secretary

Accounts Payable

Check Register - Direct Deposit

12/01/2025 To 12/31/2025

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	33912	12/04/2025	DD	113886	AMAZON CAPITAL SERVICES INC	OPERATING SUPPLIES	687.17
2	33913	12/04/2025	DD	100178	BENTON COUNTY PUD	RACK FEES RATTLESNAKE	702.88
3	33914	12/04/2025	DD	101625	CARLSON SALES INC	METER SHOP MATERIALS & SUPPLIES	14,309.46
4	33915	12/04/2025	DD	102923	DEPARTMENT OF REVENUE	UNCLAIMED PROPERTY ASSESSMENT #17933	100.50
5	33916	12/04/2025	DD	100229	GRAINGER INC	OPERATING SUPPLIES	704.87
6	33917	12/04/2025	DD	114507	INTEGRITY DATA SOLUTIONS INC	SOFTWARE MAINTENANCE	6,713.00
7	33918	12/04/2025	DD	114588	LEVEL UP INSULATION LLC	ENERGY SERVICES	15,136.66
8	33919	12/04/2025	DD	100130	MOON SECURITY SERVICES INC	SECURITY MAINTENANCE	298.24
9	33920	12/04/2025	DD	113201	NAPA	AUTO PARTS	857.74
10	33921	12/04/2025	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	23,948.12
11	33922	12/04/2025	DD	112792	PASCO TIRE FACTORY INC	VEHICLE TIRES & REPAIRS	426.35
12	33923	12/04/2025	DD	114326	RELIANCE STANDARD LIFE INSURANCE CO /ASO	INSURANCE PREMIUM	100.00
13	33924	12/04/2025	DD	100496	SAFETY KLEEN SYSTEMS INC	DISPOSAL SERVICE & SUPPLIES	181.78
14	33925	12/04/2025	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	20,373.31
15	33926	12/04/2025	DD	102483	SCHWEITZER ENGINEERING LABORATORIES	SOFTWARE MAINTENANCE	738.33
16	33927	12/04/2025	DD	113684	SUSTAINABLE LIVING CENTER	LOW INCOME CERTIFICATIONS	375.00
17	33928	12/04/2025	DD	104190	UPS	POSTAGE	25.00
18	33929	12/04/2025	DD	1023	ANGEL H VALDOVINOS	EMPLOYEE REIMBURSEMENT	150.00
19	33930	12/04/2025	DD	114204	VITAL RECORDS HOLDINGS LLC	RECORDS STORAGE SERVICES	575.93
20	33931	12/04/2025	DD	111202	WESTERN RENEWABLE ENERGY WREGIS	TRANSFER FEES	9.54
21	34015	12/11/2025	DD	114180	2001 SIXTH LLC	BROADBAND SERVICES	150.00
22	34016	12/11/2025	DD	113886	AMAZON CAPITAL SERVICES INC	OPERATING SUPPLIES	503.26
23	34017	12/11/2025	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	15,746.94
24	34018	12/11/2025	DD	1066	D'ANNA M BORCHERS	EMPLOYEE REIMBURSEMENT	149.75
25	34019	12/11/2025	DD	101625	CARLSON SALES INC	METER SHOP MATERIALS & SUPPLIES	4,361.45
26	34020	12/11/2025	DD	112739	DLT SOLUTIONS LLC	SOFTWARE MAINTENANCE	6,816.42
27	34021	12/11/2025	DD	102842	ENERGY NORTHWEST	NINE CANYON	167,057.91
28	34022	12/11/2025	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	570,590.26
29	34023	12/11/2025	DD	100229	GRAINGER INC	OPERATING SUPPLIES	20.60
30	34024	12/11/2025	DD	113299	HRA VEBA TRUST	VEBA WELLNESS	16,920.25
31	34025	12/11/2025	DD	100245	IBEW LOCAL 77	UNION DUES	6,147.72
32	34026	12/11/2025	DD	1191	BRIAN C JOHNSON	TRAVEL REIMBURSEMENT	177.00
33	34027	12/11/2025	DD	113261	LANDIS+GYR TECHNOLOGY, INC	SOFTWARE MAINTENANCE	7,015.15
34	34028	12/11/2025	DD	114588	LEVEL UP INSULATION LLC	ENERGY SERVICES	11,133.03
35	34029	12/11/2025	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	14,291.06
36	34030	12/11/2025	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	22,112.13
37	34031	12/11/2025	DD	113201	NAPA	AUTO PARTS	203.70
38	34032	12/11/2025	DD	111368	ONLINE INFORMATION SERVICES INC	UTILITY EXCHANGE REPORT	603.36
39	34033	12/11/2025	DD	100300	PRINCIPAL BANK PCS	INSURANCE PREMIUM	141,644.83
40	34034	12/11/2025	DD	114312	RELIANCE STANDARD LIFE INSURANCE CO	INSURANCE PREMIUM	5,713.31
41	34035	12/11/2025	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	20,624.65
42	34036	12/11/2025	DD	102483	SCHWEITZER ENGINEERING LABORATORIES	OPERATING TOOLS	219.87
43	34037	12/11/2025	DD	100195	STAPLES ADVANTAGE	OFFICE SUPPLIES	2,281.67

Accounts Payable

Check Register - Direct Deposit

12/01/2025 To 12/31/2025

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
44	34038	12/11/2025	DD	112707	THE ENERGY AUTHORITY	TEA SCHEDULING & CONSULTING	127,943.86
45	34039	12/11/2025	DD	114469	TUPS LLC	WAREHOUSE MATERIALS & SUPPLIES	4,443.12
46	34040	12/11/2025	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	756.87
47	34041	12/11/2025	DD	100277	UNITED WAY	UNITED WAY	5.00
48	34042	12/11/2025	DD	114204	VITAL RECORDS HOLDINGS LLC	RECORDS STORAGE SERVICES	575.93
49	34043	12/18/2025	DD	113886	AMAZON CAPITAL SERVICES INC	SAFETY EQUIPMENT & SUPPLIES	76.18
50	34044	12/18/2025	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	9,212.94
51	34045	12/18/2025	DD	101890	COLUMBIA INDUSTRIES	SHREDDING SERVICES	197.97
52	34046	12/18/2025	DD	102842	ENERGY NORTHWEST	RUBY FLATS RESERVATION FEE	165,000.00
53	34047	12/18/2025	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	66,748.36
54	34048	12/18/2025	DD	100229	GRAINGER INC	OPERATING SUPPLIES	739.14
55	34049	12/18/2025	DD	112981	GREEN ENERGY TODAY LLC	ESQUATZEL DAM PROJECT	31,553.76
56	34050	12/18/2025	DD	113442	ICE TRADE VAULT, LLC	COUNTERPARTY TRADE FEE	375.00
57	34051	12/18/2025	DD	101501	JIM'S PACIFIC GARAGES INC	OPERATING SUPPLIES	539.58
58	34052	12/18/2025	DD	1191	BRIAN C JOHNSON	TRAVEL REIMBURSEMENT	920.58
59	34053	12/18/2025	DD	113658	KNOWBE4 INC	SECURITY TRAINING SUBSCRIPTION	5,258.57
60	34054	12/18/2025	DD	113261	LANDIS+GYR TECHNOLOGY, INC	SOFTWARE MAINTENANCE	7,024.75
61	34055	12/18/2025	DD	100448	LAWSON PRODUCTS INC	OPERATING SUPPLIES	898.74
62	34056	12/18/2025	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	773.19
63	34057	12/18/2025	DD	114588	LEVEL UP INSULATION LLC	ENERGY SERVICES	18,722.86
64	34058	12/18/2025	DD	114170	MPOWER TECHNOLOGIES INC	PROFESSIONAL SERVICES	4,212.50
65	34059	12/18/2025	DD	113269	NISC	MAILING SERVICES & INSERT PRINTING	51,369.06
66	34060	12/18/2025	DD	101318	NORTHWEST OPEN ACCESS NETWORK	FIBER SERVICES	48,147.91
67	34061	12/18/2025	DD	112792	PASCO TIRE FACTORY INC	VEHICLE TIRES & REPAIRS	2,008.49
68	34062	12/18/2025	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	47,323.15
69	34063	12/18/2025	DD	102483	SCHWEITZER ENGINEERING LABORATORIES	OPERATING SUPPLIES	2,899.01
70	34064	12/18/2025	DD	100195	STAPLES ADVANTAGE	OFFICE SUPPLIES	422.94
71	34065	12/18/2025	DD	100291	STATE AUDITOR'S OFFICE	AUDIT SERVICES	1,330.00
72	34066	12/18/2025	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	59.35
73	34067	12/18/2025	DD	113904	ULINE INC	OPERATING SUPPLIES	2,101.66
74	34068	12/18/2025	DD	100283	UTILITIES UNDERGROUND LOCATION CENTER	LOCATE SERVICES	302.40
75	34069	12/18/2025	DD	1221	VICTOR FUENTES	TRAVEL REIMBURSEMENT	290.51
76	34070	12/18/2025	DD	1005	ROSARIO VIERA	EMPLOYEE REIMBURSEMENT	111.56
77	34071	12/18/2025	DD	100290	WA PUBLIC UTILITY DISTRICT ASSOC	DUES & MEMBERSHIP	9,685.00
78	34072	12/18/2025	DD	111202	WESTERN RENEWABLE ENERGY WREGIS	TRANSFER FEES	109.44
79	34073	12/18/2025	DD	1113	ROGER G WRIGHT	TRAVEL REIMBURSEMENT	408.55
80	34157	12/24/2025	DD	113886	AMAZON CAPITAL SERVICES INC	HARDWARE PURCHASE	896.39
81	34158	12/24/2025	DD	113663	DATA HARDWARE DEPOT LP	BROADBAND MATERIALS & SUPPLIES	10,669.06
82	34159	12/24/2025	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	27,403.60
83	34160	12/24/2025	DD	113299	HRA VEBA TRUST	VEBA EMPLOYER PAID	9,548.41
84	34161	12/24/2025	DD	1191	BRIAN C JOHNSON	TRAVEL REIMBURSEMENT	756.42
85	34162	12/24/2025	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	14,183.27
86	34163	12/24/2025	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	21,551.04

Accounts Payable

Check Register - Direct Deposit

12/01/2025 To 12/31/2025

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87	34164	12/24/2025	DD	100572	MONARCH MACHINE & TOOL INC	TRANSFORMER TRANSPORT	1,306.80
88	34165	12/24/2025	DD	113201	NAPA	AUTO PARTS	638.33
89	34166	12/24/2025	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	11,147.87
90	34167	12/24/2025	DD	113445	RELIABLE EQUIPMENT & SERVICE COMPANY, IN	OPERATING TOOLS	230.53
91	34168	12/24/2025	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	1,490.31
92	34171	12/24/2025	DD	113299	HRA VEB A TRUST	VEBA BARGAINING	15.01
93	34172	12/24/2025	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	60.98
94	34173	12/24/2025	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	51.65
95	34174	12/30/2025	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	962.23
96	34175	12/30/2025	DD	100080	MCCURLEY INTEGRITY DEALERSHIPS LLC	AUTO PARTS	588.33
97	34176	12/30/2025	DD	100444	PACIFIC NW UTILITIES CONFERENCE COMM	DUES & MEMBERSHIP	5,099.00
98	34177	12/30/2025	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	30,880.98
99	34178	12/30/2025	DD	113168	PORTLAND GENERAL ELECTRIC COMPANY	COB INTERTIE	12,044.16
100	34179	12/30/2025	DD	114536	SOUND GRID PARTNERS LLC	HAEIF GRANT CONSULTING SERVICES	7,397.50
101	34180	12/30/2025	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	6,835.19
102	34181	12/30/2025	DD	104190	UPS	POSTAGE	34.96
Total for Bank Account - 3 :							<u>1,877,238.15</u>
Grand Total :							1,877,238.15

Accounts Payable

Check Register - Wires

12/01/2025 To 12/31/2025

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	3100	12/03/2025	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 3 WSIB A	44,341.82
2	3104	12/11/2025	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX	96,795.12
3	3105	12/11/2025	WIRE	114437	OREGON DEPARTMENT OF REVENUE	OREGON WORKERS BENEFIT FUND ASSESS - ER	979.30
4	3113	12/11/2025	WIRE	112776	MORGAN STANLEY CAPITAL GROUP	POWER SWAP	134,676.70
5	3114	12/11/2025	WIRE	112714	MACQUARIE ENERGY NORTH AMERICA TRADING	POWER SWAP	56,064.00
6	3115	12/11/2025	WIRE	112793	CITIGROUP ENERGY INC	POWER SWAP	50,599.37
7	3106	12/12/2025	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 3 WSIB A	45,614.60
8	3107	12/12/2025	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 2	1,457.17
9	3111	12/15/2025	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	EIM SERVICES BILL	19,234.55
10	3112	12/18/2025	WIRE	112715	POWEREX CORP	POWER SUPPLY CONTRACT	991,506.79
11	3118	12/18/2025	WIRE	101756	SNOHOMISH COUNTY PUD	WHEAT FIELD WIND POWER CONTRACT	720,847.76
12	3117	12/22/2025	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	TRANSMISSION BILL	611,253.00
13	3110	12/23/2025	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	POWER BILL	1,261,840.00
14	3109	12/24/2025	WIRE	109978	WA STATE DEPT OF REVENUE	NOVEMBER 2025 EXCISE TAX	344,881.46
15	3122	12/24/2025	WIRE	113031	DELTA STAR INC	POWER TRANSFORMERS	6,710,355.71
16	3124	12/24/2025	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX	122,486.90
17	3125	12/24/2025	WIRE	114437	OREGON DEPARTMENT OF REVENUE	OREGON WORKERS BENEFIT FUND ASSESS - ER	1,045.44
18	3129	12/24/2025	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX	65.51
19	3116	12/29/2025	WIRE	112709	LL&P WIND ENERGY INC	WHITE CREEK WIND	136,231.72
20	3126	12/29/2025	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 3 WSIB A	50,535.97
21	3130	12/29/2025	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 2	109.70

Total for Bank Account - 3 : 11,400,922.59

Grand Total : 11,400,922.59

Accounts Payable

Checks and Customer Refunds

12/01/2025 To 12/31/2025

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	50420	12/04/2025	CHK	114357	ALASKA RUBBER GROUP INC	OPERATING SUPPLIES	426.93
2	50421	12/04/2025	CHK	100171	BASIN DISPOSAL INC	UTILITY SERVICES	1,916.60
3	50422	12/04/2025	CHK	104565	BIG BEND ELECTRIC COOPERATIVE INC	UTILITY SERVICES	139.78
4	50423	12/04/2025	CHK	114515	BOWMAN CONSULTING GROUP LTD	PROFESSIONAL SERVICES	1,180.00
5	50424	12/04/2025	CHK	114378	CABLE HUSTON LLP	PROFESSIONAL SERVICES	2,825.00
6	50425	12/04/2025	CHK	100515	CED	BUILDING MAINTENANCE & SUPPLIES	7,129.03
7	50426	12/04/2025	CHK	100354	CITY OF CONNELL	PROFESSIONAL SERVICES	400.00
8	50427	12/04/2025	CHK	114144	COGENT COMMUNICATIONS INC	BROADBAND SERVICES	3,389.34
9	50428	12/04/2025	CHK	113363	COLEMAN OIL COMPANY	GAS & OTHER FULES	8,484.16
10	50429	12/04/2025	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE	37,018.58
11	50430	12/04/2025	CHK	100346	CONNELL OIL INC	GAS & OTHER FUELS	1,058.40
12	50431	12/04/2025	CHK	105071	DIRECT AUTOMOTIVE	AUTO PARTS	172.97
13	50432	12/04/2025	CHK	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	267.85
14	50433	12/04/2025	CHK	114080	LOOMIS ARMORED US LLC	ARMORED CAR SERVICE	836.78
15	50434	12/04/2025	CHK	100006	LOURDES OCCUPATIONAL HEALTH CENTER	PROFESSIONAL SERVICES	720.00
16	50435	12/04/2025	CHK	113908	MILNE ENTERPRISES INC	OPERATING SUPPLIES	225.83
17	50436	12/04/2025	CHK	113879	MUSTANG SIGNS LLC	READER BOARD MAINTENANCE & REPAIRS	558.66
18	50437	12/04/2025	CHK	113339	NORTH COAST ELECTRIC COMPANY	OPERATING SUPPLIES	24.68
19	50438	12/04/2025	CHK	114186	ONEBRIDGE BENEFITS INC	FLEX PLAN FEE	50.00
20	50439	12/04/2025	CHK	100424	PASCO CHAMBER OF COMMERCE	DUES & MEMBERSHIP	44.00
21	50440	12/04/2025	CHK	114205	PERFORMANCE SYSTEMS INTEGRATION LLC	PROFESSIONAL SAFETY SERVICES	265.58
22	50441	12/04/2025	CHK	100411	RANCH & HOME INC	BUILDING MAINTENANCE & SUPPLIES	122.45
23	50442	12/04/2025	CHK	106825	SEBRIS BUSTO JAMES	PROFESSIONAL SERVICES	200.00
24	50443	12/04/2025	CHK	114071	STUART C IRBY CO.	WAREHOUSE MATERIALS & SUPPLIES	811.31
25	50444	12/04/2025	CHK	111471	VERIZON WIRELESS SERVICES LLC	PHONE SERVICES	13,406.62
26	50445	12/04/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	5,113.04
27	50446	12/04/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	347.88
28	50447	12/11/2025	CHK	100121	AMERIGAS KENNEWICK	OPERATING SUPPLIES	1,518.92
29	50448	12/11/2025	CHK	112734	ARNETT INDUSTRIES LLC	OPERATING TOOLS	560.24
30	50449	12/11/2025	CHK	113216	BOYD'S TREE SERVICE	TREE TRIMMING	5,285.23
31	50450	12/11/2025	CHK	100515	CED	WAREHOUSE MATERIALS & SUPPLIES	679.39
32	50451	12/11/2025	CHK	112936	CENTURY LINK	PHONE SERVICES	455.32
33	50452	12/11/2025	CHK	114486	CHARTER COMMUNICATIONS HOLDINGS LLC	BROADBAND SERVICES	2,542.96
34	50453	12/11/2025	CHK	100354	CITY OF CONNELL	UTILITY SERVICES	111.68
35	50454	12/11/2025	CHK	100360	CITY OF PASCO	UTILITY SERVICES	256.25
36	50455	12/11/2025	CHK	112903	CITY OF RICHLAND	UTILITY SERVICES	28.20
37	50456	12/11/2025	CHK	114144	COGENT COMMUNICATIONS INC	BROADBAND SERVICES	3,389.34
38	50457	12/11/2025	CHK	114077	EMPIRE INNOVATION GROUP LLC	FLEX PLAN	1,442.94
39	50458	12/11/2025	CHK	114272	FIESTA FOODS	2025 BREAKFAST EVENT	1,298.44
40	50459	12/11/2025	CHK	114112	GDS ASSOCIATES INC	CONSULTING SERVICES	776.86
41	50460	12/11/2025	CHK	114007	GRIGG ENTERPRISES INC	OPERATING TOOLS	160.03
42	50461	12/11/2025	CHK	100006	LOURDES OCCUPATIONAL HEALTH CENTER	PROFESSIONAL SERVICES	71.00
43	50462	12/11/2025	CHK	100411	RANCH & HOME INC	GROUPS MAINTENANCE & SUPPLIES	304.62
44	50463	12/11/2025	CHK	112899	SCHREINER TUTTLE FARMS INC	ENERGY SERVICES	6,750.00
45	50464	12/11/2025	CHK	114533	SOUND AUDIOLOGY & HEARING AIDS LLC	PROFESSIONAL SERVICES	1,240.00

Accounts Payable

Checks and Customer Refunds

12/01/2025 To 12/31/2025

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
46	50465	12/11/2025	CHK	114071	STUART C IRBY CO.	WAREHOUSE MATERIALS & SUPPLIES	713.30
47	50466	12/11/2025	CHK	112920	TACOMA SCREW PRODUCTS INC	OPERATING SUPPLIES	14.07
48	50467	12/11/2025	CHK	114108	VERIZON CONNECT FLEET USA LLC	PHONE SERVICES	1,273.09
49	50468	12/11/2025	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	170.91
50	50469	12/11/2025	CHK	114548	WILSON & COMPANY INC	PERMITTING	18,188.80
51	50470	12/11/2025	CHK	114162	ZAYO GROUP HOLDINGS INC	BROADBAND SERVICES	2,799.84
52	50471	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	197.60
53	50472	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	20.11
54	50473	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	93.46
55	50474	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	77.83
56	50475	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	60.31
57	50476	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	142.08
58	50477	12/11/2025	CHK	90003	CUSTOMER REFUND	MR REFUND	2,626.85
59	50478	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	106.43
60	50479	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	206.63
61	50480	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	139.29
62	50481	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	200.00
63	50482	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	500.00
64	50483	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	203.53
65	50484	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	127.71
66	50485	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	163.67
67	50486	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	36.91
68	50487	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	83.41
69	50488	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	205.02
70	50489	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	81.39
71	50490	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	46.07
72	50491	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	537.53
73	50492	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	108.08
74	50493	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	16.57
75	50494	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	32.52
76	50495	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	32.09
77	50496	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	6.11
78	50497	12/11/2025	CHK	90003	CUSTOMER REFUND	MR REFUND	11,713.00
79	50498	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	114.40
80	50499	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	75.62
81	50500	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	88.93
82	50501	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	187.47
83	50502	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	24.90
84	50503	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	293.93
85	50504	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	155.94
86	50505	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	256.56
87	50506	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	138.98
88	50507	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	161.92
89	50508	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	72.81
90	50509	12/11/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	169.99

Accounts Payable

Checks and Customer Refunds

12/01/2025 To 12/31/2025

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
91	50510	12/18/2025	CHK	100028	ABADAN	PRINTER MAINTENANCE	662.49
92	50511	12/18/2025	CHK	114357	ALASKA RUBBER GROUP INC	OPERATING SUPPLIES	104.20
93	50512	12/18/2025	CHK	100087	ALTEC INDUSTRIES INC	OPERATING SUPPLIES	1,159.23
94	50513	12/18/2025	CHK	100179	BENTON FRANKLIN CAC	HELPING HANDS	1,111.25
95	50514	12/18/2025	CHK	113216	BOYD'S TREE SERVICE	TREE TRIMMING	1,321.31
96	50515	12/18/2025	CHK	100515	CED	WAREHOUSE MATERIALS & SUPPLIES	20,788.49
97	50516	12/18/2025	CHK	100362	CITY OF PASCO	OCCUPATION/UTILITY	459,470.85
98	50517	12/18/2025	CHK	100360	CITY OF PASCO	UTILITY SERVICES	497.41
99	50518	12/18/2025	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE	17,642.99
100	50519	12/18/2025	CHK	100346	CONNELL OIL INC	OPERATING SUPPLIES	623.81
101	50520	12/18/2025	CHK	113369	CORWIN OF PASCO LLC	AUTO PARTS	369.75
102	50521	12/18/2025	CHK	113364	DAY WIRELESS SYSTEMS	MOBILE WIRELESS SERVICES	1,622.08
103	50522	12/18/2025	CHK	100206	FRANKLIN COUNTY GRAPHIC	ADVERTISING	51.15
104	50523	12/18/2025	CHK	103521	GRAYBAR ELECTRIC INC	BROADBAND MATERIALS & SUPPLIES	2,285.56
105	50524	12/18/2025	CHK	113706	INTERMOUNTAIN CLEANING SERVICE INC	JANITORIAL SERVICES	4,336.27
106	50525	12/18/2025	CHK	102523	NW LINE J.A.T.C.	TRAINING REGISTRATION & MATERIALS	3,050.00
107	50526	12/18/2025	CHK	100452	ORKIN EXTERMINATING INC	PEST CONTROL	158.69
108	50527	12/18/2025	CHK	100394	OXARC INC	OPERATING SUPPLIES	178.29
109	50528	12/18/2025	CHK	113405	PACIFIC POLE INSPECTION LLC	POLE INSPECTIONS & TESTING	54,472.16
110	50529	12/18/2025	CHK	100411	RANCH & HOME INC	OPERATING TOOLS	69.67
111	50530	12/18/2025	CHK	113221	THE SHERWIN-WILLIAMS CO	BUILDING MAINTENANCE & SUPPLIES	434.81
112	50531	12/18/2025	CHK	113870	TOTH AND ASSOCIATES INC	PROFESSIONAL SERVICES	14,905.00
113	50532	12/18/2025	CHK	100143	TRI CITIES BATTERY INC	OPERATING SUPPLIES	103.87
114	50533	12/18/2025	CHK	114099	U.S. PAYMENTS LLC	KIOSK TRANSACTIONS AND FEES	556.88
115	50534	12/18/2025	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	170.91
116	50535	12/18/2025	CHK	104105	WATER SOLUTIONS INC	WATER COOLER RENTAL	359.37
117	50536	12/18/2025	CHK	113626	WATER STREET PUBLIC AFFAIRS LLC	CONSULTING SERVICES	3,500.00
118	50537	12/18/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	222.55
119	50538	12/18/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	11,508.00
120	50539	12/23/2025	CHK	112961	CITY OF RICHLAND	FIBER LEASE	733.73
121	50540	12/23/2025	CHK	113784	COFFMAN ENGINEERS INC	PROFESSIONAL SERVICES	2,300.00
122	50541	12/23/2025	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE	3,991.95
123	50542	12/23/2025	CHK	114077	EMPIRE INNOVATION GROUP LLC	FLEX PLAN	1,441.50
124	50543	12/23/2025	CHK	100198	FEDERATED RURAL ELECTRIC INSURANCE CORP	INSURANCE DEDUCTIBLE	1,000.00
125	50544	12/23/2025	CHK	113720	IDSC HOLDINGS LLC	SOFTWARE MAINTENANCE	5,551.72
126	50545	12/23/2025	CHK	113717	JORDAN HUMINSKY	ENERGY SERVICES	1,500.00
127	50546	12/23/2025	CHK	113339	NORTH COAST ELECTRIC COMPANY	OPERATING SUPPLIES	48.46
128	50547	12/23/2025	CHK	107520	RAILROAD MANAGEMENT COMPANY	POWER CROSSING PERMIT	3,740.22
129	50548	12/23/2025	CHK	112850	SANDYS TROPHIES INC	PUD LOGO ENGRAVING	53.91
130	50549	12/23/2025	CHK	100505	SIERRA ELECTRIC INC	PROJECT WORK	5,657.42
131	50550	12/23/2025	CHK	104596	TRI CITIES AREA JOURNAL OF BUSINESS	ADVERTISING	1,600.00
132	50551	12/23/2025	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	170.91
133	50552	12/30/2025	CHK	112768	AG-NEWS	ADVERTISING	1,657.00
134	50553	12/30/2025	CHK	114564	BATTERY POWER SOLUTIONS LLC	BROADBAND MATERIALS & SUPPLIES	5,916.67
135	50554	12/30/2025	CHK	114511	CASADAY BEE-LINE SERVICE & TOWING LLC	TOWING SERVICES	163.35

Accounts Payable

Checks and Customer Refunds

12/01/2025 To 12/31/2025

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
136	50555	12/30/2025	CHK	114375	SNARKY CANCER LLC	ADVERTISING SUPPLIES	2,714.18
137	50556	12/30/2025	CHK	112127	US BANK - P CARDS & TRAVEL	PURCHASE CARD	15,568.19
138	50557	12/30/2025	CHK	112127	US BANK - P CARDS & TRAVEL	TRAVEL CARD	5,680.83
139	50558	12/30/2025	CHK	114155	VACCINATION SERVICES OF AMERICA INC	BIOMETRIC SCREENINGS	5,250.00
140	50559	12/30/2025	CHK	111471	VERIZON WIRELESS SERVICES LLC	PHONE SERVICES	105.36
141	50560	12/30/2025	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	850.00
Total for Bank Account - 1 :							824,104.99
Grand Total :							824,104.99

Franklin PUD - Write Off Report	
Write Off Report for the Month of:	Jan-26
Collection Agency:	Armada Corporation

Jan-26

Collection Agency: **Armada Corporation**

#	Name	Amount
1	DANIEL P BRUCHMAN	\$ 1,085.31
2	JARED A LOPEZ	\$ 475.61
3	ANN DORAN	\$ 423.81
4	JOSIAH POLLEY	\$ 365.04
5	LARRY SMITH	\$ 321.79
6	ISAAC N AVALOS	\$ 308.55
7	BREEZY L PONCE	\$ 300.46
8	MIRTA AMEZCUA	\$ 283.87
9	TREVOR SALL	\$ 277.58
10	BRILEY J LORD	\$ 273.11
11	CHEYENNE ASBELL	\$ 250.65
12	CONOR HANSON	\$ 248.62
13	JOSHUA HUNT	\$ 243.07
14	ANDRES GUTIERREZ	\$ 238.73
15	TRISHA OSBORNE	\$ 234.51
16	MAX SWENSON	\$ 217.12
17	PATRICA HANSON	\$ 216.36
18	SANDRA GUERRERO	\$ 210.78
19	THOMAS J LAWRENCE	\$ 204.16
20	ANGELA K MCALLISTER	\$ 193.55
21	RACHEL GARDNER	\$ 187.37
22	SANDRA DINORA CLAROS ARGUETA	\$ 185.82
23	MELISSA J TUTHILL	\$ 181.06
24	DELANE SELBY	\$ 168.59
25	ALYSSA D DALTON-NELSON	\$ 158.65
26	GABRIL DELGADO	\$ 153.06
27	HANH NGUYEN	\$ 143.47
28	EVAN MENDOZA	\$ 140.32
29	MARIA L MORFIN CONTRERAS	\$ 140.08
30	JLA R JONES	\$ 132.61
31	ITHITHONE PHONGOUDOM	\$ 127.43
32	JOHNATHAN T SMITH	\$ 127.32
33	LIZET RUMBO	\$ 126.24
34	TIFFANY DODGE	\$ 120.40
35	MIRIAN C CHAVEZ	\$ 119.26
36	JOSE CANO SLIVA	\$ 115.98
37	ELVIRA FARIAS	\$ 110.13
38	JOSHUA C ANDREWS	\$ 99.71
39	SILVIA E RIVERA	\$ 98.46
40	ROSA CASTANEDA	\$ 91.89
41	DERRICK N NORWOOD	\$ 84.86
42	GENARO LOZANO MORALES	\$ 70.06
43	OUTHAI KIRBY	\$ 63.83
44	LOVEE D SANDOVAL	\$ 58.97

#	Name	Amount
45	NATHAN PRATT	\$ 58.82
46	STACEY D BROWN	\$ 43.57
47	JAMES PENOR	\$ 42.20
48	JOSE E GONZALEZ	\$ 40.59
49	MERCEDES R REYNOLDS GRAHAM	\$ 39.61
50	JASON L BROWN	\$ 35.52
51	SHEYLA V CERVANTES	\$ 34.46
52	KELLY J BLACKBURN	\$ 31.82
53	HALEY MARIE L OCONNER	\$ 25.24
	Total	\$ 9,730.08
	Average amount per account:	\$ 183.59
	Gross bad debts as a percentage to	
	September 2025 monthly sales:	0.10%



Small Works Contracts Awarded in 2025 (\$0 to \$350,000)

Contract #	Contractor Name	Job Description	Amount	Date Awarded
10209.2	Boyd's Tree Services	Tree Trimming - Year 3	\$ 290,000.00	Tuesday, December 9, 2025
10233.2	Intermountain Cleaning Services, Inc.	Janitorial Services - Year 3	\$ 56,412.00	Thursday, November 20, 2025
10565	John's Excavating & Paving	Asphalt Replacement and Repairs	\$ 86,357.98	Wednesday, August 27, 2025
10579	Pacific Pole Inspection LLC	Pole Testing and Treatment - Year 1	\$ 62,127.50	Monday, August 25, 2025
10621	Apollo Heating and Air	HVAC Maintenance and Repairs	\$ 98,190.00	Wednesday, October 22, 2025

Public Works Contracts Awarded in 2025 (over \$350,000)

Contract #	Contractor Name	Job Description	Amount	Date Awarded
10563	Fulcrum Electric LLC	Electrical Upgrade	\$ 986,446.00	Tuesday, June 24, 2025
10650	Washington State Department of Enterprise Services	2026 Misc. Fiber Dock Crew Projects	\$ 570,000.00	Tuesday, December 9, 2025

Direct Contracting Contracts Awarded in 2025 (under \$150,000)

Quote #	Contractor Name	Job Description	Amount	Date Awarded
10518	Campbell & Company	Plumbing Repairs - Fix Leak & Install Shutoff Valve	\$ 4,195.75	Thursday, January 16, 2025
10564	NorthPoint Electric (certified small business)	Electrical Work - Add plugs to Colo 2	\$ 6,026.85	Friday, January 17, 2025

*The District's Small Business Utilization Plan for 2025 was to award 25% of Direct Contracting contracts to small businesses. The District met that goal. The actual award rate was 50%.

Copies of contracts are available by contacting Julie Anderson, Purchasing Manager, at (509) 546-5950 or purchasing@franklinpud.com

AGENDA ITEM 6

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter:	Katrina Fulton	<input type="checkbox"/>	REPORTING ONLY
	Finance and Customer Service Director	<input checked="" type="checkbox"/>	FOR DISCUSSION
Date:	January 27, 2026	<input type="checkbox"/>	ACTION REQUIRED

1. OBJECTIVE:

Discussing a Proposed Resolution Amending the Policies and Procedures for Risk Management and Trading Operations and Superseding Resolutions 992, 993 and 1400.

2. BACKGROUND:

The District has been a Slice customer since 2001 and has managed its exposure to wholesale energy commodity market prices under formalized risk management processes. The District and The Energy Authority, Inc., (TEA) recognize the need to formalize and institute risk management processes and controls related to trading activities. These processes are documented in the District's Policies and Procedures for Risk Management and Trading Operations (Policy #49) that were last amended in November 2023 to simplify the process of filling vacancies in the membership of the Risk Management Committee (RMC).

As the District adjusts to a growing load and incorporation of additional resources, necessary updates to Policy #49 have been identified. Staff is recommending the following substantive changes which are shown as redlines in Attachment A of this agenda item:

- Superseding resolutions 992 and 993, which have been incorporated into the policy under Section III and Appendix D. Appendix D outlines adjusted criteria used in defining short term purchase and sale transactions. Approved transaction terms were changed to 36 months from 48 months to align with implementation of the new Provider of Choice contract.
- The list of non-Federal resources has been moved from Section I to Appendix E.
- Added Section III, Delegation of Authority for Short Term Power and Natural Gas Purchase and Sales Contracts. This replaces the intent of Resolutions 992 and 993.
- Section VI, subsection D – defines Roles and responsibilities for the District's General Manager/CEO.
- Other changes made throughout the policy included updates of District and TEA position titles, terminology, and other references to thermal transactions the District no longer utilizes.

RCW 54.16.040 provides that District power sales contracts to supply electric energy must be first introduced at a Commission meeting at least ten (10) days prior to the date of adoption of a resolution approving such transaction. Resolution 992 was adopted to address this requirement, and the criteria defined therein was adopted in accordance with the statute. Because staff is proposing incorporating this language and adjusted criteria into Policy 49, the same procedure must be followed.

Staff will review the revised policy and draft resolution with the intent to bring for final review and consideration of adoption by the Commission at the February 10, 2026 Commission meeting.

3. SUGGESTED MOTION:

None.

RESOLUTION XXXX

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY, WASHINGTON**

**AMENDING THE POLICIES AND PROCEDURES FOR RISK MANAGEMENT AND TRADING
OPERATIONS AND SUPERSEDING RESOLUTIONS 992, 993 AND 1400**

WHEREAS, Public Utility District No. 1 of Franklin County, Washington (the District) has signed a Block and Slice Power Sales Agreement, Contract No. 09PB-13047, with Bonneville Power Administration (BPA) which necessitates the District buying and selling power from time to time in wholesale power markets; and

WHEREAS, the District's power supply necessitates the District buying and selling power in wholesale markets; and

WHEREAS, the Board of Commissioners (the Commission) approved Resolutions 992 and 993 authorizing the General Manager/CEO or his designee to buy and sell power and natural gas within certain prescribed limits; and

WHEREAS, buying and selling power in wholesale markets introduces financial risk to the District; and

WHEREAS, the Commission adopted Resolution 884 on August 14, 2001, establishing the Risk Management and Trading Policies (Administrative Policy 49), and subsequently amended said Risk Management and Trading Policies by Motion on February 24, 2004; by Resolution 994 on February 22, 2005; by Resolution 1046 on July 25, 2006; by Resolution 1129 on May 26, 2009; by Motion on March 27, 2012; by Resolution 1183 on June 26, 2012; by Resolution 1200 on February 26, 2013; by Resolution 1205 on August 27, 2013; by Resolution 1230 on February 24, 2015; by Resolution 1251 on April 26, 2016; and by Resolution 1262 on September 27, 2016; and

by Resolution 1320 on May 28, 2019, and by Resolution 1376 on September 27, 2022, and by Resolution 1395 on June 27, 2023, and by Resolution 1400 on November 14, 2023,

WHEREAS, after review and discussion by the Risk Management Committee, staff determined that an amendment is needed to the existing Administrative Policy 49, and

WHEREAS, the existing Administrative Policy 49 makes reference to Resolutions 992 and 993, and

WHEREAS, staff wishes to incorporate the intent of Resolutions 992 and 993 and update the prescribed criteria and limits applying to short term purchases and sales within the Administrative Policy 49, and

WHEREAS, other minor updates have been made to Administrative Policy 49 and presented to the Commission for review, and

WHEREAS, the Commission recognizes the need to amend the Policies and Procedures for Risk Management and Trading Operations, Administrative Policy 49, to include the aforementioned changes; now therefore

NOW THEREFORE, BE IT RESOLVED that the Commission adopts the amended Policies and Procedures for Risk Management and Trading Operations attached hereto as Exhibit A of the resolution.

BE IT FURTHER RESOLVED that when administrative changes to the policy are necessary to keep the policy current, the General Manager/CEO will provide notification to the Commission at the next regular Commission meeting.

BE IT FURTHER RESOLVED that Resolutions 992, 993 and 1400 are superseded.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington at an open public meeting this 10th day of February 2026.

William Gordon, President

Pedro Torres, Vice President

Roger Wright, Secretary

DRAFT

Public Utility District No. 1 of Franklin County, Washington
POLICIES AND PROCEDURES FOR RISK MANAGEMENT AND TRADING OPERATIONS

I. PREAMBLE

Since October 1, 2001, Public Utility District No.1 of Franklin County, Washington (“the District”) has purchased its net requirements wholesale power supply from the Bonneville Power Administration (“BPA”) under a 10-year Slice/Block Power Purchase Agreement that was in effect through September 30, 2011. In December 2008, the District entered into a new Slice/Block Power Purchase Agreement with BPA for the term October 1, 2011 through September 30, 2028. The Slice of the System (“Slice”) product component requires the District to actively participate in the wholesale power markets, through both hourly, daily spot and forward transactions, in order to shape firm Slice generation to load and to dispose of any surplus surplus-Slice generation. Unlike a BPA Load Following contract where the quantity of power delivered matches the District’s load in each hour, Slice generation is a function of conditions on the Columbia and Snake River systems and Columbia Generating Station availability, which results in periods of surpluses and deficits of energy compared to the load served by the District.

In addition to its Slice/Block Agreement, the District has augmented its power supply portfolio through the execution of long-term power purchase agreements. ~~that include for hydro generation (1.3 aMW Packwood Lake Hydro Project), intermittent renewable energy from two wind projects (10 MW Nine Canyon and 10 MW White Creek), and renewable energy from a small hydro project (.7 aMW Esquatzel).~~ The integration and optimization of these non-federal resources requires ~~further increases~~ the District be active ~~’s activity~~ in the wholesale power and natural gas markets.

The District and The Energy Authority, Inc. (TEA) recognize the need to formalize and institute risk management processes and controls related to wholesale market trading activities. To that end, the District and TEA have documented these policies and procedures. The present document speaks directly to the policies and procedures in managing the District’s exposure to wholesale energy commodity market prices.

The policies contained herein are consistent with those approved by the District’s Board of Commissioners (“the Commission”) originally in Resolution No. 884 adopted on August 14, 2001 and subsequently amended by Motion on February 24, 2004, by Resolution 994 on February 22, 2005, by Resolution 1046 on July 25, 2006, by Resolution 1129 on May 26, 2009, by Motion on March 27, 2012, by Resolution 1183 on June 26, 2012, by Resolution 1200 February 26, 2013 on, by Resolution 1205 on August 27, 2013, by Resolution 1230 on February 24, 2015, by Resolution 1251 on April 26, 2016, by Resolution 1262 on September 27, 2016, by Resolution 1320 on May 28, 2019, by Resolution 1376 on September 27, 2022 by Resolution 1395 on June 27, 2023, ~~and~~ by Resolution 1400 on November 14, 2023, and by Resolution XXXX on February 10, 2026.

II. MISSION AND GOAL

The mission statement of the District, adopted by the Commission is as follows:

“To provide safe, reliable, and affordable cost-based power that benefits our customers.”

III. DELEGATION OF AUTHORITY FOR SHORT TERM POWER AND NATURAL GAS PURCHASE AND SALES CONTRACTS

The District is authorized pursuant to RCW 54.16.040 to both purchase and supply electric energy, directly or indirectly, to or from any federal agency or any public or private utility which sells energy to the public. The statute specifically provides that District power sales contracts to supply electric energy must be first introduced at a Commission meeting at least ten (10) days prior to the date of adoption of a resolution approving such transaction.

Long standing ~~good standard~~ utility practices and ~~the~~ general course of business in Northwest wholesale energy markets for energy transactions in the western United States market area routinely requires immediate action be taken by the District's power management staff in order to capture short term power and natural gas purchase and sale opportunities, ~~that change daily~~, not allowing sufficient time for adoption of a separate Commission resolution for each purchase or sale.

The District is authorized by RCW 54.16.100 to impose duties upon the District's General Manager/CEO by resolution. Through approval of this policy, the Commission delegates to the General Manager/CEO or his designee of reasonable and limited authority to enter into short term power purchase or sales contracts and associated enabling agreements pursuant to Commission approved criteria, as presented in Appendix D, adopted in conformance with the ten (10) day waiting period procedure specified in RCW 54.16.040 is in the District's best interest by allowing such short term power purchases and sales to be consummated within the time constraints required by the marketplace.

III.V. RISK PHILOSOPHY

By purchasing the Slice/Block product the District has assumed responsibility for procuring a wholesale power supply to meet the electrical requirements of its Customers rather than rely on BPA to perform this function on its behalf. It is therefore necessary for the District to accept reasonable exposure to power market price volatility in order to maximize the benefits of its power supply portfolio. The District, however, does not engage in speculative commodity market activities that might provide additional gain. Additionally, the District and TEA recognize the significant financial and operational threat of being physically short of supply.

The District and TEA recognize the inherent supply risk of the Slice product, particularly in forecasting hydro generation levels in the early months of a given water year. Varying percentile levels of historic stream flows (e.g., lowest water level is 1% and highest water level is 99%) have been shown to shift the District's energy net position from having monthly deficits to having significant amounts of surplus power. A balance must be struck between the risk of being short in critical and near-critical water years, with the risk of being long and losing favorable forward sale opportunities in the preponderance of years.

III.V. GOALS OF THE RISK MANAGEMENT PROGRAM

The District has set the following goals and objectives for its risk management program:

1. Manage the price and volume risk of its net position consistent with the risk tolerance of the Commission.
2. Manage the credit risk of its receivables and movements in the forward market price (mark-to-market) for power and natural gas.

3. Provide the requisite information to staff given the responsibility for oversight of power management and the risks inherent in it.
4. Allow those staff to proactively represent to the Commission that appropriate diligence is being exercised regarding oversight of power supply activities.

V.VI. ROLES AND RESPONSIBILITIES

A. Board of Commissioners

The Commission reserves to itself the approval of Policy for the District. By their approval of the risk management program, they also undertake the following responsibilities:

1. Understand the nature of the risks encountered in managing the District's resource portfolio, including approving the types of products that can be purchased or sold for the purpose of managing risk. A copy of currently approved transactions is provided in Appendix A.
2. Understand the methods and procedures that will be employed to manage that risk.
3. Approve amendments to these policies and risk limits.
4. Be updated periodically as to their functioning.
5. Delegate the oversight of that functioning to the District Risk Management Committee.
6. Approve all transactions with terms exceeding 12 months in duration, or that have a delivery period that concludes more than 3648 months beyond ~~the end of the calendar year~~the date of execution as defined in RCW 54.16.040.
7. Delegate approval of all transactions with terms of 12 months or less, and that have a delivery period that concludes within 3648 months beyond the ~~date of executionend of the calendar year~~, to the General Manager/Chief Executive Officer (CEO), or their his designee., consistent with ~~Resolutions 992 and 993~~Section III and Appendix D-;

B. Risk Management Committee

The Risk Management Committee has primary operational risk oversight for the District and shall meet monthly and prepare and approve meeting minutes. The Risk Management Committee shall be comprised of the following voting members: the District's General Manager/CEO, Assistant General Manager or Energy Resources Director, Power Manager, Sr. Power Analyst, and its Finance and Customer Service Director or Treasurer, or persons holding like-kind positions as determined by the District's General Manager/CEO. At least three voting members of the Risk Management Committee must be present at a meeting for a quorum to exist. At any meeting where a quorum of the Risk Management Committee is present, action may be taken by a majority vote of those voting members which are present. In the event of a vacancy in the voting membership, and to ensure a quorum of the Risk Management Committee, the General Manager/CEO may appoint, with confirmation by a vote of the Risk Management Committee, an alternate staff member who is well versed in the District's power portfolio and trading operations to serve on the Risk Management Committee. Such appointments may be temporary. The Risk Management Committee may ask that other District representatives be present at a Risk Management Committee meeting as non-voting members when warranted by the discussion topic. The District's Risk

Management Committee will make decisions following the process outlined in Appendix B. TEA's ~~Client Services Manager~~Account Director and representatives from trading and analytics will attend in person or by conference call as non-voting members. As deemed necessary by the Risk Management Committee, other District and TEA staff may also be asked to attend meetings from time-to-time. The Commission has delegated to the Risk Management Committee ongoing maintenance and enforcement of the District's approved policies and procedures for trading and risk management including updating Appendix C. The responsibilities of the Risk Management Committee shall include:

1. Monitor the market price and counterparty risk of the District's individual portfolio to ensure that such risks are within tolerable limits and being managed in a manner consistent with these documented policies and procedures.
2. Receive and review the following risk reports prepared by TEA:
 - Daily risk report showing current and the subsequent four years net power cost marked against current expectations for retail loads, slice generation, and forward prices versus budget
 - Daily report of counterparty credit exposures versus limits
 - Daily report showing the mark to market exposure of forward transactions
3. Review and approve changes to existing and any new risk reports.
4. Approve transactions that are beyond TEA's limits.
5. Understand the risk/reward relationship of proposed hedging transactions to ensure consistency with the District's overall business strategies, risk tolerances, and yearly budget plans.
6. Approve new hedging products to ensure that products are consistent with business and risk management infrastructure.
7. Establish qualitative and quantitative limits for certain hedging products as deemed necessary.
8. Understand and approve methodologies and models used for long- and short-term load and resource forecasting, and market and credit risk measurement.
9. Ensure that independence and segregation of duties exist at TEA.
10. Approve procedural changes associated with maintenance and operation of trading and risk management and recommend policy changes to the District's Commission.
11. Review any new counterparties and approve their credit limits, as recommended by TEA. The Risk Management Committee shall provide oversight regarding credit matters. As required, a review of an individual counterparty credit documentation status will be included annually at a monthly Risk Management Committee meeting.
12. Delegate authority to TEA to execute certain specific transactions without prior approval from District staff where time constraints make it impractical for TEA to communicate

with District staff prior to trade execution. TEA is granted specific trade authority as described in Exhibit B to the Resource Management Agreement between the District and TEA.

13. From time to time, and no less than once a year, review these District's Policies and Procedures for suitability.
14. Represent to the Commission the sufficiency of the District's trading and risk infrastructure and its overall compliance with policy and procedures.
15. Approve all Renewable Energy Credit (REC) transactions.

Meeting minutes will be kept (including any electronic votes taken outside of the meeting) and will be retained by the District consistent with the District's document retention policy.

C. District's Risk Management Committee Chair

The District's Power Manager carries the chief responsibility for the establishment and maintenance of risk management within the District and, to that end shall act as chair of the Risk Management Committee. The chair is responsible for the assurance of due diligence in the District's operation and to further strengthen the day-to-day control over risk management activities may delegate specific responsibilities to the District's Finance and Customer Service Director or Treasurer who acts as the primary representative of the District in the financial aspects of trading and risk management. The Power Manager will work closely with the District's Assistant General Manager or Energy Resources Director to ~~assure~~ensure that the following responsibilities are carried out:

1. Review specific risk and trading limits and hedging methodologies, and from time to time recommend changes to the Risk Management Committee.
2. Participate in the Risk Management Committee with the purpose of understanding the District's risk position and the means to mitigate it.
3. Monitor risk reports between Risk Management Committee meetings in conjunction with the District's Assistant General Manager or Energy Resources Director.
4. Ensure that compliance with all policies and limits is maintained; represent that fact to the Commission.

D. District's General Manager/CEO

The District's General Manager/CEO holds ultimate responsibility for implementing and enforcing this and other policies. In this capacity, the General Manager/CEO ensures that all energy trading, hedging, and contracting activities are conducted within the risk parameters and authority limits approved by the Board of Commissioners as well as overseeing the development of internal controls, compliance monitoring, and reporting mechanisms to identify, measure, and manage exposure to market, credit, operational, and liquidity risks.

D-E. District's ~~Assistant General Manager or Energy Resources Director~~ Power-Responsible Director

The District's ~~Assistant General Manager or Energy Resources~~ Director responsible for Power shall work closely with the District's Power Manager to establish, implement, and monitor the District's risk management program. The ~~Assistant General Manager or Energy Resources~~ Director

responsible for Power will act as the primary representative of the District in the operational aspects of trading and risk management. In this capacity, either position will work closely with the District's Power Manager and may delegate specific responsibilities to the District's Sr. Power Analyst to assure that the following duties and responsibilities are carried out:

1. Represent the District on Joint Scheduling and Operating Committee and ensure any operating strategies are consistent with the District's risk management program.
2. Review the prompt month and balance of month net position developed by TEA and recommend or approve new transactions as needed.
3. Review specific risk and trading limits and hedging methodologies, and from time to time recommend changes to the Risk Management Committee.
4. Review trade tickets from TEA for transactions that extend beyond the preschedule period.
5. Monitor risk reports between Risk Management Committee meetings in conjunction with the District's Power Manager.

E.F. TEA Staff

The roles and responsibilities of TEA staff in the District's trading and risk management operations is provided in Exhibit B of the Resource Management Agreement (RMA) between the District and TEA.

VI. RISK MEASURES AND REPORTING

A. Risk Policies

1. The approved scope of market participation by the District is limited to those activities required to capture optimum value from the District's resource portfolio without engaging in speculative trading activity. It is not the intent of this policy to restrain the legitimate application of analysis to the optimization of resources. It is, however, the express intent to prohibit the acquisition of additional exposure to price and volume risk beyond that encountered in the efficient optimization of the District's resource portfolio. In the event questions arise as to whether a transaction is consistent with this intent shall be discussed among the RMC-Risk Management Committee and the rationale will be documented in the RMC meeting minutes.

Specifically, the District acknowledges that engaging in intra-day and intra-week price arbitrage trading strategies utilizing Slice storage and pondage flexibilities is consistent with this Policy. Environmental attribute arbitrage between years of the compliance period is also recognized as similarly consistent with the Policy.

Given the uncertainty in forecasting Slice generation output, the District recognizes the basic tension between maximizing the value of surplus power through forward power sales and the potential cost of being short of energy and/or capacity if resources perform below expectations due to poor hydroelectric conditions and/or thermal generation unit outages. The District has chosen to balance the risk of being short as a result of selling too much power forward with the risk of not optimizing the value of surplus generation.

The Risk Management Committee has approved the use of TEA's stochastic model (TEA Model) of the District's net power costs under changing Slice generation and market price

scenarios. The District will not sell physically forward surplus Slice book net position beyond the 10th percentile from the TEA Model until it has information about likely water supply conditions for a particular year. The District will not sell financially forward surplus Slice book net position beyond the 10th percentile unless the TEA model demonstrates an increase in the likelihood of lower net power costs. Financial hedging strategies, such as purchase of put options or forward sale with equivalent call option purchased as back-up, can be employed to execute forward sale decisions beyond a 10th percentile level.

Once information about ~~forecast likely~~ water supply conditions ~~is known~~~~are available~~, generally ~~such information is available by~~ in December ~~of the prior~~~~for the following~~ year, physical or financial forward sales for that water year may be approved by the Risk Management Committee beyond the above levels.

2. Stress-testing scenarios will be devised that subject the net position (load and slice generation) and market price of power to a range of outcomes to determine the impact on the District's projected net power cost. This will typically be performed using the TEA Model. The results of the stress testing will be reported each month at the Risk Management Committee meeting.
3. Net position limits will be observed for the following times and situations:
 - a. Maximum long and short physical positions for **preschedule through delivery**; short and long side imbalance \leq storage capacity.
 - b. Maximum long and short net positions **for the delivery month**: 10% of load short and 15% of load long.
 - c. Maximum long and short net positions **for the front forward month**: 10% of load short and 20% of load long.
 - d. Maximum long and short net positions **for the next two forward months**: 15% of load short and 25% of load long.
 - e. Maximum aggregate long and short net positions **for each forward month 4-12**: 25% of load short and 50% of load long.

Net position limits will be tested for both heavy load hours, and for all hours, in the applicable time period. Net position limits will not apply to light load hour only positions. Net position limits will be tested against the expected Slice generation scenario.

4. Minimum hedge limits will be observed for the following times and situations and will be in place by October 31st:
 - a. 60% of expected annual position based on P25 Slice for the upcoming calendar year.
 - b. 35% of expected annual position based on P25 Slice for the prompt + one calendar year.
 - c. 10% of expected annual position based on P35 Slice for prompt + two calendar years.

5. Net positions will be calculated separately for the Slice/Purchased Power, ~~and Thermal Books. A net position for gas will be maintained in the Thermal book. Net positions for gas will be expressed in both MMBtu's per day or MWh equivalent basis.~~
6. All physical forward transactions will be consistent with BPA's 5(b)/9(c) policy.
7. Financial derivatives will be used solely for purposes of hedging physical positions.
8. Natural gas for power hedges to mitigate power cost risks can be used for the purpose of hedging physical and financial portfolio positions. Gas for power hedges would be maintained in the Thermal Book. The net position for gas will be expressed in both MMBtu's per day or MWh equivalent basis. Physical natural gas purchases will be executed only under the following circumstances:
 - a. When necessary to support a forward wholesale power sale, or an expected retail power sale ~~from the District's thermal generation.~~ It should be noted that short-term (i.e., preschedule and real-time) natural gas and power markets frequently have disparate trading horizons, primarily during periods that include weekends, holidays and month-end. To the extent that the District is managing its thermal generation resources with such short term transactions, The District acknowledges it specifically acknowledged there will be occasions when gas purchases will not be matched with power sales for a short period of time due to these mismatched trading periods.
 - b. When purchasing physical gas at a daily or monthly index as part of a strategy to manage physical supply requirements.
 - c. Natural gas sales will be executed only to dispose of long natural gas positions and will be made as soon as practicable following the determination that the District is in such a long position.
9. Environmental attribute transactions are intended to satisfy the District's expected regulatory compliance requirements at the lowest risk adjusted cost.

B. Mark-to-Market and Stress Testing of Power Costs

1. TEA will calculate a daily mark to market of the District's net power costs for the current year, and a daily mark-to-market of the District's net power cost for the subsequent four calendar years. The mark-to-market calculations will consist of the following components and treatments:
 - a. The basis of the calculation will be the most likely estimates of load and resources, which will be expressed as averages by month across HLH and LLH.
 - b. M~~The~~ mark-to-market will utilize Mid-Columbia hub forward power prices and Sumas/Huntingdon and Henry Hub forward prices for natural gas.
 - c. All forward transactions will be marked against "mid-market" (average of bid and offer side of market) forward prices.

- d. All sources of supply will be included whether the supply is being used to meet load or is being sold in the market.
2. The District and TEA recognize the importance of having an at-risk metric that captures both the price and volumetric (load and Slice) risks that the District faces. The Risk Management Committee will develop and approve hedging strategies that include at-risk metrics.

C. Reports and Frequency of Reporting

1. The forward price curve, currently for Mid-C and Sumas, will be calculated daily and sent to the District.
2. The mark-to-market of the current year net power costs will be calculated daily. The mark-to-market of the subsequent four years net power costs will be calculated daily. Mark-to-market reports will be provided to the District via electronic means.
3. Net position reports, including checking of forward positions against net position limits, will occur whenever there is a significant change in forecasted Slice generation, but at no time will that be less than weekly in frequency.
4. Stress testing of the budget mark-to-market and net position will be presented at the monthly Risk Management Committee meetings.

VII. CREDIT

A. Credit Policy

The District recognizes the potential for significant losses due to events of financial default or the failure to perform regarding contracted takes and deliveries.

The District adheres to the credit policies and credit limits established by TEA. TEA's policy addresses guidelines for setting credit limits and monitors credit exposure on a real time basis on behalf of the District. TEA's management determines the credit quality of the District's counterparties based upon various credit evaluation factors, including collateral requirements under certain circumstances.

As of September 24, 2008, all physical commodity transactions (for hourly and/or daily) for the District are traded by TEA as principal (on behalf of the District) and rely on TEA's credit limits. All forward physical/financial commodity transactions are entered into only with counterparties approved by the District's Risk Management Committee for creditworthiness.

In order to manage that credit risk, the District and TEA have established the following policies:

1. Commodity transactions, both physical and financial, will be entered into only with approved, creditworthy counterparties.
2. Counterparties will be scored using the TEA Credit Scoring Models. TEA will score each counterparty per a specific model. District's credit limits will be scaled from TEA's limits as follows:

- TEA limit greater than \$15 million: \$3 million
- TEA limit \$9 million - \$15 million: \$1.25 million
- TEA limit less than \$15million:
 - TEA limit * (\$1.25 million / \$9 million)

Each new Counterparty Credit Limit or increase to an existing limit will then be taken before the District's Risk Management Committee for approval. Every counterparty will be reassessed at minimum annually.

3. At no time will the District intentionally incur a credit exposure with any counterparty greater than \$3.0 million, with exception to TEA, where the credit exposure cannot exceed \$6.0 million, unless due to the must sell operational requirement in #5 below.
4. The status of credit risk will be tracked by counterparty at the agreement level and the information made available in real time to TEA trading and scheduling personnel, and those responsible for risk oversight at both the District and TEA; credit reporting will be on a daily basis.
- ~~5.~~ The District shall not intentionally exceed the Counterparty Credit Limit with any counterparty without the approval of the Risk Management Committee; the Risk Management Committee may grant TEA the authority to make short-term exceptions as necessary to accommodate operational requirements. Specifically, violation of Counterparty Credit Limits is permissible in must sell situations (i.e., the District will lose the energy if not sold, such as in a spill situation). Similarly, the Risk Management Committee understands that changes in MTM value can result in credit exposures beyond the assigned credit limit.
- ~~6.5.~~
- ~~7.~~ The District will provide credit intermediation ("sleeving") services for only Benton and Grays Harbor PUDs.
- ~~8.6.~~ The District understands that transacting over the counter (OTC) swaps carries an additional Commodity Futures Trading Commission (CFTC) reporting function. When the District has a swap reporting obligation, the District's counterparty will report the swap to a CFTC approved Swap Data Repository.

B. Master Agreements and Credit Documentation

- ~~1.~~ The District intends to use the Western Systems Power Pool (WSPP) or Edison Electric Institute (EI) Agreements as the umbrella enabling agreements for approved product transactions as defined in Appendix A. ~~physical power transactions. The District recognizes the desirability of having separate credit agreements with counterparties to augment the credit provisions in the standard WSPP agreement.~~
- ~~2.1.~~ ~~The District may utilize the Edison Electric Institute trading agreement for physical power transactions.~~ The International Swap Dealers Agreement (ISDA) will be used for all financial transactions. The ISDA Power Annex can also be used for physical power transactions. The North American Energy Standards Board (NAESB) Agreement will be used for Natural Gas Transactions. Separate bi-lateral master trade agreements governing physical natural gas transactions will be negotiated with counterparties as needed.

While Master agreements are the preference of the District, there may be instances ~~of such~~ as transacting carbon allowances with non-energy firms (e.g. transportation) under the Washington Climate Commitment Act where it may be necessary to execute on a long form confirmation. In the event such activity becomes necessary, approval of the terms and conditions must be given by Counsel or contract experts to ensure adequate protections are in place.

- ~~3.2.~~ The District's will maintain all signed credit agreements with approved counterparties, and a copy of the agreements will be kept at TEA.

C. Credit Reports

1. The TEA Credit Department will publish a daily credit report that is available to the TEA trading and scheduling in real time on demand. This credit report will be based on the same forward prices used for calculating the mark-to-market. It will include the following: the net billed balance, the unbilled receivable and payable balance, the net notional and mark-to-market exposure of physical and financial transactions by counterparty, highlighting in red those that are within 15% of their available credit limit.
2. Until a master netting and setoff agreement is in place with a counterparty, separate credit exposures for each counterparty will be calculated for each master agreement and will be added together to derive the total credit exposures. Negative exposures under one master agreement will not offset a positive exposure under another master agreement.

D. Credit Exceptions

1. District transactions, either physical or financial, are constrained by these credit limits.
2. TEA personnel involved in day-ahead or same-day trading activities (TEA principal transactions) may exceed a counterparty's credit limit if trading with the counterparty is required to balance load and resources and failure to execute the trade would result in a punitive energy imbalance, or other control area operator or transmission charge. The proposed purchase or sale price of power will not be a consideration in choosing to execute a transaction in violation of a credit limit. Credit limits also may be exceeded when failure to sell the energy would result in the District permanently losing the energy (i.e., sell it or spill it). If a TEA Trader executes a trade under one of these circumstances, the Trader involved will write an email outlining the reason for the credit exception and providing an estimate of the dollar amount of the credit exceedance. That ~~memo communication~~ must be forwarded to the appropriate TEA Trading Director, TEA's ~~Member Service Manager~~ Account Director for the District, TEA's Credit Manager, and the District's Power Manager before the close of business or the end of the scheduler's shift.

VIII. OTHER POLICIES

A. Separation of Function

1. A separate line of communication will be established between the District and the external counterparty to a trade for purposes of trade confirmation and any required trade reconciliation.
2. All trade confirmations will be executed by the District's Power Manager or its Sr. Power Analyst. The District can confirm transactions using either a paper or electronic method. For counterparties that electronically confirm with the District, the counterparties will be directed to ICE's eConfirm rather than paper confirming. All paper trade confirmations, from counterparties, will be faxed or emailed to the counterparty or received from the counterparty by either the District's Power Manager, its Sr. Power Analyst or TEA's Risk Control Group. ~~The District's Assistant General Manager, Energy Resources Director or Sr. Power Analyst~~ District Power Management staff will forward any confirmations received to the TEA Risk Control Group.
3. TEA's Risk Control Group will ~~forward-make available~~ all trade tickets associated District transactions to the District's Power Manager upon request.
4. TEA's Risk Control Group will review all paper trade confirmations based on the information contained in the trade ticket and advise the District's Power Manager and Sr. Power Analyst of any changes that are required, if any, before executing the confirmation. Additionally, TEA will monitor ICE's eConfirm to ensure all trades loaded are electronically matched. TEA's Financial Trader or ~~Member Service Manager~~ Account Director may be consulted if there are any questions or discrepancies between the trade ticket and the confirmation agreement.
5. The District's Power Manager will initiate trade confirmations based on the information contained on the trade ticket when the master trading agreement specifies that the District is responsible for generating the confirmation agreement. TEA's Risk Control Group will prepare a confirmation letter for the District's Power Manager's execution and distribution or an electronic file for upload.
6. The District's accounting department will do all paying and receiving.

IX. BUSINESS PROCEDURES

A. Transactions

1. Transactions will be recorded via recorded telephone lines, recorded instant messages or at recognized Internet trading sites.
2. The individual making the transaction will fill out a standard trade ticket/database entry containing, at minimum, the following information:
 - a. Date of transaction;
 - b. Counterparty;
 - c. Transaction capacity (MW/hour or MMBtu/day);
 - d. Buy or sell;

- e. Transaction price;
 - f. Delivery point;
 - g. For options, option type, strike and execution instructions;
 - h. For financial swaps, the reference index;
 - i. Starting delivery date and hour;
 - j. Ending delivery date and hour;
 - k. Product type;
 - l. Any other date, hour and/or capacity data needed to define a shaped product;
 - m. Broker or electronic trading site and fee, if applicable;
 - n. If the trade is a swap;
 - o. Reporting Counterparty;
 - p. Exemptions if any to clearing.
3. A copy of the trade ticket will be passed to the TEA Risk Control Group and a copy retained by the TEA trader executing the transaction.
 4. In the event that the master trade agreement directs the counterparty to initiate the trade confirmation, and the counterparty is not electronically confirming with the District, the counterparty will be directed to fax or email the confirmation directly to the District's Power Manager or the TEA Risk Control Group.
 5. A TEA Trader will initiate the confirmation process by entering the trade in the appropriate database no later than the end of shift on the day of the trade unless granted an extension by TEA Risk control.

B. Confirmation and Database Entry of Forward Transactions

TEA's Risk Control Group will initiate the confirmation process, when applicable.

1. For transactions longer than the normal preschedule period, the TEA Risk Control Group will fax or transmit electronically, a copy of the trade ticket to the District's Power Manager or Sr. Power Analyst. If the District is responsible for generating a confirmation letter, the TEA Risk Control Group will either (1) create the confirmation letter or (2) include the transaction in the upload file and send to the District's Power Manager or Sr. Power Analyst for execution and distribution.
2. For counterparties that are paper confirming, the District's Power Manager or Sr. Power Analyst will sign and forward the confirmation letter to the counterparty when the District is the counterparty responsible for initiating the confirmation under the terms of the master agreement governing the transaction. The District's Power Manager or Sr. Power Analyst will receive, compare to the trade ticket, sign and return the confirmation to the counterparty, and a copy to TEA's Risk Control Department, when the counterparty is responsible for initiating the confirmation under the terms of the master agreement governing the transaction.
3. For counterparties that are electronically confirming, regardless of which entity is responsible for initiating the confirmation process, the District's Power Manager or Sr. Power Analyst will upload the file created by TEA's Risk Control Department into ICE's eConfirm. Additionally, the District's Power Manager or Sr. Power Analyst will receive, compare to the trade ticket, sign and verify the information in the confirmation file created by TEA's Risk Control Department prior to loading into ICE's eConfirm.

4. Should there be a disagreement between the counterparty and the TEA trade ticket as to any of the terms of the transaction; it will be the responsibility of the TEA Risk Control Group to work with the TEA trader and the counterparty's representative to resolve all differences on that same business day or as soon as possible.
5. All paper and electronic confirmation and reconciliation of a forward trade will be accomplished by the end of the second full workday after the trade date, or first delivery, whichever is earlier.
6. All trades executed during the day will be entered into the appropriate database by the end of the shift. When a paper confirmation of the trade is received, the TEA Risk Control will reconcile the confirmation with the transaction in the database. TEA will monitor ICE's eConfirm to ensure all transactions loaded into the platform are fully matched.
7. Confirmations will only be required for trades whose delivery term extends beyond the preschedule period.

C. ~~Book-Book~~ StructureStructure

The District will use a book structure in managing and reporting its risk position. A description of the book structure is provided below.

1. Resources, transactions and positions will be segmented into ~~three~~ two distinct risk books:
 - a. Slice/Purchased Power
 - ~~b. Thermal~~
 - ~~c. Environmental Attributes~~
2. The Slice/Purchased Power book will consist of any purchased power resource or transaction that is not (i) dependent on natural gas (or alternate fuels) for purposes of pricing delivered power or (ii) backed by a product or resource that is dependent on natural gas (or alternate fuels) for purposes of pricing delivered power. Such resources include BPA Slice and Block, and any applicable market purchase or sale contracts.

Within the Slice / Purchased Power book, transactions will be further segmented into physical and financial sub-books to ensure that both physical and financial positions can be monitored and evaluated.

- ~~3. The Thermal book will consist of all power resources that are (i) dependent on natural gas (or alternate fuels) for purposes of pricing delivered power or (ii) backed by a product or resource that is dependent on natural gas (or alternate fuels) for purposes of pricing delivered power. Such resources include owned thermal resources, and any transactions that are related to management of such agreements or resources, including market purchases and sales.~~

~~Within the Thermal book, transactions will be further segmented into individual resource sub-books, which will in turn be segmented into power and natural gas (or alternate fuels) sub-books. The power and natural gas sub-books will each be further segmented into physical and financial books to ensure that both physical and financial positions can be monitored and evaluated.~~

4.3. The Environmental Attributes book will consist of intangible non-energy attributes associated with electrical power (e.g., renewable energy credits, ~~or~~ carbon emissions, etc.) designed to satisfy regulatory requirements.

D. Forecasting Slice Generation

1. Absent snowpack and runoff information on a particular water year, the District will determine probabilities for monthly Slice generation using the most recently completed BPA Multi-Year Study to determine the range ESP study of Slice System generation. All mark-to-market and net position reports will use these probabilities.
2. A range of Slice generation forecasts will be calculated each month using a methodology approved by the Risk Management Committee. Forecasts will be linked to expected and contingency streamflow forecasts prepared by the Northwest River Forecast Center, or other recognized third party experts, and will be selected using long-range weather outlooks, and the inherent uncertainty contained in the long-range forecasts. Changes in forecast methodology are permitted only when there is an ability to correct an identified deficiency in methodology, and/or when the Risk Management Committee believes the change will result in improved forecast accuracy.

E. Database Administration

TEA uses a state of the art Deal Capture (DC) system, integrated with The Optimizer scheduling application system for scheduling and transaction accounting. The District and TEA recognize that as these systems evolve, modifications to processes will be made. The database administration and security provisions outlined below reflect the current development status of The Optimizer. A Database Administrator (DBA) has been designated. That person is charged with database security and maintenance for the transaction databases.

The following safeguards for data security and backup will be installed:

1. Transaction data stored in the system of record will be replicated daily to ensure data redundancy.
2. The DC and The Optimizer databases, as well as the daily schedules, will be backed up at least daily after the close of business.

F. Checkout

Monthly Checkout – TEA's Bilateral Settlement Department will checkout all transactions, both volume and dollar amounts, at the end of the month consistent with normal industry practice. TEA's Bilateral Settlement Department will strive to checkout all transactions within 5 business days of the end of the month. TEA's Bilateral Settlement Department also will perform mid-month checkouts as appropriate.

G. New Counterparty Approval

1. New counterparties for ~~agency~~ transactions on District agreements will be recommended to the Risk Management Committee by TEA.
2. A justification for the initiation of trading will be required.

3. The Risk Management Committee is responsible for establishing, with the assistance of the TEA Credit Manager, credit limits based on the TEA credit limit and documentation requirements for any new trading partner.
4. A new counterparty will not receive final approval until the Risk Management Committee's approval is obtained. Trading with the counterparty is not allowed during that process, with the exception that real-time purchases can be executed with any counterparty, regardless of their prior approval by the Risk Management Committee.

H. New Product or Transaction Type

From time to time, a new transaction type becomes available. ~~If the new product is offered by a new counterparty, the counterparty must first be approved by the Risk Management Committee.~~ Should such new product be considered of advantage to the goals of the District, the process outlined below should be followed:

1. New products will be recommended by TEA and must first be approved by the Risk Management Committee before trade execution.
2. TEA's Risk Manager will provide a justification for the new product stating the value to the District and its credit impact.
3. The Risk Management Committee meeting in monthly or special session, will review that justification and approve the transaction product, and approve quantitative and/or qualitative limits on use of the product if deemed desirable.
4. The Risk Management Committee may defer authorization to the Commission.
5. In any case, the Commission should be informed of the new transaction and its justification.

I. Audit

1. After TEA board approval of changes to the TEA Risk policy, TEA staff will provide a verbal summary of these changes to the Risk Management Committee when the changes impact the service that TEA provides to the District. TEA is not required to summarize changes to the TEA Risk Policy appendix to the District. The District can conduct an internal review of TEA's Risk Management Policies and Procedures. The review of TEA's Risk Management Policy and associated policies and procedures will be done at the TEA office under TEA staff supervision.
2. An auditing firm that has a trading and risk management practice will conduct an external audit or review of this Policy as deemed necessary.

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Appendix A Approved Transactions

Approved Physical Transactions:

1. Same day purchases and sales of power and natural gas
2. Next day purchases and sales of power and natural gas
3. Forward purchases and sales of power and natural gas. (Transactions longer than 12-months in duration require the District's Commission approval.)
4. Energy exchanges
5. Purchase or sale of capacity or load factoring product (energy deliveries net to zero over a pre-established time period)
6. Purchase of monthly or daily calls and puts
7. Washington state compliant carbon allowances.
8. Renewable Energy Credit (REC) Transactions
- 8.9. [Transmission service to support purchases and sales from the wholesale market](#)

Approved Financial Transactions:

1. Power and natural gas fixed for floating swaps
2. Natural gas swing swaps
3. Natural gas basis swaps
4. Natural gas index swaps
5. Currency swaps relating to managing US/Canadian exchange rate risk resulting from purchases of natural gas
6. Purchase of monthly put and call options¹
7. Purchase of daily put and call options
8. Purchase of monthly swap options
9. Purchase of dual trigger options that settle based upon a power or natural gas price index and an agreed upon temperature trigger

¹ Settlement of these options should be against applicable Northwest indices. Option exercises automatically at the end of the month if the option is in the money.

Appendix B

Risk Management Committee Decision Making Process

Consensus means that no member holds so strongly to an alternate position that the member cannot allow the decision to be made. There are five levels of agreement/disagreement with a position:

1. I fully agree;
2. I do not view the issue as highly significant, thus I agree through lack of concerns;
3. I have some concerns about the position, but support it as the best wisdom of the group;
4. I have concerns about the position, but support it because I believe my concerns have been heard and considered by the group; or
5. I disagree with the position and believe its implications are so negative that I must protest its acceptance.

Consensus exists when members of the Risk Management Committee hold positions number 1, 2, 3, or 4. When one member of the Risk Management Committee holds position 5, the Risk Management Committee will note a minority dissension to the consensus and reflect that dissension in its decision announcements. Should a greater number of persons dissent, the Risk Management Committee will consider a consensus not to exist and will either drop the issue or ask, "What would be required for the dissenter to agree to the majority position?"

Appendix C

Swap Transaction Representative Selection and Monitoring

Effective Date: January 1, 2013

Type: Mandatory Policy

Applicable Departments: District wide

Purpose:

To ensure the District, a Special Entity under the Dodd-Frank Financial Reform Act, selects a qualified independent representative (“Representative”) to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

Definitions:

Swap Dealer – A swap market participant that acts as a dealer in commodity swaps. The term “Swap Dealer” is further defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg).

Special Entity – A swap transaction counterparty that includes a state agency, city, county, municipality or other political subdivision of a state, or any instrumentality, department, or a corporation of or established by a State or political subdivision of a State. The term “Special Entity” is further defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(C).

Major Swap Participant – A swap market participant that maintains substantial positions in swaps such that the level of swap activity creates substantial counterparty exposure. The term “Major Swap Participant” is further defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh).

Trade Option Exemption – An exemption from most Dodd-Frank swap regulations granted to certain physical commodity options. Recordkeeping and reporting requirements still apply. The requirements for the trade option exemption can be found in 17 C.F.R. 32.3.

End-User Exception – An exception from clearing granted to certain swap transactions used for hedging or mitigating commercial risk. The end-user exception is only available to non-financial entities. The requirements for the exception are outlined in 7 U.S.C. 2(h)(7)(A) and further interpreted in 17 C.F.R. - 50.50

Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term “Swap” is further defined in 7 U.S.C. 1a(47) and further interpreted in 17 C.F.R. 1.3(xxx).

Qualified Independent Representative – a representative required of Special Entities to transact swaps with Swap Dealers or Major Swap Participants. Among other tasks, the representative is required to evaluate fair pricing for the swap transaction, make timely disclosures to the Special Entity and act in the best interest of the Special Entity. An exhaustive list of the requirements for the representative can be found in 17 C.F.R. 23.450(b).

Selection: The District shall endeavor to seek and employ an individual or entity that will voluntarily act as a Representative for all energy commodity swap transactions between the District and any Swap Dealer or Major Swap Participant. The Representative must meet the following qualifications identified in 17 C.F.R. 23.450(b):

- (i) Has sufficient knowledge to evaluate the transaction and risks;
- (ii) Is not subject to a statutory disqualification;
- (iii) Is independent of the Swap Dealer or Major Swap Participant;
- (iv) Undertakes a duty to act in the best interests of the Special Entity it represents;
- (v) Makes appropriate and timely disclosures to the Special Entity;
- (vi) Evaluates, consistent with any guidelines provided by the Special Entity, fair pricing and the appropriateness of the swap; and

- (vii) In the case of a Special Entity as defined in § 23.401(c)(2) or (4), is subject to restrictions on certain political contributions imposed by the Commission, the Securities and Exchange Commission, or a self-regulatory organization subject to the jurisdiction of the Commission or the Securities and Exchange Commission; provided however, that this paragraph (b)(1)(vii) of this section shall not apply if the Representative is an employee of the Special Entity.

The Representative and the District shall enter into a legal agreement that binds the Representative to comply with items (i) through (vii) in this policy.

At no longer than any 12-month interval, the District shall review the performance of the Representative to ensure compliance with items (i) through (vii) in this policy.

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Appendix D

Delegation of Authority for Short-Term Power and Natural Gas Transactions

In accordance with Section III, the Commission has delegated approval of all short term power and natural gas transactions with terms of 12 months or less, and that have a delivery period that concludes within 36 months beyond the end of the calendar year the date of execution, meeting certain criteria to the General Manager/CEO, or their his designee, consistent with Resolutions 992 and 993.

The criteria for power sales contracts are established as follows:

- The term (delivery period) of the sale is one year (365 days) or less, and the sales transaction concludes no later than 36 months from the date of execution.
- The General Manager/CEO, prior to entering into any short term sales contracts, shall first make adequate provision for the energy needs of the District, both actual and prospective.

The criteria for power purchase contracts are established as follows:

- The term (delivery period) of the purchase is one year (365 days) or less, and the purchase transaction concludes no later than 36 months from the date of execution.

Resolution 992 authorizes the General Manager or his designee to "...Enter into Short Term Power and Natural Gas Sales Contracts Pursuant to Commission Approved Criteria" and Section 5 of the resolution sets out more specific limits on the authority to enter into short term sale contracts.

Resolution 993 authorizes the General Manager or his designee to "...Enter into Short Term Power and Natural Gas Purchase Contracts and establishes guidelines and procedures for such delegation," and Section 3 of the Resolution sets out more specific limits on the authority to enter into short term purchase contracts.

The Power Manager Director responsible for Power is designated with the authority to approve short term power and natural gas transactions within meeting the limits criteria specified in Resolutions 992 and 993 of this policy.

Under this designation, the Director responsible for Power has the authority to unilaterally approve short term transactions within the limits of the referenced resolution this policy. However, the authority includes a stipulation that the Power Manager Director responsible for Power should, whenever possible, obtain the approval of a majority of the Risk Management Committee for transactions that extend beyond 65 days.

When the Power Manager Director responsible for Power approves transactions unilaterally, the Power Manager will document the basis for such transactions by way of an memo-email to the Risk Management Committee not later than the next Risk Management Committee meeting.

The Power Manager may approve transactions through prompt month. The Sr. Power Analyst may approve transactions through the balance of month.

Appendix E
Non-Federal Power Purchase Agreements

<u>Project/Contract</u>	<u>Counterparty</u>	<u>Project Location</u>	<u>Nameplate Capacity</u>	<u>Resource Type</u>	<u>WREGIS ID</u>
<u>Packwood Lake Hydro Project</u>	<u>Energy Northwest</u>	<u>Lewis County, WA</u>	<u>1.3 aMW</u>	<u>Hydro</u>	<u>N/A</u>
<u>Nine Canyon Wind Project</u>	<u>Energy Northwest</u>	<u>Benton County, WA</u>	<u>10.01 aMW</u>	<u>Wind</u>	<u>W684, W697</u>
<u>White Creek Wind Project</u>	<u>Lakeview Light & Power</u>	<u>Klickitat County, WA</u>	<u>10 aMW</u>	<u>Wind</u>	<u>W360</u>
<u>Esquatzel Small Hydro Project</u>	<u>Green Energy Today</u>	<u>Franklin County, WA</u>	<u>.7 aMW</u>	<u>Hydro</u>	<u>W2460</u>
<u>Summer Capacity – July, August September</u>	<u>Powerex</u>	<u>N/A</u>	<u>40 aMW</u>	<u>Unspecified</u>	<u>N/A</u>
<u>Winter Capacity – January – June, October - December</u>	<u>Powerex</u>	<u>N/A</u>	<u>25 aMW</u>	<u>Unspecified</u>	<u>N/A</u>
<u>Wheat Field Wind Project – May – October</u>	<u>Snohomish PUD</u>	<u>Gilliam County, OR</u>	<u>97 aMW</u>	<u>Wind</u>	<u>W806</u>

AGENDA ITEM 7

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Katrina Fulton
Finance & Customer Service Director

Date: January 27, 2026

☐ REPORTING ONLY

☐ FOR DISCUSSION

☒ ACTION REQUIRED

1. OBJECTIVE:

Authorizing the General Manager/CEO or his Designee to Execute a Letter of Intent (LOI) with Energy Northwest (EN) to Extend the Life of Nine Canyon Wind Project (Nine Canyon, The Project).

2. BACKGROUND:

The Nine Canyon Wind Project is a 96 MW wind farm located in Benton County, WA. The District currently has a Project Power Purchase Agreement (PPA) with Energy Northwest for the purchase of 4.17% (2.01 MW) of generating capacity of Phase 1 and 25% (8.0 MW) of generating capacity of Phase III, for a total of 10.01 MW. The existing PPA will terminate on July 1, 2030.

EN is exploring refurbishment of the existing turbines through a Life Extension Project, which would allow the Project to continue operations and power production for a minimum of 10 years after completion of the upgrades.

In November 2025, EN issued a Letter of Intent (LOI) to current off-takers of the Project who wish to support refurbishment and negotiate a new PPA for up to two (2) additional five-year terms. The LOI states that allocation of the Project will be awarded on a right of first refusal basis, based on contract volumes in current PPAs. EN will explore opportunities to allocate any surplus capacity not allocated during the LOI process.

The LOI states that the District should request maximum and minimum volumes for the extension. The District will then be required to pay a non-refundable reservation premium to EN at \$5,000.00 per MW of allocated capacity. The District intends to request a minimum allocation equal to the current percentage of the project capacity, and a maximum allocation up to the project maximum of 100% (96 MW).

While the District's 2024 Integrated Resource Plan (IRP) focused primarily on solar and battery development as the technology to fulfill the need created by a growing load and resource adequacy requirements, wind was also identified as a viable resource for procurement; not necessarily development. Extending the District's participation in the Nine Canyon Wind Project would provide the following:

- Renewable Energy Credits (RECs) for Energy Independence Act compliance,
- favorable term,

- existing local resource with transmission,
- qualifying capacity under the Western Resource Adequacy Program (WRAP), and
- load profile compatibility.

Staff recommends that the Commission authorize the General Manager/CEO or his designee to execute a Letter of Intent with Energy Northwest and remit the associated reservation premium for the Nine Canyon Wind Project Life Extension Offtake. The existing PPA for the Project will remain in effect until the new PPA is fully executed and approved by participants continuing with the Project.

3. SUGGESTED MOTION:

I move to authorize the General Manager/CEO or his designee to execute a Letter of Intent (LOI) with Energy Northwest (EN) to extend the life of Nine Canyon Wind Project (Nine Canyon, The Project) and request a minimum project allocation equal to the Districts current 10.01 MW share, up to a maximum project allocation of 100%, or approximately 96 MW.

AGENDA ITEM 8

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: Mark Hay
Engineering & Operations Director
Date: January 27, 2026

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ **ACTION REQUIRED**

1. OBJECTIVE:

Authorizing the General Manager/CEO or his Designee to Execute a Contract for the Purchase of a Multi-Dwelling Unit Material Required for the Connell and Basin City Fiber-To-The-Home Project.

2. BACKGROUND:

The Washington State Broadband Office (WSBO) was awarded Coronavirus Capital Program Funds by the U.S. Department of the Treasury. The District applied and qualified for up to \$4,854,610 in funding to build a fiber infrastructure for the City of Connell and Basin City. The funding process includes WSBO review to bid advertisements and scope of work approval.

In December 2025, the District requested bids in accordance with the WSBO Infrastructure Acceleration Grants Handbook from vendors for multi-dwelling unit material needed to provide broadband service to apartments, duplexes, and other multi-dwelling buildings. Staff received and evaluated one (1) bid:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
General Pacific	\$97,915	Yes

The bid submitted by General Pacific had exceptions that included providing the final delivery schedule at the time of order and not providing Build America, Buy America Act documentation with the bid. The documentation will be provided before the order is placed. These exceptions are acceptable to the District.

Staff determined that the bid submitted by General Pacific was the lowest responsive bid and was within the District's estimate of \$200,000.

Staff recommends that the Commission authorize the General Manager/CEO or his designee to execute a contract with General Pacific, the lowest responsive bidder, for the purchase of multi-dwelling unit material in an amount not to exceed \$97,915.

3. SUGGESTED MOTION:

I move to authorize the General Manager/CEO or his designee to execute a contract with General Pacific, the lowest responsive bidder, for the purchase of multi-dwelling unit material in an amount not to exceed \$97,915.

AGENDA ITEM 9

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: Mark Hay
Engineering & Operations Director
Date: January 27, 2026

☐ REPORT
☐ DISCUSSION
☒ **ACTION REQUIRED**

1. OBJECTIVE:

Authorizing the General Manager/CEO or his Designee to Execute a Contract Extension with DJ's Electric, Inc. for Miscellaneous Dock Crew Projects.

2. BACKGROUND:

In February 2023, the District entered into a contract with DJ's Electric, Inc. to furnish labor and equipment required to complete various projects in the District's Capital Budget. The initial term of the contract was for three years with an option to extend for up to one additional twelve-month period. The contract also allows for an annual unit price increase that cannot be greater than the percentage increase allowed by the Northwest Line Chapter of National Electrical Contractors Association and the International Brotherhood of Electrical Works Local 77 Agreement. The 2026 rate increase allowed is 5%.

Staff recommends exercising the final contract extension and increasing the unit price by 5%. The extension will authorize year four funding for a not to exceed amount of \$1,815,256, which includes the 5% increase of \$86,441, for a ten-month period beginning March 1, 2026 through December 31, 2026, as allowed by paragraph 15 of the contract.

Staff recommends that the Commission authorize the General Manager/CEO or his designee to execute a contract extension for miscellaneous dock crew projects with DJ's Electric, Inc. for year four funding, effective March 1, 2026, in an amount not to exceed \$1,815,256 which includes a 5% increase for unit pricing.

3. SUGGESTED MOTION:

I move to authorize the General Manager/CEO or his designee to execute a contract extension for miscellaneous dock crew projects with DJ's Electric, Inc., for year four funding, effective March 1, 2026, in an amount not to exceed \$1,815,256, which includes a 5% increase for unit pricing.

AGENDA ITEM 10

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Rosario Viera
Public Information Officer
Date: January 27, 2026

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ **ACTION REQUIRED**

1. OBJECTIVE:

Adopting a Resolution Authorizing the General Manager/CEO to Provide District-Logo Clothing to Employees and Authorized Representatives for Operational Identification to Maintain Public Safety, Promote a Professional Image and Superseding Previous Board Actions.

2. BACKGROUND:

On April 27, 1999, the Board of Commissioners (the Commission) authorized for the funding of District-logo clothing for employees to ensure the general public can easily identify authorized District representatives during safety education programs, community outreach, official public events, and the regular course of business.

In 2025, the District participated in 25 community outreach events such as school safety demonstrations, career fairs, and RiverFest. These efforts totaled 70 volunteer hours (excluding Public Affairs staff, Commissioners and family members).

To reflect current operational needs, Resolution 1445 formalizes the continuance of providing employees with logo-clothing for the regular course of business and updates this authorization to include providing District-logo clothing to authorized representatives assisting with District-authorized community events for public safety and professionalism.

Staff recommends the Commission adopt Resolution 1445 authorizing the General Manager/CEO to provide District-logo clothing to employees and authorized representatives for operation identification to maintain public safety, promote a professional image and supersede previous board actions.

3. SUGGESTED MOTION:

I move adopt Resolution 1445 as presented.

RESOLUTION 1445

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY, WASHINGTON

AUTHORIZING THE GENERAL MANAGER/CEO TO PROVIDE DISTRICT-LOGO CLOTHING TO EMPLOYEES AND AUTHORIZED REPRESENTATIVES FOR OPERATIONAL IDENTIFICATION, PROFESSIONALISM, AND COMMUNITY OUTREACH; AND SUPERSEDING PREVIOUS BOARD ACTIONS

WHEREAS, Public Utility District No. 1 of Franklin County (the District) is a municipal corporation formed under Title 54 of the Revised Code of Washington (RCW), dedicated to providing reliable and efficient utility services to its customer-owners; and

WHEREAS, on April 27, 1999, the Board of Commissioners (the Commission) recognized that clear identification of District personnel serves the public by maintaining public safety, ensuring security at District-sponsored events, promoting a professional image to the public, developing trust within the community and fostering a sense of unity among employees and authorized for the funding of logo clothing for employees; and

WHEREAS, the use of District-logo clothing allows rate payers and the general public to easily identify authorized District representatives during safety education programs, community outreach, official public events, and the regular course of business; and

WHEREAS, the Commission now desires to formalize and update this authorization via Resolution to ensure it reflects current operational needs, including the evolution of District safety standards, professional branding, and community engagement efforts; and

WHEREAS, the Commission further finds that providing logo clothing to employees and volunteers for use during authorized community events, safety fairs, and outreach activities serves a direct public benefit by facilitating safety education and fostering public trust; and

NOW THEREFORE, BE IT HEREBY RESOLVED that the General Manager/CEO is authorized to provide District-logo clothing to employees for use during the performance of their official duties to ensure clear identification and professional representation.

BE IT FURTHER RESOLVED, the General Manager/CEO is also authorized to provide District-logo clothing to employees and volunteers assisting with District-authorized community events where public identification of District representation is required or beneficial.

BE IT FURTHER RESOLVED the General Manager/CEO is authorized to establish internal procedures for the procurement, distribution, and appropriate use of such logo clothing in accordance with the District's budget.

BE IT FURTHER RESOLVED that the motion of April 27, 1999 is superseded.

ADOPTED by the Board of Commissioners of Public Utility District No.1 of Franklin County at an open public meeting this 27th day of January 2026.

William Gordon, President

Pedro Torres Jr., Vice President

Roger Wright, Secretary



Year End 2025

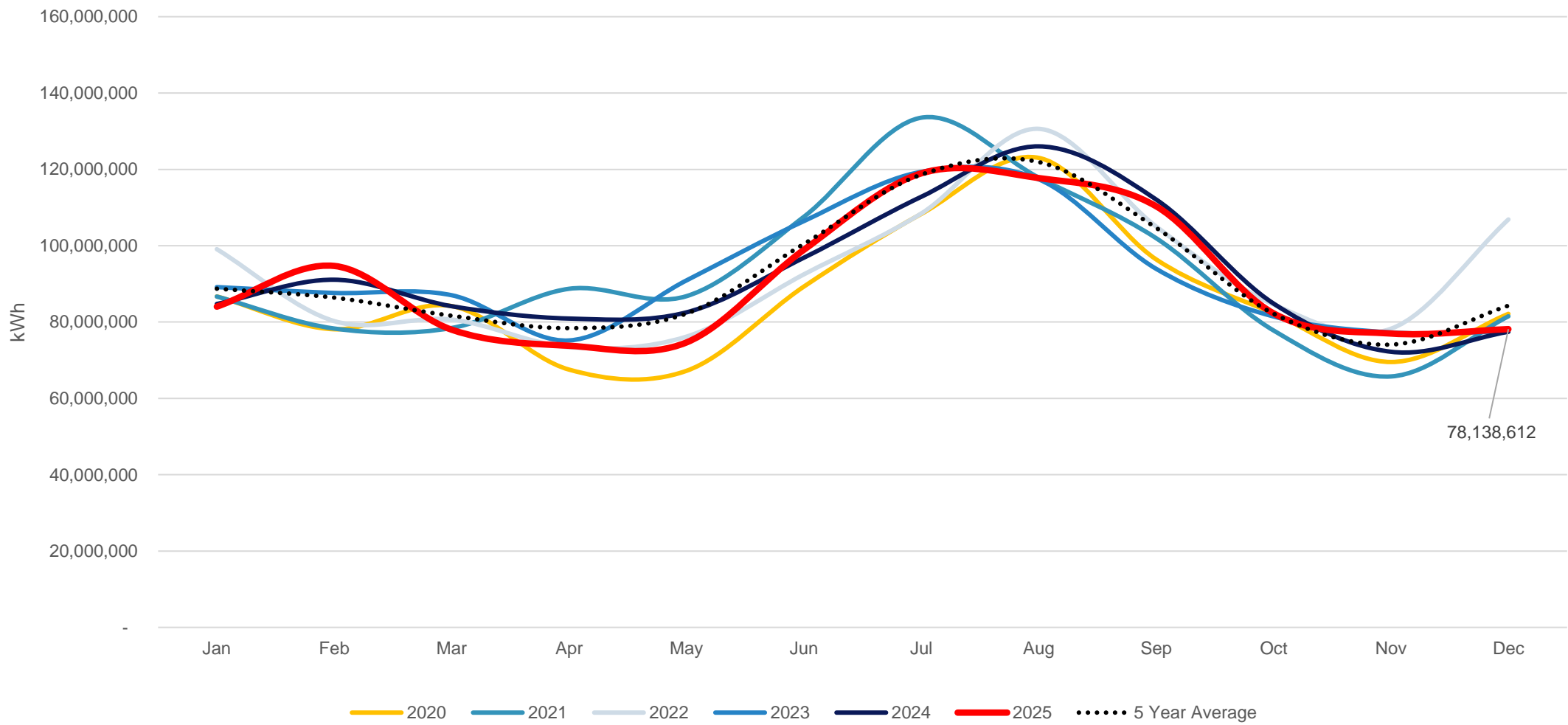
Monthly Key Performance Indicators

EXECUTIVE SUMMARY

Retail Energy Sales continued to fall below budget in November and December with one new load not ramping to expected usage, and temperatures far above average, similar to December 2024.

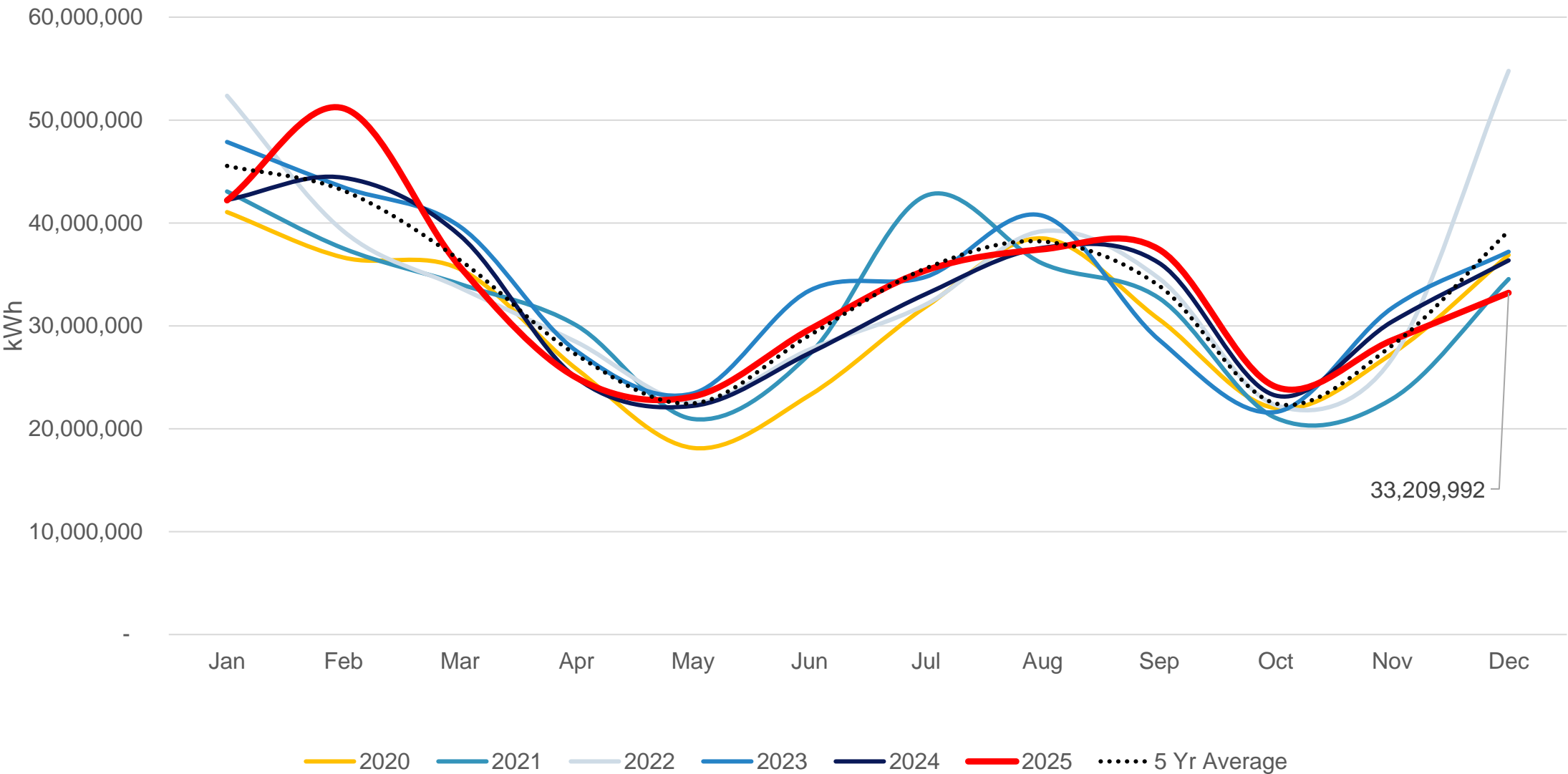
Despite the shortfall in Retail Energy Sales and a very poor water year, the District is ending the year on solid footing and expected to meet all financial policy metrics with a preliminary DSC of 2.95, and unrestricted reserves totaling \$44m. Contributing factors for the year include a larger than expected Slice True Up credit from BPA (\$1.6m) and monetization of carbon allowance proceeds (\$2.7m).

RETAIL LOAD COMPARISON

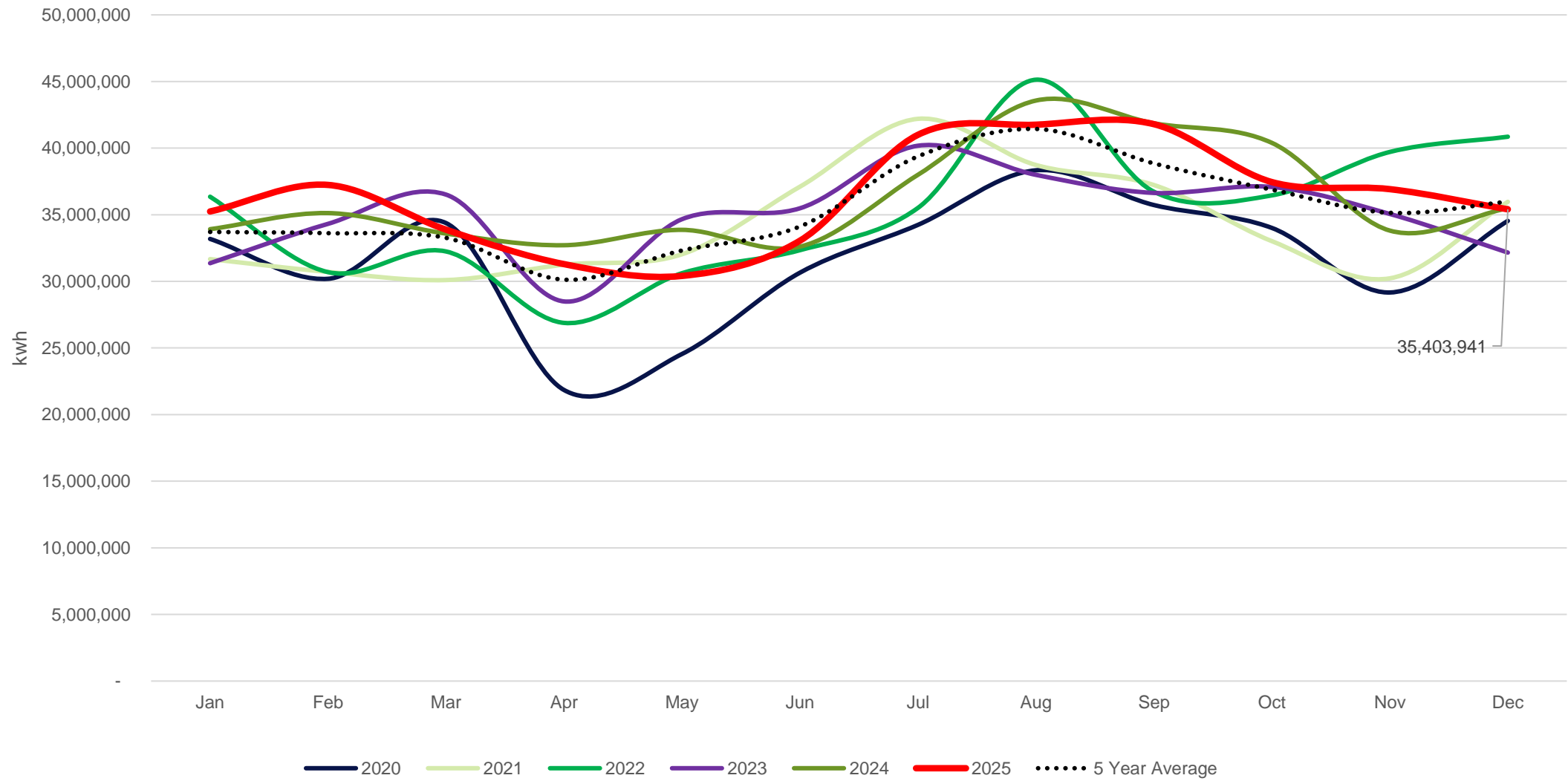


RESIDENTIAL LOADS

KPIs for November / December 2025

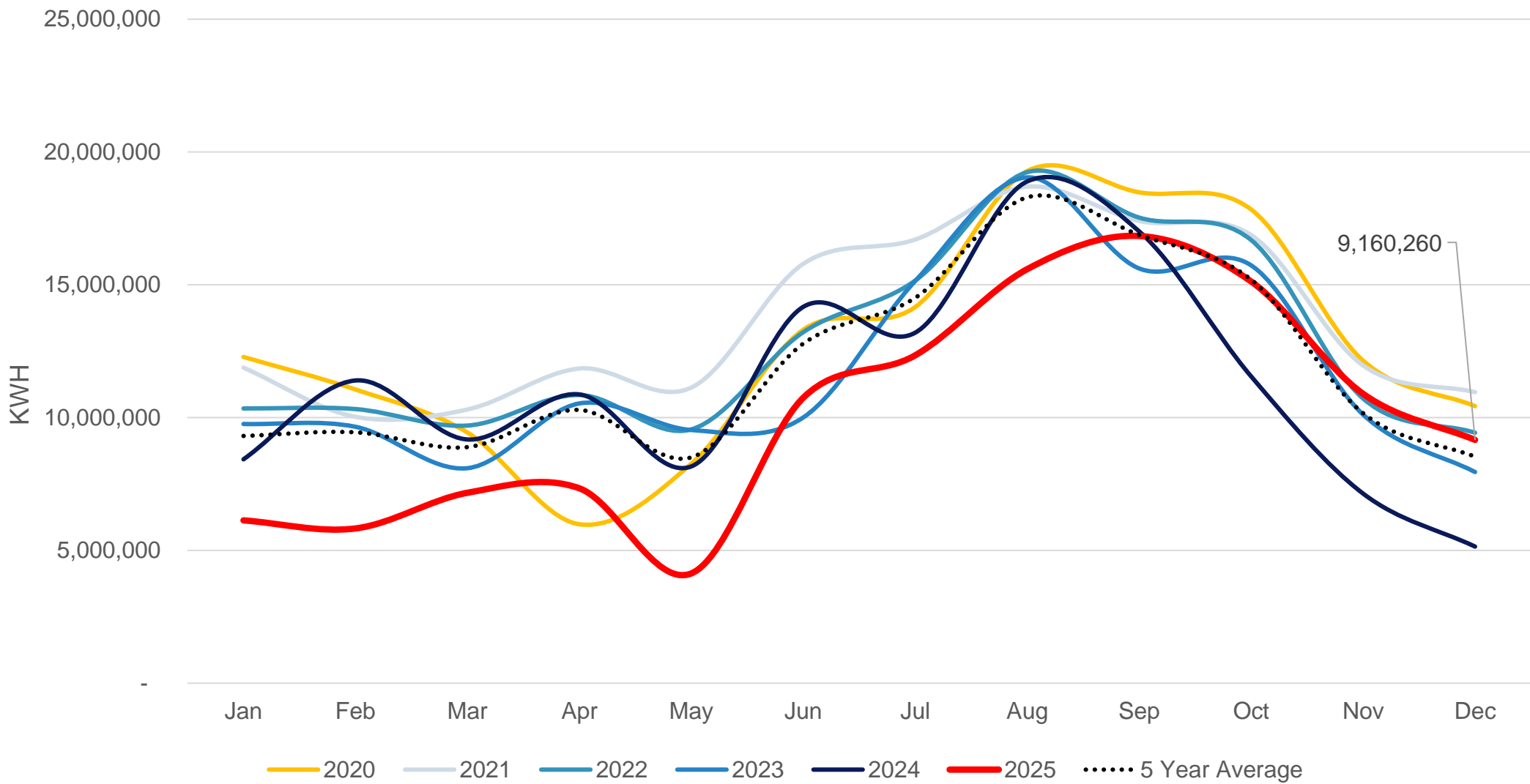


GENERAL LOADS

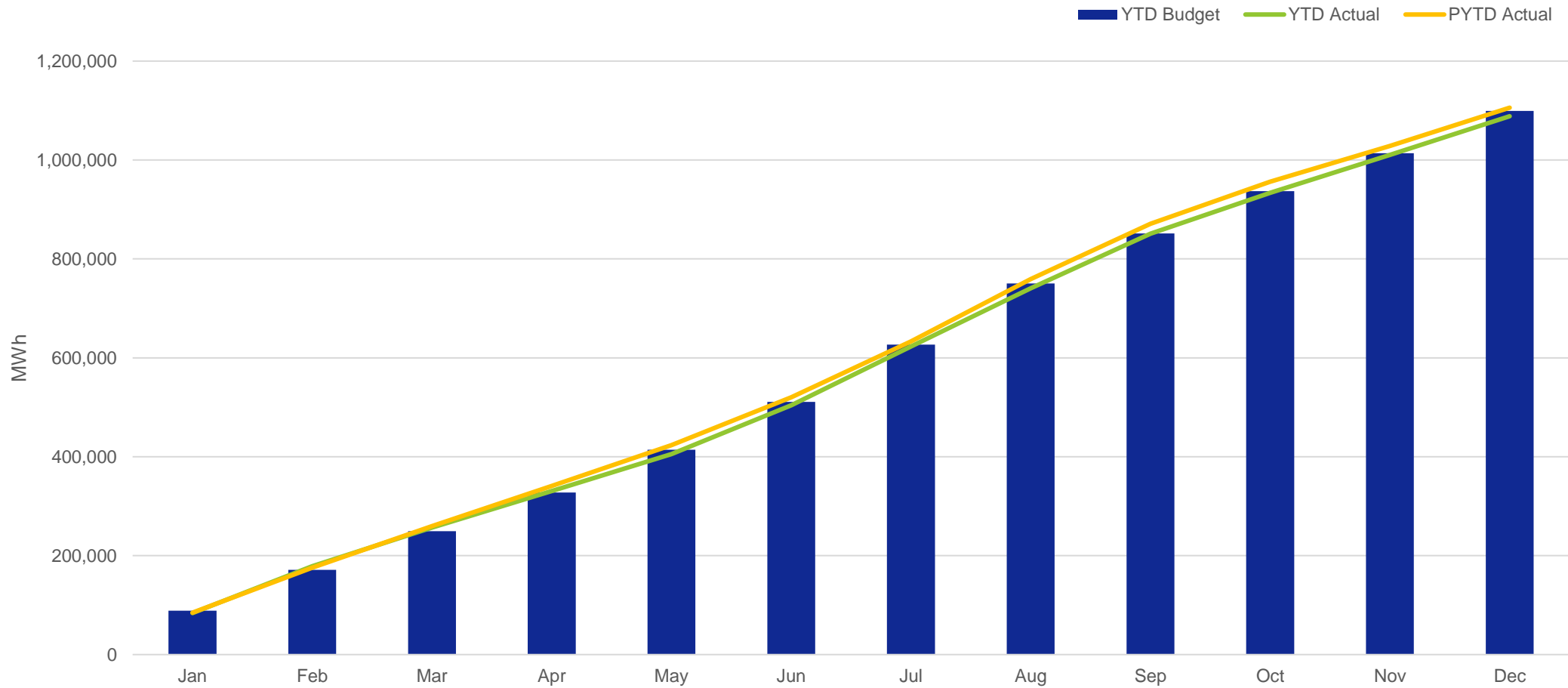


KPIs for November / December 2025

INDUSTRIAL LOADS



YTD LOADS: BUDGET VS. ACTUAL





POWER

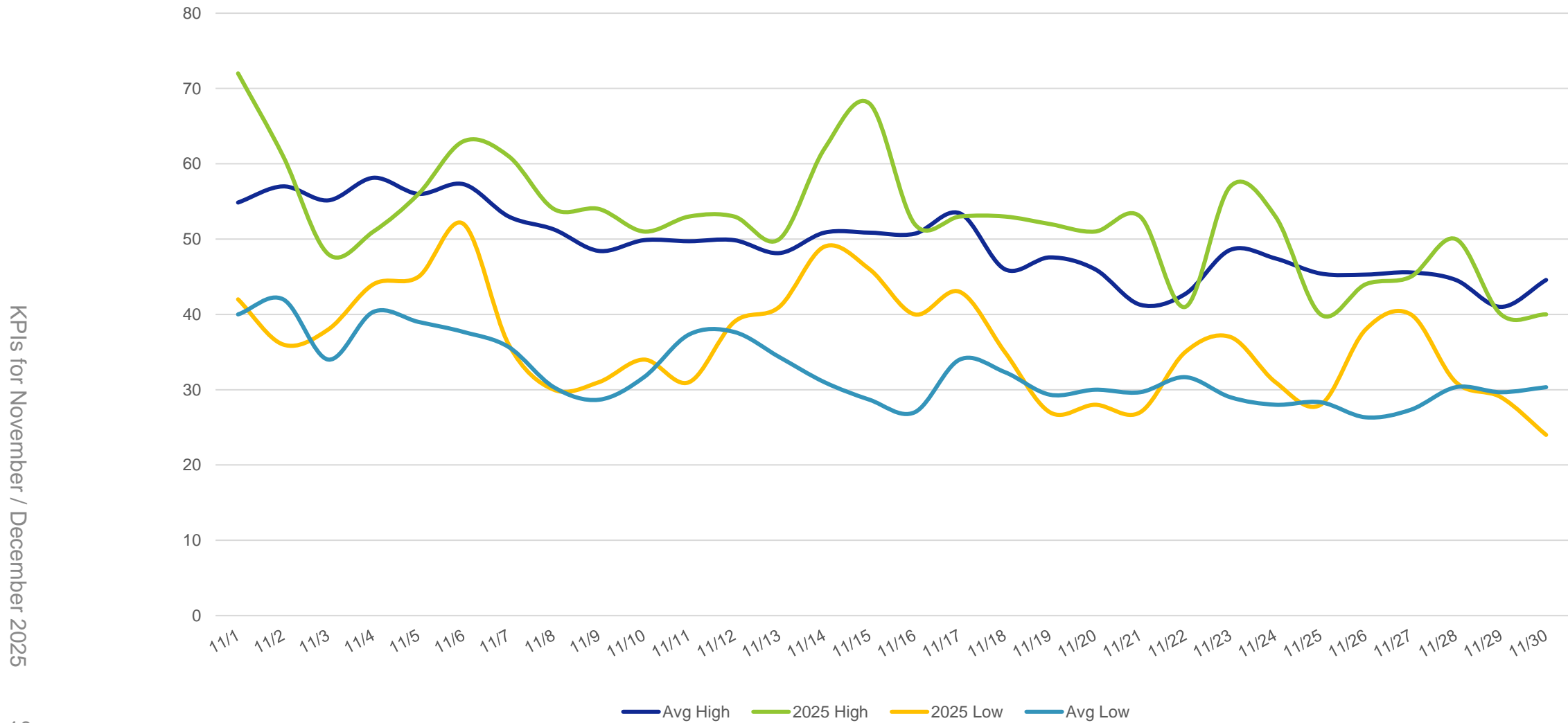


NOV/DEC OVERVIEW

December was very warm and very wet – this confluence greatly depressed market prices to a low of \$13.17 and highs only reaching the mid \$50's. Protective swaps that were forecasted to settle slightly out of the money just a couple of months ago, settled just over \$500k for December.

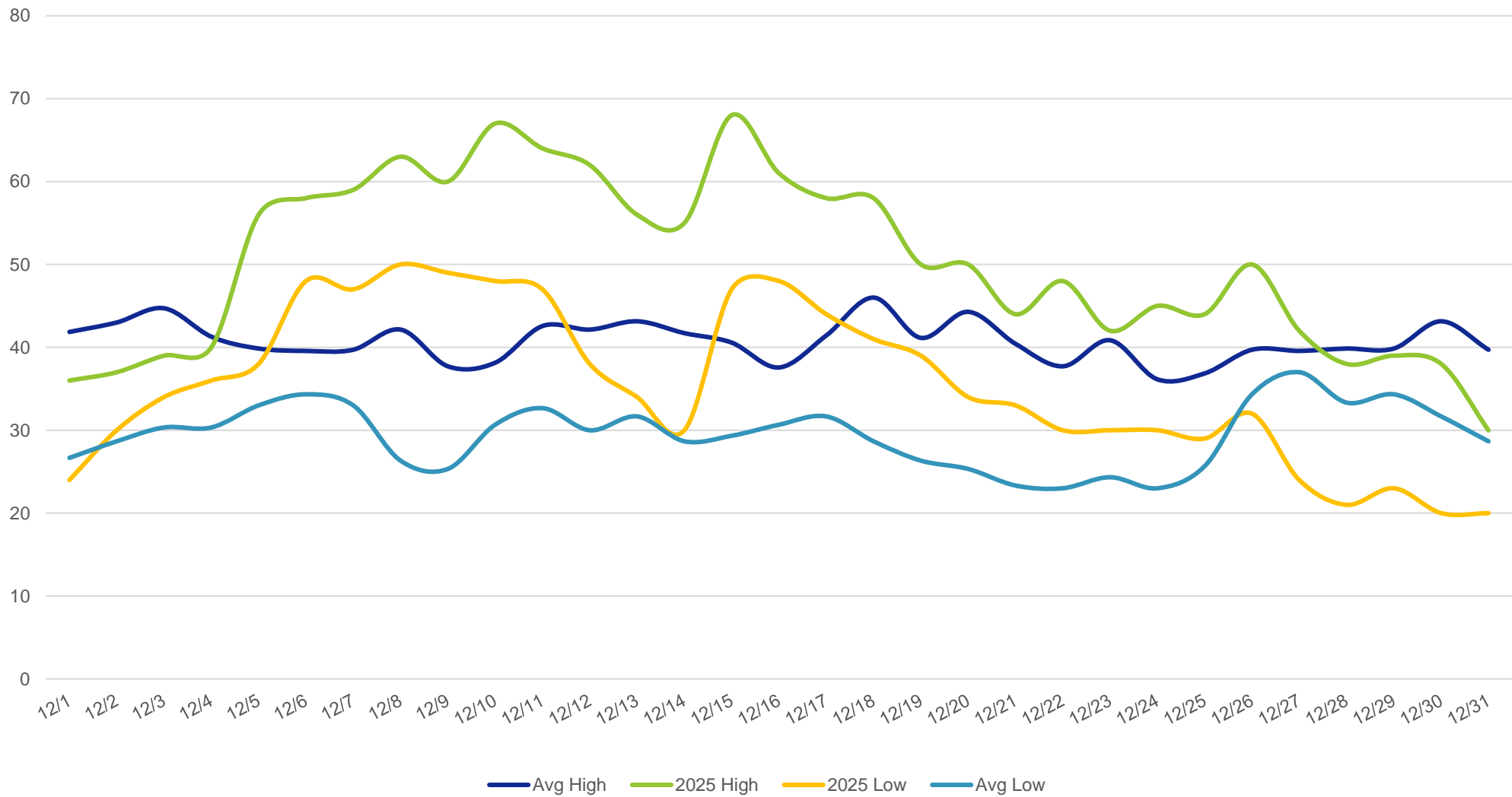
Hydro conditions reached far above average in December, with warm temps and heavy precipitation causing 3 GW more hydro generation versus expected. Current expectation is a near average water year for WY 2026, but it's still early and the time remaining for significant snowpack accumulation is dwindling.

TEMPERATURES - NOVEMBER



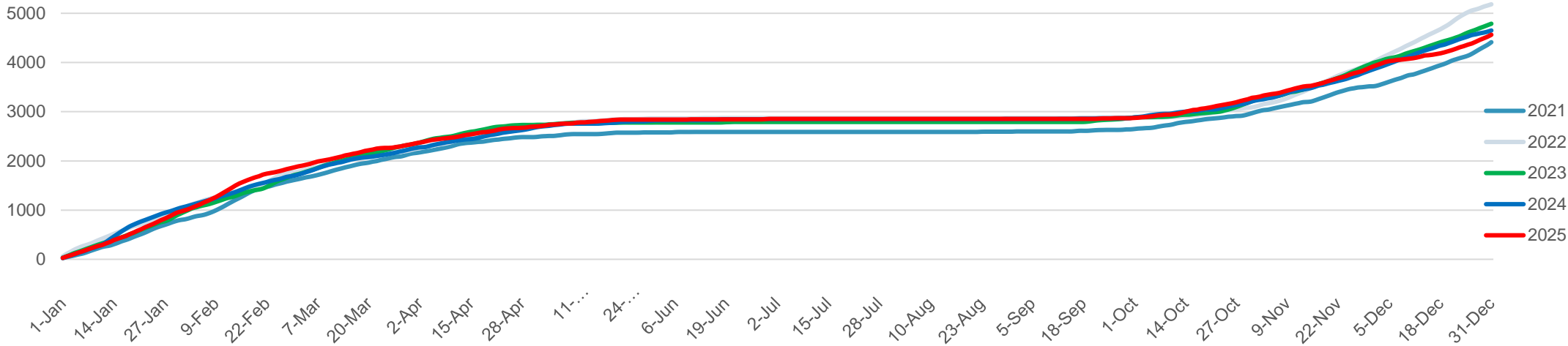
TEMPERATURES - DECEMBER

KPIs for November / December 2025

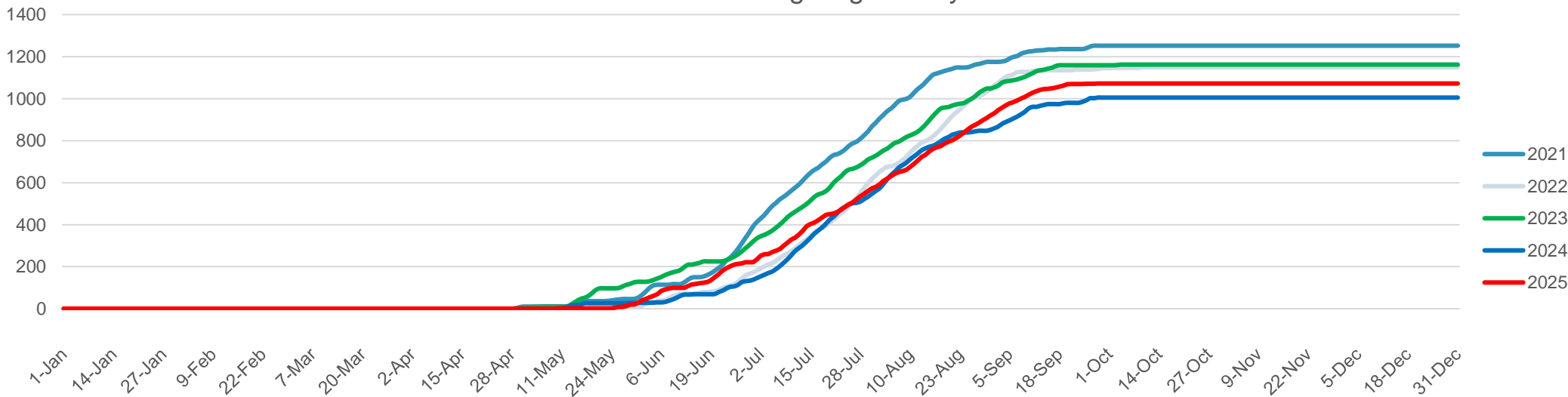


CUMULATIVE WEATHER DATA

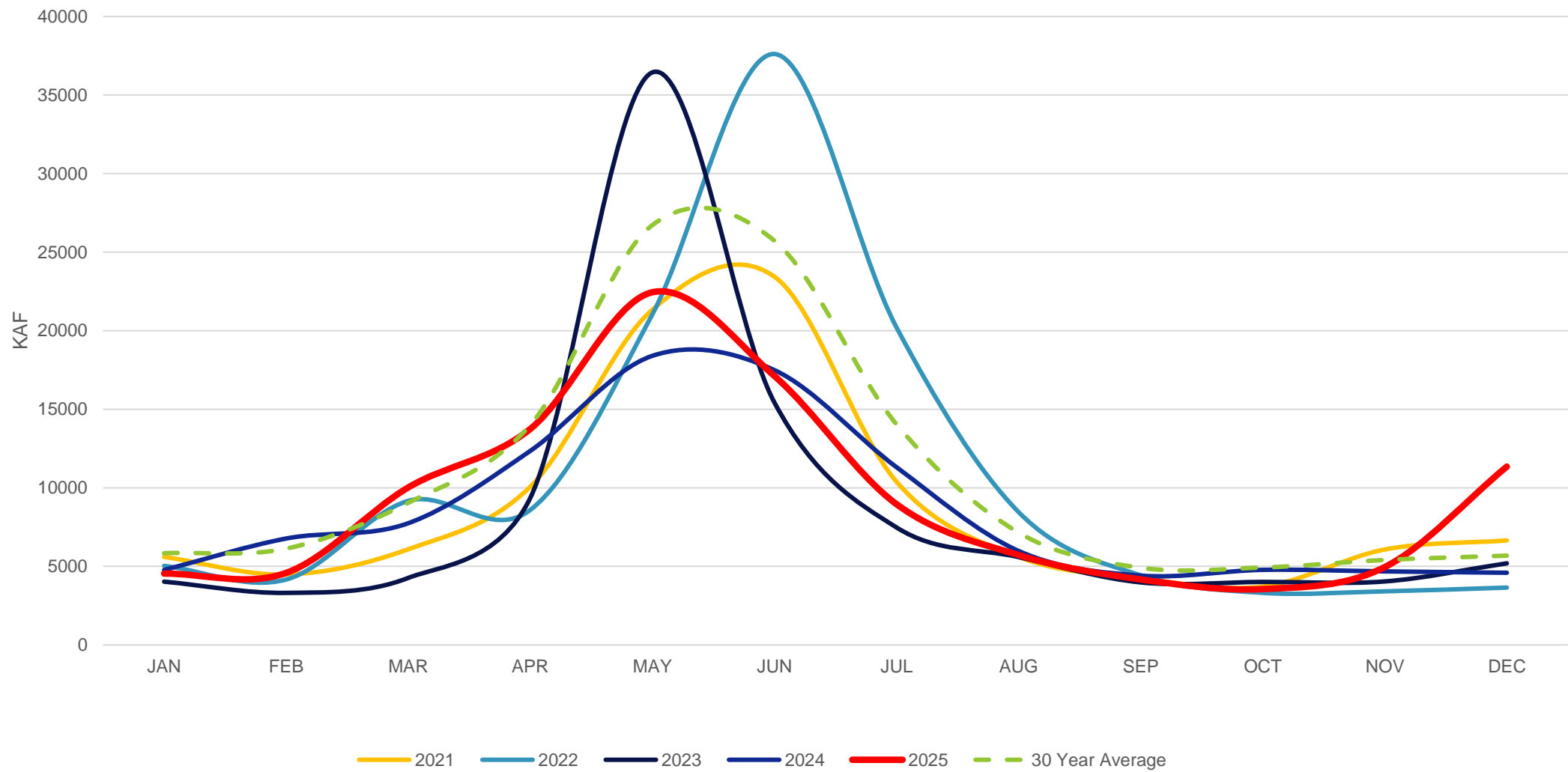
Cumulative Heating Degree Days



Cumulative Cooling Degree Days

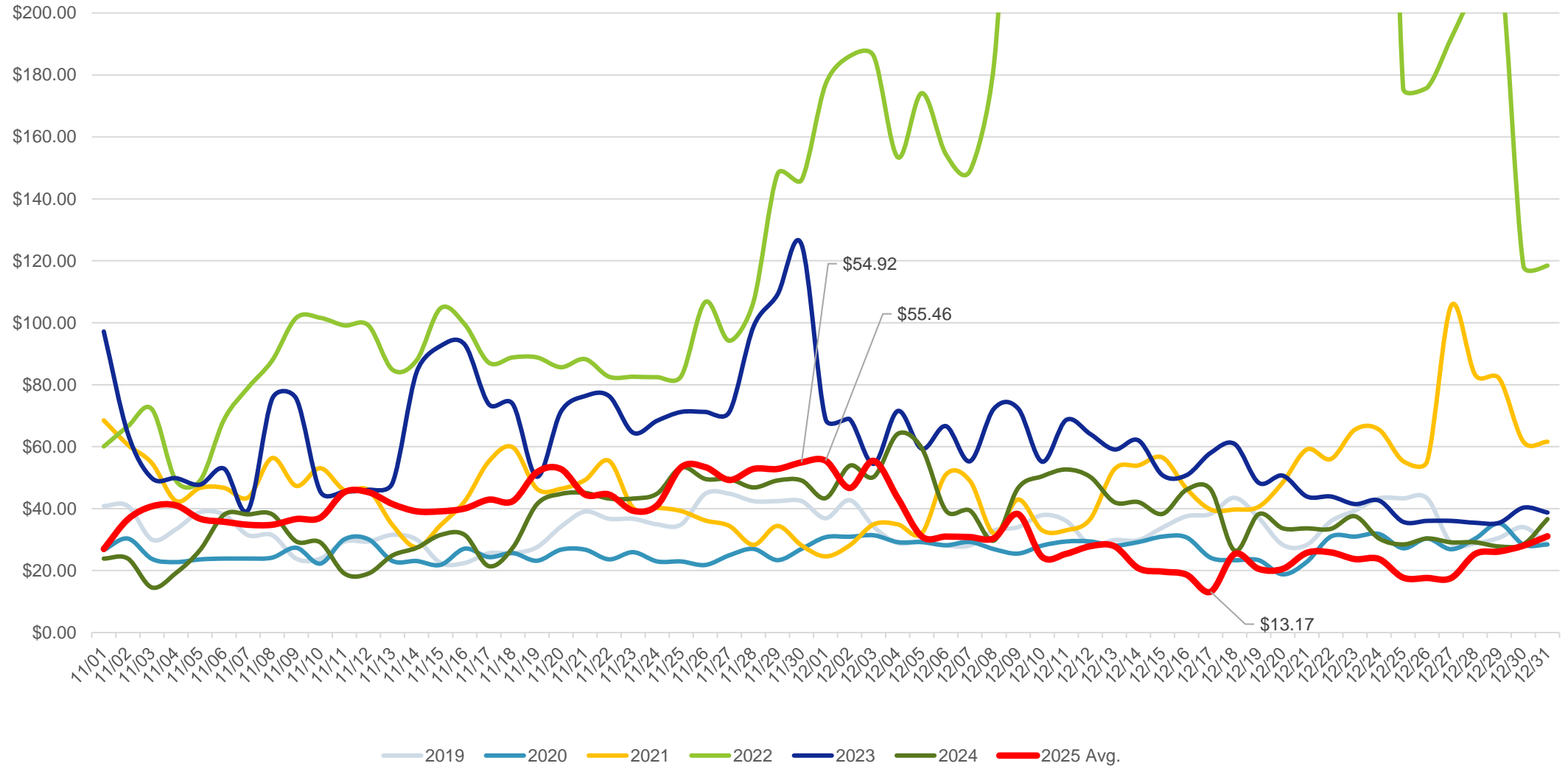


COLUMBIA RIVER RUNOFF

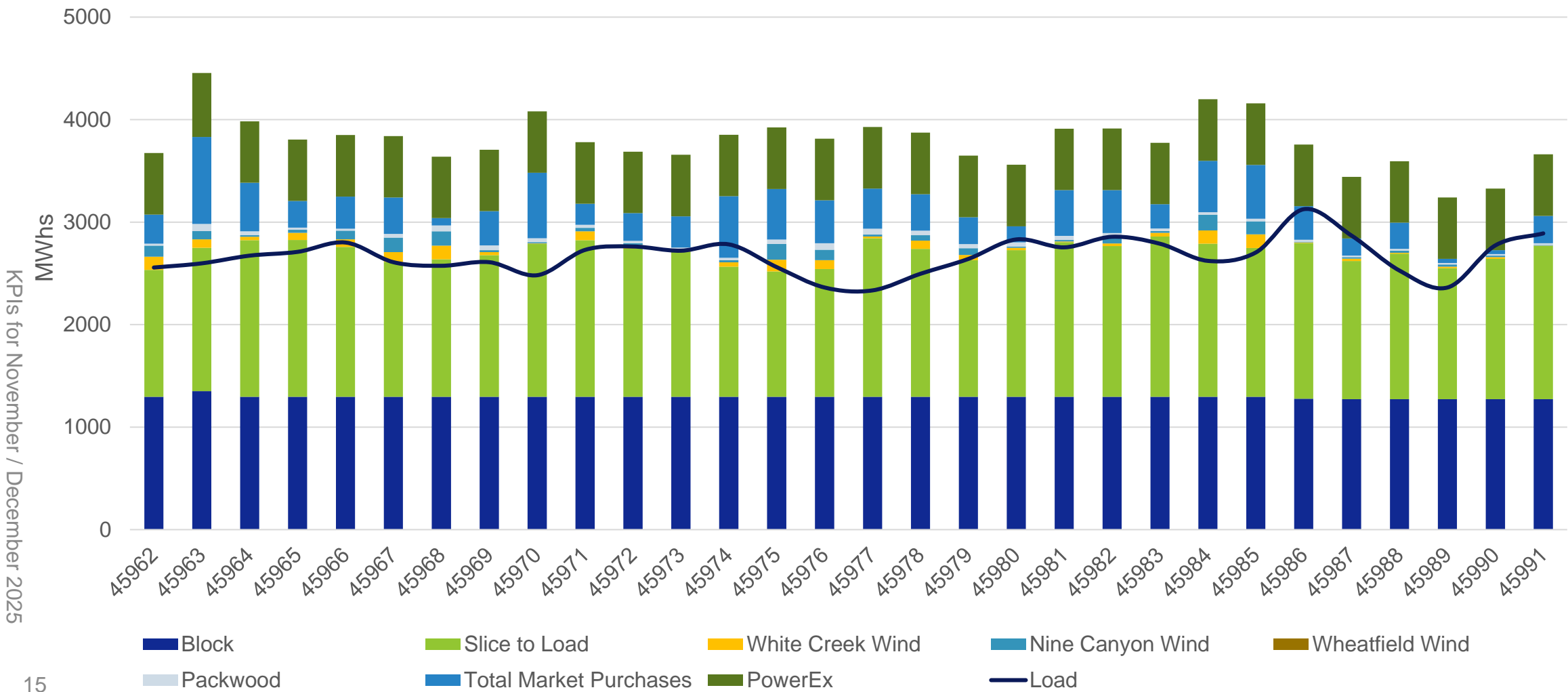


KPIs for November / December 2025

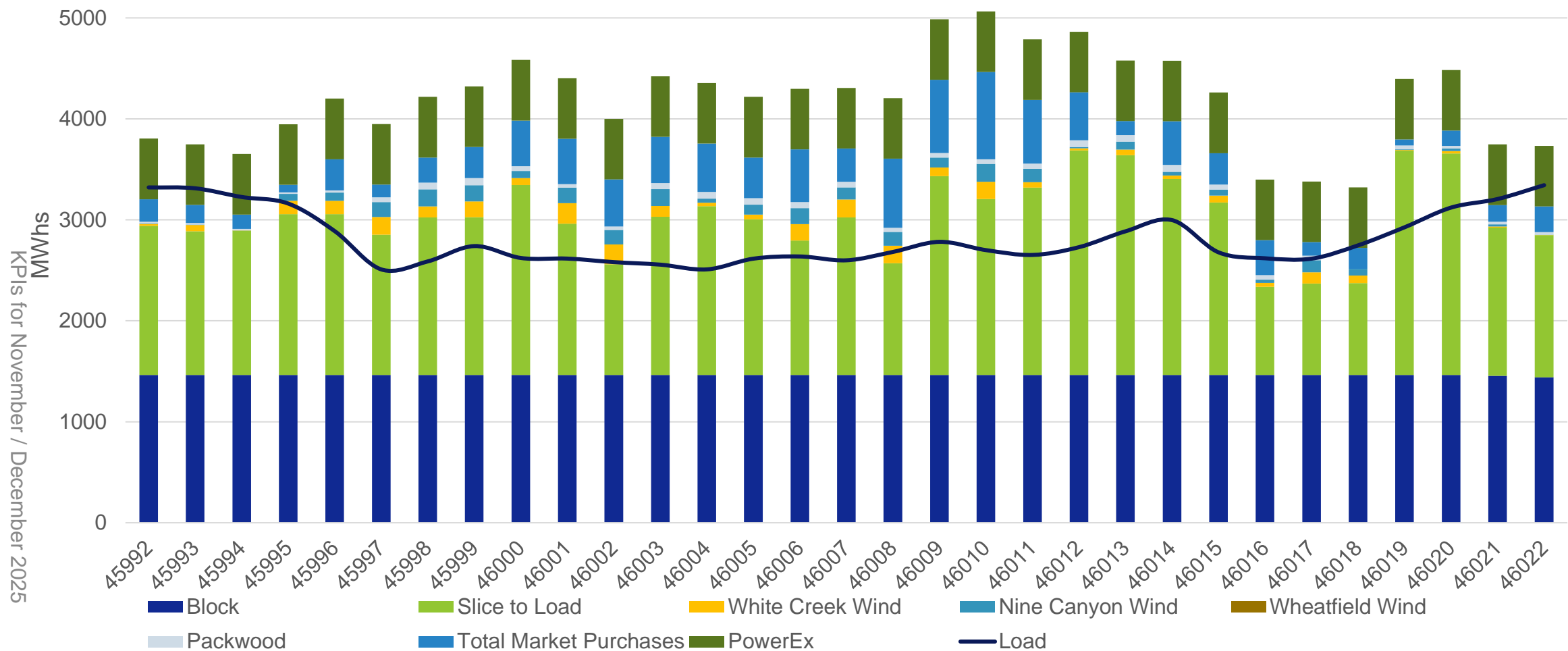
AVERAGE DAILY PRICES (MID-COLUMBIA)



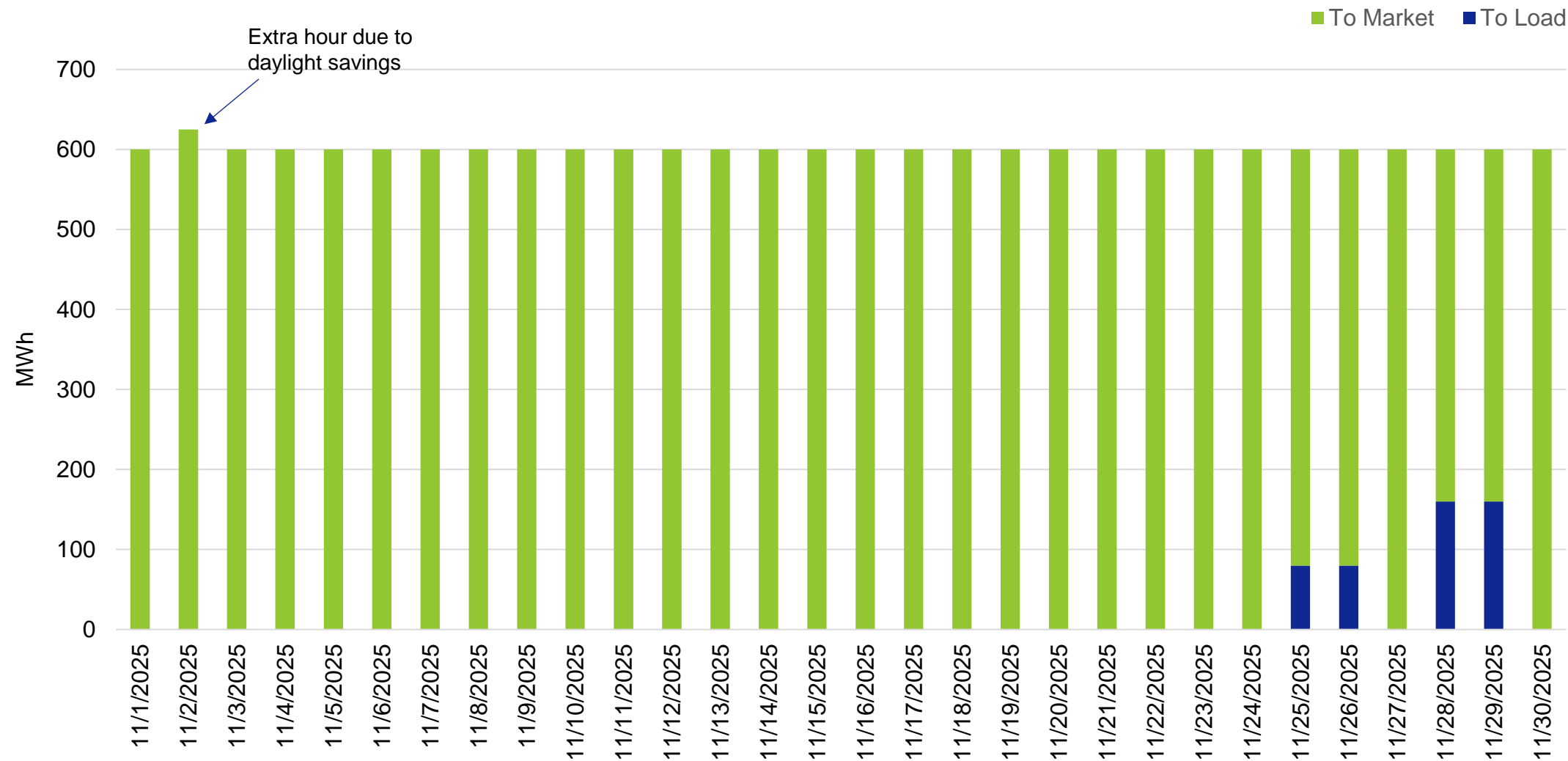
LOAD/RESOURCE BALANCE - NOVEMBER



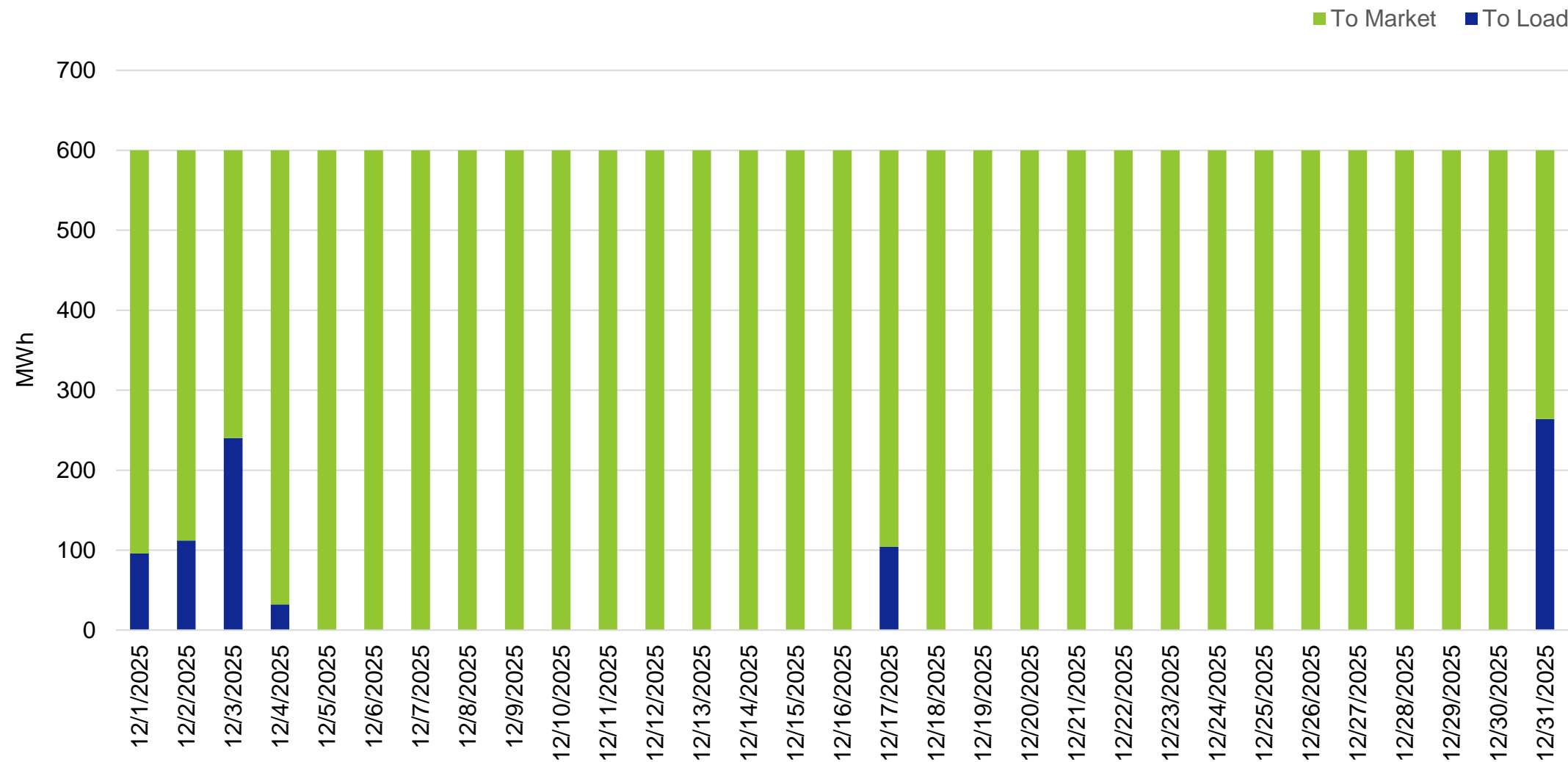
LOAD/RESOURCE BALANCE - DECEMBER



POWEREX DELIVERIES - NOVEMBER

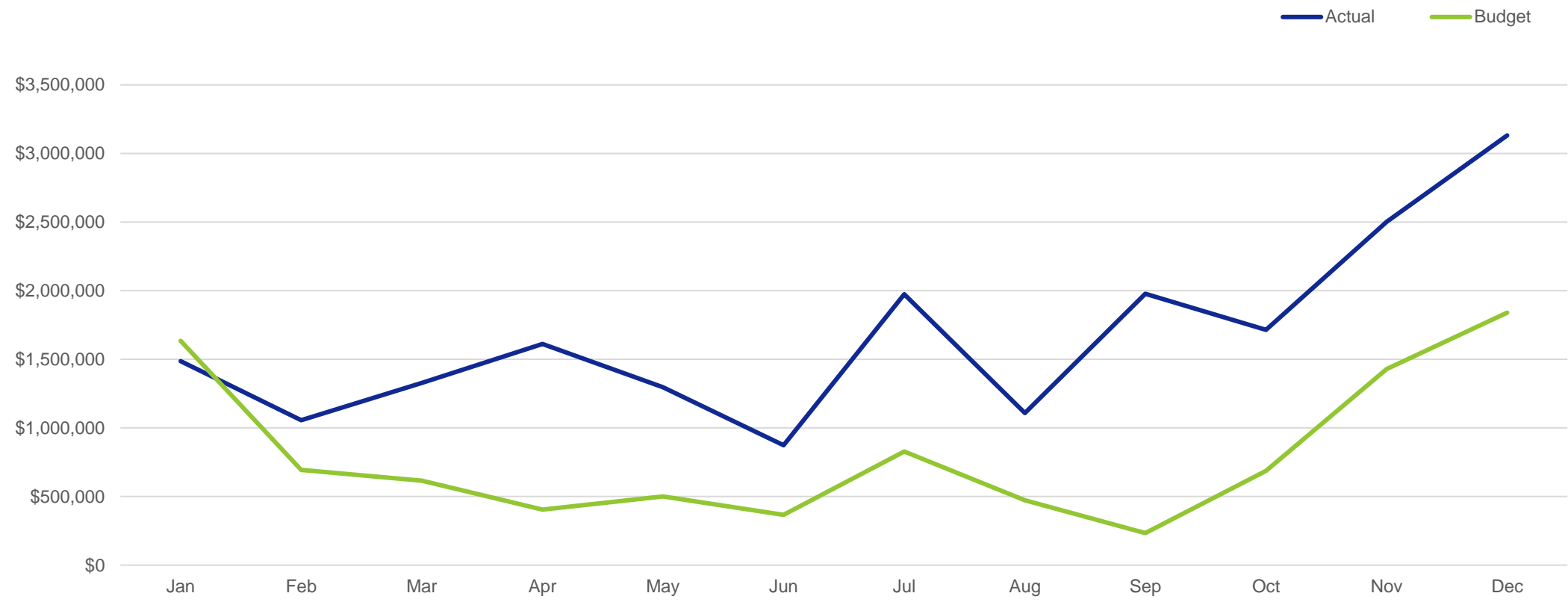


POWEREX DELIVERIES - DECEMBER

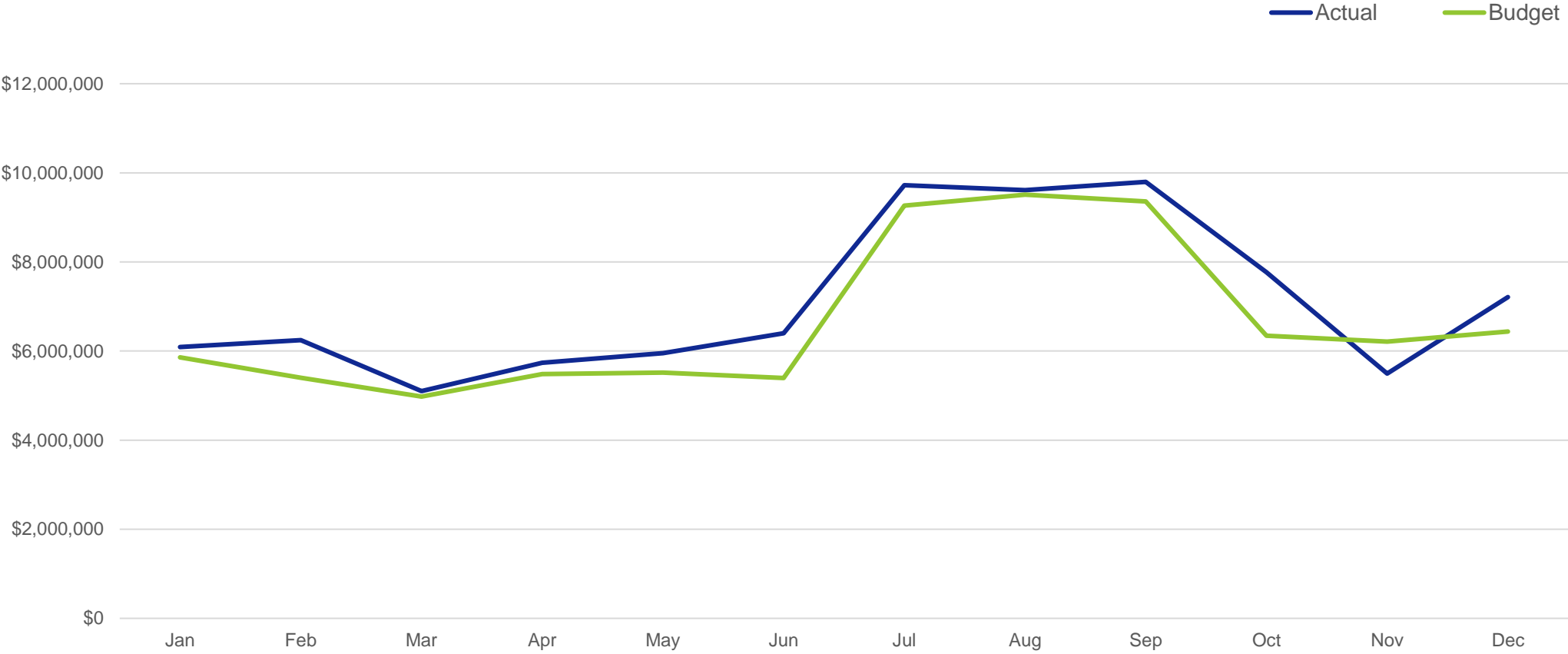


SECONDARY MARKET SALES

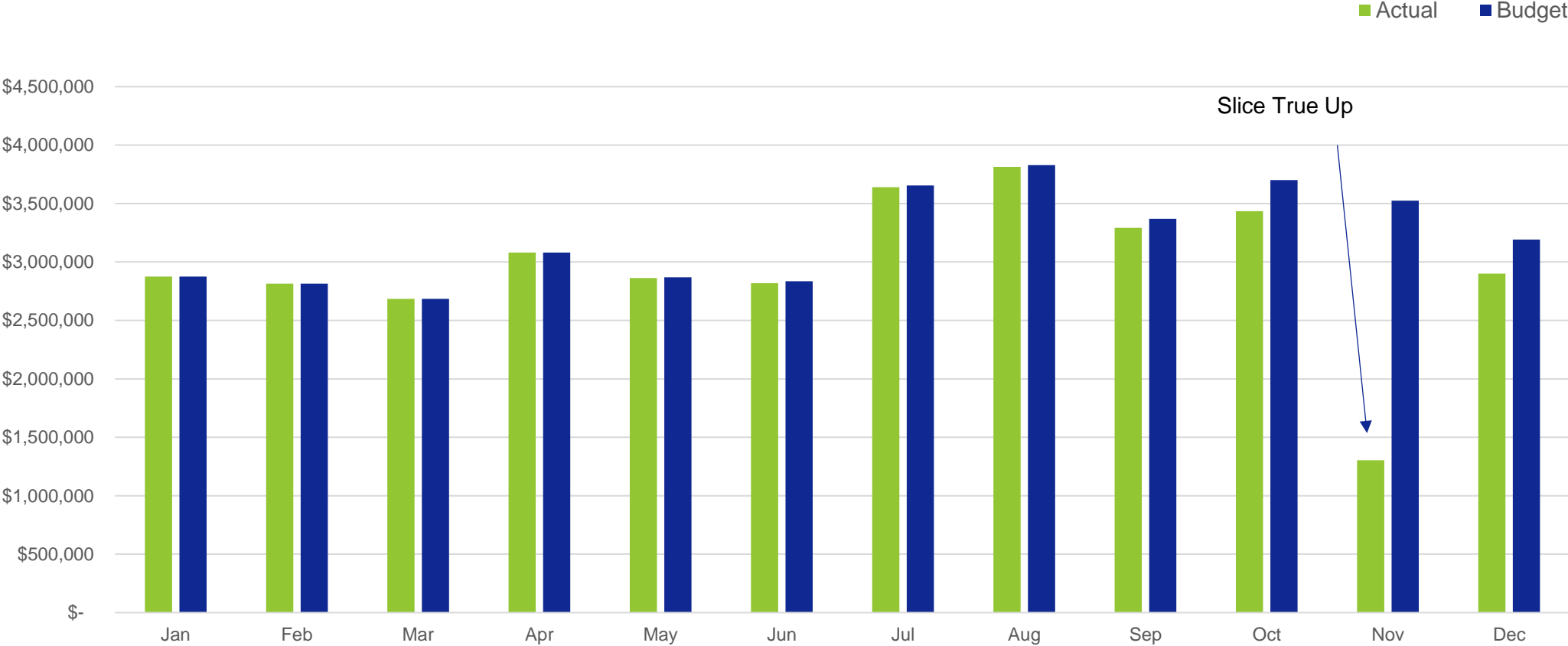
**includes Sales for Resale, REC sales, Carbon Allowance Auction proceeds*



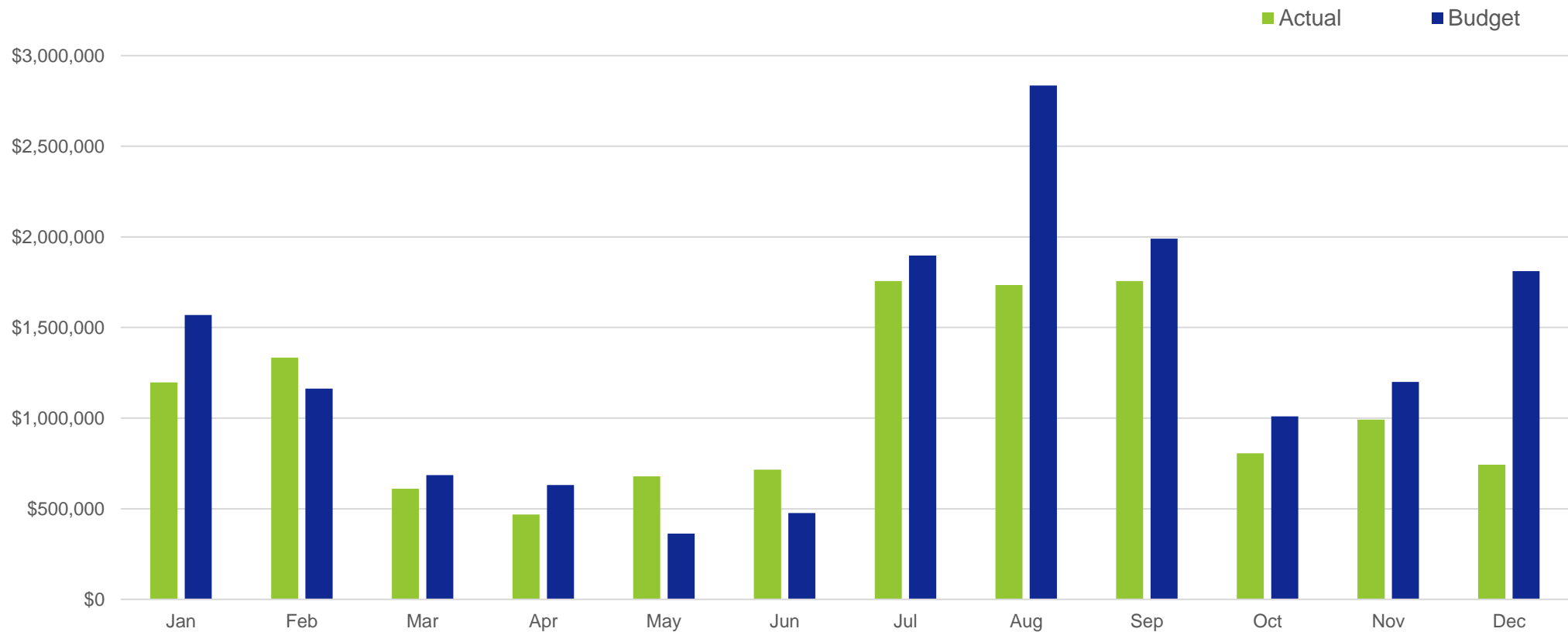
POWER SUPPLY COSTS



BPA POWER: BUDGET VS. ACTUAL

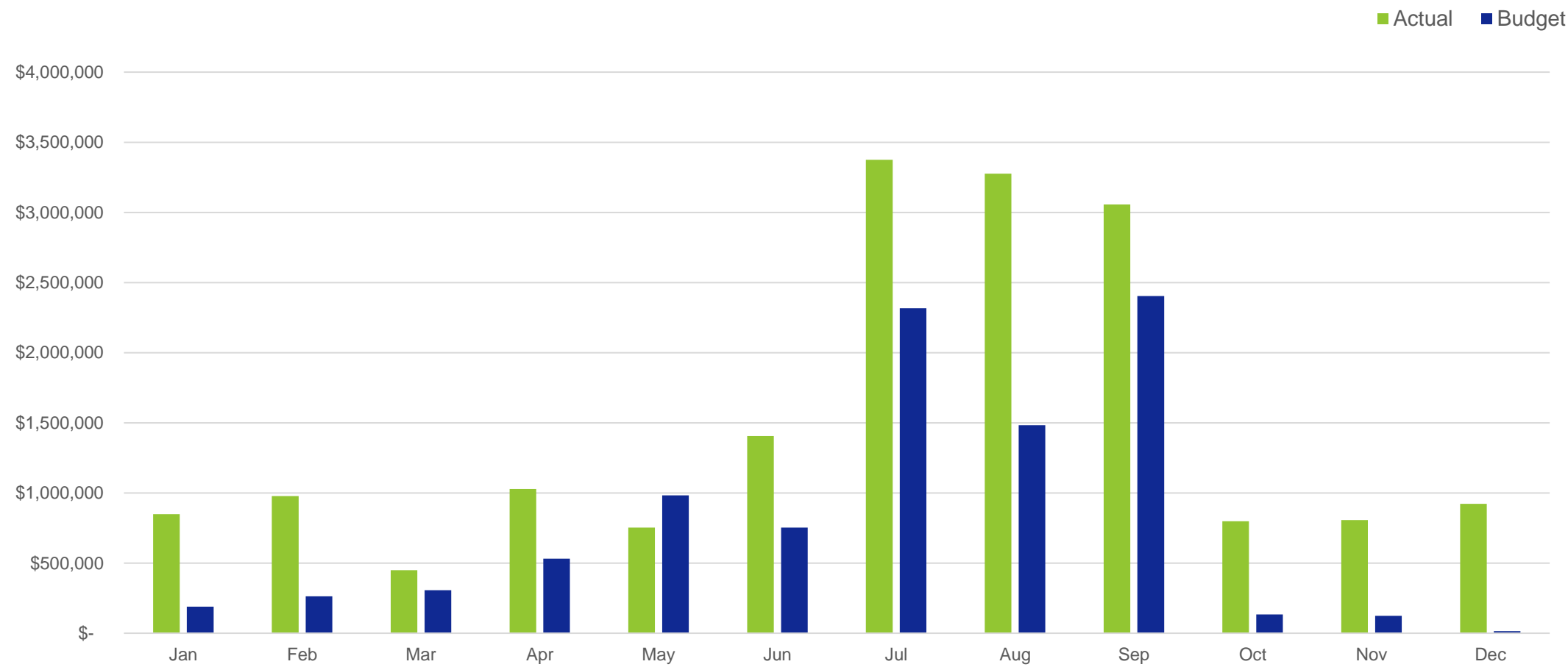


POWEREX: BUDGET VS. ACTUAL

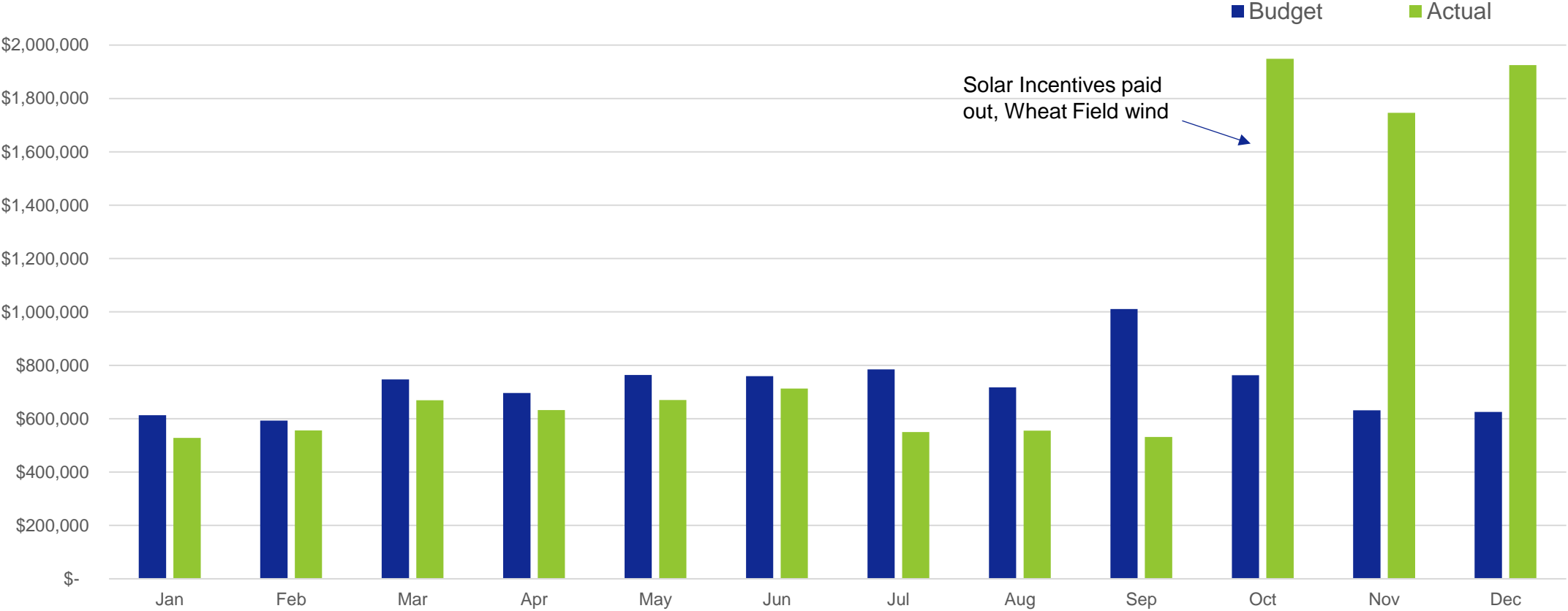


MARKET PURCHASES: BUDGET VS. ACTUAL

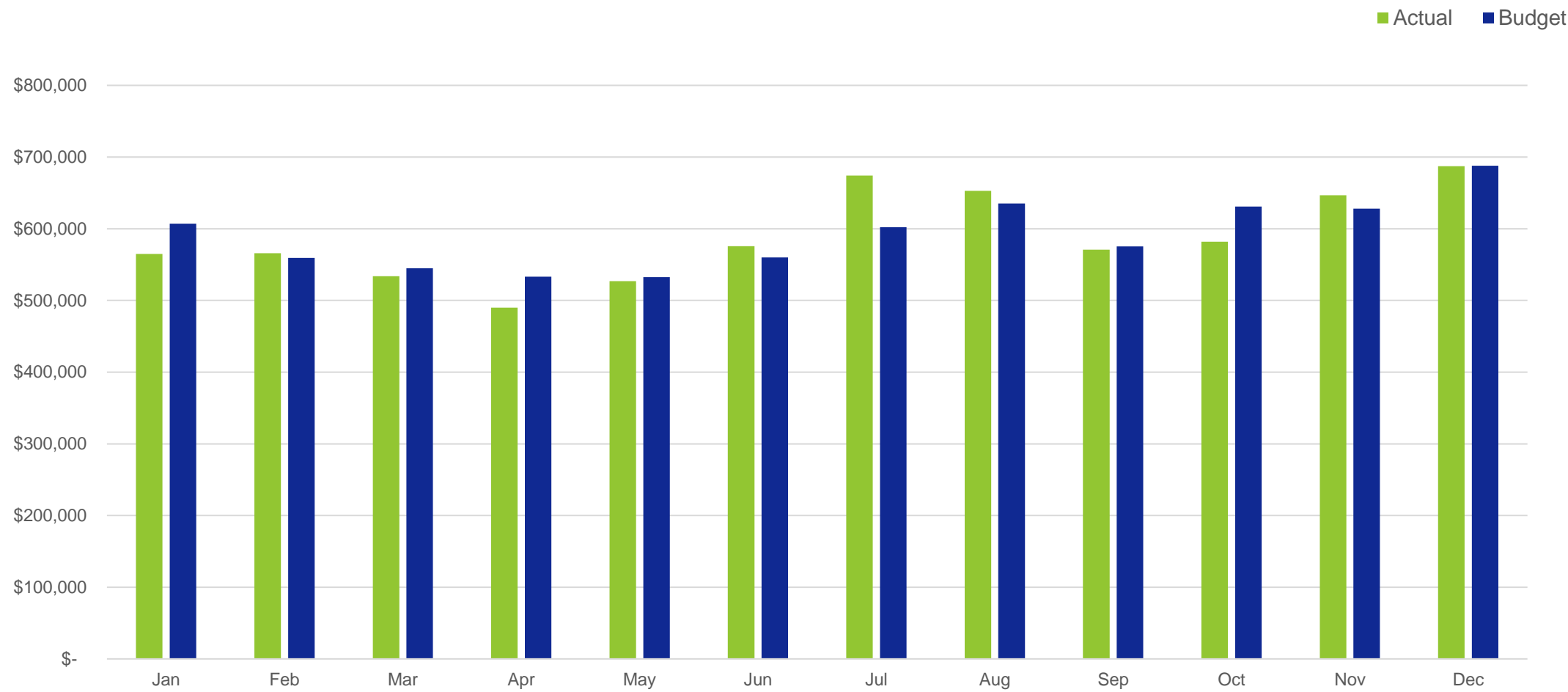
**Includes hedge settlements*



OTHER RESOURCES: BUDGET VS. ACTUAL



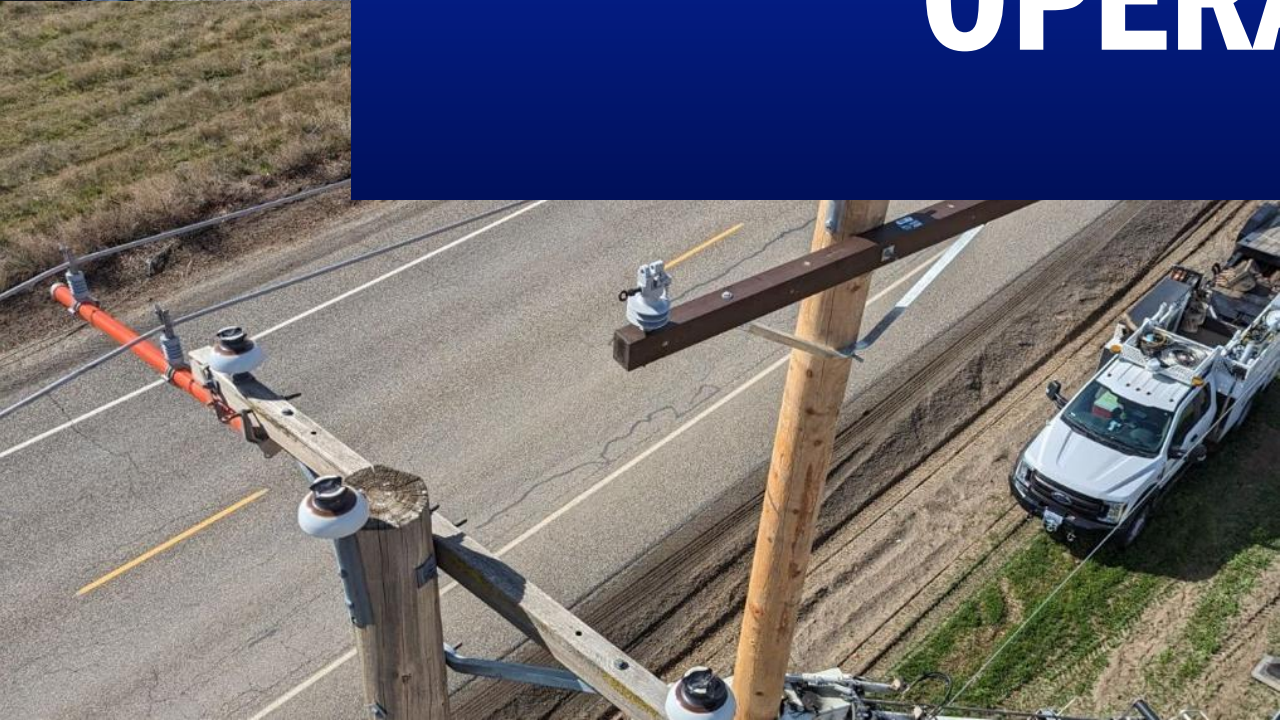
TRANSMISSION & ANCILLARY: BUDGET VS. ACTUAL



KPIs for November / December 2025



OPERATIONS



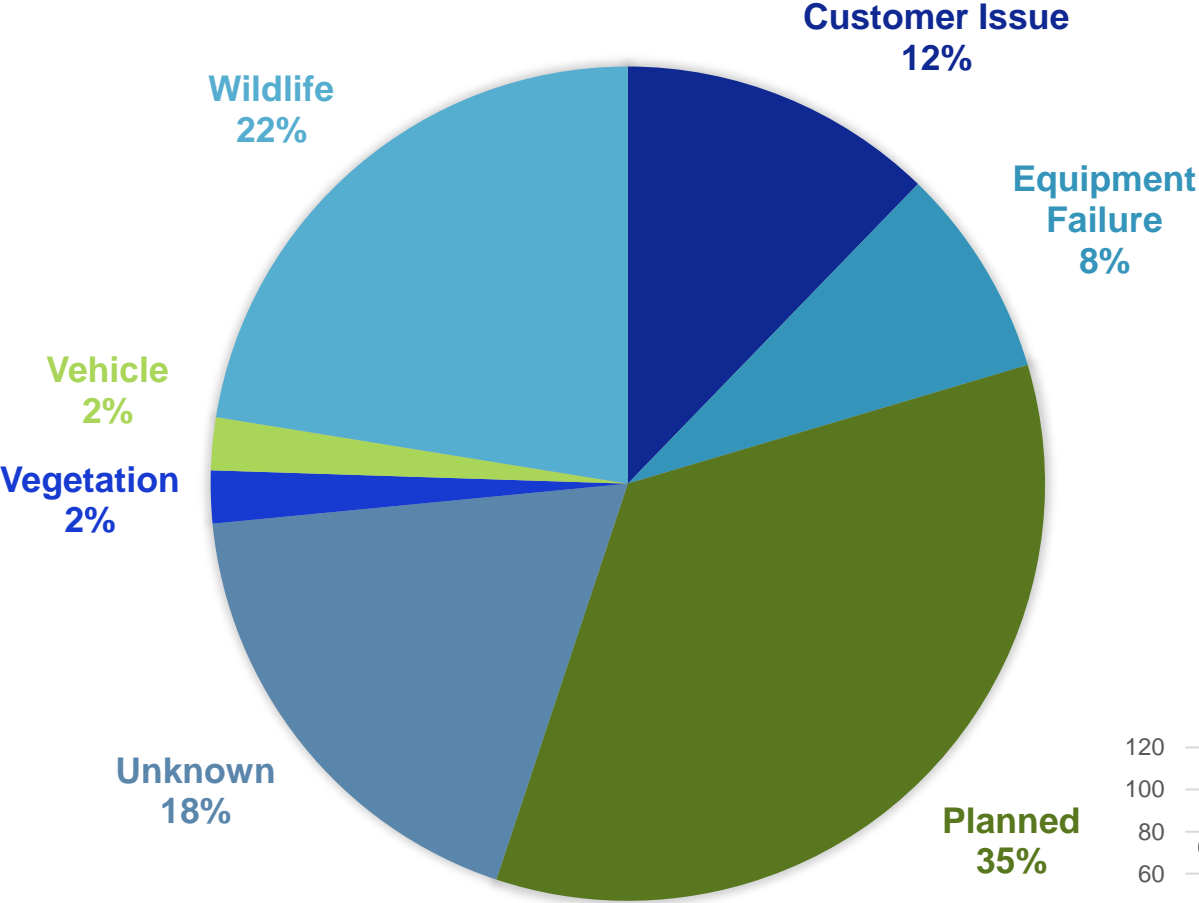
OVERVIEW

There were 49 outages that occurred in November. 17 of the outages were planned. The longest unplanned outage occurred out of Broadmoor Substation on November 23rd and the cause was vegetation. It lasted 24 hours, 53 minutes and affected 6 customers.

There were 63 outages that occurred in December. 12 of the outages were planned. The longest unplanned outage occurred out of Connell Substation on December 10th and the cause was a foreign object. It lasted 18 hours, 24 minutes and affected 436 customers.

NOVEMBER OUTAGES

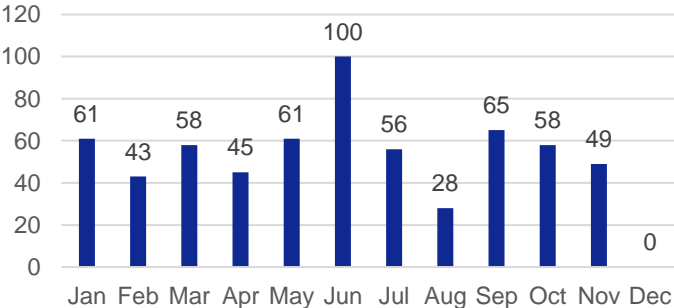
Outage Causes	
Customer Issue	6
Equipment Failure	4
Planned	17
Unknown	9
Vegetation	1
Vehicle	1
Wildlife	11



Monthly Outages



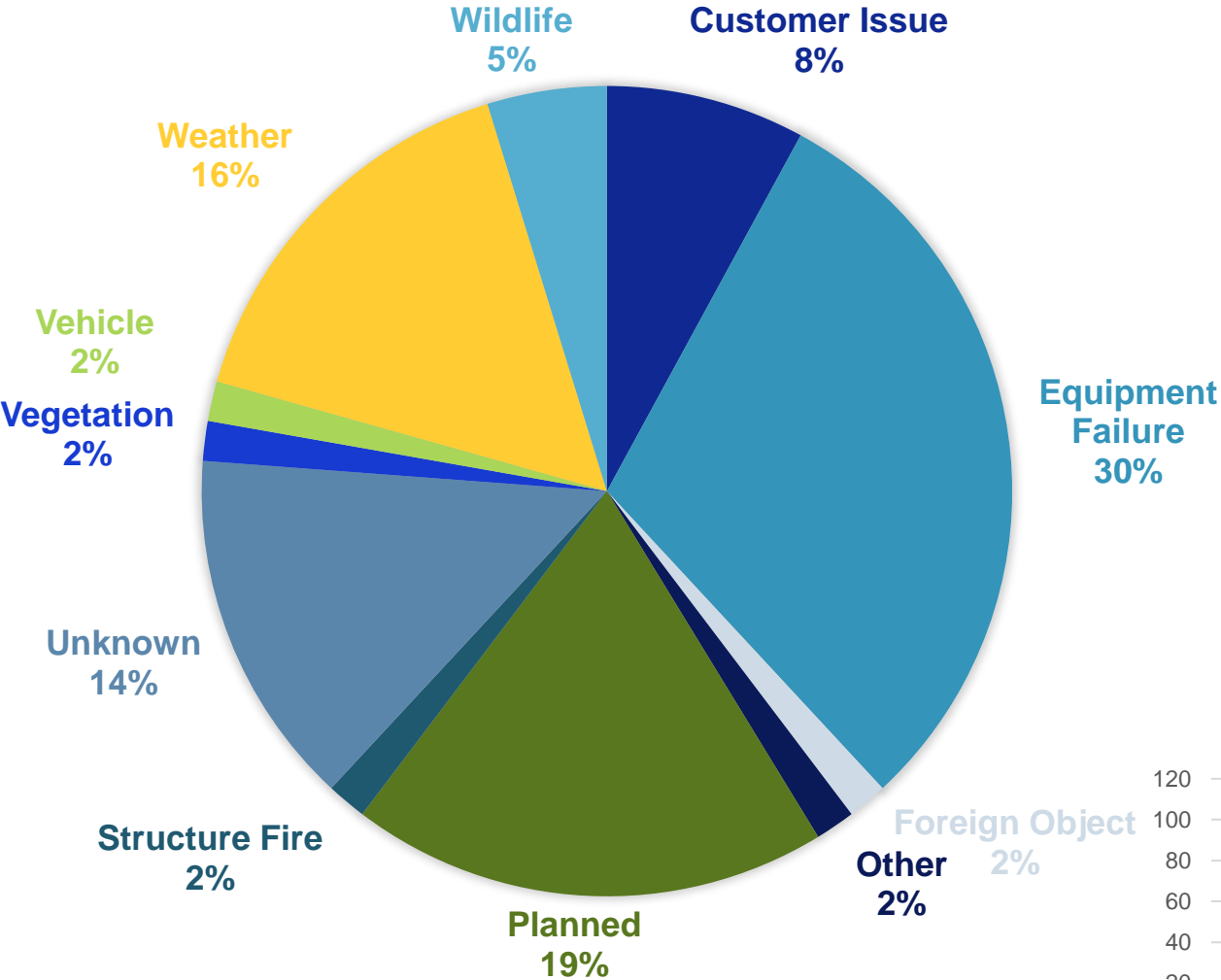
Monthly Outages



DECEMBER OUTAGES

KPIs for November / December 2025

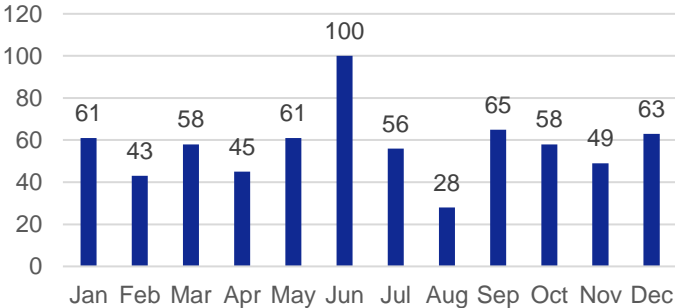
Outage Causes	
Customer Issue	5
Equipment Failure	19
Foreign Object	1
Other	1
Planned	12
Structure Fire	1
Unknown	9
Vegetation	1
Vehicle	1
Weather	10
Wildlife	3



Monthly Outages

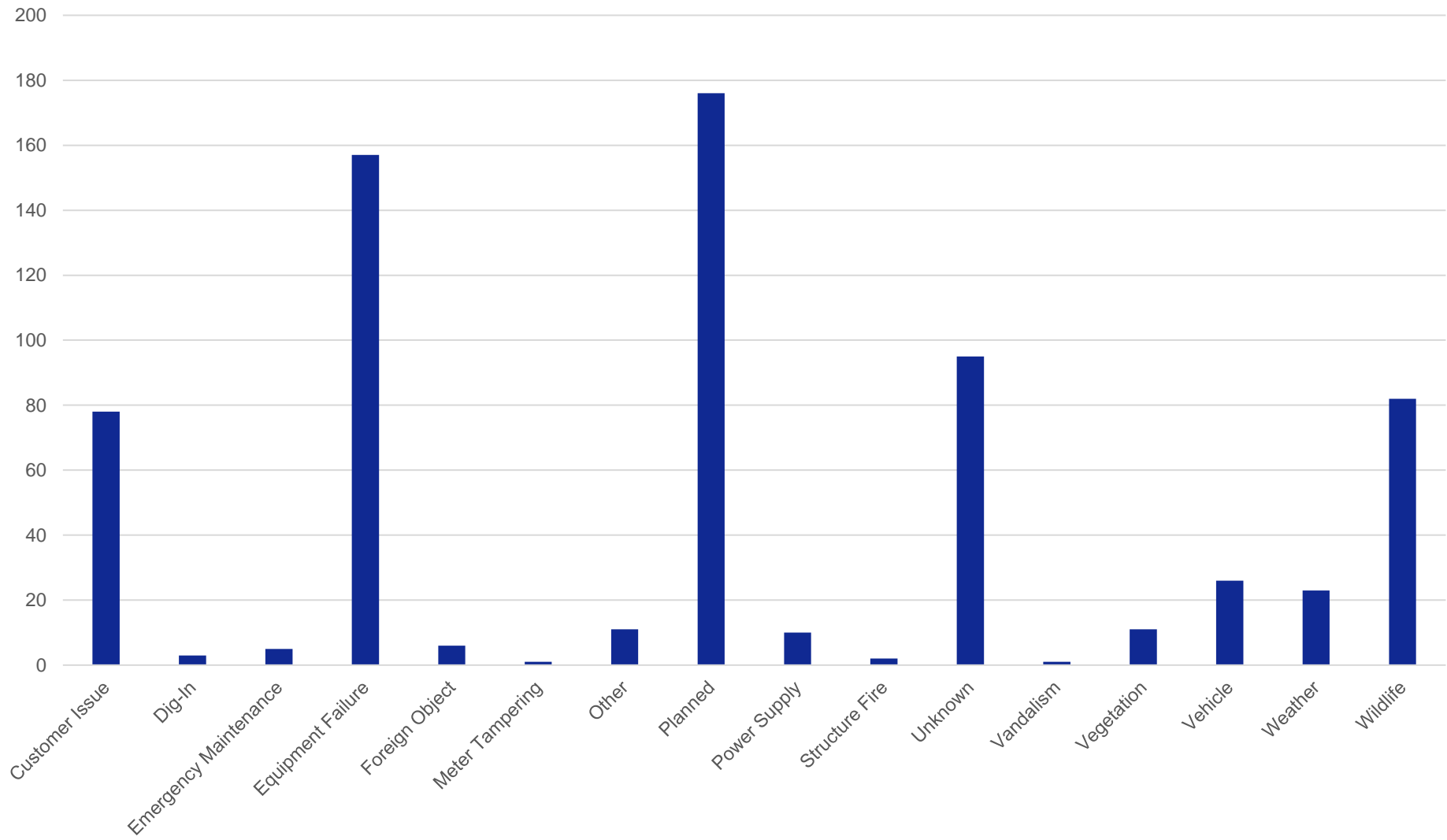


Monthly Outages



OUTAGES YTD

Outages YTD



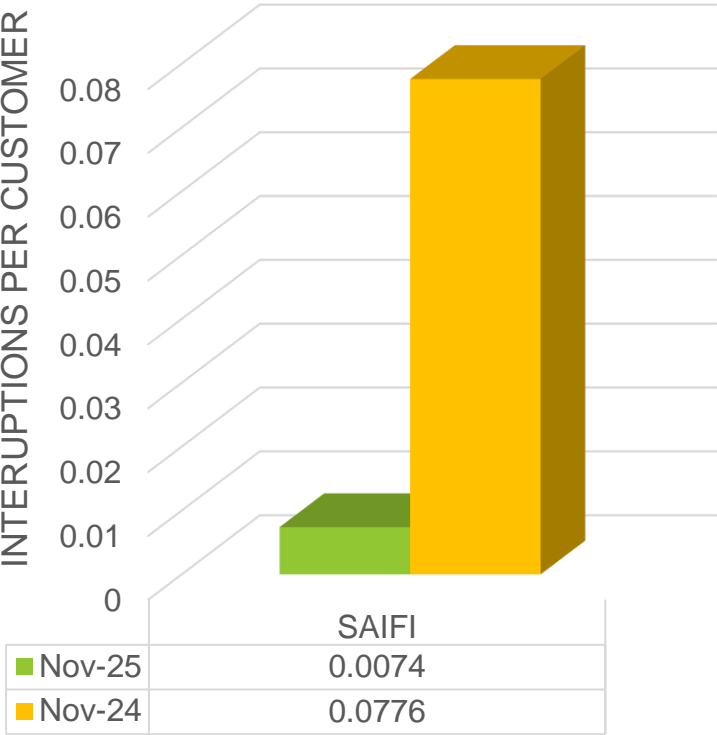
YTD Total Outages



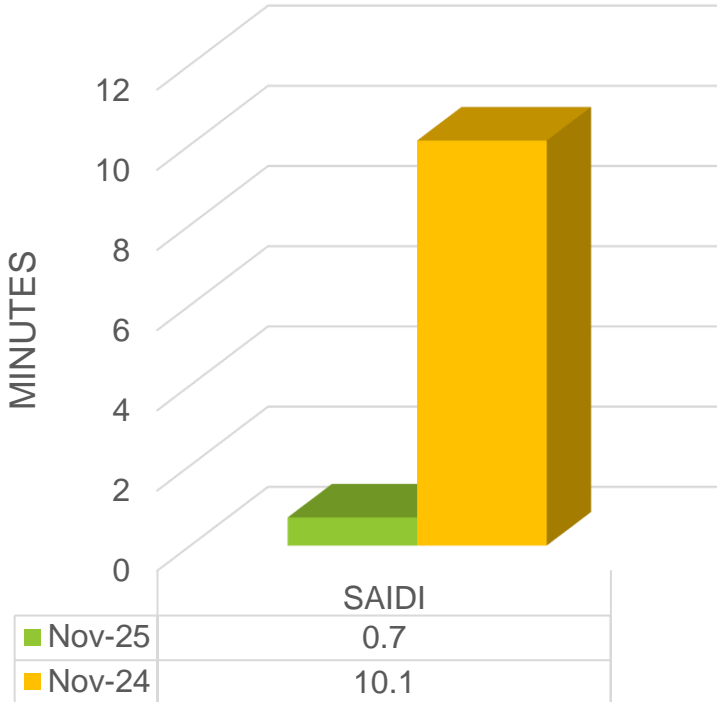
NOVEMBER RELIABILITY INDICES

KPIs for November / December 2025

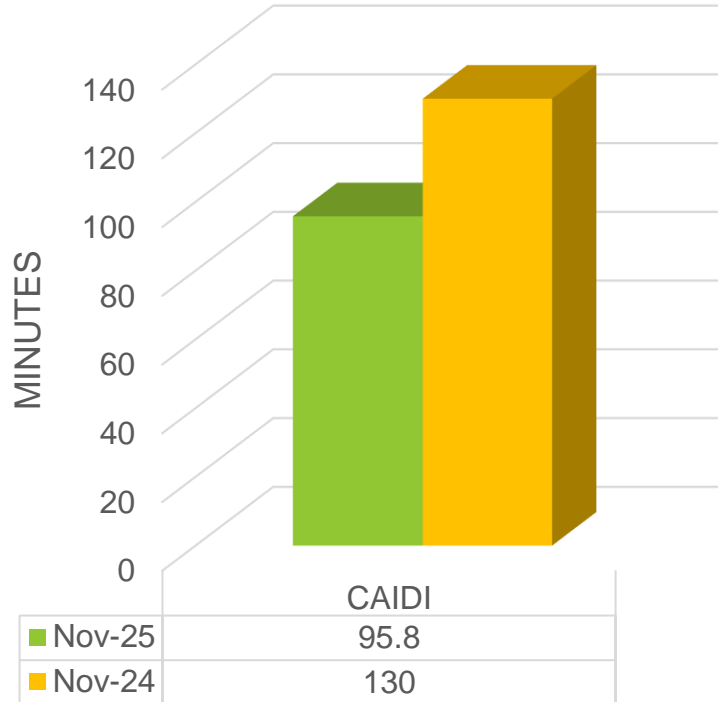
SAIFI



SAIDI



CAIDI



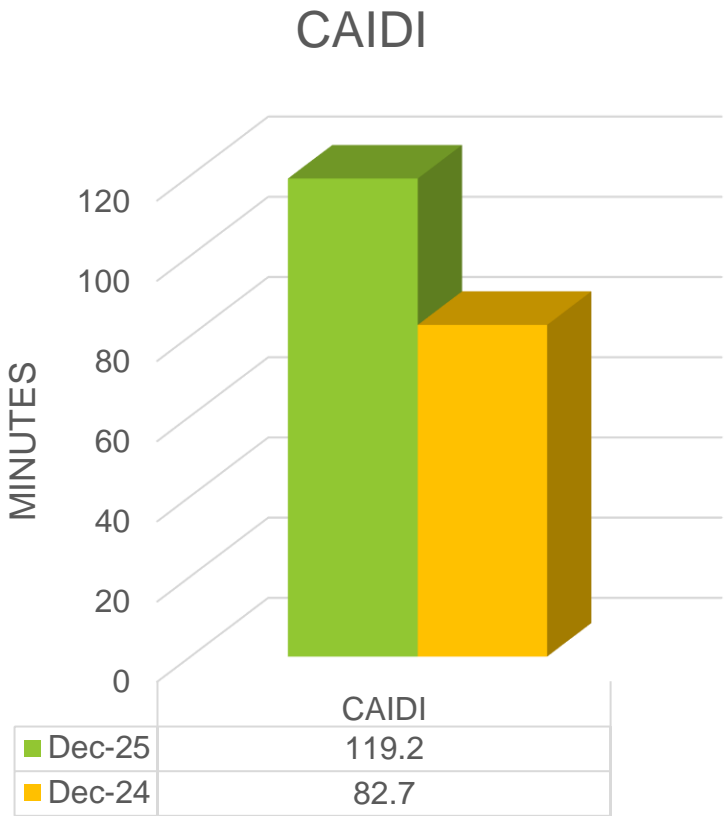
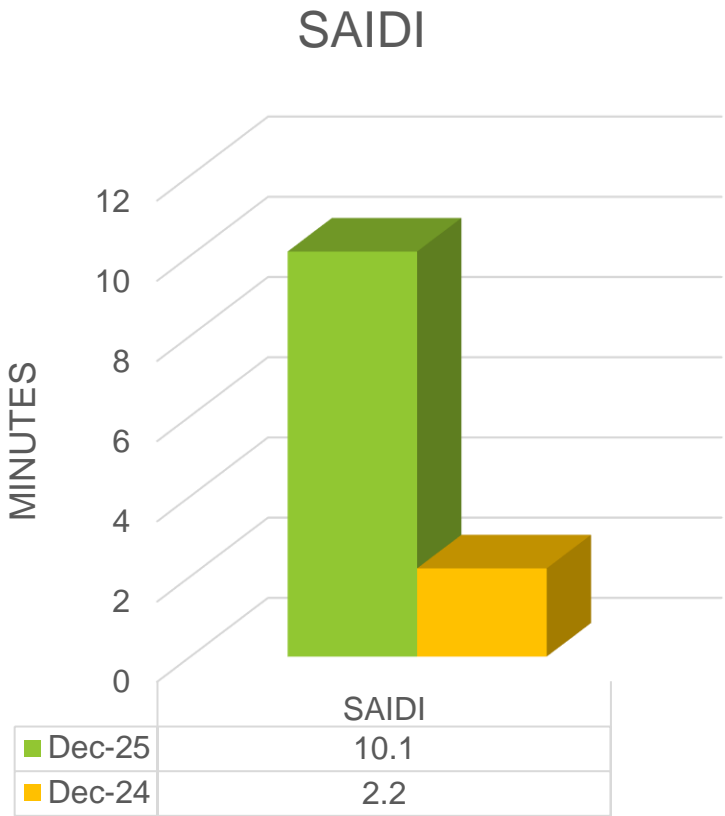
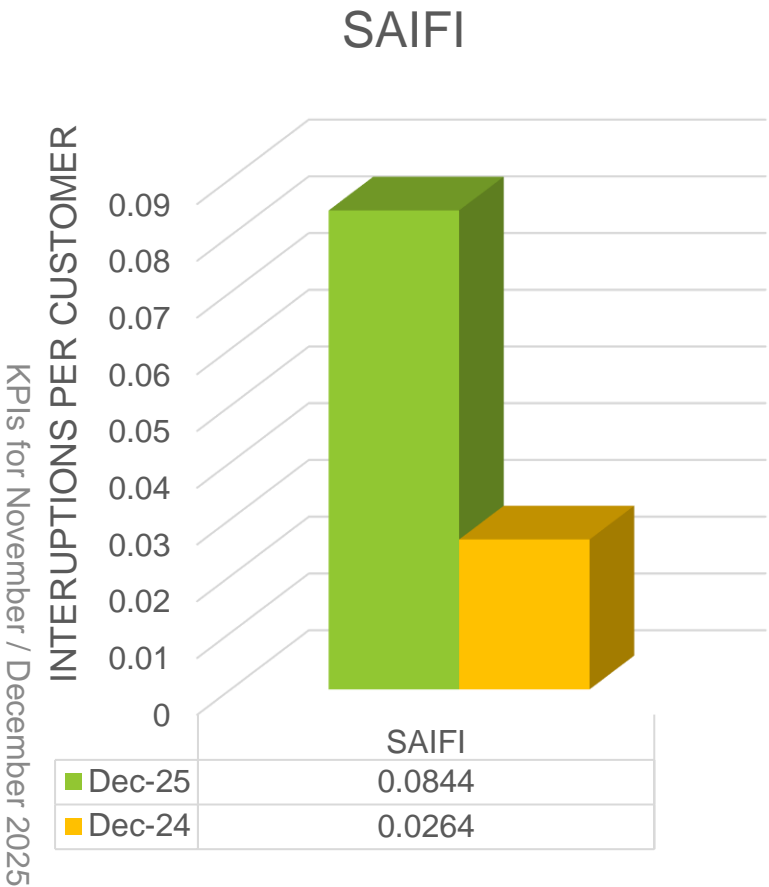
SAIFI (System Average Interruption **Frequency Index):**
How often the average customer experiences an interruption

SAIDI (System Average Interruption **Duration Index):**
The total time of interruption the average customer experiences

CAIDI (Customer** Average Interruption **Duration** Index):**
The average time required to restore service

*Only outages lasting longer than five minutes are included in the calculations

DECEMBER RELIABILITY INDICES



SAIFI (System Average Interruption **Frequency Index):**
How often the average customer experiences an interruption

SAIDI (System Average Interruption **Duration Index):**
The total time of interruption the average customer experiences

CAIDI (Customer** Average Interruption **Duration** Index):**
The average time required to restore service

*Only outages lasting longer than five minutes are included in the calculations



ENGINEERING



OVERVIEW

There were 4 new net metering (solar) interconnections added to the system in November. This brings the total capacity of net meter connections on the system up to 7,206 kWac. Total active net meter connections on the system are 917 with the average system size being 7.86 kWac.

A total of 18 work orders were released to Operations in the month of November with a total material and labor cost estimate of \$548,748.78, which is an average of \$30,486.04 per job.

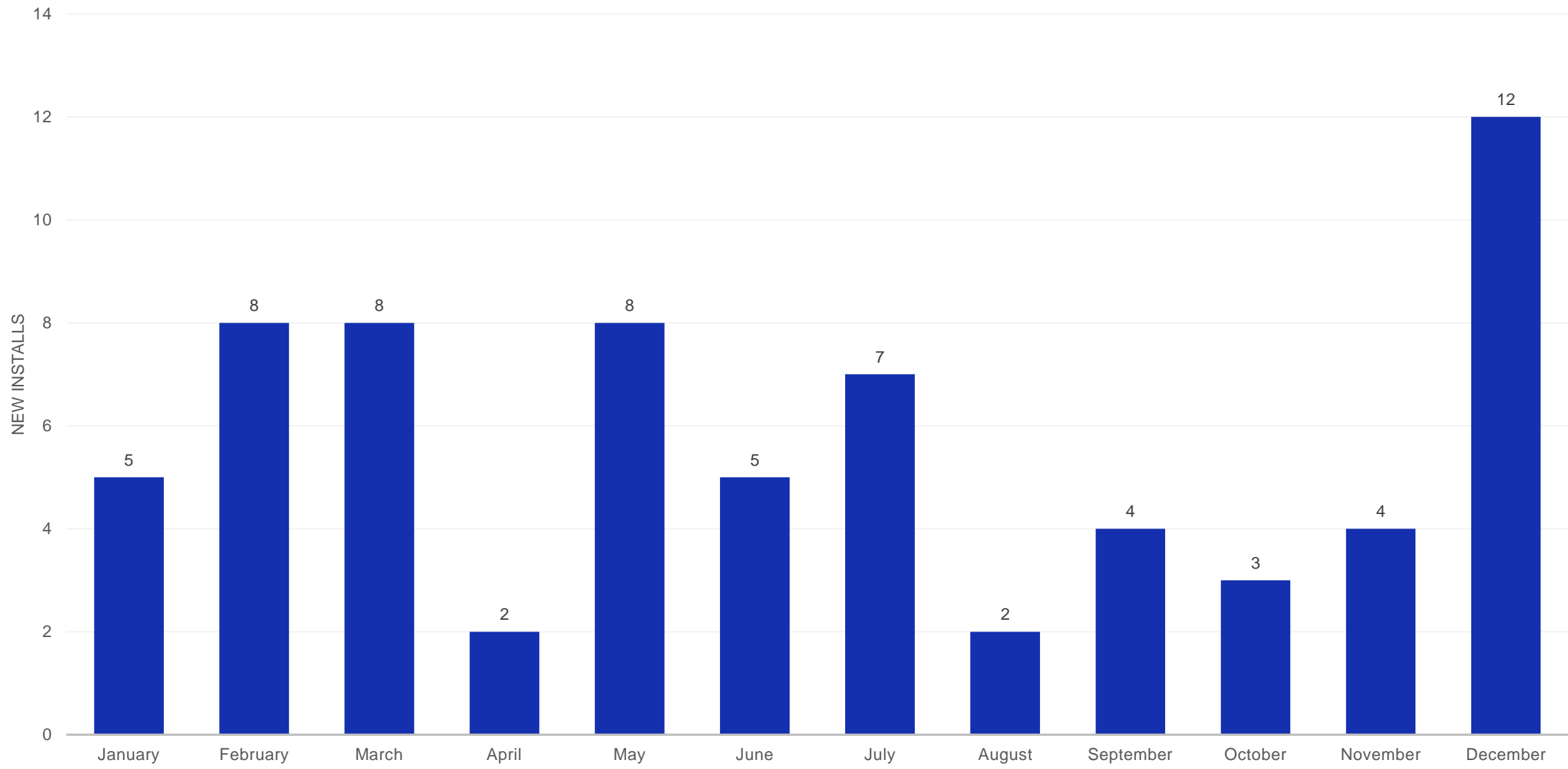
For new services during this time, there were 8 residential and 9 commercial services that came online.

There were 12 new net metering (solar) interconnections added to the system in December. This brings the total capacity of net meter connections on the system up to 7,254 kWac. Total active net meter connections on the system are 927 with the average system size being 7.83 kWac.

A total 10 of work orders were released to Operations in the month of December with a total material and labor cost estimate of \$152,739.05, which is an average of \$15,273.91 per job.

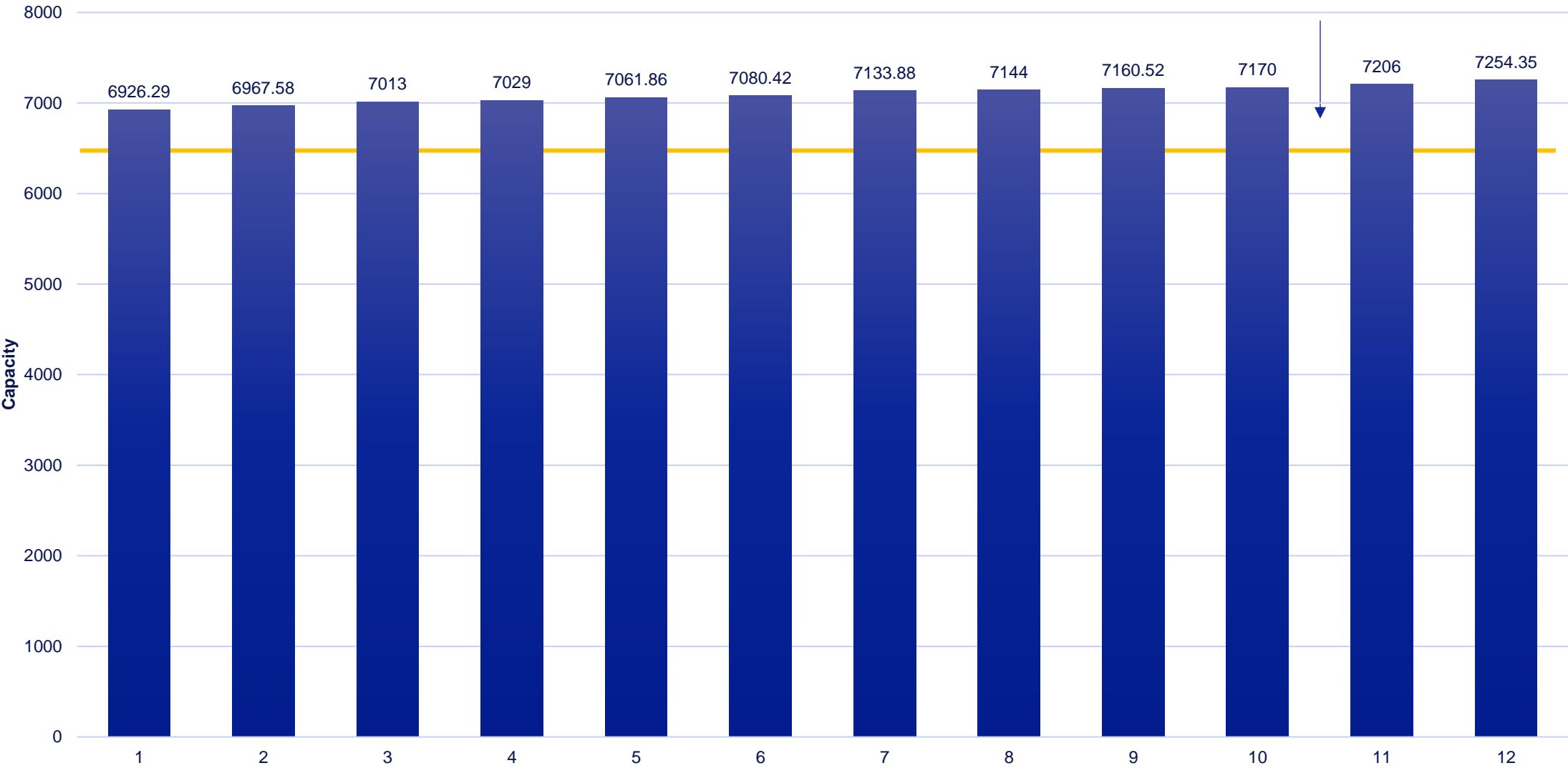
For new services during this time, there were 4 residential and 14 commercial services that came online.

NET METERING INSTALLATIONS

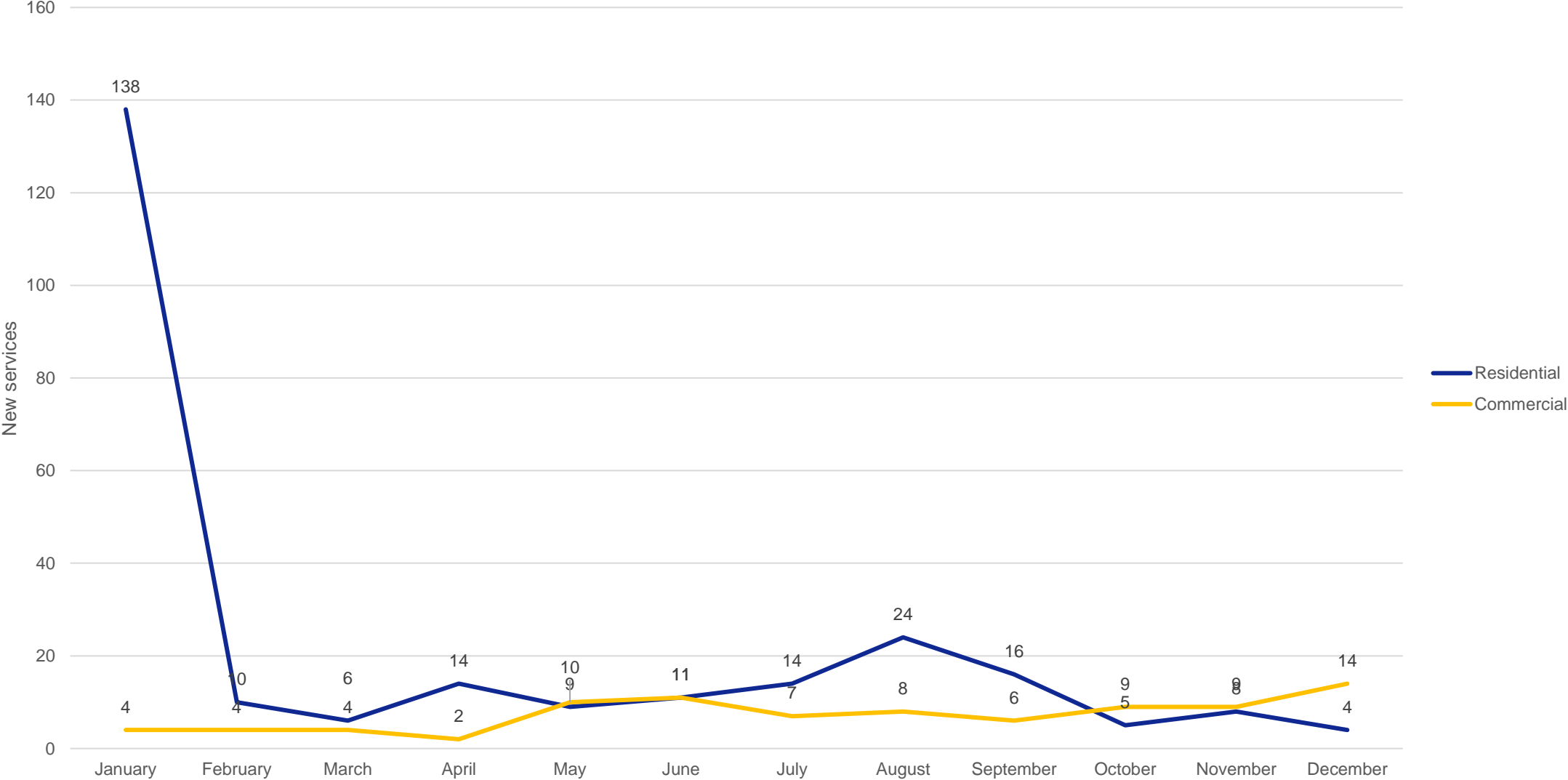


NET METERING CAPACITY INSTALLED

Cumulative generation capacity
(4% of 1996 peak demand)



NEW SERVICES





CUSTOMER SERVICE

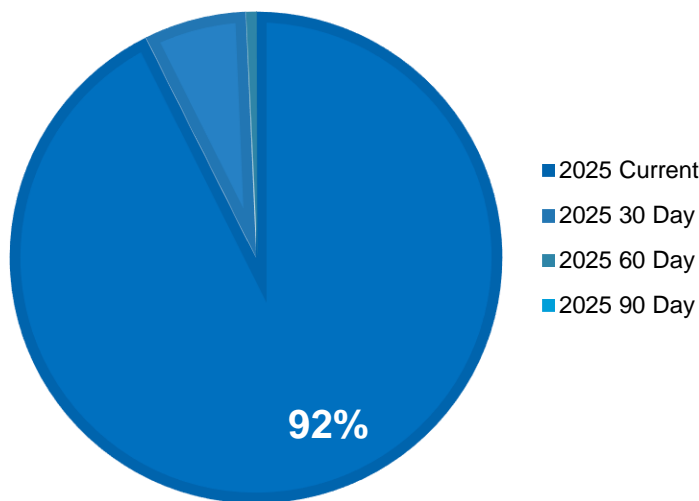


CUSTOMER SERVICE - NOVEMBER

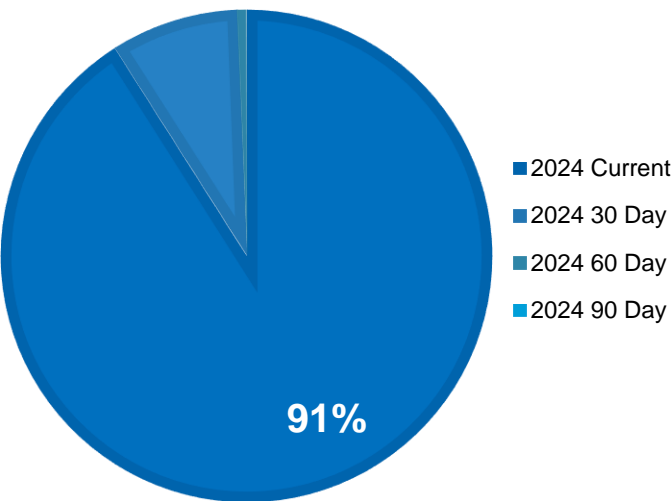
Move in/Move Out Service Orders Processed in November 2025

AGING ACCOUNTS

NOVEMBER 2025



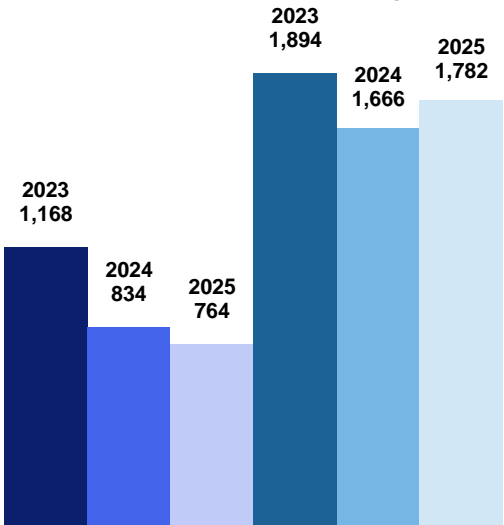
NOVEMBER 2024



	Current	30-60	60-90	90+
2025	\$5,677,020	\$411,105	\$40,160	\$1,510
2024	\$5,025,356	\$463,389	\$31,516	\$2,453



November In Person Payments

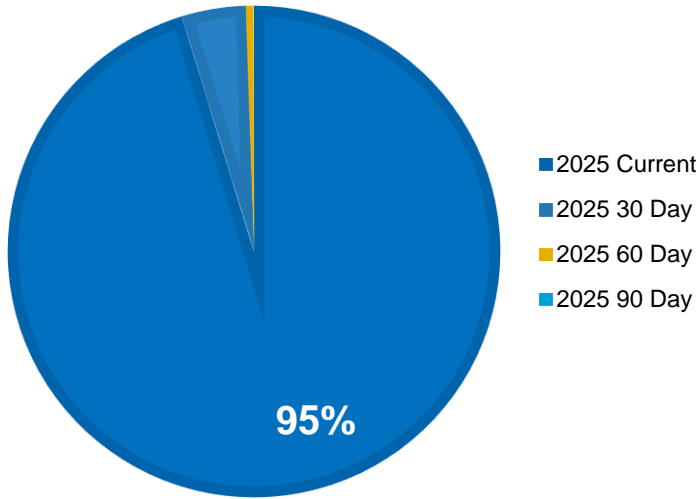


Drive Thru Payments Walk In Payments

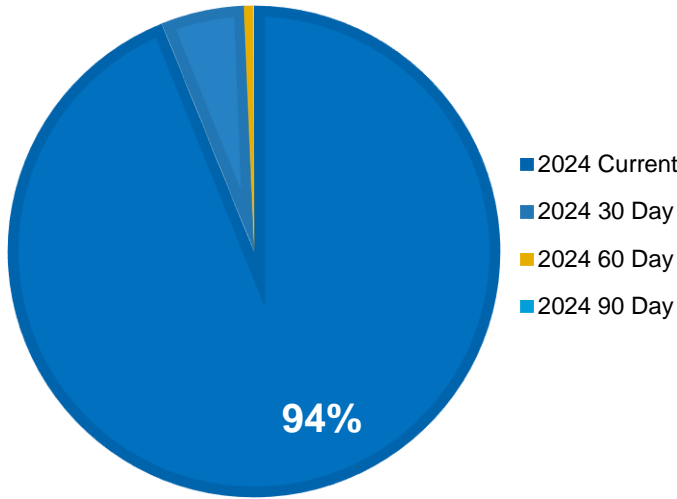
CUSTOMER SERVICE

AGING ACCOUNTS

DECEMBER 2025



DECEMBER 2024

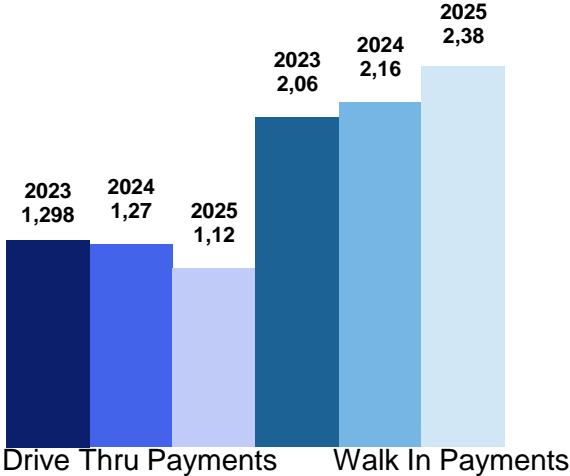


	Current	30-60	60-90	90+
2025	\$4,717,287	\$208,681	\$22,653	\$2,466
2024	\$5,651,672	\$329,898	\$34,918	\$2,672

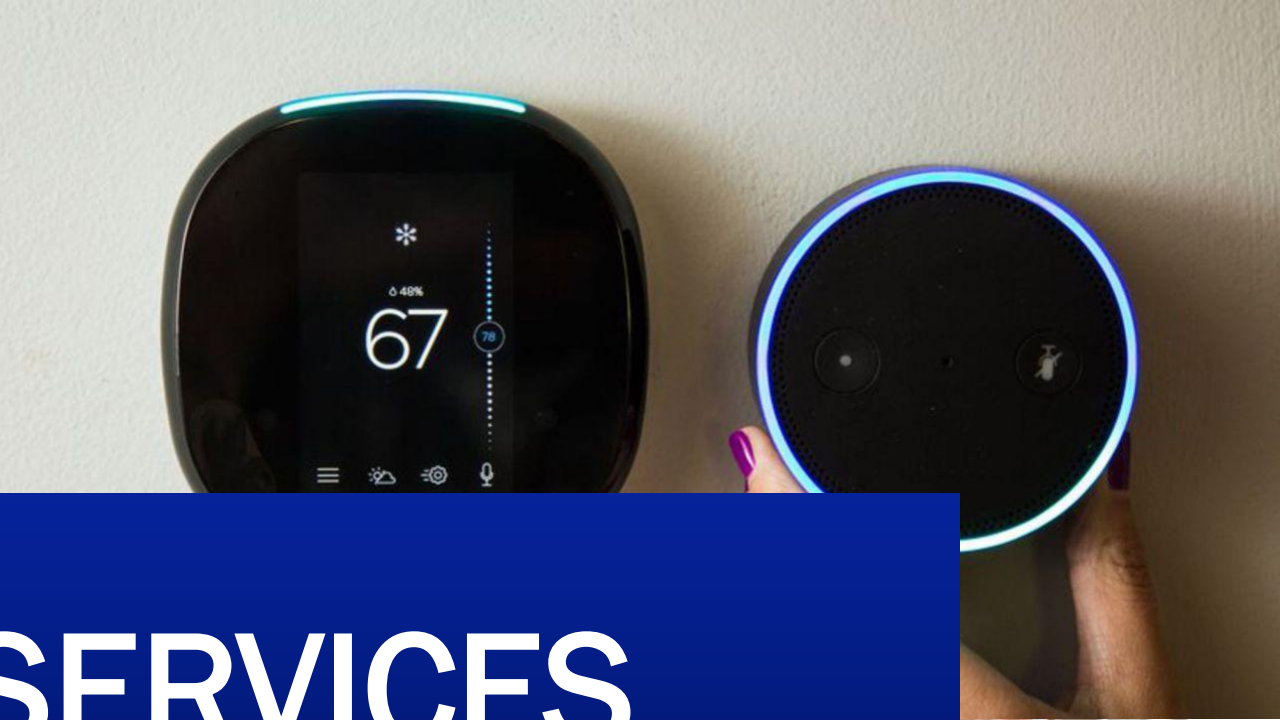
Move in/Move Out Service Orders Processed in December 2025



December In Person Payments



KPIs for November / December 2025



ENERGY SERVICES



ENERGY SERVICES - NOVEMBER

UTILITY FUNDED

Self-Funding 2025 Total Budget \$300,000



Type	Qty	Total Paid YTD
Residential Low Income	43	\$206,006
Residential Non-Low Income	0	\$0
Thermostat/Appliance Rebates	50	\$3,250
Agriculture	0	\$0
Commercial	0	\$0
Industrial	0	\$0
SEM	0	\$0
Other	0	\$0

BPA FUNDED

BPA FY24-FY25 Total Budget \$3,443,696

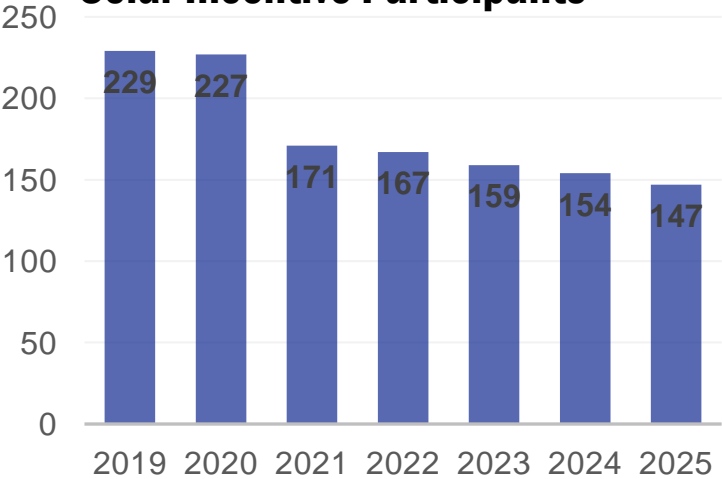


Type	Qty	Total Paid YTD
Residential Low Income	458	\$2,193,702
Residential Non-Low Income	3	\$5,039
Thermostat/Appliance Rebates	0	\$0
Agriculture	11	\$30,605
Commercial	31	\$227,574
Industrial	29	\$933,330
SEM	0	\$0
Other	0	\$0

Pre-Inspections/Final Inspections
Completed in 2025



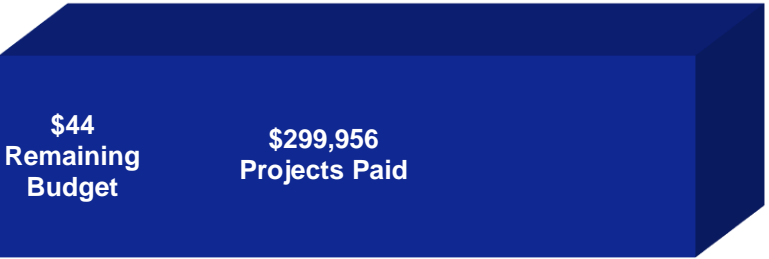
Solar Incentive Participants



ENERGY SERVICES - DECEMBER

UTILITY FUNDED

Self-Funding 2025 Total Budget \$300,000



Type	Qty	Total Paid YTD
Residential Low Income	58	\$289,606
Residential Non-Low Income	0	\$0
Thermostat/Appliance Rebates	55	\$3,600
Agriculture	1	\$6,750
Commercial	0	\$0
Industrial	0	\$0
SEM	0	\$0
Other	0	\$0

BPA FUNDED

BPA FY24-FY25 Total Budget \$3,443,696

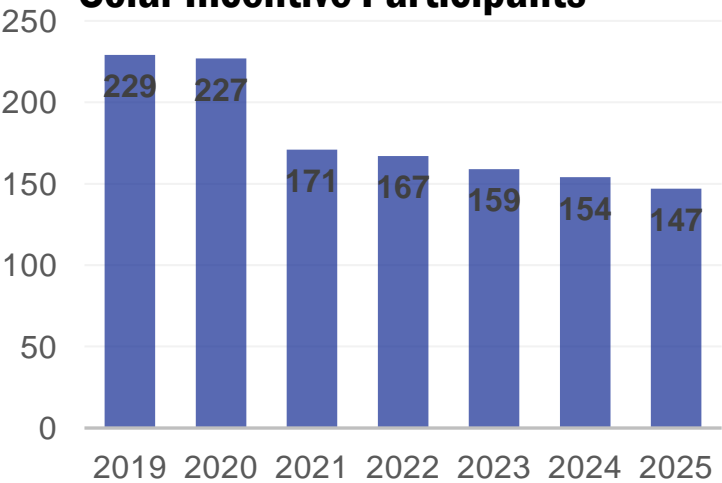


Type	Qty	Total Paid YTD
Residential Low Income	462	\$2,218,120
Residential Non-Low Income	3	\$5,039
Thermostat/Appliance Rebates	0	\$0
Agriculture	11	\$30,605
Commercial	31	\$227,574
Industrial	29	\$933,330
SEM	0	\$0
Other	0	\$0

Pre-Inspections/Final Inspections
Completed in 2025



Solar Incentive Participants





METRICS & DASHBOARDS



PUBLIC AFFAIRS

SOCIAL MEDIA MONTHLY THEMES

November – Energy Efficiency

Community & Employee Engagement:

Pasco Chamber Keynote Speaker

- November 10, 2025

Three Rivers Elementary STEM Night

- November 19, 2025



Post that made the most impact:



November 12, 2025 05:00pm

A sincere thank you to the Pasco Chamber of Commerce for having us at the November Membership Luncheon on Monday! Our General Manager/CEO, Victor Fuentes had the opportunity to speak about who we are, where we started, how far we've come, and our strategic vision for continuing to provide the best electric service.

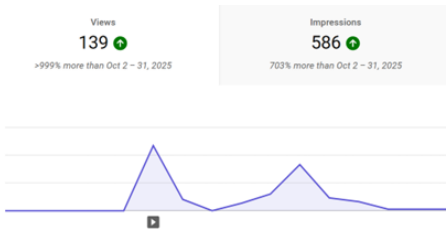
Post Clicks	Reactions	Impressions	Reach	Eng. Rate
50	6	575	575	9.74%



November 21, 2025 02:00am

We had a fantastic time at Three Rivers Elementary STEM Night, sharing our tabletop electrical safety demonstration with students and parents! Our team enjoyed showing everyone important ways to stay safe around electricity. Go Chinooks! Tuvimos un momento fantástico en la Noche STEM de la Primaria Three Rivers, ¡vamos!

Post Clicks	Reactions	Impressions	Reach	Eng. Rate
20	10	383	383	7.83%



PUBLIC AFFAIRS

Community & Employee Engagement:

Winter Weatherization Workshops

- December 2, 2025 - Connell
- December 3, 2025 - Pasco

Employee Christmas Breakfast

- December 16, 2025



SOCIAL MEDIA MONTHLY THEMES

December – Outage Preparation – Winter Energy Savings Tips

Post that made the most impact:



December 10, 2025 02:00am

Thanks to everyone who joined our recent workshop on getting your home ready for the colder months! It was a great session packed with simple, effective winter weatherization tips and info on rebates that can help you save. Couldn't make it? Don't miss out on personalized advice! Don't wait until the first freeze to realize your home's energy efficiency. Post Clicks Reactions Impressions Reach Eng. Rate

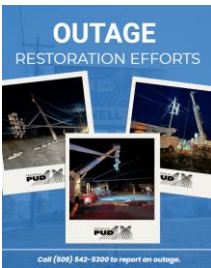
79	9	1,104	1,104	7.97%
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December 21, 2025 04:00pm

Don't let the early sunset slow you down! Even if you're out after dark, you can still make a payment at our 24/7 drive-up kiosk or right from your phone using SmartHub. Our drive-up kiosk is located at our main office and stays open 24 hours a day, 7 days a week. Skip the trip entirely and pay from your couch! Use the SmartHub app. Post Clicks Reactions Impressions Reach Eng. Rate

3	2	460	460	1.09%
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December 27, 2025 10:00pm

Shoutout to our crews who braved the wind after a stadium light fell into our lines in Connell on December 10th. After a severe windstorm downed a stadium light into our three-phase line, our crews went straight to work. They replaced destroyed infrastructure and worked until sunrise to make sure Connell had power. We are so grateful for our crews. Post Clicks Reactions Impressions Reach Eng. Rate

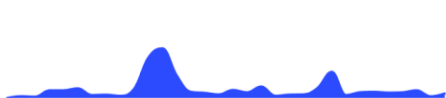
32	9	766	766	5.61%
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Totals

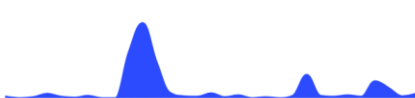
Add chart note



Total Audience
4,701 ↗ 1%



Total Impressions
12,177 ↗ 67%



Total Engagement
525 ↗ 245%

PUBLIC AFFAIRS YE

2025 Community & Employee Engagement Events:

4 Safety Tabletop Demonstrations

3 Weatherization Workshop's

2 Parades

2 Senior Expo's

And many other community events

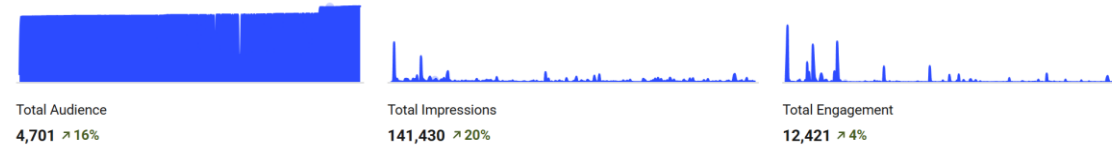
Facebook Followers

2,990 Total followers
+9.5% from previous 365 days



Totals

Add chart note



Franklin PUD Monthly Website Visits Since Launch

July: 22,919 Total Visits

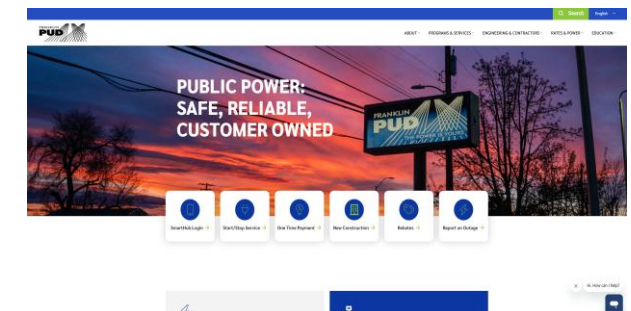
August: 27,994 Total Visits

September: 27,826 Total Visits

October: 34,171 Total Visits

November: 41,844 Total Visits

December: 45,161 Total Visits

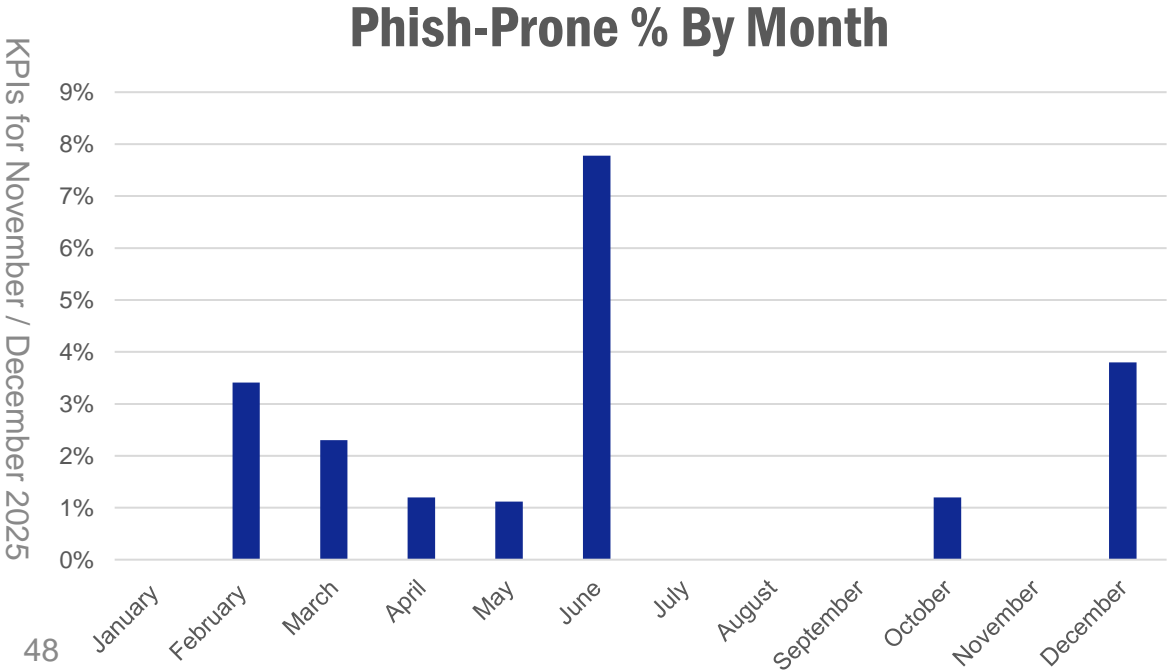


CYBERSECURITY

November Phishing Results	
Total Emails Sent	81
Number of users who clicked on links	0
Number of users who reported as “Phishing”	40
Phish-Prone %	0%

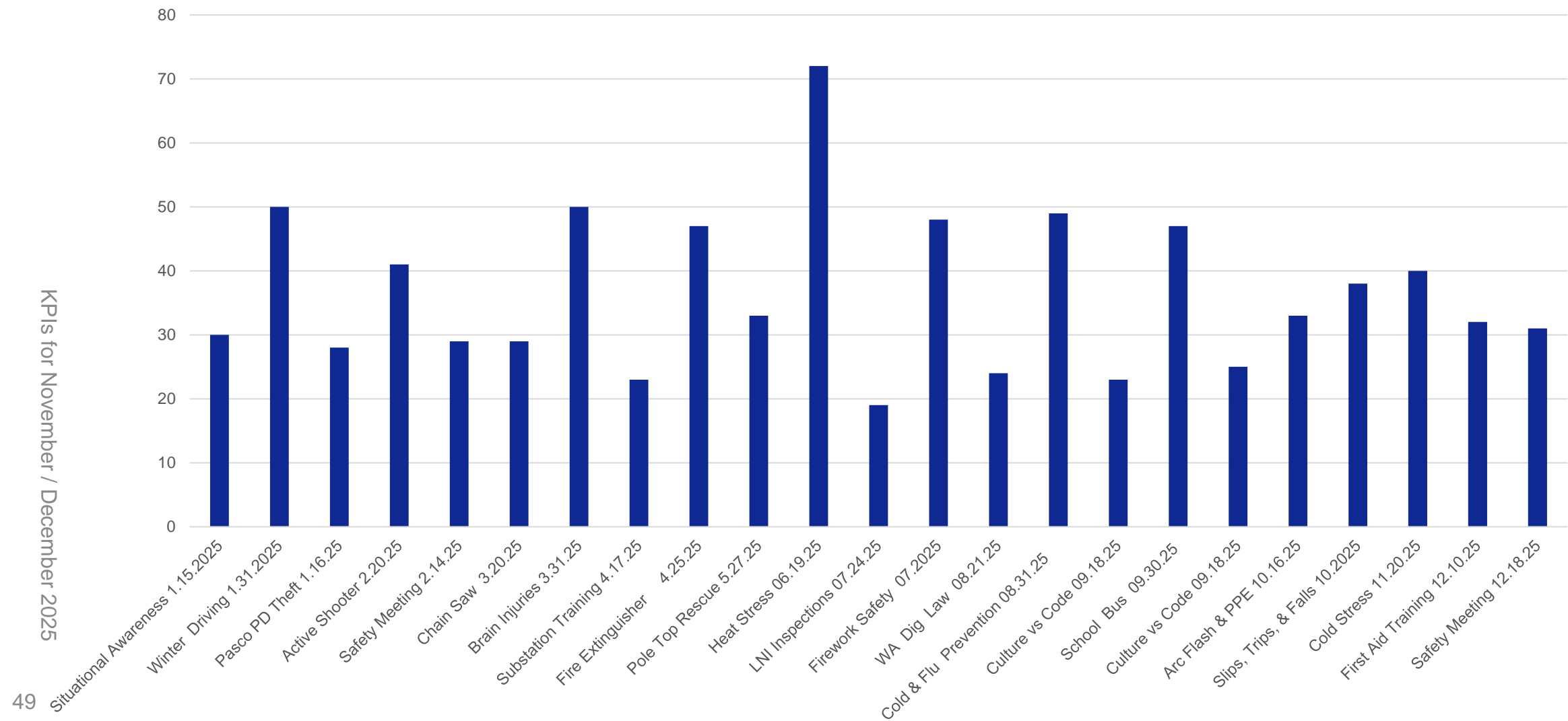
December Phishing Results	
Total Emails Sent	80
Number of users who clicked on links	3
Number of users who reported as “Phishing”	37
Phish-Prone %	3.8%

KPIs for November / December 2025



Previous Results		
January	Verify PL Phish	0%
February	Verify W2 Phish	3.41%
March	Payroll Tax	2.30%
April	Paycheck Issue	1.20%
May	Apple Support	1.12%
June	SharePoint Invite	7.78%
July	Single-use code	0%
Aug	Missed Call Phishing	0%
Sept.	USEAC	0%
Oct.	RFQ	1.2%
Nov	Equipment	0%
Dec	Ugly Sweater	3.8%

SAFETY TRAINING

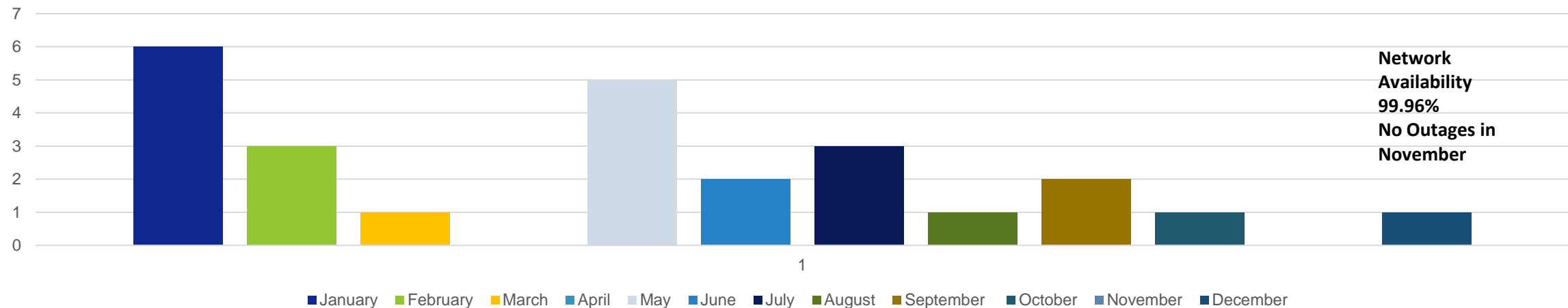




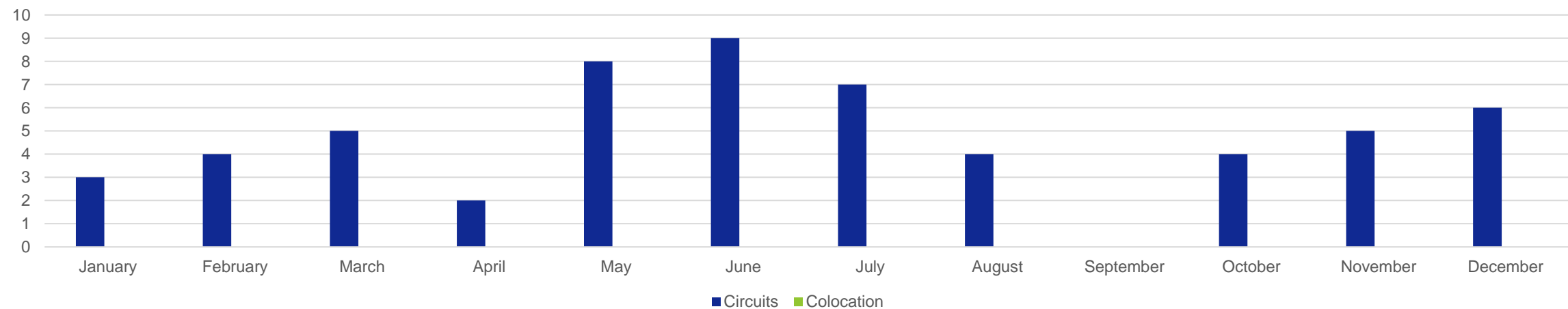
BROADBAND



Broadband Unplanned Outage Time



Broadband New Services



Fiber-To-The-Home Project (as of 1/14/2026)

Project to Date (as of 1/14/2026)

- Total Drops: 969
- Completed Drops: 816
- Service orders total: 585
- Services turned up: 352
- Current Service orders remaining to turn up: 233
- Grant Funding Total: \$4,854,610
- Total Spent To Date: \$3,530,056
- Grant Reimbursed To Date: \$3,117,219

Basin City Monthly Report

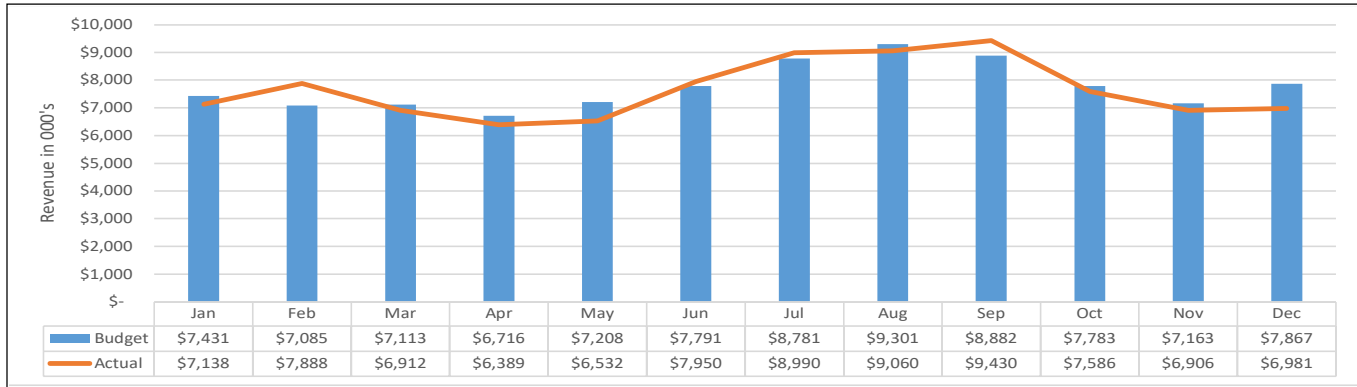
- Overhead Drops: 0
- Underground Drops: 4 new

Connell Monthly Report

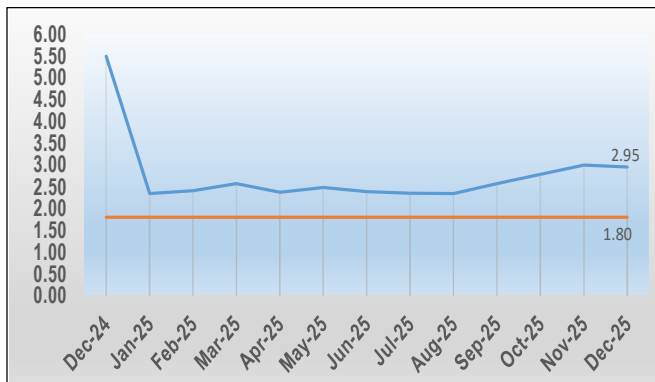
- Overhead Drops: 22 new
- Underground Drops: 0 new

Public Utility District No. 1 of Franklin County
Monthly Financial Highlights
For the Month Ended December 31, 2025

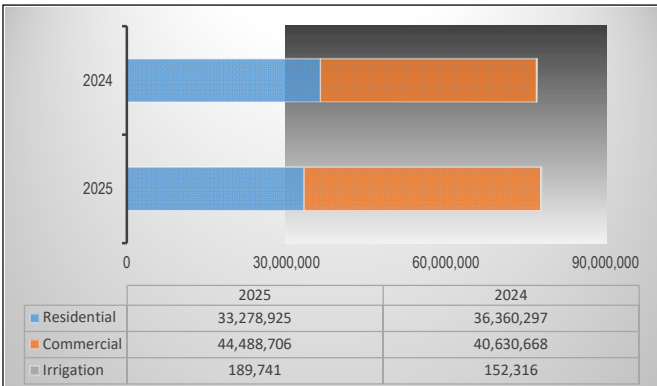
Retail Revenue by Month



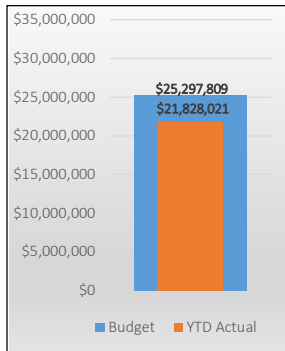
Debt Service Coverage



Energy Uses - kWh



Capital Spending



Labor & Benefits

	Budget	Actual	+/- 10%
Capital	\$162,938	\$159,649	●
Operating	1,142,448	1,302,396	●
Garage & Warehouse	64,242	71,186	●
Total	\$1,369,628	\$1,533,232	

Overtime

YTD December:	Budget*	Actual
Hours	5814	7187
Dollars	\$657,532	\$877,119

*Budget is submitted for annual period, amount shown is prorated for months elapsed

Cash & Investment Balances

	End of Year Forecast		
	Prior Month	Current Month	
Unrestricted Revenue Fund	\$ 31,162,528	\$ 37,484,938	↑
Unrestricted Rate Stabilization	\$ 5,900,000	\$ 5,900,000	●
Unrestricted Funds - Capacity Fees	\$ 400,000	\$ 572,100	↑
Restricted Bond Funds	\$ 2,031,821	\$ 2,032,262	↑
Restricted Construction Funds	\$ 12,212,929	\$ 12,558,439	↑
Restricted Debt Service Reserve	\$ 2,098,434	\$ 2,098,434	●
Restricted Deposit Fund	\$ 1,417,793	\$ 1,417,793	●
Restricted Other	\$ 10,000	\$ 10,000	●

Electric Customer Statistics

As of December 31:	2025	2024	
Electric Residential Meters	29,525	29,254	↑
Electric Commercial Meters	4,017	3,900	↑
Electric Irrigation Meters	902	902	●

Public Utility District No. 1 of Franklin County
Budget Status Report
For the Months Ended November 30, 2025 and December 31, 2025

	November Actual	December Actual (Preliminary)	YTD Actual (Preliminary)	FY Budget	Variance
1 <i>Operating Revenues</i>					
2 Retail Energy Sales	\$6,905,642	\$6,980,611	\$91,760,608	\$93,123,063	(\$1,362,455)
3 Broadband Sales	226,947	201,098	2,558,819	2,743,773	(184,953)
4 Transmission Sales	29,510	38,309	116,250	0	116,250
5 Secondary Market Sales	2,502,756	3,093,352	19,998,355	9,704,935	10,293,420
6 Other Operating Revenue	28,006	34,717	572,918	512,700	60,218
7 <i>Total Operating Revenues</i>	<u>\$9,692,860</u>	<u>\$10,348,088</u>	<u>\$115,006,951</u>	<u>\$106,084,471</u>	<u>8,922,480</u>
8					
9 <i>Operating Expenses</i>					
10 Power Supply	5,494,190	7,209,377	84,726,512	79,745,995	4,980,517
11 System Operations & Maintenance	552,916	771,089	7,409,154	7,867,028	(457,874)
12 Broadband Operations & Maintenance	74,221	85,674	902,439	964,195	(61,756)
13 Customer Accounts Expense	166,216	173,014	2,004,311	1,993,147	11,164
14 Administrative & General Expense	545,724	675,156	7,298,317	7,351,087	(52,770)
15 Taxes	486,107	455,918	5,640,077	5,699,498	(59,421)
16 <i>Total Operating Expenses</i>	<u>7,319,375</u>	<u>9,370,227</u>	<u>107,980,810</u>	<u>103,620,949</u>	<u>4,359,861</u>
17					
18 <i>Operating Income (Loss)</i>	<u>\$2,373,485</u>	<u>\$977,860</u>	<u>\$7,026,141</u>	<u>\$2,463,522</u>	<u>\$4,562,619</u>
19					
20 <i>Non Operating Revenue (Expense)</i>					
21 Interest Income	233,041	179,030	3,005,992	1,830,697	1,175,295
22 Interest Expense	(208,486)	(208,486)	(2,547,939)	(2,524,936)	(23,003)
23 Federal & State Grant Revenue	0	0	2,284,350	3,985,240	(1,700,890)
24 Federal & State Grant Expense	(7,398)	(2,600)	(103,021)	0	(103,021)
25 Other Non Operating Revenue (Expense)	9,218	20,586	72,816	10,000	62,816
26 <i>Total Non Operating Revenue (Expense)</i>	<u>26,376</u>	<u>(11,470)</u>	<u>2,712,199</u>	<u>3,301,001</u>	<u>(588,802)</u>
27					
28 Capital Contributions	1,149,738	507,523	5,694,682	4,070,000	1,624,682
29					
30 <i>Change in Net Position</i>	<u>\$3,549,599</u>	<u>\$1,473,913</u>	<u>\$15,433,021</u>	<u>\$9,834,523</u>	<u>\$5,598,498</u>
Debt Service Payment (Annual)			\$ 6,095,463	\$ 6,095,463	
Change in Net Position			15,433,021	9,834,523	
Interest Expense			2,547,939	2,524,936	
Net Revenue Available for Debt Service			\$ 17,980,960	\$ 12,359,459	
Debt Service Coverage (DSC)			2.95	2.03	

Public Utility District No. 1 of Franklin County
2025 Capital Budget by Project
Percent of Year Elapsed: 100%

Category	Project Description	Year to Date		\$ Remaining in		% Spent
		December 2025	2025 Budget	Budget		
Broadband						
1.25	BROADBAND SYSTEM IMPROVEMENTS & EXPANSION	\$ 221,905	\$ 382,000	\$ 160,095		58.09%
2.25	BROADBAND CUSTOMER CONNECTS	536,312	570,924	34,612		93.94%
142.25	RAILROAD AVE COLLO FACILTY	-	100,000	100,000		0.00%
198.25	WSBO CONNELL - BASIN CITY PROJECT*	2,575,990	3,985,240	1,409,250		64.64%
218.25	SR-17 RELOCATE	-	150,000	150,000		0.00%
UB24	COLO-2 REMODEL/EXPANSION	27,784	-	(27,784)		100.00%
BBPD.25	BROADBAND PROPERTY DAMAGE	12,806	-	(12,806)		100.00%
Total for Broadband		3,374,797	5,188,164	1,813,367		65.05%
* AMOUNTS FUNDED BY FEDERAL GRANT PROGRAM						
Building						
92.25	RTU 8 REPLACEMENT- CARRYOVER	-	155,000	155,000		0.00%
202.25	ASPHALT WORK AT OPERATIONS & W. CLARK ST	94,044	100,000	5,956		94.04%
203.25	1411 W. CLARK POWER REMODEL	482,806	1,900,000	1,417,194		25.41%
204.24	ADA COMPLIANCE/ SAFETY ENHANCEMENT	135,128	-	(135,128)		100.00%
219.25	EXTERIOR DOUBLE DOORS (2) W. CLARK ST	-	25,000	25,000		0.00%
232.25	SERVER ROOM/ COLO 1 HVAC	15,961	-	(15,961)		100.00%
Total for Building		727,939	2,180,000	1,452,061		33.39%
Information Handling						
220.25	CORE DISTRIBUTION SWITCHES	6,920	10,000	3,080		69.20%
221.25	DELL AIO REPLACEMENTS	50,791	80,000	29,209		63.49%
222.25	FIREWALL REPLACEMENTS	18,908	65,000	46,092		29.09%
235.25	IDP AP INVOICE AI PROCESSING	7,623	-	(7,623)		100.00%
Total for Information Handling		84,242	155,000	70,758		54.35%
System Construction - New Customers						
121.25	PURCHASE OF METERS	74,266	300,000	225,734		24.76%
64.25	CUSTOMER ADDS TO THE DISTRIBUTION SYSTEM	3,538,677	2,400,000	(1,138,677)		147.44%
65.25	PURCHASE OF TRANSFORMERS	4,152,851	2,000,000	(2,152,851)		207.64%
Total for System Construction- New Customers		7,765,794	4,700,000	(3,065,794)		165.23%
System Construction - Reliability & Overloads						
TRANSMISSION PROJECTS						
207.25	COMPLETE BPA B-F #1 TAP TO RAILROAD AVE	458,800	1,088,000	629,200		42.17%
SUBSTATION PROJECTS						
70.25	SCADA UPGRADES- SUBSTATIONS	4,661	60,000	55,339		7.77%
148.25	VOLTAGE REGULATORS UPGRADES	-	400,000	400,000		0.00%
73.25	REPLACE OBSOLETE BREAKER RELAYS	-	300,000	300,000		0.00%
178.24	RAILROAD AVE SUB (REIMANN) SUBSTATION	43,607	-	(43,607)		100.00%
208.25	FOSTER WELLS/EAST OF HWY 395 - DESIGN	-	1,000,000	1,000,000		0.00%
223.25	SUBSTATION TRANSFORMERS (x4)	6,710,356	6,666,645	(43,711)		100.66%
224.25	ADD BAY 2 TO COURT ST SUB	-	600,000	600,000		0.00%
225.25	ADD BAY 2 TO TAYLOR FLATS SUB	-	600,000	600,000		0.00%
226.25	EXTEND T-LINE TO NEW FOSTER WELLS EAST SUB	-	150,000	150,000		0.00%
DISTRIBUTION PROJECTS						
67.25	UNDERGROUND CABLE REPLACEMENTS	714,327	600,000	(114,327)		119.05%
72.25	MISCELLANEOUS SYSTEM IMPROVEMENTS	1,336,296	1,000,000	(336,296)		133.63%
103.25	CONVERT OH/UG- CITY OF PASCO	419,346	100,000	(319,346)		419.35%
CHP.25	CAR HIT POLES	158,668	90,000	(68,668)		176.30%
Total for System Construction- Reliability & Overloads		9,846,061	12,654,645	2,808,584		77.81%
Tools						
227.25	SINGLE PHASE METER PORTABLE TESTER	20,887	20,000	(887)		104.44%
Total for Tools		20,887	20,000	(887)		100.00%
Vehicles						
228.25	MECHANICS SHOP TRUCK	-	125,000	125,000		0.00%
229.25	MAINTENANCE F350	-	125,000	125,000		0.00%
230.25	TRANSFORMER SHOP F350	-	125,000	125,000		0.00%
231.25	CONVERT TRUCK 50 TO FLATBED	-	25,000	25,000		0.00%
233.25	GEARBOX FOR VEHICLE 144	8,301	-	(8,301)		100.00%
Total for Vehicles		8,301	400,000	391,699		2.08%
Grand Total		\$ 21,828,021	\$ 25,297,809	\$ 3,469,788		86.28%