

# Jefferson County PUD

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## Rate Design

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**Presented by:**

**Jim Parker, with support from**

**Gary Saleba, President  
EES Consulting, Inc.**

A registered professional engineering corporation and management consulting firm with offices in the Seattle and Portland metropolitan areas  
Telephone (425) 889-2700 Facsimile (425) 889-2725

**EES Consulting**

# Agenda

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- **PURPOSE**
- **Rate Simplification by Class**
- **Other Rate Issues**
- **Questions / Answers**

# Residential/Farm Rates – Initial Thoughts from EES

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## ■ Rate 7

- Elimination of block rates had large bill impacts
- Current rate differential = 1.8 cents per kWh
- Tier 1/Tier 2 BPA rate differential = 0.5 cents per kWh
- No change in rates at this time
- Consider reduction or elimination of blocks for Phase 2

## ■ Rate 8

- Recommend eliminating separate farm rate
- Most move to Rate 7, very large move to Rate 24
- Note below for impacts

## Residential/Farm Rates (cont'd)

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- **Rate 8**
  - Rate 8 has 859 customers
  - Collected latest month of data for all customers
  - 203 customers used more than 600 kWh (block 2)
  - 11 customers used more than 4,000 kWh
  - Recommend users over 3,000 or 4,000 kWh/month move to Rate 24



# Rate 8 Bill Impacts

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- Small Users See Rate Decrease, Large Users See Rate Increase
- Expect Small Impact on Overall Revenues for the Class

kWh/Month Range	% of Total	Current Rate 8	Move to Rate 7	% Change	Move to Rate 24	% Change
0-100	36.6%	\$13.31	\$10.69	-20%	\$16.17	21%
101-300	21.6%	\$25.85	\$23.20	-10%	\$29.99	16%
301-600	15.3%	\$47.16	\$44.46	-6%	\$53.48	13%
601-1000	11.1%	\$76.97	\$77.64	1%	\$86.34	12%
1001-1500	8.4%	\$115.03	\$123.92	8%	\$128.29	12%
1501-2000	2.1%	\$156.16	\$173.95	11%	\$173.63	11%
2001-3000	2.7%	\$211.86	\$241.67	14%	\$235.02	11%
3001-4000	0.8%	\$309.70	\$360.65	16%	\$342.87	11%
4001-5000	0.3%	\$391.58	\$460.21	18%	\$433.12	11%
5001-6000	0.6%	\$470.04	\$555.62	18%	\$519.60	11%
High User	0.1%	\$637.10	\$758.76	19%	\$703.74	10%
High User	0.1%	\$974.79	\$1,169.39	20%	\$1,075.96	10%
High User	0.1%	\$1,040.04	\$1,248.73	20%	\$1,147.89	10%
High User	0.1%	\$1,847.12	\$2,230.14	21%	\$2,037.50	10%

## Small Commercial Rates (<50 kW)

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- **Eliminate Seasonal Difference**
  - Rate 24 has 2,054 customers
  - Demand charge in place but not used
  - Increase for large summer users but less than 1% change (not significant)

	Current Rate	Alternative Rate
Basic Charge	\$12.64	\$12.64
Demand Charge		
Winter	\$9.01000	
Summer	\$6.01000	
Energy Charge		\$0.09390
Winter	\$0.09507	
Summer	\$0.09197	



# Large Commercial Rates (>50 kW)

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- **Combine Rates 25 and 26**
  - No seasonal difference, no blocks
  - Rate 25 has 68 customers, Rate 26 has 3 customers

	Current Rate 25	Current Rate 26	Alternative Rate
Basic Charge	\$51.67	\$104.46	\$60.00
Demand Charge			\$7.50
Winter	\$9.01	\$8.94	
Summer	\$6.01	\$5.96	
Energy Charge		\$0.06706	\$0.0652
Winter	\$0.09479		
Summer	\$0.08664		
Block 2	\$0.06928		

# Rate 25 Bill Impacts

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- Impacts Due to Eliminating First 50 kW Free/Declining Block
- Moderate Decrease for Large Users and Small Users with High Peaks
- Larger Increases for Smaller Users
- Note: Average of Winter/Summer Bills
- Based on April Bills – Might Not Be Representative

# Customers	kWh	kW	Load Factor	Average % Change
27	20,000-115,000	53-228	30% to 81%	-5% to -7%
2	23,000-31,000	192-252	16% to 17%	-3% to -4%
11	14,000-17,000	42-147	14% to 52%	-5% to 0%
10	9,000-13,000	38-143	11% to 98%	+3% to +6%
8	7,000-11,000	34-91	15% to 32%	+7% to +9%
5	4,000-10,000	19-52	23% to 43%	+12% to +28%
4	4,000-5,000	39-86	6% to 17%	+33% to +53%

# Rate 26 Bill Impacts

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- Small Decrease for All 3 Customers – Not Significant

				Monthly Bills		
Customers	kWh/mo	kW Demand	Load Factor	Current	Phase 1	% Change
2	486,240	804.3	81%	\$38,776	\$37,795	-2.5%
1	320,400	502.8	86%	\$25,381	\$24,721	-2.6%

## Rate 31

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- **Keep Current Customer and Energy Rates**
- **Eliminate Seasonal Difference in Demand Charge**
- **Current = \$8.64 Winter and \$5.76 Summer**
- **Proposed = \$7.25 All Year**
- **Rate Impacts Only If Large Seasonality for a Customer**



# Lighting Rates

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## ■ Results Based on COSA

- \$18.00 – Up to 200 watts
- \$21.00 – Over 200 watts

Watts	# Lamps	Average Rate/Light	Existing Revenue/Month	Proposed Rate	Proposed Revenue/Month
400	21	\$24.96	\$524.11	\$21.00	\$441.00
250	13	\$20.00	\$259.99	\$21.00	\$273.00
200	123	\$7.16	\$880.98	\$18.00	\$2,214.00
150	109	\$3.76	\$410.19	\$18.00	\$1,962.00
100	667	\$14.26	\$9,513.18	\$18.00	\$12,006.00
unidentified	76	\$55.05	\$4,183.84	\$18.00	\$1,368.00
City > 200 watts	2	\$18.92	\$37.83	\$18.00	\$36.00
City <= 200 watts	551	\$13.56	\$7,471.13	\$21.00	\$11,571.00
<b>Total</b>	<b>1009</b>	<b>\$15.63</b>	<b>\$15,772.29</b>	<b>\$18.14</b>	<b>\$18,300.00</b>



# Other Rates

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## ■ Irrigation – Move to Small Commercial Rates

kWh/mo	Monthly Bills		
	Current	Rate 24	% Impact
101	\$30.72	\$22.12	-28.0%
5,850	\$397.03	\$561.95	41.5%
9,340	\$619.41	\$889.66	43.6%

## ■ Interruptible Schools – Move to Rate 31

- Move off primary rates if advantageous

kWh/mo	kW Demand	Load Factor	Monthly Bills		
			Current	Rate 25	% Impact
48,000	207.6	31%	\$4,206	\$4,961	18%
84,600					
(Average 2 customers)	624.6	18%	\$8,345	\$10,360	24%
220,800	1,002.0	30%	\$18,342	\$21,938	20%

# New Large Single Loads

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- **Based on Potential of Causing Tier 2 BPA Power Purchases**
  - Tier 2 amount tied for historic loads
  - 2.5 MWa added load could trigger Tier 2 for JPUD
  - Want to hold existing customers harmless from rate increases due to NLSL
- **Initial Staff Proposal**
  - NLSL over 1 MW has tiered rate
  - First 1 MW at standard large commercial rate
  - Over 1 MW charged premium to reflect the difference between Tier 1 and Tier 2 rates (Currently 0.5 cents per kWh)
- **Policy Question**
  - Apply to growth of existing customers?

# Questions / Answers

# Fees and Charges

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## □ Late Charges

- CPUD does not have, so require change in rate schedule
- SnoPUD has 10 dollar late charge
- Timing. Currently on new bills that we will
- Problems. SSN checks

# Fees and Charges

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- ☐ Fee sheet
- ☐ See recommended increases based on history

# Discussion on other topics

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- Financial Policy (Reserves)
- Organizational changes
- 4 year work plan
- Other capital
  - ▣ More space for employees
  - ▣ Net Metering rules
  - ▣ New meters
  - ▣ PT Paper
  - ▣ BPA
- Discussion on rate structure



# PUD Financial Policy

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- ☐ GHPUD
- ☐ Reserves
- ☐ Current Balances
- ☐ Ratio's
- ☐ Future capital expenses



# PUD organization

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- Currently about 4.2 million payroll
- 2018 projected 6.4 million
- Where to put them, supporting costs,

# Four Year work Plan

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- ❑ Assumptions –
  - ❑ Water/sewer;
  - ❑ General fund (up or down); includes BOC/ commo/ memberships
  - ❑ telecom; separate? Part of general fund? Part of electric
  - ❑ Electrical; currently on hold for new capital
- ❑ Water/Sewer – assume no additional borrowing for next 4 years
- ❑ Telecom; assuming no expense?
- ❑ Four year plan for Electric
  - ❑ Sub station on hold based on Barney comments
  - ❑ Meters are on hold
  - ❑ Reliability expenses? Tree trimming

# Other Costs

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- ☐ Low income expansion
- ☐ PT Paper agreement
- ☐ BPA rates
- ☐ Net metering requirements
- ☐ Other alternative energy support
- ☐ Telecom expansion

# Guidance for EEs

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- Annual p/r for 2018 is 6.5 million
- Assume general costs up rate of 5 percent per year, also review tree trimming and communication costs.
- Assume BPA rate increase of 3 percent in 2018
- Work Plan
  - ▣ Water/sewer; will not affect rates
  - ▣ Telecom ?
  - ▣ Electrical – assume will go forward meters 3-4 million
  - ▣ Assume will continue only all 2 million year new construction, versus work plan
- Low income consider 600,000 per year to support expanded low income in 2016
- Reduce GF tax collections by 20,000 per year going out.
- Pole attachments – review of charges
- PT Paper – review of rates
- Net metering; assume transferred to WSU
- Assume late charge of 10 dollars to start in 2016

# Possible changes

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- ❑ P/R – 2 to 2.5 million increase; medical maybe more
- ❑ A & G – 10 percent a year; until we stabilize
- ❑ O & M - 20 percent increase – tree trimming; outages;
- ❑ Reserves – Increase; maintain; lower
- ❑ Low income – increase by 600,000 per year
- ❑ Debt – RUS both principle and interest payments
- ❑ TIER – 1.25 minimum
- ❑ New building 4 to 6 million – in 2 years
- ❑ New Meters 3 to 4 million – next year
- ❑ Capital Plans 2 to 6 million per year (see plans)
- ❑ Reduce GF taxes; move BOC costs to Enterprise fund; move Telecom to Electric and zero out costs.
- ❑ Assume average of 3 years of consumption records



# Rates consideration

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- ❑ PUD rates now lower than most, CPUD still lower
- ❑ PUD has not raised rates for 3 years
- ❑ Most utilities are increasing base rate to take into consideration the affect of BPA change in rates; affect of Net metering; true cost of service
- ❑ We do not separate taxes from rates with exception of city tax
- ❑ Would prefer 3 to 5 year plan versus year to year

# Questions

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☐ Comments



For 1000 Kwh of use														Assume 1000 kw/month or		33.33333 per day		30 days	
	MPUD#1		GH PUD		MPUD#3		CPUD		JPUD		PSE		Orcas Power and Light		SnoPUD		Seattle City Light		
Base	28.66	28.66	40.54	40.54	31	31	24.9	24.9	7.49	7.49	7.87	7.87	38.9	38.9	higher	15.3	0	4.353	
600 kwh	0.075	45.00	0.0124	3.72	0.07	21.00	0.071	42.60	0.085011	51.01	0.095534	57.32	0.0855	85.5	higher	0.09879	59.27	0.0564	16.92
400 kwh	0.075	30.00	0.0871	60.97	0.07	49.00	0.071	28.40	0.103589	41.44	0.114361	45.74	0.097	0		0.09879	39.52	0.1197	83.79
													0.115	0					
Utility tax	3.873	4.014752	3.873	4.075558	3.873	3.911691		0			-0.006794	-6.794							
Property tax	2.14	2.218324	2.14	2.251922	2.14	2.245089		0			0.000807	0.807							
Total		109.8931		111.5575		107.1558		95.9		99.9322		104.9478		124.4			98.79		105.063

\* GH first tier is 300 KWH

\* Orcas first tier is 1500 KWH

For 600 Kwh of use														Assume 1200 kw/month or		20 per day		30 days	
	MPUD#1		GH PUD		MPUD#3		CPUD		JPUD		PSE		Orcas Power and Light		SnoPUD		Seattle City Light		
Base	28.66	28.66	40.54	40.54	31	31	24.9	24.9	7.49	7.49	7.87	7.87	38.9	38.9	higher	15.3	0	4.353	
600 kwh	0.075	45.00	0.0124	3.72	0.07	21.00	0.071	42.60	0.085011	51.01	0.095534	57.32	0.0855	51.3	higher	0.09879	59.27	0.0564	16.92
400 kwh	0.075		0.0871	26.13	0.07	21.00	0.071		0.103589		0.114361		0.097	0		0.09879	0.00	0.1197	35.91
													0.115	0					
Utility tax	3.873	2.852852	3.873	2.726205	3.873	2.827267		0			-0.006794	-4.0764							
Property tax	2.14	1.576324	2.14	1.506346	2.14	1.622691		0			0.000807	0.4842							
Total		78.08918		74.62255		77.44936		67.5		58.4966		61.5982		90.2			59.274		57.183

\* GH first tier is 300 KWH

\* Orcas first tier is 1500 KWH

For 1200 Kwh														Assume 1200 kw/month or		40 per day		30 days	
	MPUD#1		GH PUD		MPUD#3		CPUD		JPUD		PSE		Orcas Power and Light		SnoPUD		Seattle City Light		
Base	28.66	28.66	40.54	40.54	31	31	24.9	24.9	7.49	7.49	7.87	7.87	38.9	38.9	higher	15.3	0	4.353	
600 kwh	0.075	45.00	0.0124	3.72	0.07	21.00	0.071	42.60	0.085011	51.01	0.095534	57.32	0.0855	102.6	higher	0.09879	59.27	0.0564	16.92
600 kwh	0.075	45.00	0.0871	78.39	0.07	63.00	0.071	42.60	0.103589	62.15	0.114361	68.62	0.097	0		0.09879	59.27	0.1197	107.73
													0.115	0					
Utility tax	3.873	4.595702	3.873	4.750235	3.873	4.453904		0			-0.006794	-8.1528							
Property tax	2.14	2.539324	2.14	2.62471	2.14	2.556288		0			0.000807	0.9684							
Total		125.795		130.0249		122.009		110.1		120.65		126.6226		141.5			118.548		129.003

\* GH first tier is 300 KWH

\* Orcas first tier is 1500 KWH



	Start	End	Job	Base			Meetings	Misc Monthly	Annual		VEBA +			LTD, Basic		
Name	Date	Date	Title	2015		FTE	Salary	Stipend	Expenses	Salary	FICA	Medical	PERS	L&I	AD&D Ins	Total
Barney Burke	Jan-11	Dec-16	Commissioner 1	2,285		1.00	27,420	6,840	4,800	39,060	2,988	13,530	0	0	48	55,626
Ken Collins	Jan-15	Dec-20	Commissioner 2	2,285		1.00	27,420	6,840	4,800	39,060	2,988	13,530	0	0	498	56,077
Wayne King	Jan-13	Dec-18	Commissioner 3	2,285		1.00	27,420	6,840	4,800	39,060	2,988	13,530	0	0	149	55,727
Rick			Attorney (contract)				100,000			100,000						100,000
			Auditor (part time)	3,000.00		0.00	36,000	0	0	36,000	2,754	13,530	0	0	3,636	55,920
Totals						3.00	182,260	20,520	14,400	217,180	8,964	40,590	0	0	694	323,349

				2015					2018										
Name	Start	Promo	Job	Base	Longevity	FTE	Actual	Salary	Salary	On-Call	Overtime	COLA Salary	FICA	VEBA +	PERS	L&I	LTD, Basic	ferred	Scheduled
ADMIN																			
James Parker	Mar-94		General Manager	10,667	100%	1.00	128,000	140,800	0	0	0	140,800	10,771	12,091	16,614	375	721	0	181,373
Robert Caprye	Apr-13		Finance Director	10,000	100%	1.00	120,000	132,000	0	0	0	132,000	10,098	12,091	15,576	375	628	0	170,769
									0										
Annette Johnson	Jun-13		Admin/Records Manager	5,150	100%	1.00	61,800	67,980	0	0	0	67,980	5,200	12,091	8,022	375	500	0	94,169
Bill Graham	Jan-98		Resource Manager	6,034	100%	1.00	72,413	79,654	0	0	0	79,654	6,094	12,091	9,399	375	407	0	108,020
Kris Lott	Apr-14		IT Specialist	6,868	100%	1.00	82,418	90,660	0	0	0	90,660	6,935	12,091	10,698	375	459	0	121,219
VACANT			HR/Comm Coordinator	8,000	100%	1.00	96,000	105,600	0	0	0	105,600	8,078	12,091	12,461	375	500	0	139,106
			IT Specialist	5,500	100%	1.00	66,000	72,600	0	0	0	72,600	5,554	12,091	8,567	375	500	0	99,687
VACANT			Controller	7,500.00	100%	1.00	90,000	99,000	0	0	0	99,000	7,574	12,091	11,682	375	500	0	131,222
			safety officer	3,750	100%	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals						8.00	716,632	788,295	0	0	0	788,295	60,305	96,730	93,019	3,004	4,214	0	1,045,565

Customer & Accounts	Start	Promo	Job	Base	Rate	FTE	Actual	Salary	On-Call	Overtime	COLA Salary	FICA	VEBA +	PERS	L&I	LTD, Basic	ferred	Total	
Name	Date	Date	Title	Salary	Increase		Salary	with COLA	pay	Pay	w-premiums		Medical	Pension		AD&D Ins	omp		
Adam York	Jan-14		Utility Billing II	21.67		1.00	45,074	49,581	0	780	50,361	3,853	8,778	5,943	375	300	0	69,610	2,080
Tamara Rumpel			AcctTech II	23.73		1.00	49,358	54,294	0	854	55,149	4,219	8,778	6,508	375	300	0	75,328	2,080
							0	0	0	0	0	0	0	0	0	0	0	0	0
Jeff Gordon	Jul-14		CustServRep II	15.90		1.00	33,072	36,379	0	572	36,952	2,827	8,778	4,360	375	300	0	53,592	2,080
Kimberly Cottier-Holt	Jan-12		Utility Billing III	25.72		1.00	53,498	58,847	0	926	59,773	4,573	8,778	7,053	375	300	0	80,853	2,080
VACANT			CustServRep I	15.90		1.00	33,072	36,379	0	572	36,952	2,827	8,778	4,360	375	300	0	53,592	2,080
Pam Vreeken			CustServRep II	15.90		1.00	33,072	36,379	0	572	36,952	2,827	8,778	4,360	375	300	0	53,592	2,080
Maureen Whippy	Jul-13		CustServRep III	18.49		1.00	38,459	42,305	0	666	42,971	3,287	8,778	5,071	375	300	0	60,782	2,080
Nathalia Tatum	Sep-12		Utility Accountant I	25.77		1.00	53,602	58,962	0	928	59,889	4,582	8,778	7,067	375	300	0	80,991	2,080
Janel Grabner	Jul-13		Utility Billing I	18.66		1.00	38,813	42,694	0	672	43,366	3,317	8,778	5,117	375	300	0	61,254	2,080
Loralei Rae			CSR I	15.90		1.00	33,072	36,379	0	572	36,952	2,827	8,778	4,360	375	300	0	53,592	2,080
Jean Hall			CSR I	15.90		1.00	33,072	36,379	0	572	36,952	2,827	8,778	4,360	375	300	0	53,592	2,080
VACANT			CSR I	15.90		1.00	33,072	36,379	0	572	36,952	2,827	8,778	4,360	375	300	0	53,592	2,080
VACANT			Conservation specialist	17.00		1.00	35,360	38,896	0	612	39,508	3,022	8,778	4,662	375	300	0	56,646	2,080
							0	0											
VACANT			PUD facility person	15.90		1.00	33,072	36,379	0	572	36,952	2,827	8,778	4,360	375	300	0	53,592	2,080
							0	0											
VACANT			Telecom Spec	30.00		1.00	62,400	68,640	0	1,080	69,720	5,334	8,778	8,227	375	300	0	92,734	2,080
			Telecom Spec	25.00		0.00	0	0	0	0	0	0	0	0	0	0	0	0	0
			Telecom Spec	25.00		0.00	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals Customer & Accounts						15.00	608,067	668,874	0	10,524	679,398	51,974	131,670	80,169	5,632	4,800	0	953,343	31,200

Total Admin and General

Water/ Sewer Department

WATER																			
VACANT - not filled			Water Superintendent	7,000.00		1.00	84,000	92,400	0	0	92,400	7,069	12,091	10,903	375	500	0	123,338	1,664
Randall Calkins	Jan-13		Water Distribution Manager II	23.57		1.00	49,026	53,928	0	2,263	56,191	4,299	8,778	6,631	2,503	500	0	78,901	2,080
Douglas Reeder	Feb-98		Water Distribution Manager	28.73		1.00	59,758	65,734	2,069	2,758	70,561	5,398	8,778	8,326	2,503	500	0	96,066	2,080
Eric Storey	Jan-97		Water Treatment Plant Op III	34.76		1.00	72,301	79,531	2,503	3,337	85,371	6,531	8,778	10,074	2,503	500	0	113,756	2,080
Jerry Rubert	Aug-05		Water Treatment Plant Op II	30.65		1.00	63,752	70,127	2,207	2,942	75,276	5,759	8,778	8,883	2,503	500	0	101,698	2,080
Jose Escalera-Estrada	Jul-12		Water Distribution Manager II	23.57		1.00	49,026	53,928	1,697	2,263	57,888	4,428	8,778	6,831	2,503	500	0	80,928	2,080
VACANT - not filled			Water Distribution Manager II	23.57		1.00	49,026	53,928	1,697	2,263	57,888	4,428	8,778	6,831	2,503	500	0	80,928	2,080
Totals Water/Sewer						7.00	426,888	469,577	10,172	15,826	495,575	37,911	64,759	58,478	15,391	3,500	0	675,614	14,144

Electrical Department

Name	Start Date	Promo Date	Job Title	Step	Base Salary	Rate Increase	FTE	Actual Salary	Salary with COLA	On-Call pay	Overtime Pay	COLA Salary w-premiums	FICA	VEBA + Medical	PERS Pension	L&I	LTD, Basic AD&D Ins	Deferred Comp	Total	
Kevin Streett	Nov-12		Electrical Superintendent		10,000.00		1.00	120,000	132,000	0	0	132,000	10,098	12,091	15,576	375	500		170,641	2,080
Casey Finedell			GIS/Dispatcher		8,333.35		1.00	100,000	110,000			110,000	8,415	12,091	12,980	375	500		144,362	2,080
Erik Pryor			Electrical Engineer in Train		5,098.90		1.00	61,187	67,306			67,306	5,149	12,091	7,942	375	500		93,363	2,080
Robert Phillips			Special operators		36.39		1.00	75,691	83,260	0	10,917	94,177	7,205	12,091	11,113	2,267	500		127,353	2,080
kurt Anderson			Lineman		42.25		1.00	87,880	96,668	2,197	38,025	136,890	10,472	13,530	16,153	2,267	501		179,813	2,080
Dylan Brackney	Note lineman 2018		Apprentice Lineman		42.25		1.00	87,880	96,668	0	38,025	134,693	10,304	13,530	15,894	2,267	500		177,188	2,080
Bill Cooper			Lineman		42.25		1.00	87,880	96,668	2,197	38,025	136,890	10,472	13,530	16,153	2,267	500		179,812	2,080
Alyson Dean			Purchasing Agent		36.39		1.00	75,691	83,260	0	1,456	84,716	6,481	13,530	9,996	2,267	500		117,490	2,080
David Elias			Storeroom Clerk		32.34		1.00	67,267	73,994	0	6,468	80,462	6,155	13,530	9,495	2,267	490		112,399	2,080
VACANT			Lineman		42.25		1.00	87,880	96,668	2,197	38,025	136,890	10,472	13,530	16,153	2,267	300		179,612	2,080
Jeremiah Jones			Lineman		42.25		1.00	87,880	96,668	2,186	38,025	136,879	10,471	13,530	16,152	2,267	250		179,549	2,080
Marianne Kline			Meter Reader		22.91		1.00	47,653	52,418	0	4,582	57,000	4,361	13,530	6,726	2,267	310		84,193	2,080
Bo Lee			foremand		47.54		1.00	98,883	108,772	2,186	42,786	153,744	11,761	13,530	18,142	2,267	300		199,744	2,080
Eric Tharaldsen			Foreman		47.54		1.00	98,883	108,772	2,186	42,786	153,744	11,761	13,530	18,142	2,267	475		199,919	2,080
Brian Van Ness	Note lineman 2018		Apprentice Lineman		42.25		1.00	87,880	96,668	0	38,025	134,693	10,304	13,530	15,894	2,267	250		176,938	2,080
Gerrit Van Otten			Meter Reader		23.92		1.00	49,754	54,729	0	4,784	59,513	4,553	13,530	7,023	2,267	470		87,355	2,080
Colton Worley			SCADA Apprentice		40.00		1.00	83,200	91,520	0	16,000	107,520	8,225	13,530	12,687	2,267	470		144,699	2,080
VACANT			Substation		44.82		1.00	93,226	102,548	0	26,892	129,440	9,902	13,530	15,274	2,267	470		170,883	2,080
Lisa Yobbagy-Keller	Feb-13		Special assistant		4,041.68		1.00	48,500	53,350	0	0	53,350	4,081	13,530	6,295	375	300		77,932	2,080
Joshua Rickert			Lineman -		42.25		1.00	87,880	96,668	2,186	33,800	123,654	10,148	13,530	15,653	2,267	450		174,702	2,080
VACANT			General Foreman		50.00		1.00	104,000	114,400	2,186	25,000	141,586	10,831	13,530	16,707	2,267	450		185,371	2,080
VACANT			Groundman		29.11		1.00	60,549	66,604	2,186		68,790	5,262	13,530	8,117	2,267	450		98,416	2,080
VACANT			Engineer PE		53.50		1.00	111,280	122,408			122,408	9,364	13,530	14,444	2,267	450		162,463	2,080
VACANT			Staking Engineer		28.84		1.00	59,987	65,986	2,186	2,884	71,056	5,436	13,530	8,385	2,267	450		101,123	2,080
Totals Electrical							24.00	1,739,095	1,913,005	17,521	443,621	2,374,147	181,622	278,375	280,149	40,037	8,987	0	3,525,319	49,920



### 100 New Line Construction

101 Construct New Underground Line Extension and Services- **\$240,000**

- 76 new underground services in 2015. \$ 149,000

102 Construct Overhead Line Extension and New Service- **\$108,000**

- 14 new overhead services in 2015. \$28,200

103 Construct New Subdivision-**\$50,000**

- Howard St. Subdivision. Three phase power and NoaNet fiber to Cell Tower City of Port Townsend Water Tanks. \$29,342.04
- Rainier St. Subdivision. City of Port Townsend Project. All material purchased for project.
- Rosekran. \$14,154

### 201 New Distribution Main Line Construction

Preliminary work has begun for Discovery Bay to Irondale 3 phase line. Scheduled for 2016.

### 400 New Substations

401 Irondale Substation Upgrade-**\$1,500,000**

- Transformer ordered from CG Power Systems. Expected delivery January 2016. \$421,500
- 115KV Breakers ordered 2 from Alstom. Expected Delivery December 2015. \$119,355
- 15KV Breakers will bid out September 2015. \$60,000
- Geo-Tech scheduled to be completed by Aspect Consulting August 28, 2015 \$15,300
- Engineering of Irondale Substation upgrade from ICPE. Current P.O. not to exceed for preliminary work. \$60,000
- Approved contactor list will be complete in September.
- Bid Late October 2015.
- Materials list from ICPE will be complete late October 2015.
- Regulators purchased for new Feeders. Currently in yard. \$51,696

### 500 Substation Changes

502 Replace Aging Regulators, Switches, and Controls at Irondale Substation. **\$210,000**

- Planned in Stage 2 of Irondale Substation Upgrade. 2016
- Will include four replacement breakers (to be purchased with new substation breakers). \$60,000

## 4-Year Plan Update

### 503 Replace Aging Substation Breakers, Switches, and Relays. **\$150,000**

- Quilcene 735 Station Meter. \$4,426
- Discovery Bay 735 Station Meter. All substations except Discovery Bay now have SEL 735 Station Meters. This will improve our ability to accurately monitor loads. Included in new substation control building. \$4,426
- Discovery Bay Relay Installation Included in new substation control building. \$19,687
- Discovery Bay Control House Change Out. Expected completion October 2015. \$29,725
- Chimacum 11 relay change out scheduled for September. \$9,254

### 504 Replace Aging Substation Wet-Cell Batteries with Dry-Cell Batteries. **\$24,000**

- Discovery Bay Substation 48VDC Dry-Cell Battery Replacement will be complete with Discovery Bay control Building replacement. \$13,988

### 505 SCADA System Substation Communication and Device Upgrades. **\$50,000**

- SCADA Quilcene Substation. \$6,128
- SCADA Discovery Bay Substation. 6,128

### 506 Replace Primary Fuse Protection with Circuit Breaker Irondale Substation. **\$140,000**

- Scheduled for 2<sup>nd</sup> phase of Irondale Substation Upgrade 2016. Breaker has been purchased.

### **600 Miscellaneous Distribution Equipment**

#### 601-1 New Pole-Mount Transformers to New Customers (10 per Year). **\$30,000**

- 17 new pole-mount transformers for new customers in 2015. \$ 51,000

#### 601-2 New Pad-Mount Transformers to New Customers (15 per Year). **\$40,000**

- 41 new pad-mount transformers for new customers in 2015. \$ 106,600

#### 601-3 Replacement of Aging Transformers (60 per year). **\$180,000**

- 83 pole-mount change outs due to age, reliability, and environmental concerns. \$249,000
- 7 pad-mount change outs due to failure. \$18,200

#### 602-1 Install/Upgrade Meters to Serve New or Existing Customers. **\$25,000**

- 809 new meter installs and change outs due to meter upgrade or failure. \$105,170

#### 604-1 Install 4 New Line Reclosers. **\$50,000**

\*Budget spread through 2017 for a total of \$200,000. Completed all in 2015 to increase reliability in problem areas.

- Tala Shore. \$43,785
- East Quilcene \$43,785

- Gardiner \$43,785
- Cape George \$43,785
- Replaced Indian Island recloser due to storm damage. \$43,785
- Tala Shore (Single Phase) \$2,402
- Lindsey Hill (Single Phase) \$2,402

**605-2 Regulator Replacement of Aging Unit. \$50,000**

- Center/104 regulator replacement. \$32,956
- HWY 101/104 single phase regulator change out. \$12,487

**607 Pole Replacement (20 per Year). \$80,000**

- 46 Pole Change Outs. \$184,000

**608 Replace Aging Conductors.**

\*Increased number of reoccurring outages on underground cable has caused the need for new cable installation increasing reliability. Budgeted \$554,000 in both 2017 and 2018.

- 7 Sisters. \$45,694
- Kens Way. \$93,004
- Camp Discovery. \$121,451
- Camp Harmony. \$85,268

**608-1 Install Singe Phase Distribution Line along Toandas Rd. \$205,000**

- Work in conjecture with 608.

**700 Other Distribution Items**

**701 Security and Street Lighting. \$10,000**

- Purchased 123 LED lights to replace high pressure sodium- \$28,000
- Installed 16 LED street lights replacing existing units.- \$8,023

**703 SCADA System Distribution Line Device Communication and Control Upgrades. \$0**

\*Budgeted \$60,000 for both 2017 and 2018. To improve reliability budget was moved to 2015

- Quilcene LR Control Change Out and SCADA Communication. \$7,400
- Egg and I LR Control Change Out and SCADA Communication. \$7,400
- South Discovery LR Control Change Out and SCADA Communication. \$7,400
- Golf Course LR SCADA Communication. \$4,125
- Oak Bay LR SCADA Communication. \$4,125
- Navy Base LR SCADA Communication. \$4,125

## 4-Year Plan Update

- Indian Island LR SCADA Communication. \$4,125
- Marrowstone Island LR SCADA Communication. \$4,125
- Center/104 Regulator SCADA Communication. \$4,125

### 704 SCADA Master Stations; Office Installations. **\$40,000**

- New Security Gateways are currently being implemented to improve network security and track substation assets. \$11,245

### 705 Build AMR Metering System. **\$625,000**

- 809 new meter installs and change outs due to meter upgrade or failure. \$105,170
- Currently evaluating best path forward for AMR/AMI system.

## 1000 Transmission Line and Station Change

### 701 Move Transmission Poles for Easements. **\$60,000**

- Sheridan Street project to move transmission pole for hospital construction. \$11,200

## 1200 Communications

### 1201 Fiber Line Extensions **\$50,000**

- Fiber from Operations Center to South Discovery and Cape George Reclosers. Radio link to Security Services. \$ 23,250
- Fiber to Oak Bay, Indian Island, and Navy Base Reclosers. \$17,750
- Fiber to Water Tank Cell Site. (NoaNet)-refer to section 103 above
- Fiber to Port Hadlock Cell Site. (NoaNet)-splicing only-\$800



## FINANCIAL

### PURPOSE

The Financial Policy provides guidance and direction for the Board and staff to use in making sound financial decisions that ensure vital services are maintained and the Board's vision for the utility is achieved. The District is accountable to its ratepayers for the responsible stewardship of public funds, which must be wisely used to "serve our community with high value utility services at the lowest practical cost."

The Financial Policy provides direction for financial management, risk management, budgetary planning and internal controls, with the intent of providing fiscal stability, maintaining a solid credit rating and assuring ratepayers the District is well managed financially.

### REQUIREMENTS

#### A. FINANCIAL MANAGEMENT

##### 1. Debt Service

The District shall develop financial plans to maintain debt service coverage in each plan year of at least 1.75x calculated as follows:

*Numerator:* Operating income + depreciation/amortization + interest income  
*Denominator:* Total annual debt service

Actual debt service coverage as defined in the bond resolutions shall not be allowed to fall below 1.25x.

Operating income may be adjusted by transfers to or from the rate stabilization account in accordance with bond resolutions. Financial plans should not forecast the defeasance of debt for purposes of achieving the minimum coverage for more than one consecutive year.

##### 2. Debt/Asset Ratio

The District will develop financial plans to maintain a debt to total asset ratio within the median national as published in the APPA annual ratio report for utilities with generation assets.

*Numeration:* Total Debt  
*Denominator:* Total Assets

At no point would the ratio be above 55%.



### 3. Reserves

The District shall develop financial plans to maintain end-of-year cash balances sufficient to:

- a) Provide funding for a minimum of 90 days of expenses based on the planned year's budget
- b) Financial plans should provide for cash balances between 100% and 125% of the established minimum level.

The District shall maintain a \$10 million line of credit.

Minimum level of available cash will be equal to the amount required to maintain the District's credit rating. Currently, the target level of available cash for an 'A' rated utility is between 90 and 120 days.

Available cash is defined as cash and investments in non-restricted accounts and any available funds from the line of credit. Excess cash shall be defined as amounts above the 125% level. When actual end of year available cash balances exceed 125% of the targeted minimum cash balances for both the year end and subsequent operating year, the Board may direct staff to use the excess cash for debt retirement, a rate stabilization fund, rate reduction, customer rebates, or other legal purposes.

### 4. Debt/Revenue Financing

The District shall develop financial plans to maintain the funding of gross non-generation capital improvements through at least 60% from current revenue and no more than 40% from long term financing over a rolling ten-year period. Short-term debt should be retired within two years of initial borrowing.

### 5. Competitive Rates

The chief objective of rate setting shall be to ensure that revenue requirements are consistent with the financial goals of the district including cash requirements, debt service coverage, and debt financing limits. While the District desires to maintain competitive rates as compared to similar utilities, this objective is subordinate to the District's financial goals. Rates should be developed so as to minimize the subsidization of one rate class by another. Cost of service studies should be conducted every three to five years with results presented to the Board.

## B. RISK MANAGEMENT

### 1. RMC

The General Manager shall ensure the District maintain a Risk Management Committee (RMC) to manage power supply risk for the District. The objective of the risk management program shall be to achieve the net power supply budget. The RMC shall

develop, maintain and update as required risk management policy for approval by the Board.

The risk management program shall be designed to accept reasonable exposure to power market price volatility and counterparty credit exposure in order to maximize the benefits of the District's power supply portfolio. The RMC may use derivatives and other hedges, approved in its policies, as a means of minimizing the District's market risk while attempting to maximize its market opportunities.

Trades for speculative purposes are prohibited.

2. Investment

In accordance with the District's investment policy, cash reserves will be invested in a manner to provide maximum security with the highest level of return.

3. Insurance

The District shall maintain insurance, reserves, or participate in an insurance pool to protect against risk of property, casualty, and liability losses, and this shall be reviewed annually.

C. BUDGETARY PLANNING AND INTERNAL CONTROLS

1. Integrated Plans (Electric/Telecomm)

The General Manager shall develop the following plans and forecasts for approval by the Board:

- Retail Energy Sales Forecasts
- Power Supply Plan
- Capital Requirements Plan
- Long-range Financial Plan
- Annual Budget

These plans shall be based on realistic but conservative assumptions and include return on investment analysis for telecom expansion.

2. Controls

The Board shall approve the District's budget as prescribed by State Law prior to the start of each fiscal year. The Board shall approve total amounts for each of the following budget categories:

- Revenues
- Net Power Expense
- Non-power Operating Expenses
- Net Capital Additions
- Debt Service

Budget amounts will be presented using the accrual basis of accounting. Debt principal will be based on cash requirements. The General Manager shall notify the

Board promptly when expenditures within each category are anticipated to exceed the budget and provide an explanation with justification for the overrun. Budget amendments will be presented to the Board in August of each year as necessary.

In order to ensure proper recording of expenditures for management analysis, financial statement reporting, and rate development, expenditures shall be charged to the general ledger account that best reflects the purpose for which the expenditure was made, not an account where an excess of budgeted funds may exist. All materials and services will be procured in accordance with State statutes, including but not limited to public works and competitive bid laws.

### 3. Reporting

Monthly financial reports will be provided to the Board including the District's operating statement, balance sheet, capital expenditures report, and cash expenditure report. Actual results will be compared to budgeted levels, with an explanation of variances. Investment portfolio updates shall be presented to the Board monthly.

An Annual Financial Report, prepared in accordance with generally accepted accounting principles, and audited in accordance with generally accepted auditing standards, shall be distributed to the Board and other interested parties.

Effective April 6, 2015  
Adopted Resolution No. 4831  
Former Resolution No. 4178



Item No.	Description	2015	2016	2017	2018	2019	Total	Discussion
<b>100 New Line Construction</b>								
101	Construct Underground Distribution line extensions and service runs to serve new customers; Single-Phase and Three-Phase. 50 per year - approximately 3 miles annually.	\$ 240,000.00	\$ 140,000.00	\$ 340,000.00	\$ 240,000.00	\$ 240,000.00	\$ 1,200,000.00	
102	Construct Overhead Distribution line extensions and service lines to serve new customers; Single-Phase and Three-Phase. 30 per year - approximately 2 miles per year.	\$ 108,000.00	\$ 108,000.00	\$ 108,000.00	\$ 108,000.00	\$ 108,000.00	\$ 540,000.00	
103	Construction for new Subdivisions. Approximately 1 per year.	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 75,000.00	\$ 275,000.00	
<b>New Line Construction :: Annual Totals</b>		<b>\$ 398,000.00</b>	<b>\$ 298,000.00</b>	<b>\$ 498,000.00</b>	<b>\$ 398,000.00</b>	<b>\$ 423,000.00</b>	<b>\$ 2,015,000.00</b>	
<b>200 New Distribution Main-Line Construction</b>								
201	Install 8 miles of 15 kV 336 ACSR Three-Phase distribution overhead as underbuild on existing Transmission Line poles from Irondale Substation to Discovery Bay Switchyard.	\$ -	\$ 3,000,000.00	\$ -	\$ -		\$ 3,000,000.00	
<b>New Distribution Main-Line Construction :: Annual Totals</b>		<b>\$ -</b>	<b>\$ 3,000,000.00</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 3,000,000.00</b>	
<b>300 Conversion</b>								
301	Convert Single-Phase to Three-Phase	\$ -	\$ -	\$ 200,000.00	\$ -		\$ 200,000.00	
302	Convert Single-Phase OH Distribution to UG along Olele Point Road	\$ -	\$ -	\$ -	\$ 400,000.00		\$ 400,000.00	
303	Convert OH Distribution to UG 4 Locations	\$ -	\$ -	\$ -	\$ 400,000.00	\$ 550,000.00	\$ 950,000.00	
<b>Distribution-Line Conversion :: Annual Totals</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000.00</b>	<b>\$ 400,000.00</b>	<b>\$ 550,000.00</b>	<b>\$ 1,150,000.00</b>	
<b>400 New Substations</b>								
401	Irondale Substation; Irondale Substation New Transformer Bay including New Station Relays and Distribution Bus.	\$ 1,500,000.00	\$ -	\$ -	\$ -		\$ 1,500,000.00	
<b>New Substations :: Annual Totals</b>		<b>\$ 1,500,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 1,500,000.00</b>	
<b>500 Substation Changes</b>								
501	Replace Aging Substation 15KV Regulators, bypass switches, and Controls at Hastings. Irondale, and Kearney.	\$ -	\$ 135,000.00	\$ 135,000.00	\$ -		\$ 270,000.00	
502	Irondale Sub: Replace Aging Substation 15KV Regulators, bypass switches, and Controls; Install new regulator rack.	\$ 210,000.00	\$ -	\$ -	\$ -		\$ 210,000.00	
503	Replace Aging Substation 15KV Reclosers, bypass switches, and Relays.	\$ 150,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 350,000.00	
504	Replace Aging Substation Wet-Cell Batteries with Dry-Cell Batteries, and their chargers.	\$ 24,000.00	\$ 24,000.00	\$ -	\$ -	\$ 48,000.00	\$ 96,000.00	
505	SCADA System Substation Communications and Devices Upgrades.	\$ 50,000.00	\$ 50,000.00	\$ 40,000.00	\$ 30,000.00	\$ 25,000.00	\$ 195,000.00	

Item No.	Description	2015	2016	2017	2018	2019	Total	Discussion
506	Replace 115kv Primary Fuse Protection with 115kv Circuit Breaker at Irondale.	\$ 140,000.00	\$ -	\$ -	\$ -		\$ 140,000.00	
506	Spare 115kv 20MVA Substation Transformer		\$ -	\$ -	\$ -	\$ 510,000.00	\$ 510,000.00	506
Substation Changes :: Annual Totals		\$ 574,000.00	\$ 259,000.00	\$ 225,000.00	\$ 80,000.00	\$ 633,000.00	\$ 1,771,000.00	
600 Miscellaneous Distribution Equipment								
601-1	Install new pole-mount Transformers to serve new customers. 10 per year.	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 150,000.00	
601-2	Install new pad-mount Transformers to serve new customers. 15 per year.	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 200,000.00	
601-3	Transformer replacement of aging units. 60 per year.	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00	\$ 900,000.00	
602-1	Install/Upgrade meters to serve new/existing customers. XX per year.	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 125,000.00	
602-2	CT replacement of aging units. XX per year.	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 100,000.00	
604-1	Install four new Three-Phase distribution-line reclosers.	\$ 50,000.00	\$ 100,000.00	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 250,000.00	
605-1	Install new line Regulators. 3 per year.	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 150,000.00	
605-2	Regulator replacement of aging units. XX per year.	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -		\$ 150,000.00	
607	Pole Replacements. 20 per year.	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 400,000.00	
608	Replace Aging Conductors. XX projects - X miles per year.	\$ -	\$ -	\$ 554,500.00	\$ 554,500.00	\$ 125,000.00	\$ 1,234,000.00	
608-1	Install single phase 15kv 1/0 distribution line 3.1 miles from Coyle Road along Toandas Road and Camp Discovery Road.	\$ 205,000.00	\$ 200,000.00	\$ -	\$ -	\$ 100,000.00	\$ 505,000.00	
609	Miscellaneous Replacements	\$ -	\$ -	\$ -	\$ -		\$ -	
610	Wildlife Protection. X sites.	\$ -	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 125,000.00	\$ 175,000.00	
Miscellaneous Distribution Equipment :: Annual Totals		\$ 660,000.00	\$ 730,000.00	\$ 1,134,500.00	\$ 1,059,500.00	\$ 755,000.00	\$ 4,339,000.00	
700 Other Distribution Items								
701	Security and Street Lighting	\$ 10,000.00	\$ 20,000.00	\$ 10,000.00	\$ 20,000.00		\$ 60,000.00	
703	SCADA System Distribution Line Devices Communications and Control Upgrades.	\$ -	\$ -	\$ 60,000.00	\$ 60,000.00	\$ 120,000.00	\$ 240,000.00	
704	SCADA Master Stations; Office Installations	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00	\$ 55,000.00	\$ 135,000.00	
705	Build AMR Metering System	\$ 600,000.00	\$ 400,000.00	\$ 400,000.00	\$ 200,000.00	\$ 400,000.00	\$ 2,000,000.00	
Other Distribution Items :: Annual Totals		\$ 650,000.00	\$ 420,000.00	\$ 470,000.00	\$ 320,000.00	\$ 575,000.00	\$ 2,435,000.00	
1000 Transmission Line and Station Changes								
1001	Move Transmission Poles for easements	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 240,000.00	
Transmission Line and Station Changes :: Annual Totals		\$ 60,000.00	\$ -	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 240,000.00	



Item No.	Description	2015	2016	2017	2018	2019	Total	Discussion
<b>1100 Other Transmission Items</b>								
1101	Easements and Right-of-Way	\$ -	\$ -	\$ -	\$ 80,000.00	\$ 40.00	\$ 80,040.00	
Other Transmission Items :: Annual Totals		\$ -	\$ -	\$ -	\$ 80,000.00	\$ 40.00	\$ 80,040.00	
<b>1200 Communications</b>								
1201	Fiber Line Extensions	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 250,000.00	
Communications :: Annual Totals		\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 250,000.00	
2015-2019 Plan of Service :: Annual Cost		\$ 3,892,000.00	\$ 4,757,000.00	\$ 2,637,500.00	\$ 2,447,500.00	\$ 3,046,040.00	\$ 16,780,040.00	

November 15, 2014

Commissioners of Jefferson County Public Utility District  
230 Chimacum Road  
PO Box 929  
Port Hadlock, WA 98339

Dear Commissioners,

The Citizens Advisory Board (CAB) for the Jefferson County PUD has been discussing for several month how the PUD can provide assistance to their low-income customers. In October we sent you a report on this topic which provided a great deal of background information and several recommendations. The CAB, in a meeting on November 10, met to develop a number of additional recommendations for your consideration. These recommendations are listed below.

1. We recommend that the term "low income" initially be construed to mean households whose total income falls below 100% of the Federal Poverty Level (FPL). In 2013, the Federal Poverty Level was at \$11,490 for a person living alone and \$23,550 for a family of four. It may be possible and desirable in the future to raise the threshold for low-income assistance to 125% of the FPL.
2. We believe that any program for low-income assistance should be extended to all low-income households that the PUD serves, not just low-income disabled and senior households. Approximately 20% of all children in Jefferson County live in low-income households.
3. We recommend that the PUD plan for 1,000 households to receive low-income assistance. However, since there are approximately 2,000 households in Jefferson County living at or below 100% of the Federal Poverty Level, there is some likelihood that more (or fewer) than 1,000 will apply for assistance. In 2012, the last year that our electrical system was owned by PSE, 740 households received low-income assistance.
4. We recommend that the PUD plan to spend approximately \$500,000 per year in direct low-income assistance, amounting to about \$500 per household per year assuming 1,000 qualified applicants. This level is comparable to the level of assistance that low-income households received during the last year of PSE's ownership of the Jefferson County electric system.
5. We believe that it will be necessary for the PUD to hire an additional person to help administer the expanded program of low-income assistance we are recommending.
6. We recommend that the PUD instruct their rate consultant, EES Consulting, to include in their upcoming rate recommendation provision to fund a program of low-income assistance totaling near \$600,000 per year, the approximate amount required to fund Recommendations 4 and 5 above.

7. We recommend that you continue the current voluntary Power Boost program. We believe the goal of this program should be formally established and publicized. Power Boost funds are currently being sent to OlyCAP.
8. We commend you, the Commissioners of the PUD, for launching an immediate program of low-income assistance for the fall and winter season of 2014-2015. We do recommend that you expand this program to include all low-income households as soon as possible.
9. We believe it is important that any low-income assistance program developed by the PUD be aggressively publicized to reach the largest number of people. It is also important that low-income households become aware of the PUD's conservation program, which could help reduce their monthly electricity consumption and bills. Ways that you may wish to consider to accomplish these goals include:
  - a. Enclosures with monthly bills
  - b. Announcements on the PUD website
  - c. Informing households applying for low-income assistance about the PUD's conservation program
  - d. Coordinating with schools so that the households of children that qualify for free school lunches be informed of the PUD's low-income assistance program
  - e. Instructing the customer service personnel at the PUD to inform customers who may qualify about the PUD's low-income assistance programs

The CAB respectfully submits these recommendations for your consideration. We hope that they will provide a framework to help you in your deliberation on the low-income-assistance issue.

Sincerely,

James Dow, Chair CAB

# Treasure Account Balance

