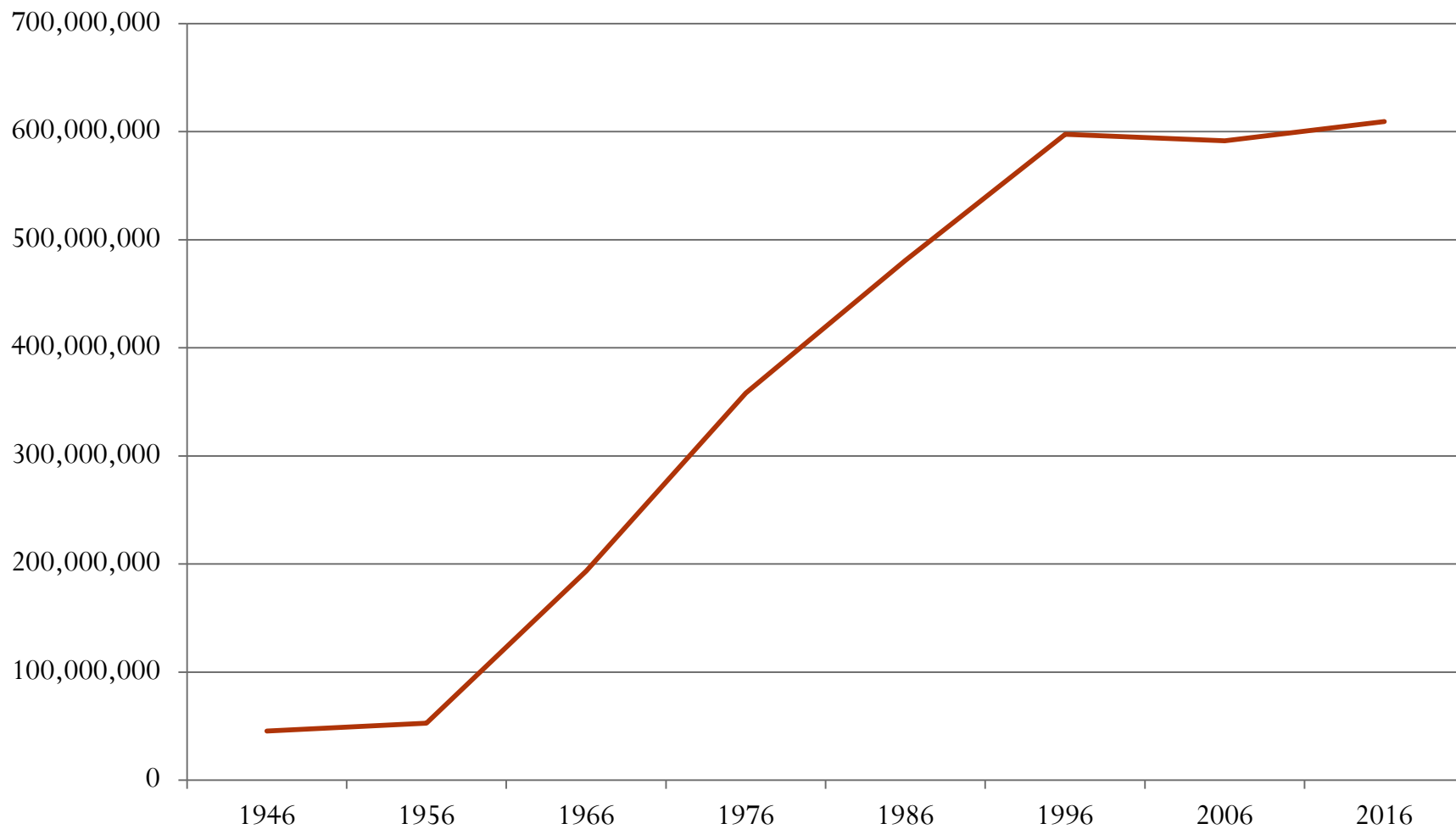


CAPITAL PROJECTS

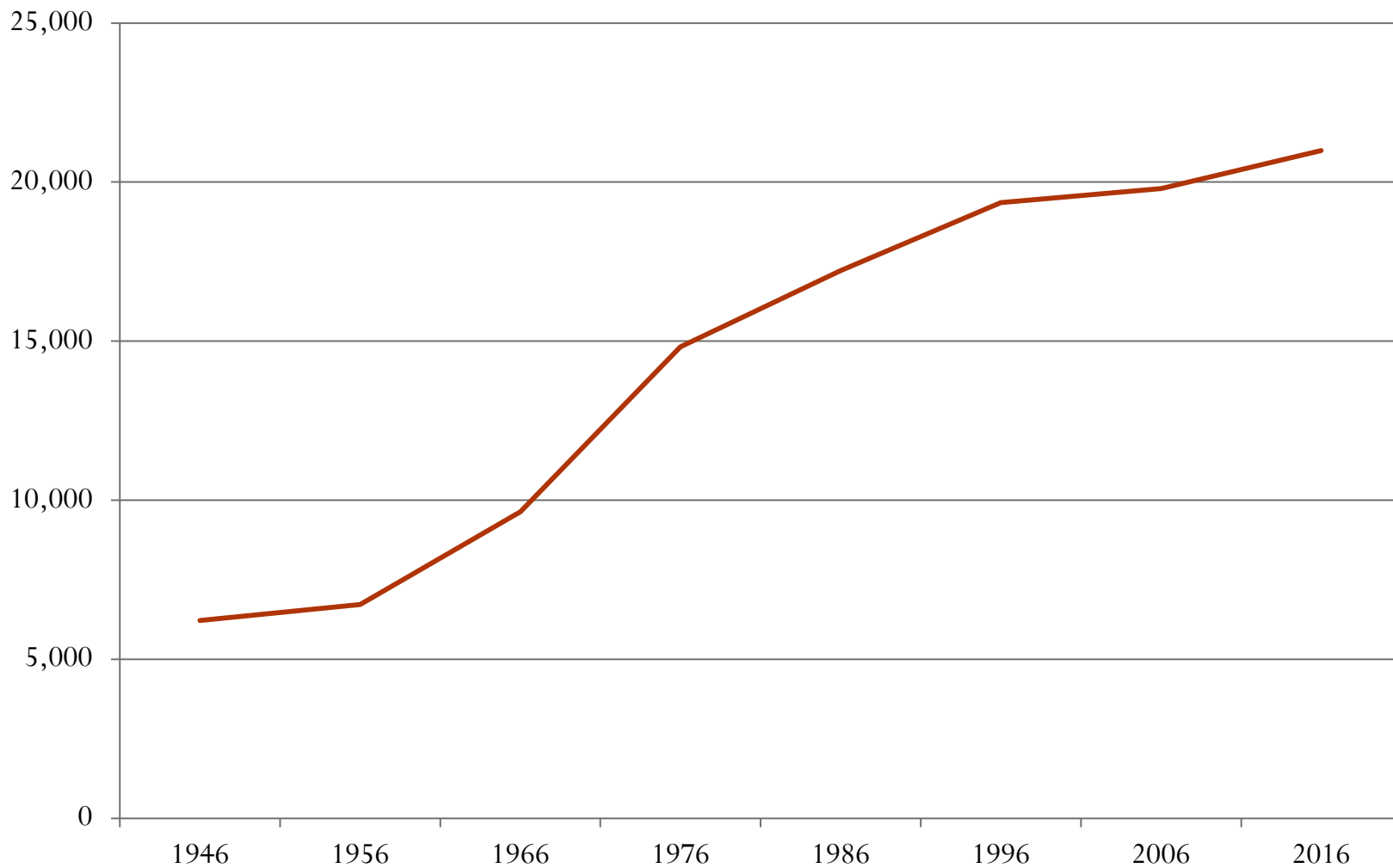
- Assets at End of Useful Life
 - Power Transformers
 - Transmission Lines

- Assets Needed to Address Growth
 - Power Transformers
 - Transmission Lines
 - Substations
 - Distribution Lines

SYSTEM GROWTH (KWHr SALES)



SYSTEM GROWTH (Meters)



2017

AGING DISTRIBUTION EQUIPMENT OUTAGES

| Month | Number of Aging Equipment Outages / Total # of Outages | | YTD AGING EQUIPMENT OUTAGES (%) | | | | | | Aging Customer Minutes / Total Customer Minutes | YTD AGING CUSTOMER MINUTES (%) | | | | | |
|-----------|--|-------|---------------------------------|------|------|------|------|------|---|--------------------------------|------|------|------|------|------|
| | | | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| January | 5/29 | 17.2% | 17.2 | 33.3 | 6.3 | 5.9 | 10.5 | 22.5 | 5,150/49,349 10.4% | 10.4 | 79.3 | 0.6 | 1.0 | 0.7 | 33.4 |
| February | 3/13 | 23.1% | 19.0 | 29.7 | 25.0 | 12.1 | 20.7 | 25.0 | 12,490/91,045 13.7% | 12.6 | 49.7 | 12.0 | 1.5 | 6.2 | 35.8 |
| March | 6/27 | 22.2% | 22.2 | 36.4 | 33.3 | 32.8 | 28.3 | 25.5 | 216,610/299,079 72.4% | 53.3 | 39.9 | 33.7 | 63.9 | 42.8 | 22.5 |
| April | 7/34 | 20.6% | 20.6 | 35.1 | 32.1 | 29.8 | 29.7 | 28.2 | 165,195/228,555 72.3% | 59.8 | 35.1 | 33.7 | 52.4 | 37.3 | 12.1 |
| May | 8/41 | 19.5% | 20.1 | 30.4 | 28.2 | 28.7 | 27.9 | 27.4 | 53,195/130,234 40.8% | 56.7 | 21.2 | 33.0 | 51.7 | 50.8 | 14.9 |
| June | | | | 28.1 | 26.1 | 26.1 | 26.0 | 31.5 | | | 27.8 | 32.5 | 45.4 | 47.1 | 19.3 |
| July | | | | 24.7 | 25.2 | 24.4 | 23.1 | 24.6 | | | 22.8 | 29.4 | 42.3 | 38.5 | 23.1 |
| August | | | | 23.0 | 24.3 | 22.3 | 21.6 | 22.5 | | | 27.4 | 26.3 | 35.9 | 26.5 | 23.0 |
| September | | | | 22.3 | 22.3 | 22.4 | 18.1 | 22.1 | | | 26.6 | 24.7 | 35.0 | 26.5 | 31.2 |
| October | | | | 21.5 | 22.1 | 22.3 | 17.9 | 21.7 | | | 27.2 | 32.7 | 39.4 | 26.4 | 36.9 |
| November | | | | 21.4 | 21.9 | 19.4 | 19.2 | 22.1 | | | 28.4 | 30.4 | 21.0 | 28.5 | 30.9 |
| December | | | | 21.8 | 20.8 | 20.4 | 19.7 | 20.5 | | | 33.0 | 15.3 | 20.6 | 29.5 | 28.9 |

CAPITAL PROJECTS

- Assets at End of Useful Life
 - Power Transformers
 - Transmission Lines

- Assets Needed to Address Growth
 - Power Transformers
 - Transmission Lines
 - Substations
 - Distribution Lines



POWER TRANSFORMERS

- (Industry Average Replacement Age - 44 Years)

| Substation | Year | Size (MVA) | Current Age | Age in 2027 | Age in 2037 |
|-------------------|-------------|-------------------|--------------------|--------------------|--------------------|
| Loup Loup | 1948 | 0.8 | 69 | 79 | 89 |
| Ellisforde | 1957 | 7.5 | 60 | 70 | 80 |
| Whitestone | 1966 | 5 | 51 | 61 | 71 |
| Tonasket | 1968 | 20 | 49 | 59 | 69 |
| Oroville | 1972 | 20 | 45 | 55 | 65 |
| Okanogan | 1975 | 20 | 42 | 52 | 62 |
| Omak | 1975 | 20 | 42 | 52 | 62 |
| Maple Hall | 1976 | 3.8 | 41 | 51 | 61 |
| Omak | 1977 | 20 | 40 | 50 | 60 |
| Ophir | 1981 | 25 | 36 | 46 | 56 |
| Aeneas-Tunk | 1982 | 4.2 | 35 | 45 | 55 |
| Pateros | 1984 | 20 | 33 | 43 | 53 |
| Twisp | 1984 | 20 | 33 | 43 | 53 |
| Oroville | 1991 | 20 | 26 | 36 | 46 |
| Sandflat | 1993 | 20 | 24 | 34 | 44 |
| Malott | 1997 | 20 | 20 | 30 | 40 |
| Sandflat | 1997 | 20 | 20 | 30 | 40 |
| Okanogan | 2003 | 20 | 14 | 24 | 34 |
| Brewster | 2007 | 20 | 10 | 20 | 30 |
| Brewster | 2007 | 20 | 10 | 20 | 30 |

POWER TRANSFORMERS

- (Industry Average Replacement Age - 44 Years)

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|-------------|------|------------|-------------|-------------|-------------|
| Loup Loup | 1948 | 0.8 | 69 | 79 | 89 |
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| Tonasket | 1968 | 20 | 49 | 59 | 69 |
| Oroville | 1972 | 20 | 45 | 55 | 65 |
| Okanogan | 1975 | 20 | 42 | 52 | 62 |
| Omak | 1975 | 20 | 42 | 52 | 62 |
| Maple Hall | 1976 | 3.8 | 41 | 51 | 61 |
| Omak | 1977 | 20 | 40 | 50 | 60 |
| Ophir | 1981 | 25 | 36 | 46 | 56 |
| Aeneas-Tunk | 1982 | 4.2 | 35 | 45 | 55 |
| Pateros | 1984 | 20 | 33 | 43 | 53 |
| Twisp | 1984 | 20 | 33 | 43 | 53 |
| Oroville | 1991 | 20 | 26 | 36 | 46 |
| Sandflat | 1993 | 20 | 24 | 34 | 44 |
| Malott | 1997 | 20 | 20 | 30 | 40 |
| Sandflat | 1997 | 20 | 20 | 30 | 40 |
| Okanogan | 2003 | 20 | 14 | 24 | 34 |
| Brewster | 2007 | 20 | 10 | 20 | 30 |
| Brewster | 2007 | 20 | 10 | 20 | 30 |

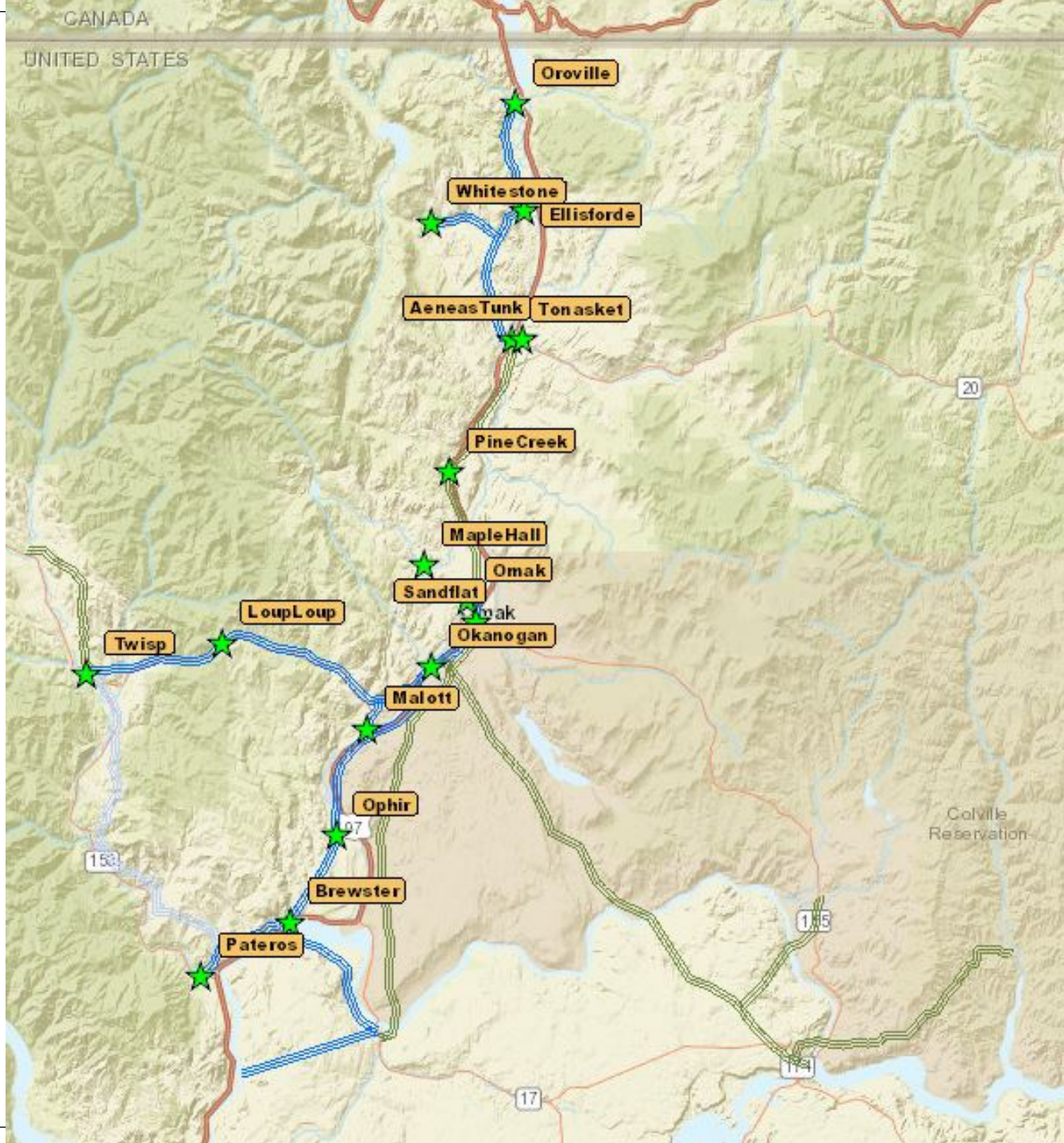


TRANSMISSION LINES – (Industry Average Replacement Age– 53 Years)

| Transmission Line | Year | Length (Miles) | Current Age | Age (2027) | Age (2037) |
|--------------------------|-----------|----------------|-------------|------------|------------|
| Okanogan to Twisp | 1945 | 28.0 | 72 | 82 | 92 |
| Okanogan to Brewster | 1953 | 23.0 | 64 | 74 | 84 |
| Tonasket to Oroville | 1959 | 19.0 | 58 | 68 | 78 |
| Ellisforde Tap | 1959 | 0.5 | 58 | 68 | 78 |
| East Omak to Omak | 1967 | 0.7 | 50 | 60 | 70 |
| Whitestone Tap | 1974 | 5.5 | 43 | 53 | 63 |
| Brewster to Pateros | 1984 | 7.7 | 33 | 43 | 53 |
| Malott Tap | 1986 | 2.2 | 31 | 41 | 51 |
| East Omak to Sandflat | 1990 | 1.5 | 27 | 37 | 47 |
| Sandflat to Okanogan | 2009 | 4.6 | 8 | 18 | 28 |
| Brewster to Foster Creek | 1997/1999 | 11.6 | | | |

TRANSMISSION LINES – (Industry Average Replacement Age– 53 Years)

| Transmission Line | Year | Length (Miles) | Current Age | Age (2027) | Age (2037) |
|--------------------------|-----------|----------------|-------------|------------|------------|
| Okanogan to Twisp | 1945 | 28.0 | 72 | 82 | 92 |
| Okanogan to Brewster | 1953 | 23.0 | 64 | 74 | 84 |
| Tonasket to Oroville | 1959 | 19.0 | 58 | 68 | 78 |
| Ellisforde Tap | 1959 | 0.5 | 58 | 68 | 78 |
| East Omak to Omak | 1967 | 0.7 | 50 | 60 | 70 |
| Whitestone Tap | 1974 | 5.5 | 43 | 53 | 63 |
| Brewster to Pateros | 1984 | 7.7 | 33 | 43 | 53 |
| Malott Tap | 1986 | 2.2 | 31 | 41 | 51 |
| East Omak to Sandflat | 1990 | 1.5 | 27 | 37 | 47 |
| Sandflat to Okanogan | 2009 | 4.6 | 8 | 18 | 28 |
| Brewster to Foster Creek | 1997/1999 | 11.6 | | | |



CANADA

UNITED STATES



Omak

Colville
Reservation

153

97

155

174

17

20

