

Special Meeting Agenda
PUD Board of Commissioners

Monday, August 23, 2021 2:30 PM

zoom

Port Townsend, WA 98368



To join online go to: <https://zoom.us/my/jeffcopud>. Follow the instructions to login. Meetings will open 5 minutes before they begin. TOLL FREE CALL IN #: 833-548-0282, Meeting ID# 4359992575#. Use *6 to mute or unmute. *9 to raise a hand to request to begin speaking.

1. Call to Order

Per the Governor's Extended Proclamation 20-28 and in response to the COVID-19 Pandemic, Jefferson County PUD is no longer providing an in-person room for meetings of the BOC. All meetings will be held remotely via Zoom until otherwise informed by the Governor. Participant audio will be muted upon entry. Please unmute at the appropriate time to speak. If you are calling in, use **6 to mute and unmute and *9 to raise a hand to request to speak.*

2. Agenda Review

3. Joint Discussion with CAB: Meter Replacement

2 - 8

[JPUD Sensitivity Analysis 8-23-2021.pdf](#) 

4. Executive Session

Per RCW 42.30.110(b) the Board of Commissioners will consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.

5. Adjourn



Electric Metering Approach - Sensitivity Analysis



Citizen Advisory Board Meeting

Presented by:
Gordon Wilson
August 23, 2021



Base Case Results – Net Present Value

Change in Net Revenue - Net Present Value at 2.50%	
Digital Hand Read	(\$22,800,000)
Mechanical Hand Read	(\$20,300,000)
AMR Drive By	\$7,500,000
Hybrid AMR	\$14,500,000
AMI	\$14,500,000

- **Original Base Case**

Change in Net Revenue - Net Present Value at 2.50%	
Digital Hand Read	(\$22,800,000)
Mechanical Hand Read	(\$20,300,000)
AMR Drive By	\$7,500,000
Hybrid AMR	\$14,200,000
AMI	\$14,200,000

- **Revised Base Case**



Sensitivity Analysis – Variables Tested

Scenario Assumptions	Base Case	Scenario A	Scenario B	Scenario C	A+B+C
Meter Accuracy:					
Assumed Meter Accuracy Loss	1.00%	0.25%	1.00%	1.00%	0.25%
Assumed Meter Reporting Loss	1.43%	0.71%	1.43%	1.43%	0.71%
Number of Collectors:					
# Collectors as Multiple of Base Case	1.0	1.0	3.0	1.0	3.0
Assumed Number of Collectors	73	73	219	73	219
Assumed Years of Useful Life	20	20	20	15	15



Results of Sensitivity Analysis – 25-Year Forecast

Change in Net Revenue - Net Present Value at 2.50%	Base Case	Scenario A	Scenario B	Scenario C	A + B + C
25-Year Forecast	Original Assumptions	Higher Meter Accuracy	More Collectors	Shorter Useful Life	Combined Scenario
Digital Hand Read	(\$22,800,000)	(\$31,100,000)	(\$22,800,000)	(\$22,700,000)	(\$31,000,000)
Mechanical Hand Read	(\$20,300,000)	(\$28,600,000)	(\$20,300,000)	(\$20,300,000)	(\$28,600,000)
AMR Drive By	\$7,500,000	(\$800,000)	\$7,500,000	\$7,600,000	(\$700,000)
Hybrid AMR	\$14,200,000	\$5,900,000	\$11,500,000	\$14,300,000	\$3,300,000
AMI	\$14,200,000	\$5,900,000	\$11,400,000	\$14,300,000	\$3,200,000



35-Year Forecast Results

Change in Net Revenue - Net Present Value at 2.50%					
	Base Case	Scenario A	Scenario B	Scenario C	A + B + C
35-Year Forecast	Original Assumptions	Higher Meter Accuracy	More Collectors	Shorter Useful Life	Combined Scenario
Digital Hand Read	(\$37,400,000)	(\$48,000,000)	(\$37,400,000)	(\$39,300,000)	(\$49,900,000)
Mechanical Hand Read	(\$34,900,000)	(\$45,500,000)	(\$34,900,000)	(\$34,900,000)	(\$45,500,000)
AMR Drive By	\$10,200,000	(\$400,000)	\$10,200,000	\$7,100,000	(\$3,500,000)
Hybrid AMR	\$21,100,000	\$10,600,000	\$17,700,000	\$18,000,000	\$4,000,000
AMI	\$21,400,000	\$10,900,000	\$18,000,000	\$17,900,000	\$3,900,000



Summary of Sensitivity Analysis Findings

- **The original findings are very robust – they hold up even with much more conservative assumptions**
- **Relative economic favorability**
 - » AMI and Hybrid are the most economically advantageous
 - » Both hand-read options are the least economical
 - » AMI Drive option is in between
- **Non-economic factors differentiate between Hybrid AMR and AMI**
 - » Among those two, functional capability makes AMI the recommended approach
- **AMI has a positive net present value compared to the status quo—in other words, it pays for itself**
 - » It wouldn't have to have a positive net present value in order to be recommended, but it is an additional advantage that it does



Questions?