

BALANCING ACT

Rate Study Underway

Electrical rate study to be conducted by the FCS Group.

Rate studies analyze the operating costs and capital costs for the utility.

Rates are recommended based upon electrical demand and usage, inflation, infrastructure upkeep and replacement needs, debt, and reserves.

Rate and fee recommendations are presented to the board for review and approval in the fall of 2024.

Utility Pole Attachment Fee Raised

PUD commissioners voted to raise pole attachment fees from \$22.45/yr to \$28 (2024), then \$32 in 2025.

Attachment fees, paid by telecom providers, help cover the costs for pole upkeep and replacement.

The PUD maintains approx 10,500 utility poles countywide and rents space on poles to telecom providers. Currently, there are more than 11,900 private attachments, which generated approx \$286,000 in revenue in 2022.

Power load balance is essential to the health of a grid. "Power Load" is the amount of electricity demand by customers at any given time. Demand fluctuates constantly, requiring a delicate balance between equipment in the field and software used to ensure energy is distributed properly, even during peak times.

Peak demand highlights areas where usage pushes equipment up to or beyond working capacity, guiding PUD staff to regions in need of additional infrastructure. Often, these areas go unseen until Mother Nature comes calling as we experienced in Port Townsend during near-record cold. High demand caused the single-phase line feeding Cook Ave. to overload, knocking out power multiple times.

To address this demand, PUD electrical engineers turn to upgrading infrastructure by extending three-phase power.

Three-phase power balances the energy load for an area from a single line to 3 lines. Each line has its own phase making for a smoother flow of power. Line crews segment areas by estimated load, placing homes onto each phase as evenly as possible. Balancing of the power load goes all the way back to the substation level to feeders that manage the power for the region.

Three-phase power is more efficient, as each line provides distribution voltage (typically 7,200V), but with reduced amps. Excessive amps caused by high demand can cause wire to heat up and result in power outages.

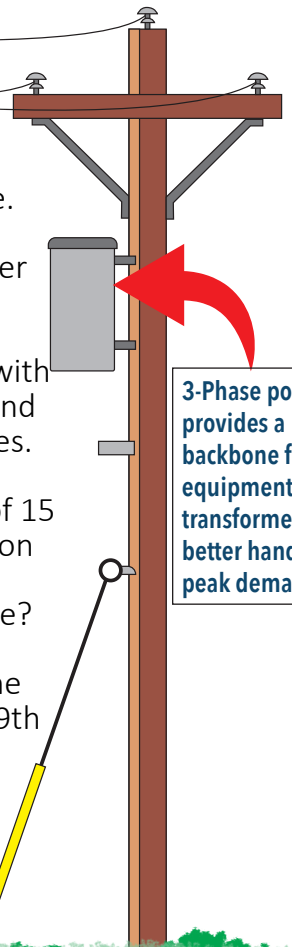
Extension of 3-phase power is underway from the Fairgrounds in PT down 49th St., with replacement of 15 poles during the first section of work. A second section extending to Cook Ave. is planned for summer.

The big question: Why not have 3-phase everywhere? Not every location needs 3-phase power. For most regions, power usage and equipment are sized for the peak load. Three-phase is also expensive, with the 49th St. and Cook Ave. line extension expected to cost an estimated \$100k.

The PUD continually works to identify areas where power load issues exist and work to extend capacity and balance load for better service reliability.



Line crew replace a 3-phase distribution pole in Port Townsend.



3-Phase power provides a backbone for equipment like transformers to better handle peak demand.

Long Term Planning - Designing for the Future

The \$100M question: How does a utility address aging infrastructure and meet the needs for the future?

PUD commissioners and staff are constantly looking ahead to responsibly meet demand with the creation of a 4- and 10-year work plan.

Over the next decade the PUD must invest millions into ground-up construction efforts at its substations, replacing equipment dating back to the 1960's and expanding capacity for growth.

The costs and lead times for essential short term and long-term infrastructure projects are at an all-time high.

Budgeted short term projects for 2024 include the 3-phase line extension for

49th Street and regulator replacement for both the Dana Roberts and Hastings substations.

Long-term projects include the rebuild and expansion of nearly all substations owned by the PUD, plus construction of new distribution lines.



Infrastructure takes centerstage as our substations are upgraded to meet demand.

These essential projects come with a high cost which will begin to show on the PUD's 2025 and 2026 budget and will be reflected in the current rate study. PUD staff is committed to finding financial solutions that minimize the impact on customers while ensuring the long-term sustainability and reliability of our grid.

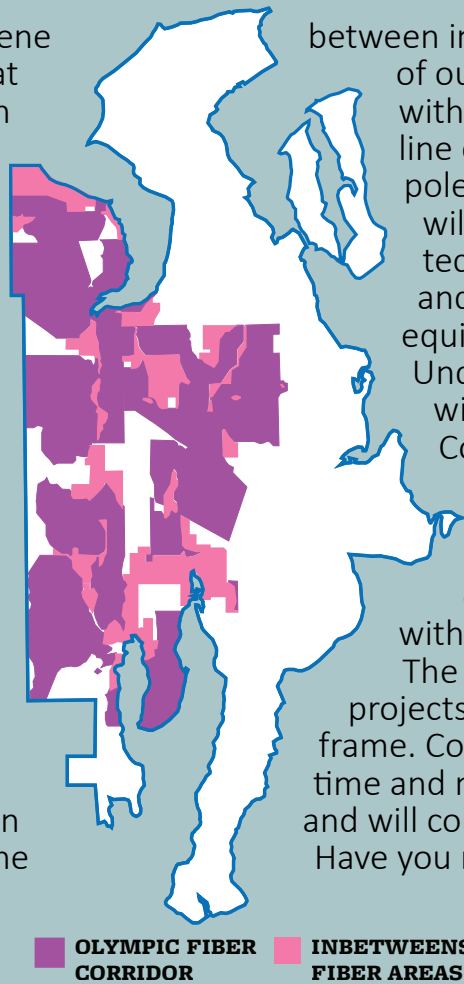
Making the Connection: Fiber Update

Fiber connections in east Quilcene are underway. Our fiber "hut" at the Quilcene electric substation is now live and receives data at the speed of light from our 310 Four Corners network hub. The signal is sent out to homes via fiber distribution lines installed by PUD line crews throughout the region. A second, smaller fiber hut will be placed at the Discovery Bay substation in April.

Fiber to the Home Process

No-charge fiber construction to the home for eligible customers requires completion of a service application. PUD staff will contact registered homes within current work zones to determine construction timelines and provide service application details. Customers can choose

between internet service from the PUD, or one of our qualified providers. For customers with overhead communication lines, PUD line crews will bring the fiber from the pole to the exterior of the home. Staff will then set up a time for a network technician to bring fiber into the home and install the equipment. In-home equipment is provided with PUD service. Underground fiber to the home will be completed by North Sky Communications, LLC. North Sky was awarded the winning bid (\$10.9M) for the Olympic Fiber and Inbetweens grant area construction. PUD staff will reach out with a service application prior to work. The Olympic Fiber and Inbetweens projects will be built during the same time frame. Combining efforts allows us to save both time and money. Construction begins in March and will continue throughout the year. Have you registered for fiber? Visit jeffpud.org/broadband to learn more about grant funded fiber and see if your home qualifies!



OLYMPIC FIBER CORRIDOR

INBETWEENS FIBER AREAS

Has your contact information changed?

Please update your contact info in-person or online via SmartHub!

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