



# THE PUBLIC NEWSLINE THE POWER NEWSLINE

Photo behind: Tops of pole-mount distribution transformers

Okanogan County PUD

March 2021

## PROJECT COSTS DRIVE INCREASES

### Critical capital upgrades, replacements needed

As Okanogan County PUD continues its plan for critical infrastructure upgrades, the board has approved a 3.25% overall revenue increase effective April 1.

The PUD had originally planned a 2% increase in 2020, but due to COVID-19 issues, cancelled that increase. Since then, the PUD has suffered damage from both the Palmer and Cold Springs Wildfire, and has borrowed \$40 million to cover several critical infrastructure projects and refinance debt.

Current projects include replacing the fire-damaged wooden Okanogan-Brewster transmission line with a new steel line for about \$13 million. Although FEMA funding was recently approved, it will not cover the total amount of the project with the upgrades. The PUD also plans to rebuild the Tonasket substation for just over \$4 million, which needs additional capacity in order to improve reliability. Several substations are also in need of new and/or upgraded power transformers, which will cost the PUD about \$2.4 million.

The PUD also has been under budget in power sales – about \$1 million last year – and the costs of inflation, especially in construction costs, continually rise.

The PUD also borrowed from the rate stabilization fund to cover the loss of the cancelled 2020 rate increase (\$622,455) and to pay off the remainder of a 2016 debt (about \$1.6 million).

And although the PUD is pursuing several large capital projects, many projects have been deferred to a later date to ease budget requirements. Staff still anticipate about \$35 million in projects in the next couple years, funded mostly from the borrowed \$40 million.

To pay back that debt and provide more capital funds,

#### TONASKET SUBSTATION REBUILD



**Estimated cost:  
\$4.05 million**

The Tonasket substation functions near capacity, so we need to both upgrade what we have and add capacity by putting a second transformer in the station. This will help us increase reliability for the north county.

#### OKANOGAN- BREWSTER TRANSMISSION LINE



**Estimated cost:  
\$13 million**

Although FEMA will likely reimburse some of this cost, we have decided to upgrade from wood poles to steel for hardening against future fires, increasing the cost. About 40% of the line was destroyed by the Cold Springs Wildfire.

Three of the upcoming projects driving the need for bill increases.

the PUD will raise revenue this year. Several changes will happen on bills after April 1:

1. The COPA (Cost of Power Adjustment) will roll into the current kilowatt-hour energy charge. For example, residential has a \$0.006/kWh COPA, which will be rolled into the energy rate of \$0.045650/kWh to make it \$0.05165/kWh. The COPA will be revisited every April 1 to reflect changes in power costs from the PUD's sources of power (such as Bonneville Power Administration, Wells Dam, etc.).

*(Continued on Page 2)*

#### SUBSTATION POWER TRANSFORMERS



**Approximate cost:  
\$2.4 million**

Several of our 16 substations need a new/upgraded power transformer to better serve our customers. Six were recently ordered and will be arriving over the next year or so (the average of \$400,000 each is better than our estimate!).

# BILLS continued from page 1

2. State taxes will become an additional line item on bill statements (similar to how city-based taxes are currently designated). This leads to additional transparency for the PUD to show customers more specifically where their dollars go. The PUD pays about \$2.8 million per year in state taxes.

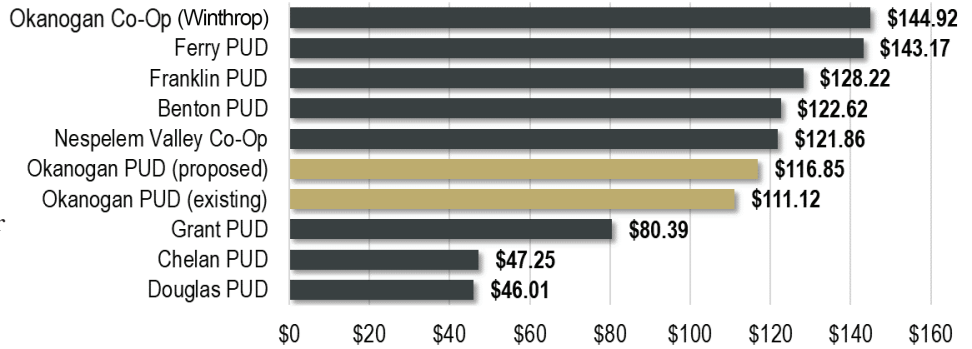
3. Tiered residential kilowatt-hour charges will slowly be merged into a single rate over the next five years. PUD staff looked at consolidating them in one year, but it would have led to a more dramatic increase in rates to the average user. This will both simplify the billing process and give relief to low- or fixed-income customers who have higher usage.

4. Base charges, kilowatt-hour charges and demand charges will be adjusted differently to achieve the revenue needed per customer class. Most will decrease to reflect the state tax designation. For example, the \$0.05165/kWh residential energy rate (see COPA rate above) will be reduced to \$0.05127.

Although the board reviewed a 10-year plan in their Feb. 22 workshop and board meeting, the revenue adjustments were only approved for 2021. Any other adjustments will be reviewed and considered by commissioners at a later time.

“The rate design process is still to be determined,” Commissioner Jerry Asmussen said. “I’m committed to the (2021) increases because of the debt incurred.”

Part of the 10-year plan is also to move rates to a more equitable structure, where the customer classes pay for their actual cost of service. Because of this, each customer class will have individualized percentage-based increases to achieve the overall 3.25% revenue increase.



Above: A sampling by FCS Group of other Eastern Washington public utilities’ bills for 1,400 kilowatt-hours of residential usage.

- Residential: 4.5% increase
- Small general service: 3% increase
- Large general service: 1.18% increase
- Irrigation: 2.5% increase
- Industrial: 1.18% increase
- Frost control: 5% increase
- Area lighting: 3.25% increase
- Street lighting: 3.25% increase
- Domestic pump base charge: raised from \$10 to \$14.95

Originally, the PUD had considered a 10% increase for frost control, but amended the resolution to be a 5% instead, to try to ease any burden on agricultural producers.

“We have to protect our biggest asset in the county,” Commissioner Scott Vejraska said, mentioning that he had recently discussed the revenue increase at a producers’ meeting.

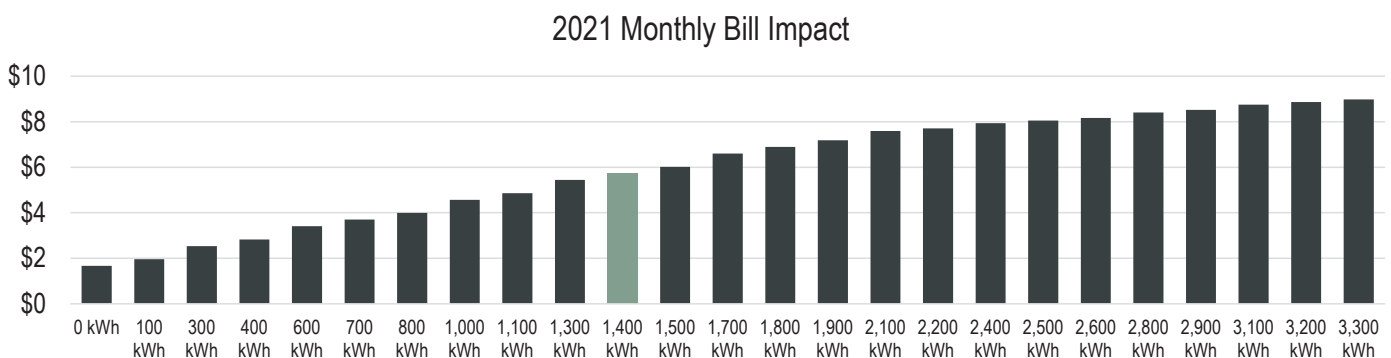
“Ag is the No. 1 industry in the state,” Commissioner Bill Colyar agreed.

The votes for both the frost control amendment and Resolution 1742 approving the new rate schedules and general provisions were unanimous.

More information, including recordings of the meetings and the final resolution approving the new rates and charges, are available on the PUD website:

[www.okanoganpud.org](http://www.okanoganpud.org).

Below: A graph from FCS Group shows how much residential bills are expected to increase monthly, based on kilowatt-hours used.





Left: (photo courtesy of Okanogan County Emergency Management) Jan. 13 winds caused scattered outages throughout the area, taking out several 1960s poles in Omak.

Above: Crews work to rebuild a distribution line along Salmon Creek Road, where the existing line was built in the 1940s.

## GOING SOLAR? RESEARCH OPTIONS

### Quotes from multiple companies recommended

Are you interested in adding solar panels while staying tied to the electric grid? Give us a call BEFORE you begin your project - we want to make sure that you understand the laws, policies and procedures regarding how net metering works.

We also recommend that you do your homework before choosing a company to work with. It's a great idea to obtain multiple quotes and make sure the product that is being recommended is at the efficiency level and quality that you're looking for. Start your research at <https://www.letsgosolar.com/#>.

For more information about going solar, contact the Energy Services Dept at 509-422-8428.



## BILL ASSISTANCE PROGRAMS AVAILABLE

### Funding helps with COVID-19 impacts, low-income and more

Multiple sources for bill assistance are available to Okanogan County PUD customers. We can set up payment arrangements or set customers up for Budget Pay with a call to our offices. Other programs:

1. Project Help - a program funded by donations from PUD customers. Those experiencing a sudden reduction in income could qualify.
2. LIHEAP - Low-Income Home Energy Assis-

tance Program is a federal program for low-income customers to pay heating bills and may even have grants for repairs.

3. Other - These and other programs are open to serve our customers through our partners at Okanogan County Community Action Council. Reach out to them at [www.occac.com](http://www.occac.com) or call 509-422-4041.

# Okanogan County PUD

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## RESIDENTIAL CUSTOMER

# MAPPING OUT BROADBAND

## County-wide speed tests needed

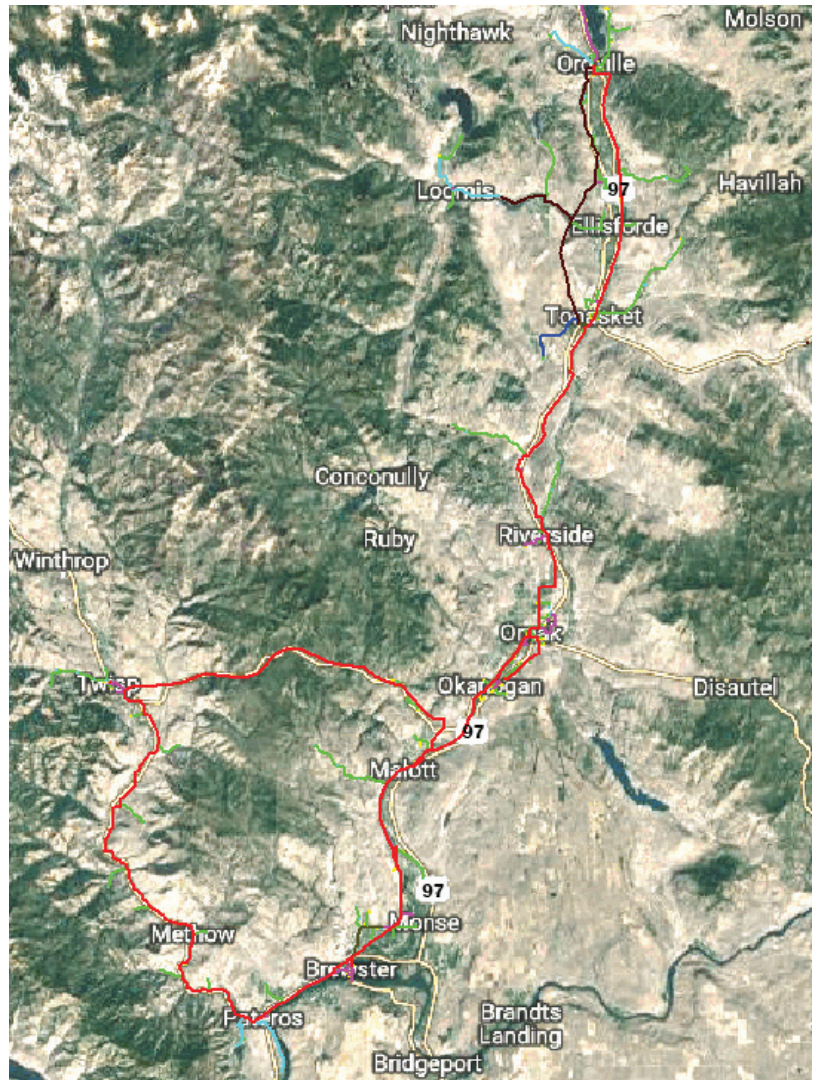
Area broadband action teams need residents and businesses to take internet speed tests to identify gaps in access, and possibly acquire federal and state funding to fill those gaps.

The Washington State Broadband Access & Speed Survey is available on the Department of Commerce website, and is a 1-minute test where participants can see live results. Participants can also enter an address with no available service for a friend or family member who cannot access the speed test.

The Okanogan County Economic Alliance and the Okanogan County and Colville Confederated Tribes Broadband Action Team is seeking to have at least 10% of the county population to participate, but currently have about 3%.

Access the survey at <https://www.commerce.wa.gov/building-infrastructure/washington-state-wide-broadband-act/speedtestsurvey/>. The survey works toward the goal of having universal broadband access in Washington by 2024.

Right: A map shows several of the fiber lines the PUD currently owns. The line in red is our main backbone.



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