Why we are here today

- Updated load forecast
- Overview of active project of note
- Wenatchee foothills residential development planning
- Overview of planning for capital infrastructure costs

- No action requested today
## 10-Year Load Forecast Change
(Net of Energy Conservation Plans)

<table>
<thead>
<tr>
<th>Date of Forecast</th>
<th>Base Case</th>
<th>High Case</th>
<th>Low Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2020</td>
<td>26 aMW</td>
<td>165 aMW</td>
<td>3 aMW</td>
</tr>
<tr>
<td></td>
<td>1.2 %</td>
<td>6.2 %</td>
<td>0.1 %</td>
</tr>
<tr>
<td>Mar 2020</td>
<td>26 aMW</td>
<td>130 aMW</td>
<td>-1 aMW</td>
</tr>
<tr>
<td></td>
<td>1.1 %</td>
<td>4.6 %</td>
<td>- 0 %</td>
</tr>
<tr>
<td>June 2020</td>
<td>26 aMW *</td>
<td>130 aMW</td>
<td>-1 aMW</td>
</tr>
<tr>
<td></td>
<td>1.1 %</td>
<td>4.6 %</td>
<td>- 0 %</td>
</tr>
</tbody>
</table>

* Note: No forecasted changes since March 2020
Base case assumes average economic development. Diamond Foundry load of 17 aMW (base) with 19MW peak, is a significant factor in current load forecast.
Utility Services Meter Counts By System

- **Electric System (COM, RES, IND, OTHER)**
  - From March 2020 to date:
    - 131 new Electric meters
    - 24 new Water meters
    - 0 new Wastewater meters

- **Water System (COM, RES, IND, OTHER)**
  - May

- **Wastewater System (COM, RES, & IND)**
  - May
Wenatchee Foothills Housing Developments
(Water, Electric and Fiber)
Active projects in planning:

NEW LARGE PROJECTS RECEIVED SINCE January, 2020:

- 20 lot residential north of Broadview – Wenatchee 0.1 MW
- Wenatchee City Hall/Local Tel rebuild – Wenatchee 1.5 MW
- 167 unit residential apartment complex – Leavenworth 0.9 MW
- Industrial load Winton Mill Coles Corner 0.7 MW
- 386 lot residential development Springwater St. Wenatchee 3.0 MW
- 44 unit residential apartment complex – Canal Wenatchee 0.3 MW
- 60 unit residential apartment complex – Maple St Wenatchee 0.4 MW
- 40 unit residential apartment complex – Manson 0.3 MW
- Electric vehicle charging station – Leavenworth Safeway 0.8 MW
- Electric vehicle charging station– Cashmere 0.5 MW

Peak Demand ~ 8.5 MW

All energy is shown in estimated (Peak) Megawatts.
Projects out of planning and under construction:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Estimated Peak (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church near Kimber Rd – Cashmere</td>
<td>0.16</td>
</tr>
<tr>
<td>89 room Hotel Penny Rd. Olds Station – Wenatchee</td>
<td>0.75</td>
</tr>
<tr>
<td>95 room Hotel N. Wenatchee Ave (re-build)</td>
<td>0.50</td>
</tr>
<tr>
<td>64 room Hotel 9&lt;sup&gt;th&lt;/sup&gt; St Wenatchee</td>
<td>0.50</td>
</tr>
<tr>
<td>Beta Hatch industrial – Cashmere</td>
<td>1.20</td>
</tr>
<tr>
<td>Commercial space – Peshastin Mill Rd</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Peak Demand ~ 4.11 MW

All energy is shown in estimated (Peak) Megawatts
Substation Planning Wenatchee foothills

Existing Substation & Feeder Distribution
Wenatchee Vicinity
June 2020
(exact boundaries may vary)

Notes:

1,500 to 2,000 premises in the Wenatchee Foothills planned over next 10 years

Infill within City Limits continues

Higher density lots approved
## Status of Substations

<table>
<thead>
<tr>
<th>Substation</th>
<th>Stage</th>
<th>Next stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohme Sub *</td>
<td>Site design &amp; transformers delivered</td>
<td>complete</td>
</tr>
<tr>
<td>Diamond Foundry Sub</td>
<td>Electrical design and equipment deliver</td>
<td>Q3 - 2020</td>
</tr>
<tr>
<td>Wenatchee Sub Exp.</td>
<td>Site plan/General arrangement</td>
<td>Q2 - 2020</td>
</tr>
<tr>
<td>Chelan Gorge Sub</td>
<td>Transmission line, route design</td>
<td>Q2+ - 2020</td>
</tr>
<tr>
<td>North Shore Sub</td>
<td>ECI Consultant - Site plan/arrangement</td>
<td>Q2- 2020</td>
</tr>
<tr>
<td>Leavenworth Sub</td>
<td>ECI Consultant - Site plan/arrangement</td>
<td>Q2 - 2020</td>
</tr>
<tr>
<td>Mobile Sub Units</td>
<td>Delivery of two units</td>
<td>Q3 - 2020</td>
</tr>
<tr>
<td>Wenatchee foothills</td>
<td>Property Evaluation &amp; location planning</td>
<td>Q3 - 2020</td>
</tr>
</tbody>
</table>

* Note that the current bidding climate may result in a need to increase project budget in Q3
Special Topic: Infrastructure Cost Recovery

Strategic Plan implementation item:

We will maintain our policy for line extensions (paid for by the requestor). We will consider developing a policy for assessing a standardized proportional share of infrastructure needs (substations/ transmission) as part of line extension costs.
Special Topic: Infrastructure Cost Recovery

• Options to approach cost recovery of growth in substations/transmission:
  1. Recover costs through increased rates
  2. Recover costs through charges to developers in the areas impacted
  3. Recover costs through a standard fee to all new connections
  4. Recover costs through a combination of 1-3
Special Topic: Infrastructure Cost Recovery

• Planned actions:
  – Contracted with FCS Group to develop a fee proposal for substation/transmission growth and expansion cost recovery (standardized proportional share of infrastructure needs) similar to Mason PUD No. 3
  – Evaluate the options for impact to existing customers, developers, and new connections
  – Future presentations to seek Board guidance on options
Special Topic: Infrastructure Cost Recovery

• Evaluation of options will consider existing Board rate setting guidelines of:
  – Fair, equitable, non-discriminatory
  – Revenue stability and sufficiency
  – Cost based
  – Continuity in philosophy
  – Ability to pay
  – Conservation and efficient use
  – Simplicity in administration and understanding
  – Major shifts adjusted over time