

Generation & Transmission Operating Plan 2018-2022 Business Plan Summary

How we will make a difference

- Further implement operational excellence principles and training for employees.
- Further develop an asset management program that optimizes the value of the G&T assets.
- Safely complete planned scope of major hydro repairs/rehabilitations.
- Maintain exceptional transmission system availability.
- Maintain compliance with reliability and critical infrastructure protection standards

Key outcomes increasing value to customer-owners

- Increase hydro reliability by completing planned reinvestment projects (e.g. RR large unit repairs and RI rehabilitations)
- Advance the generation and transmission asset management strategies to optimize long-term reliability and cost
- Implement a hiring strategy for hydro operators that will assure these key positions retain the core competencies necessary to maintain safe and reliable bulk electric system operations with the high level of attrition expected over the next 5 years
- Begin implementing recommendations from the feasibility study to improve customer-owner reliability in highest risk areas identified from system-wide evaluation of wildfire and weather risk to the transmission system
- Complete construction of storage and support facilities at Rocky Reach and Rock Island that result in efficiency improvements
- Implement data analytics platform and increase predictive maintenance capability through data analytics and sensor research
- Continue improving safety culture through operational excellence principles

Key Variables (known unknowns)

- High volume of projects planned for the next few years could prove difficult to maintain on schedule
- Storms or fires could affect transmission system reliability
- New and changing regulatory requirements
- Cyber security risks
- Timing of reinvestment expenses

| District Supported Priorities (Initiatives & Action) | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|
| Rocky Reach large unit permanent repairs | \$X | \$X | \$X | \$X | |
| Rock Island PH1 modernization | \$X | \$X | \$X | \$X | \$X |
| Rock Island PH2 modernization | \$X | \$X | \$X | \$X | \$X |
| Hydro Asset Management Plan Implementation | X | X | X | X | X |
| Transmission Asset Management Program Development and Implementation | X | X | X | X | X |
| Perform systematic assessment to protect transmission lines from fire/weather | \$X | \$X | \$X | \$X | |
| Advance safety culture through operational excellence principles | X | X | X | X | X |
| Evolve risk-based Reliability Compliance Programs and comply with new and modified standards | X | X | X | X | X |
| Advance Hydro Research PPB Projects | \$X | \$X | X | X | X |
| Upgrade Hydro support facilities | \$X | \$X | \$X | \$X | \$X |

\$X - Incremental Investment and Internal Resource Efforts

X - Incremental Internal Resource Efforts

\$V - Incremental Investment and Ongoing Internal Resource Efforts

V - Ongoing Internal Resource Efforts

How we will make a difference...

Customer Utilities is a versatile group focused on delivering water, wastewater and electrical services to the end user; engineering, operations, customer service and customer relations support these systems. The overall goal of Customer Utilities is to provide safe, economical and reliable customer utility services consistent with stakeholder expectations.

As we develop *A New Era of Customer Experience*, the short-term focus is to improve the customer experience through updating our customer billing system and considering associated advanced customer programs. For the long-term, meeting mandated and contractual obligations, supporting community growth, and maturing our asset management approach to maintain reliability dominate our plans. In *preparing today for tomorrow*, condition and capacity of our core, critical assets, such as substations and feeders, drive an increasing volume of maintenance work and capital investment. Throughout our efforts, we commit to engaging our customer-owners in decisions that will affect them.

Key outcomes benefiting customer-owners

- Safe, economical and reliable customer utility services
- Improved customer experience through a new customer information system and potential customer self-service and mobile solutions
- Improved information provided to customers through consideration of a two-way metering system
- Optimized costs and system reliability through asset management driven maintenance and capital investment
- Preparing to serve future customers by constructing multiple new substations
- Support for fiber expansion, municipal road projects and other mandated compliance projects through resourcing and funding District infrastructure modifications and relocations
- A sustainable, long-term regional water system through planned improvements with Regional Water partners
- Achievement of wastewater system environmental compliance in the most cost conscious manner
- Improved processes, rates and policies ensuring risks associated with new electric load types have been adequately addressed

Key Variables (known unknowns)

- Speed and magnitude of natural disaster consequences to utility systems (fire, weather, flood, etc.)
- Changing patterns of system load growth impacting planning timelines and cost
- Cost, timeline and complexity of the customer information system upgrade
- Changing customer expectations for technological solutions and resources
- Legislative changes and other external factors
- Cost and challenges of utility system expansion, stakeholder engagement, and infrastructure siting
- Loss of institutional knowledge and abilities through increasing turnover/retirement
- Ability to attract and retain a skilled workforce
- Unforeseen failures in critical system infrastructure
- Cyber security risks

| Key District Initiatives/Action | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|-------------|
| Upgrade Customer Information System (CIS) | \$X | \$X | \$X | \$X | |
| Customer Utilities Asset Management Program Development | \$X | \$X | \$X | \$X | \$X |
| Execute Substation Planning, Siting and Construction to Address Growth Needs | \$X | \$X | \$X | \$X | \$X |
| Develop & Implement Regional Water Supply Strategy | \$V | \$V | v | v | v |
| Advance Intelligent Grid (Two-Way Metering) Capabilities | \$V | \$X | \$X | \$X | \$X |
| Develop and Implement NESC Compliance | \$X | \$X | \$X | \$X | \$X |
| Complete Peshastin Wastewater Capital Improvements | \$V | \$V | v | | |

Fiber Operating Unit Plan - One Page Summary

How we will make a difference...

We will provide world-class, high-speed broadband transport services that enable our customer-owners to participate and compete in the digital economy from Chelan County. They will be able to operate businesses that are open to the world; telecommute or work from home; enjoy multiple video channels; participate in distance learning; manage and secure their homes with connected devices. We will expand the broadband network to 85-90% of the premises by 2026 in Chelan County using Public Power Benefit while improving service levels, capacity and reliability in the existing network. We will develop advanced services to help attract and maintain businesses on the broadband network and provide the ability to generate net positive economic benefits to the county.

Key outcomes increasing value to customer-owners

- Continue expansion of the broadband network in 2018 while preparing construction plans for expansion in 2019.
- Continue to develop and implement an Asset Management Program that instills a portfolio management discipline that defines strategies for asset maintenance and capital investment in fiber assets.
- Continued development of a disaster recovery program that identifies impacting events including cybersecurity mitigation strategies to reach interim operational state while working towards complete recovery for the broadband network.
- Joint planning with Customer Utilities to enhance PPB expansion make-ready work and comply with National Electric Safety Code.
- Evaluation and selection of customer service system
- Continue network system improvements in security, performance, and reliability

Key Variables (known unknowns)

- Overall lack of redundancy on physical infrastructure in the network leading to single points of failure.
- Components of the core system are not redundant and are centrally located in the CTC basement.
- Catastrophic failure of a node (fire for example) will result in an extended outage for all customers serviced by that node, without the capability to transfer customers to any other node.
- Overall risk of variability in detail design and engineering of construction areas on expansion efforts.
- Overall impact of supply chain market conditions, construction constraints and county growth on expansion plans with funding variability.
- Finding viable service providers to mitigate risks associated with having one dominant provider controlling 97.4% of customers.
- Impact of regulatory decisions and rule making on areas such as Retail Authority and Net Neutrality.
- Financial and resource impacts due to electrical system asset management program outcome
- Impact of losing critical employees in a small, specialized organization
- Emerging competing technologies such as small cell and millimeter wireless solutions

| District Supported Priorities (Initiatives & Action) | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|
| Fiber Asset Management Program | X | \$X | \$X | \$X | \$X |
| Fiber Network Expansion | \$X | \$X | \$X | \$X | \$X |

| Business/Operating Unit Key (Initiatives & Action) | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------------|-------------|-------------|-------------|-------------|
| Network Disaster Recovery Program | \$X | \$X | | | |
| High Availability Program | \$X | \$X | \$X | \$X | \$X |
| Work & Resource Planning Function | X | \$X | \$X | \$X | \$X |
| Customer Management Upgrade | \$X | \$X | \$X | | |
| Customer Service Initiative | \$X | \$X | \$X | \$X | \$X |
| Marketing and Branding of Broadband Network | \$X | \$X | \$X | \$X | \$X |

Telecom Operating Unit Plan - One Page Summary

How We Will Make a Difference....

- We will effectively manage our telecommunication assets through the alignment of the needs of the District with the latest technologies to deliver reliable and feature rich systems at the lowest overall cost.
- We will provide dependable voice and data communications over the telecommunication assets within the District while operating the system in a responsible and efficient manner.

Key Outcomes Increasing Value To Customer-Owners

- Continue to develop and implement an Asset Management Program that instills a portfolio management discipline that defines strategies for asset maintenance and capital investment in fiber assets.
- Replacement of the legacy land mobile radio system and microwave communication systems with fully updated, manufacturer supported systems to provide reliable core telecommunication services to District employees
- Increased bandwidth and reliability over the Microwave communication system
- Implementation of Digital Mobile Radio system for reliability and safety in work operations
- Continued implementation of advanced feature packages on the unified communication system

Key Variables (known unknowns)

- Some communications sites are leased and subject to third party actions
- Changes to FERC/NERC/WECC regulatory compliance requirements relating to the transport and protection of data (information) associated with the operations of generation and distribution of electricity

| District Supported Priorities (Initiatives & Action) | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|
| Telecommunications Systems Improvements Plan | \$X | \$X | | | |
| Business/Operating Unit Key (Initiatives & Action) | 2018 | 2019 | 2020 | 2021 | 2022 |
| System Disaster Recovery Program | \$X | | | | |
| Telecom Asset Management Program | | \$X | \$X | \$X | \$X |

Energy Resources Operating Plan 2018-2022 Business Plan Summary

How we will make a difference

We will optimize the wholesale position and customer energy solutions programs to enhance our revenue and customer experience in support of the District’s debt reduction plans, financial targets, and Public Power Benefit (PPB) program. We will continually improve our performance by anticipating, monitoring and responding to new opportunities and risks.

Key outcomes increasing value to customer-owners

- Diversify wholesale portfolio by:
 - Enhanced and increased predictability of wholesale revenues using analytics, market intelligence and marketing.
 - Anticipate, monitor and influence the evolving power markets in the West and put the District in the best position to maintain value to our customer-owners.
 - Provide products and services that are responsive to changing market and regulatory conditions that meet the needs of wholesale purchasers at the Mid-C Hub.
 - Continue to pursue and enhance our longer term marketing plan
 - Diversifying portfolio by evaluating and promoting new large loads that enhance the value to our customers and our local economy.
- Implement restructured Mid-C Hourly Coordination Plan. Preserve the value of our hydro system by increasing the efficiency and effectiveness of coordinated operations internal to the PUD and with partners in the Mid-Columbia region.
- Enhance energy efficiency acquisitions above compliance requirements that lead to increased customer satisfaction, net revenues, and economic development.
- Provide energy solutions that anticipate and respond to customers changing energy needs-leading to outstanding customer experience.

Key Variables (Known Unknowns)

- Direction of future energy prices in the West as they are impacted by low-to-no load growth, increasing renewable resources.
- Curtailment of large baseload resources, and low natural gas prices.
- California energy market regulatory regime
- Mid-C Hourly coordination and independent operations.
- Distributed energy resources becoming more viable.
- Lower avoided costs could decrease the number of energy efficiency programs impacting customer satisfaction.
- Regulatory uncertainties at the State and Federal level.
- Energy Imbalance Market (EIM) and a trend towards more organized markets (either EIM or Regional Transmission Organization 's) could change market dynamics and impact the Mid C hub.

| District Supported Priorities (Initiatives & Actions) | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|
| Electrification research and collaboration program implement work plan – PPB | √ | √ | | | |
| Implement Customer Energy Solutions proposal | \$√ | \$√ | \$√ | √ | √ |
| Implement holistic demand side management program – includes energy efficiency demand response and Strategic Energy Management Programs. | \$√ | \$√ | √ | √ | √ |
| Retrofit Streetlights with LED Technology | \$√ | \$√ | | | |
| Actively participate in electric markets development | X | X | X | X | X |
| Stabilize and enhance wholesale electric revenues | √ | √ | √ | √ | √ |
| Prepare for and implement Mid-C independent operations | \$X | X | X | X | X |
| Execute 5-year slice hedging program | √ | √ | √ | √ | √ |
| Implement longer-term strategic marketing plan to address changing market conditions | √ | √ | √ | √ | √ |
| Advance Carbon Strategic goals related to IRP and Carbon planning | √ | √ | √ | √ | √ |
| Optimize the District’s wholesale portfolio | √ | √ | √ | √ | √ |
| Create a large retail customer development plan. | \$X | \$X | \$X | \$X | \$X |
| Execute 80% of capital plans on schedule and within budget | √ | √ | √ | √ | √ |

\$X - Incremental Investment and Internal Resource Efforts

X - Incremental Internal Resource Efforts

\$√ - Incremental Investment and Ongoing Internal Resource Efforts

√ - Ongoing Internal Resource Efforts

District Services Operating Unit Plan – 2018-2022 Summary

How we will make a difference

Dedicated to enhancing the quality of life in Chelan County by leveraging the value of District assets; protecting the natural resources entrusted in our care; providing high quality recreational experiences; and promoting federal, state and local policies that benefit PUD customer-owners. Our primary mission is to support the success of the District’s operating units.

Key outcomes increasing value to customer-owners

- Leverage engineering and procurement resources to ensure the District achieves its strategy to increase investments in assets that create long-term value, with a particular emphasis in the next few years on our hydro assets
- As we prepare to relicense Rock Island, use external affairs strategies to pursue credit for early action in hydro relicensing, as well as “provide the best for the most for the longest” with respect to carbon pricing
- Meet and/or exceed all obligations under our hydro license requirements, including fisheries protection and recreational opportunity enhancements
- Advance our understanding of potential climate change impacts on PUD operations and options for responsive strategies
- Administer the public power benefits program
- Partner with low-income and Hispanic/Latino customer-owners to include their perspectives in PUD decision-making, as we enhance two-way communication around issues customer-owners care about
- Implement long-term planning strategies for PUD facilities to create the best long-term value for customer-owners

Key Variables (knowns/unknowns)

- Constantly changing political landscape and associated emerging issues
- Impacts of hydro licensing reform legislation
- Additional support requirements of all other business units for procurement, project management and engineering, as well as other functions provided by District Services

| Key Initiatives and Actions | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|------|------|------|------|------|
| Implement long range facilities planning (including energy efficiency of PUD facilities) | \$X | \$X | \$X | \$X | \$X |
| Implement a strategy for relicensing the Rock Island Hydro Project that includes credit for pre-licensing hydro investments and assesses our existing investment | X | X | X | X | X |
| Evolve reliability compliance programs around protecting our physical assets | \$X | \$X | √ | √ | √ |
| Manage and evaluate the day-use parking pass and pilot camping study at Beebe Bridge Park | X | | | | |
| Incorporate standardized project management processes as Project Portfolio Management and Asset Management evolve for long-range facilities planning and provide project management and engineering support for Rocky Reach large generating unit permanent repairs and Rock Island Powerhouse #1 and #2 upgrades | \$X | \$X | \$X | \$X | \$X |
| Use asset management to administer replacements and maintenance of lands, facilities, hatcheries and parks assets | X | X | X | X | X |

Human Resources & Safety: How we will make a difference...

We make a difference for the District's customer-owners by acquiring, developing and motivating the talent of the future, by supporting business units in their pursuit of safety and operational excellence, by developing effective team leaders, by facilitating the pursuit of individual mastery and accountability, and by providing support to ensure compliance with employment regulations and obligations.

Key outcomes increasing value to customer-owners

- Continuing to develop and expand the District's safety culture change initiative, abiding by the principles of Human Performance Improvement (HPI) and Operational Excellence (OE), including identifying and recruiting key employees to be HPI champions and developing them, along with supervisors, to actively embed HPI principles and practices into our operations:
 - Planning and providing support for business units on their HPI/OE journeys.
- Identifying and adopting a comprehensive, internally consistent talent management philosophy and strategies to guide the District's recruitment, total rewards, performance management and employee development efforts so the functions support and reinforce each other:
 - Expanding potential talent pools, and hiring talent with the continuous learning, adaptability and critical thinking skills needed to ensure the District's future operating capability;
 - Continuing to develop the District's workforce to maintain or enhance overall performance as institutional knowledge is lost through retirements and technological advances change the nature of work;
 - Developing leaders through training and other support to inspire high performance and positive morale;
 - Supporting individual development by facilitating training and development opportunities linked to current and future District needs;
 - Designing total rewards strategies to attract and retain future talent through competitive compensation and flexible benefits packages;
 - Designing jobs to attract and retain future talent by providing for growth with defined career paths, job enrichment/rotation and balance;
 - Designing leadership profiles and roles that will meet the District's needs for leading the workforce of the future;
 - Exploring strategies to meet the District's needs for talent attraction and knowledge retention.
- Ensuring financial and administrative sustainability:
 - Negotiating a Collective Bargaining Agreement that meets the District's interests in financial sustainability and ease of administration while maintaining or enhancing levels of mutual trust and respect between labor and management;
 - Developing innovative health benefits solutions that meet the District's interests in financial sustainability and maintain a high standard of health care for our employees and their families;
 - Evaluating administrative systems and processes for more efficient and effective ways to serve the District's needs.
- Continuing utility-focused job/work readiness efforts.

Key Variables (known unknowns)

- Impact of the new administration and other factors on the regulatory and statutory environment including the Fair Labor Standards Act (FLSA) overtime rule, Office of Federal Contract Compliance Program (OFCCP) requirements, possible repeal and replacement of the Affordable Care Act (ACA), State paid sick leave, State paid family and medical leave insurance and local ordinances governing worker schedules and paid leaves;
- Timing and rate of retirements and other turnover with loss of technical and institutional knowledge;
- Market trends for technology, wages and demographics including the availability of, and competition for, workers with needed skills and other characteristics of the workforce of the future.

| District Supported Priorities (Initiatives & Action) | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------------|-------------|-------------|-------------|-------------|
| Utility-focused job/work readiness program - PPB | \$X | | | | |
| Conduct collective bargaining agreement negotiations for 2018-2021 and 2021-2024 cycles | X | | X | X | |
| Develop Human Performance culture of excellence Program District-wide with a phased-in approach | \$X | \$X | \$X | \$X | \$X |
| Organization and employee development | \$X | \$X | \$X | \$X | \$X |
| Develop data and reports to support workforce and succession planning | X | √ | √ | √ | √ |
| Design selection processes for a future-ready workforce | X | √ | √ | √ | |
| Compensation and benefits program reviews; make recommendations and implement according to adopted plans | \$X | \$X | \$X | √ | √ |
| Implement plan for a new leadership academy | \$X | \$X | \$V | \$V | \$V |
| Develop integrated talent management strategies | \$X | X | √ | √ | |
| Complete 95% of required safety training provided to affected employees | \$V | √ | √ | √ | √ |
| Conduct diversity outreach programs including applicant and customer focuses | √ | √ | √ | √ | √ |
| Review safety programs for best practices and regulatory compliance | \$X | \$X | \$V | √ | √ |
| Integrate Accountability, Modeling of District Values and Cycle of Personal Ownership into daily processes | √ | √ | √ | √ | √ |
| | | | | | |
| Business/Operating Unit Key Initiatives & Actions | 2018 | 2019 | 2020 | 2021 | 2022 |
| Work actively with WPUA to influence employment-related legislation at the state level. | √ | X | √ | X | √ |
| Develop a comprehensive talent management philosophy with inclusion from stakeholders to guide and integrate current and future HR functions. | X | | | | |
| Develop and implement plans to comply with new employment regulations, statutes and case law. | X | X | X | X | X |

Finance & Risk Operating Plan 2018-2022 Business Plan Summary

How we will make a difference...

We will promote prudent financial and risk disciplines and continue the District's debt reduction strategy to keep the District financially strong and rates stable and affordable for our customer-owners.

Key outcomes increasing value to customer-owners

- Reduce debt leverage below 35% by 2019 and prepare for reinitiating capital borrowing
- Our bond ratings will remain among the highest of any utility in the country
- Maintain customer-owner confidence through clean audit opinions
- Evolve business intelligence capabilities to continue to advance as a data-driven organization
- Instill capital portfolio management life cycle philosophy for high long-term value
- Ensure decisions undergo comprehensive analysis and risk assessment to ensure best value
- Maintain the financial forecast model, perform analysis and provide financial objectives oversight
- COSA and rate design updates support revenue requirements, philosophies and address emerging issues
- Provide resources to support optimizing wholesale revenues while achieving financial goals
- Provide insurance activities to mitigate risk and loss and optimize value

Key Variables (known unknowns)

- Narrowed margins on achieving financial policies reduce options for responding to unplanned events
- Insurance premiums are contingent on claim experience and market factors beyond our control
- Wholesale market opportunities that impact the wholesale position and revenue forecasts
- Participation in evolving energy markets may impact future O&M and staffing resource requirements
- Alcoa's Wenatchee Plant operational status through 2018
- Ever-increasing regulatory requirements
- Volatility associated with long-term capital plans

| District Supported Key Initiatives/Actions | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------|-------|-------|-------|-------|
| Maintain, update & provide reporting on Strategic Plan | √ | \$X | √ | √ | √ |
| Ongoing evaluation, adaption and execution Debt Reduction Plans | \$85M | \$86M | \$36M | \$26M | \$39M |
| Manage Alcoa contract to assure contract provisions and retained value | X | √ | √ | √ | √ |
| Maintain or enhance AA bond ratings | √ | X | √ | X | √ |
| Receive clean audit opinion and no material deficiencies | √ | √ | √ | √ | √ |
| Refine and execute the business planning cycle | √ | √ | √ | √ | √ |
| Rate & debt planning through Board philosophy advancement | X | √ | √ | √ | √ |
| Implement/maintain Business Continuity plans | √ | √ | √ | √ | √ |
| Implement Business Intelligence roadmap | \$√ | \$√ | \$√ | \$√ | \$√ |
| Improve Project Attribute Valuations and capital review process | √ | √ | √ | √ | √ |

| Business/Operating Unit Key Initiatives/Action | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|------|------|------|------|------|
| PeopleSoft Financials Maintenance and Enhancements Plan | √ | √ | √ | √ | √ |
| Finance Systems Process Improvements | √ | √ | √ | √ | √ |
| Manage Insurance Recovery and Claims for Rocky Reach Large Units | X | X | √ | √ | √ |
| Develop and Implement Public Safety Program to strengthen insurance reviews | √ | √ | √ | √ | √ |
| Update & Extend the District's Financial Forecast Model | X | | | | |
| Upgrade Cognos BI Software | X | | | | |

\$X - Incremental Investment and Internal Resource Efforts

X - Incremental Internal Resource Efforts

\$√ - Incremental Investment and Ongoing Internal Resource Efforts

√ - Ongoing Internal Resource Efforts

Information Technology Operating Plan

2018-2022 Business Plan Summary

How we will make a difference...

Help all staff members at the District achieve more through the use of information and technology.

Key actions which will increase value to customer-owners

- We will be relentless in protecting against cyber security risks
- We will provide a highly available, secure and resilient computing environment
- We will partner with other business units to provide technical tools and processes to help them achieve their goals and to facilitate continuous improvement for enhancing the customer owner experience
- We will improve user efficiency by enhancing user interfaces within business applications to be more consistent with fewer mouse clicks
- We will implement IT projects on-schedule and within budget

Key variables (known unknowns)

- Ability to compete for and retain top IT talent including succession planning considerations
- Ability to staff IT adequately to meet District and Business Unit initiatives, requirements and relevant metrics while maintaining a highly available, secure and resilient computing environment
- IT is, and will continue to utilize the Cyber Security Maturity Model (C2M2) in order to determine and analyze cyber security staffing requirements and action plans

| District Supported Key Initiatives/Actions | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|
| Upgrade Customer Information System (CIS) | \$X | \$X | | | |
| Strengthen Cyber Security Program – Business Systems | \$V | \$V | \$V | \$V | \$V |
| Implement Business Intelligence Roadmap | \$X | \$V | \$V | \$V | \$V |
| Evolve GRC Accountability and Processes | X | X | X | | |
| Advance Intelligent Grid (two-way metering) capabilities | \$X | \$X | \$X | X | X |
| Enterprise Mobility Program | \$X | \$V | \$V | \$V | \$V |
| Implement and Maintain Business Continuity Plan | X | X | X | X | X |
| Execute IT capital plans on schedule and within budget | √ | √ | √ | √ | √ |
| Business/Operating Unit Key Initiatives/Action | 2018 | 2019 | 2020 | 2021 | 2022 |
| Feasibility Study for Paperless Boardroom | \$X | √ | √ | √ | √ |
| Maximo Upgrade | \$X | | \$X | | \$X |
| Develop and implement new Dispatch Log | \$V | √ | √ | √ | √ |
| Replaced Bid Workflow Application | \$X | √ | | | |
| Maintenance, Monitoring and Analysis of Logs | \$X | X | X | X | X |
| Standardize the District's Data Model | \$X | X | X | X | X |
| Upgrade Primavera | X | X | X | X | X |
| Continued support and refinement of Dynamic Work Plan | X | X | X | X | X |
| Database Encryption and Oracle Security | X | \$X | √ | √ | √ |
| Fiber Portal Replacement | | X | \$X | \$X | |
| IT Operations and Systems Backlogs | X | X | X | X | X |

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\$V - Incremental Investment and Ongoing Internal Resource Efforts

X - Incremental Internal Resource Efforts
√ - Ongoing Internal Resource Efforts

Legal Compliance & Audit: How we will make a difference

To increase value for the District's customer-owners by 1) proactively managing the District's increasing compliance obligations and risk, and 2) effectively supporting District business unit efforts in order to preserve and enhance the District's assets and operations.

Key outcomes increasing value to customer-owners

- Provide cost effective legal support to the District's Board of Commissioners.
- Conduct audit and compliance reviews to improve internal controls and secure clean audit results.
- Secure audit best practices peer review to identify improvement opportunities.
- Advance Governance, Risk and Compliance initiative to improve process and reduce compliance risk.
- Cost effectively locate and manage legal and compliance resources.
- Reduce risk of financial or other penalties associated with increasing regulatory environment and compliance requirements through pro-active issue understanding and management.
- Provide cost effective legal support to Energy Resources with understanding and influencing the electric power markets that impact PUD revenues.
- Advise human resource on issues affecting District.
- Support the continuing efforts to update and improve coordinated river operations and agreements.
- Actively engage Rock Island relicensing strategic planning efforts.
- Provide cost effective legal support for the District's reinvestment efforts to include Rock Island rehabilitation and Rocky Reach generator repairs.
- Support the District's rate design efforts to include new local loads, High Density/EUI, Distributed Generation and 2-Way Metering.
- Provide cost effective legal support for the District's ongoing environmental and natural resource efforts to meet and exceed its stewardship obligations.
- Advise the District on state and federal legislative efforts.

Significant Plan Changes

Substantially increased legal resource involvement due to unanticipated events, increased compliance requirements, and increased number of projects, emerging regulatory issues and market developments.

Key Variables (known unknowns)

Ever-increasing regulatory and compliance requirements and availability of resources/Resource limitations

| District Supported Priorities (Initiatives & Action) | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|
| Columbia River Treaty | X | X | X | X | X |
| Advance Governance-Risk-Compliance processes and records management policy | X | X | X | X | X |
| Support CBA and ACA Efforts | X | | | X | |
| Rock Island Re-Licensing Efforts | X | X | X | X | X |
| Business/Operating Unit Key Initiatives & Action | 2018 | 2019 | 2020 | 2021 | 2022 |
| Support power marketing opportunities and proactively engage in emerging markets and regulatory issues | X | X | X | X | X |
| Support hydro insurance claims activity | X | X | X | X | X |
| Mid-C Coordination | X | X | | | |