

# 2010 Equity Management Plan

Public Utility District No. 1  
of Okanogan County, Washington

March 2010



An SAIC Company



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March 25, 2010

Mr. John R. Grubich  
General Manager  
Okanogan County Public Utility District  
1331 2nd Avenue North  
Okanogan, Washington 98840

**Subject: Okanogan County Public Utility District  
2010 Equity Management Plan**

Dear Mr. Grubich:

R. W. Beck, Inc., is pleased to submit this report summarizing the 2010 Equity Management Plan for Okanogan County PUD. The report describes the EMP study process, which included the development of an Excel-based EMP model designed to assist the District evaluate financial performance under various scenarios and different assumptions. The report sets forth and summarizes the approach, goals, key assumptions and results of the EMP analysis.

Development of the EMP was a collaborative effort between the District staff and R. W. Beck. Both Tim Baars and I wish to express our appreciation for the assistance, review and timely response provided by District staff that was necessary to develop this study.

We appreciate the opportunity to provide continued services to the District.

Sincerely,

R. W. BECK, INC.

A handwritten signature in black ink that reads 'Richard W. Cuthbert'.

Richard W. Cuthbert  
Senior Consultant





# 2010 Equity Management Plan

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This report has been prepared for the use of the client for the specific purposes identified in the report. The conclusions, observations and recommendations contained herein attributed to R. W. Beck, Inc. (R. W. Beck) constitute the opinions of R. W. Beck. To the extent that statements, information and opinions provided by the client or others have been used in the preparation of this report, R. W. Beck has relied upon the same to be accurate, and for which no assurances are intended and no representations or warranties are made. R. W. Beck makes no certification and gives no assurances except as explicitly set forth in this report.

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# 2010 Equity Management Plan

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## Introduction

Public Utility District No. 1 of Okanogan County (the District) retained R. W. Beck, Inc., in February 2009 to assist District staff with the development of a 2010 Equity Management Plan (2010 EMP). The 2010 EMP is a spreadsheet-based model that contains several elements designed to help the District evaluate its projected financial performance under various scenarios over a ten-year planning period from 2009 through 2018 (the study period).

A critical element of the 2010 EMP is the projection of annual operating results under various financial and operational assumptions. As part of the development of the 2010 EMP, several factors were considered to be of significant importance in the District's financial planning efforts. These factors include:

- Establishing appropriate debt service coverage (DSC) and times interest earned ratio (TIER) requirements,
- Balancing borrowing needs and rate-funded equity levels to fund the District's capital needs,
- Maintaining a favorable equity ratio,
- Maintaining appropriate cash reserve levels, and
- Evaluating future revenue requirement and future rate adjustment needs.

A principal goal defined by the District for the 2010 EMP was to examine the long-term retail rate impacts of several projected future changes to the District's system, including:

- Bonneville Power Administration (BPA) rate increases and increased costs from the Wells project,
- Declining wholesale sales revenues, and
- Development of the Enloe Dam Hydroelectric Facility.

The 2010 EMP was developed in the context of helping the District evaluate appropriate rate levels to meet the financial targets of the utility and to continue to provide reliable electric service given these significant operational and financial changes.

## Approach

The development of the 2010 EMP involved discussions of financial management and other issues among R. W. Beck staff, District management and staff, and the District's Board of Commissioners. The District's Board participated in two workshops that reviewed the EMP process and analysis results.

A detailed financial spreadsheet model was developed as part of the 2010 EMP process, which projects annual revenues and expenditures for the study period. Year-end balance sheet projections are also developed in the model as are supporting schedules for plant investment, funding requirements and sources, and existing and new debt service payments.

R. W. Beck worked with District management to identify several financial-related variables to be reviewed in the EMP process and used the EMP model to analyze the impact of these variables on the District's projected financial results. The interrelationships of these variables in the EMP required that numerous planning assumptions be considered conjointly.

Based on the results of these analyses and input from the District's Board, several key assumptions were made. Some of these key assumptions include (1) development of Enloe Dam, assumed to be operational in 2015, (2) decreasing wholesale revenues due to increased retail sales and decreased wholesale prices, and (3) BPA and Wells Dam rate increases. A full discussion of the key assumptions used in the EMP is provided later in this report.

In addition to operational assumptions and financial targets, a key component of the EMP analysis is the assumed retail rate adjustments. Three different rate adjustment scenarios were analyzed:

- **Scenario 1 – Rate changes as necessary:** Rate adjustments were set to meet financial targets without consideration of rate stability.
- **Scenarios 2 and 3 – Moderated rate changes:** Near-term rate adjustments were altered from those in Scenario 1 to continue to meet financial targets of the District, but include moderated rate increases to promote gradual rate changes for customers.

The 2010 EMP, like any financial plan, will need to be adjusted and updated periodically as conditions change and as each year's operating results become known. Given the significant uncertainty related to projected wholesale revenues, it is recommended that the District review and update this EMP annually during the next several years as part of its ongoing financial planning process.

## Financial Goals

The overall “Mission of the District is to provide dependable, not-for-profit public utility services governed by, and for the benefit of, its customers in a safe and environmentally friendly manner.” In order to achieve this mission, it is important for the District to achieve the following key financial goals.

- **DSC and TIER Levels:** The District has determined that minimum DSC and TIER target levels of 1.50 are necessary to meet lender requirements and to ensure the security of debt service payments.
- **Cash Levels:** The District has determined that minimum cash levels equivalent to approximately sixty days of operating expenses (i.e., operations, maintenance, and interest expenses) are necessary to maintain sufficient liquidity for cash transaction requirements and unforeseen events. In addition, District staff are considering adding a line of credit for short-term cash needs.
- **Equity Levels:** The District has determined that it is prudent to maintain a minimum long-term equity ratio goal of at least 60 percent. Although the District is not required to maintain a specific equity ratio, its lenders have expectations regarding equity levels consistent with strong financial performance, which the District wishes to maintain.
- **Funding of Capital Expenditures:** Significant capital expenditures, including funding for the development of Enloe Dam, are projected during the study period in order for the District to provide efficient and reliable service. It is important for the District to maintain strong financial performance levels to assure its access to low cost capital to fund these capital expenditures and to keep its rates for electric service at reasonable levels in the future.
- **Rate Stability and Competitiveness:** In developing the EMP, the District worked diligently to balance the goal of stable and competitive rates for its customers with the goals of meeting its financial targets and continuing to provide reliable electric service.

## Key Assumptions

Various assumptions were made in developing the 2010 EMP projections. In general, terms, the principal assumptions used in the 2010 EMP are as follows:

- **Cost of Power Increases:** The District will experience cost of power increases during the study period from both BPA and the Wells project. Power from BPA is projected to increase 21 percent on an average kilowatt-hour basis in 2010. In addition, the cost of power from BPA is projected to increase approximately 7.2 percent in 2012. The cost of power from the Wells project is projected to increase 12 percent in 2010, followed by 3.0 percent annually thereafter.
- **Load Forecast:** The District’s projected customer sales and load requirements are based on a load forecast developed by District staff. Overall, retail sales are projected to increase 2.6 percent on an average annual basis during the study

period. Wholesale sales are projected to decrease gradually as retail sales increase, with a one-year increase in 2015 associated with the addition of power from Enloe Dam.

- **Wholesale Revenues:** Wholesale revenues are assumed to decrease over the study period from approximately \$5.4 million in 2009 to zero in 2018. The decrease in wholesale revenues is the result of decreased wholesale sales due to increased retail load and lower projected wholesale power prices. The projected wholesale revenues in the EMP should be considered conservative and actual wholesale revenues could be higher than projected in this EMP analysis.
- **Enloe Dam Hydroelectric Facility:** It is assumed the District will continue to pursue the development of Enloe Dam with operation projected to begin in 2015. The projected power generated and operating costs for this project were obtained from Schedule D of the Final License Application to the Federal Energy Regulatory Commission dated August 2008.
- **Capital Improvement Expenditures:** The ten-year Capital Improvement Plan (CIP) projects capital improvement expenditures to equal approximately \$118 million during the period 2010 to 2018. These expenditures include the following items:
  - *Enloe Dam Hydroelectric Project* – \$35 million for a 9.0-MW hydroelectric facility projected to be operational in 2015.
  - *Pateros to Twisp 115-kV Transmission Line* – \$12 million in 2011 for the construction of a 28-mile-long, 115-kV transmission line from the existing Brewster-Pateros line to the Twisp Substation.
  - *Advanced Meter Infrastructure (AMI)* – \$5.0 million in 2011 for the implementation of Advanced Metering Infrastructure in the District’s service territory.
  - *Headquarters Building Construction* – \$6.8 million in 2011 for the construction of a new headquarters building in Okanogan.
  - *Normal Replacements and Additions* – \$5.0 million projected for annual normal replacements and additions.
- **Base Year Operating Results:** The District’s 2008 audited financial reports and preliminary 2009 reports were the basis for the financial projections in the 2010 EMP. Projected financial results from the EMP for 2010 have been compared to the District’s adopted 2010 budget, and the two are consistent.

## Overview of 2010 EMP Analysis Results

The following table provides an outline of the detailed 2010 EMP analysis results as provided in the appendices to this report. The results for Scenarios 1 through 3 are provided in Appendices A through C. All information is presented in nominal dollars, as applicable.

**Table 1**  
**Okanogan County PUD**  
**Outline of 2010 EMP Analysis Results**

Table	Description
Table 1 – Summary of Results and Assumptions	Key results including average unit revenues, margins, equity ratio, year-end cash balances, TIER and DSC ratio levels. Basic financial assumptions, capital credit retirement assumptions, days of working cash capital, debt terms, and annual depreciation assumptions
Table 2 – Projected Revenues at Existing Rates	Projected energy sales by customer class; projected revenues from energy sales at rate levels by customer class that became effective in October 2001
Table 3 – Income Statement	Projected operating revenues and expenses; operating margins and total margins; unit revenues from energy sales
Table 4 – Pro forma Balance Sheet	Projected year end assets, equities and liabilities; financial ratios
Table 5 – Statement of Operations – Cash Basis	Projected cash from operations; annual debt service payments; uses of cash margins; DSC
Table 6 – General Funds Summary	Projected general fund balances; sources and uses of general funds
Table 7 – Plant Investment and Depreciation Expense	Additions and replacements to utility plant; depreciation expense
Table 8 – Long-term Debt Service	Long-term debt; new debt incurred; annual debt service payment obligations; funding requirements for capital additions
Table 9 – Energy Resources and Cost of Power	Total projected District energy requirements; projected energy resources; estimated cost of purchased power and power production

## Summary of 2010 EMP Scenario 1 Analysis Results

A summary of key financial indicators for Scenario 1 is presented in Table 2 and discussed below. Detailed results are presented in Appendix A. The components and results of the 2010 EMP Scenario 1 are based on the financial and operational objectives defined previously. In particular, the analysis factors in a target DSC ratio and total TIER level of 1.50. Additionally, working capital is maintained at a level equal to at least 60 days of operating and maintenance expenditures.

Under these assumptions, rate increases are projected in 2010, 2012, and 2014 with each rate increase assumed to be effective July 1<sup>st</sup> of each year. The 2010 rate increase is primarily driven by increases in purchased power costs from BPA, while the rate increases in 2012 and 2014 are driven by the need to maintain adequate cash levels. A rate decrease is projected for 2016 to avoid the over-accumulation of cash in the remainder of the study period. Projected DSC levels are summarized in Figure 1.

In addition to increased purchased power costs, the District is projecting decreased wholesale revenues from levels seen in the past few years. The decrease in wholesale revenues is caused by increasing retail sales and decreasing power prices for the wholesale power sold on the market. An increase in the power available for wholesale sales occurs in 2015 with the addition of Enloe Dam. The projection of wholesale revenues represents a conservative forecast, and actual wholesale revenues may be greater than currently projected. Figure 2 displays the projected retail, wholesale and other revenues.

Table 2  
Okanogan County PUD  
Summary of Results  
EMP Scenario 1

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Scenario 1</b>											
Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.25	5.58	6.10	6.69	7.00	7.35	7.14	6.90	6.89
Increase over Previous Year	-0.1%	0.3%	5.6%	6.3%	9.3%	9.7%	4.5%	5.0%	-2.9%	-3.4%	-0.1%
Necessary Retail Rate Change (Effective July 1)		0.0%	12.0%	0.0%	20.0%	0.0%	10.0%	0.0%	-6.0%	0.0%	0.0%
Equity to Total Assets	78.7%	80.9%	81.3%	66.7%	67.9%	69.8%	57.4%	59.8%	61.6%	63.0%	64.1%
Cash (Year End) (\$000)	\$29,478	\$24,309	\$19,658	\$13,507	\$10,684	\$8,411	\$7,221	\$11,284	\$14,000	\$14,066	\$12,824
Days of Working Capital on Hand	289	259	192	130	98	75	63	95	115	112	100
Debt Service Coverage	4.55	3.94	1.89	1.98	2.01	3.01	2.77	2.87	2.50	2.02	1.79
Operating TIER	5.01	0.96	(1.10)	0.81	1.17	3.20	2.89	2.99	2.35	1.49	1.02
Total TIER	5.98	4.73	0.07	1.64	1.76	3.83	3.36	3.36	2.75	1.91	1.48

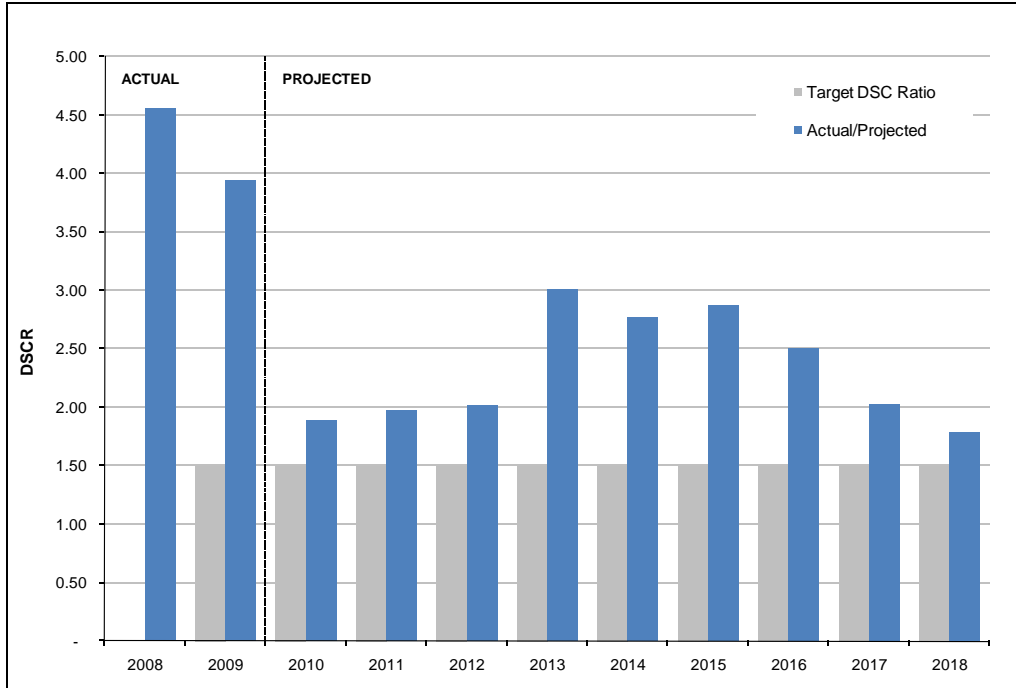


Figure 1: Projected DSC Ratio Levels

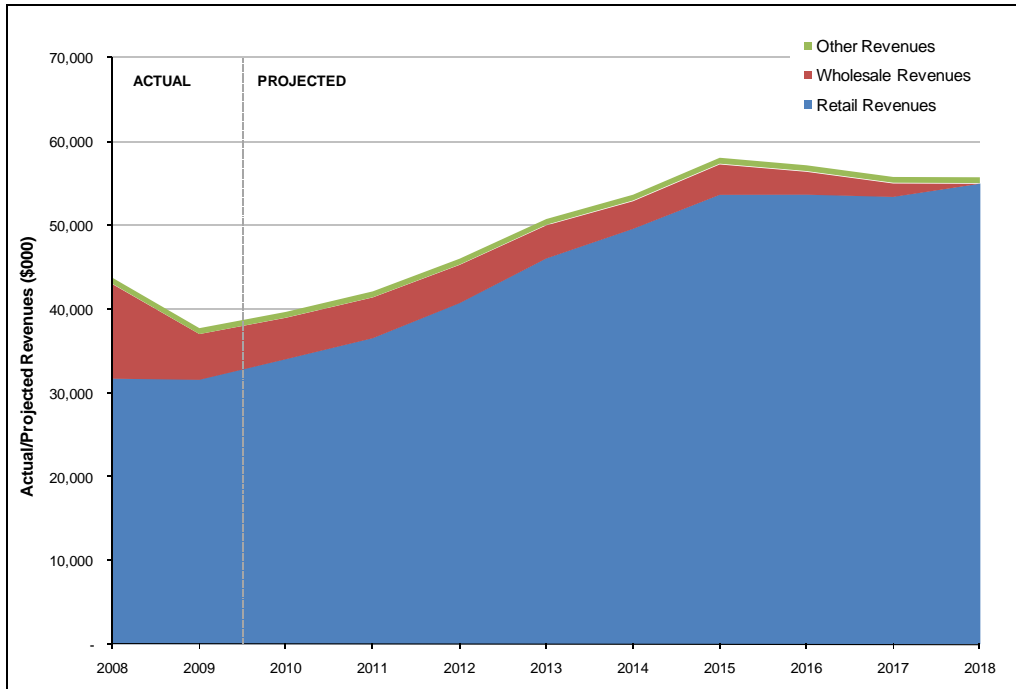


Figure 2: Projected Electric Revenues by Source

Total annual capital expenditures and sources of funding are shown in Figure 3. It is projected that approximately \$118 million of capital expenditures will occur between 2010 and 2018. The largest amount of these expenditures occurs during the 2011-2014 period, when approximately \$92 million of these expenditures are projected to be completed. Overall, capital expenditures will be largely funded with equity from rates revenues, with the exception of projected debt issuances in 2011 and 2014. Table 3 shows the projected debt issuances and uses of funds, and the impacts of these changes on the District’s net assets (equity) and total assets are reflected in Figure 4.

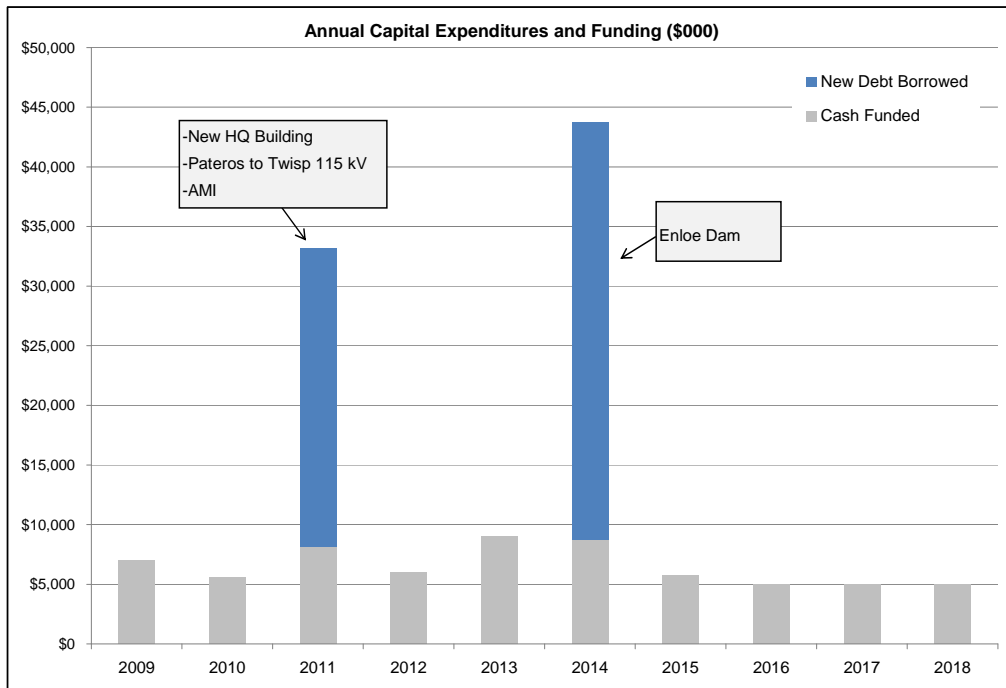


Figure 3: Annual Capital Expenditures and Funding (\$000)

Table 3  
Okanogan County PUD  
Projected Debt Issuances

Year	Projected Debt Issuance (\$M)	Use of Funds
2011	\$25.0	New Headquarters Building Pateros to Twisp 115-kV Transmission Line Advanced Metering Infrastructure (AMI) Project Enloe Dam
2014	\$35.0	Enloe Dam License and Construction



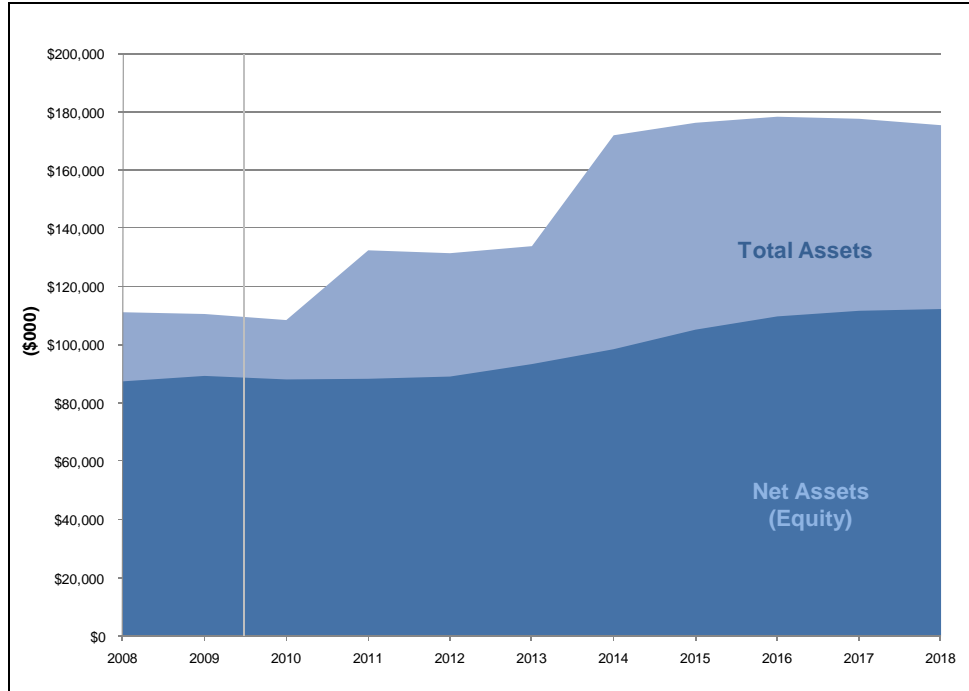


Figure 4: Net Assets and Total Assets

A goal of the 2010 EMP was to allow the District to balance its borrowing needs with maintaining a strong equity ratio. The ratio of equity to total assets is projected to be approximately 80.9 percent by the end of 2009, and to decrease to 64.1 percent by 2018. The equity ratio decreases as a result of debt issuances in 2011 and 2014, as shown in Figure 5.

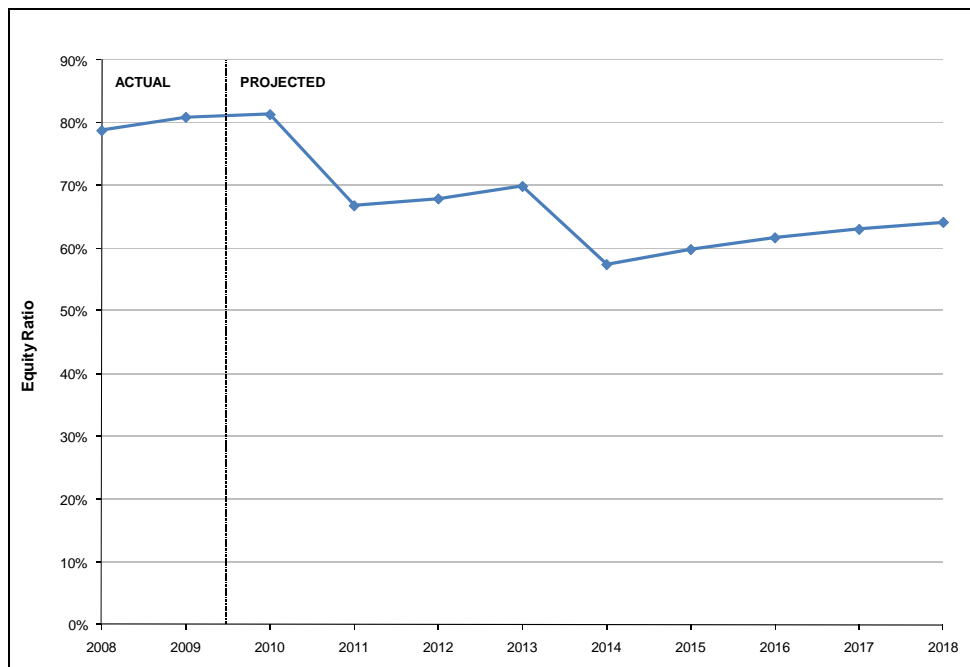


Figure 5: Equity Ratio (Percent of Total Assets)

The District’s working capital reserves, expressed as days of operating and maintenance expenditures, are shown in Figure 6. Working capital reserves declined in 2008 and 2009, and are projected to continue declining until 2014 under all scenarios considered in this study. These results indicate that given declining wholesale sales revenues, the District’s existing retail rate revenues are not sufficient to sustain adequate working capital reserves. By increasing retail rates to a more sustainable level, working capital reserves are projected to increase after 2014 and remain above target levels through 2018.

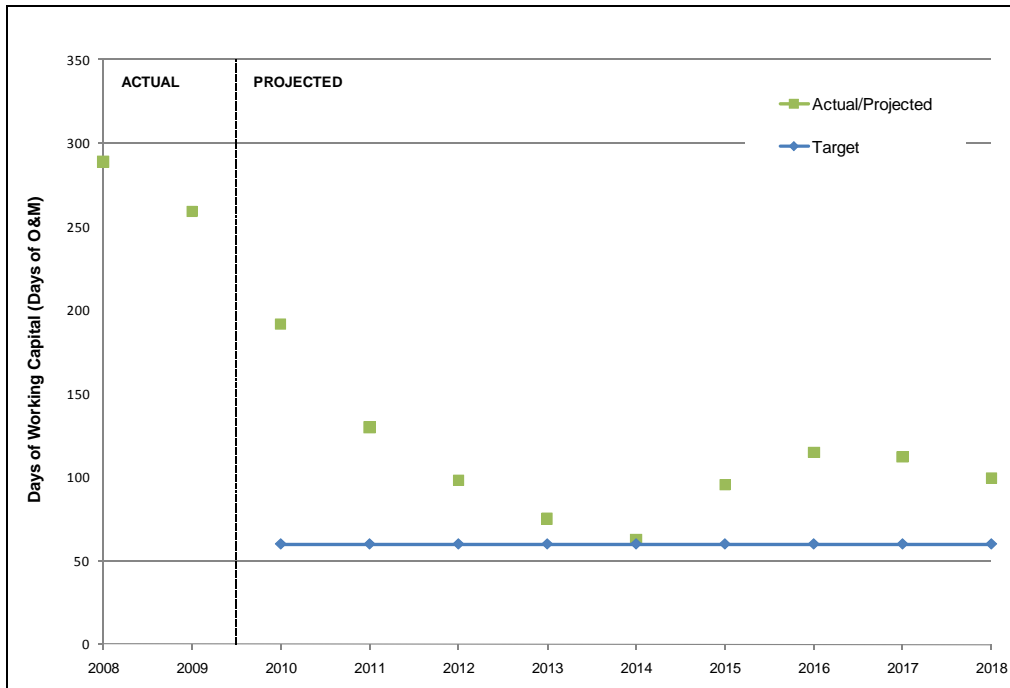


Figure 6: Working Capital Reserves (Days of O&M Expenditures)

The District’s average retail rate revenues (presented on a nominal per kWh basis) are projected in 2018 to be approximately 6.9 cents per kWh as shown in Figure 7. The annual average rate of increase over the study period from an estimated average of 5.0 cents per kWh in 2008 is 3.3 percent, with increases being incurred in earlier years and a decrease in 2016.

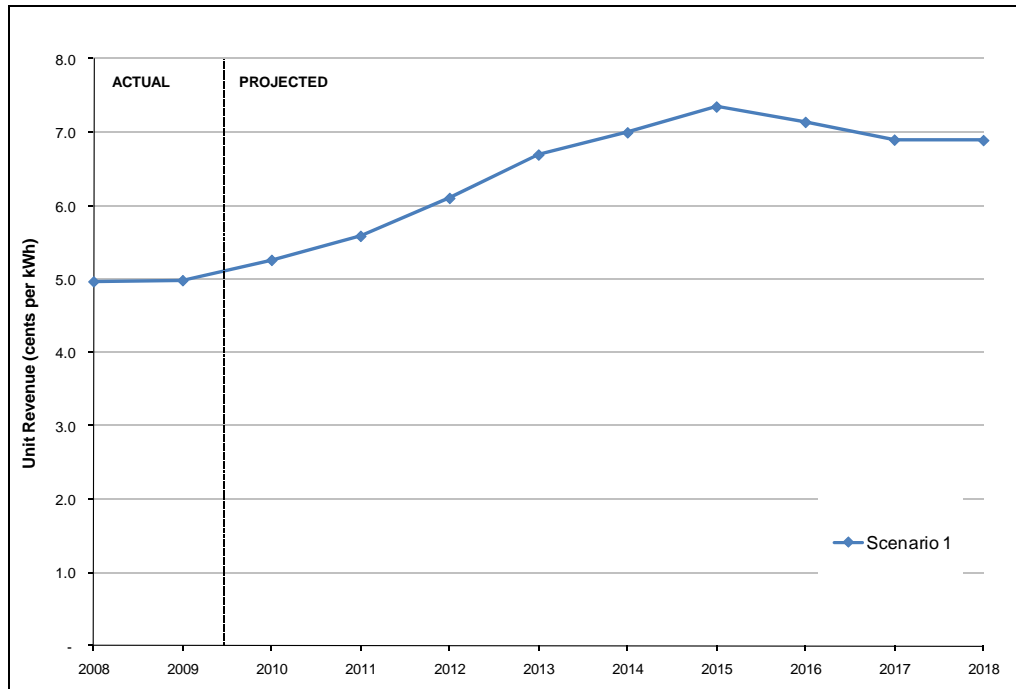


Figure 7: Average Unit Revenues (cents per kWh)

## Scenarios 2 and 3 Results

As discussed previously, Scenarios 2 and 3 were designed to help the District review alternative rate increases that achieve similar financial targets to those shown in Scenario 1, but with more moderate and consistent rate changes in the next three to five years. All other financial and operational assumptions in the EMP analyses are the same between the three scenarios.

The resultant rate changes assumed in Scenarios 2 and 3 are as follows:

- Scenario 2 – Back-to-back 8.5 percent rate increases in 2010 and 2011; 3.6 percent annual rate increases thereafter.
- Scenario 3 – 6.5 percent rate increases in 2010-2012; 4.0 percent annual rate increases thereafter.

The results of the two scenarios with respect to the District’s projected average retail rate level are shown in Figure 8. Summary results for these two alternative scenarios are presented in Tables 4 and 5 and discussed below. Detailed results are presented in Appendices B and C.

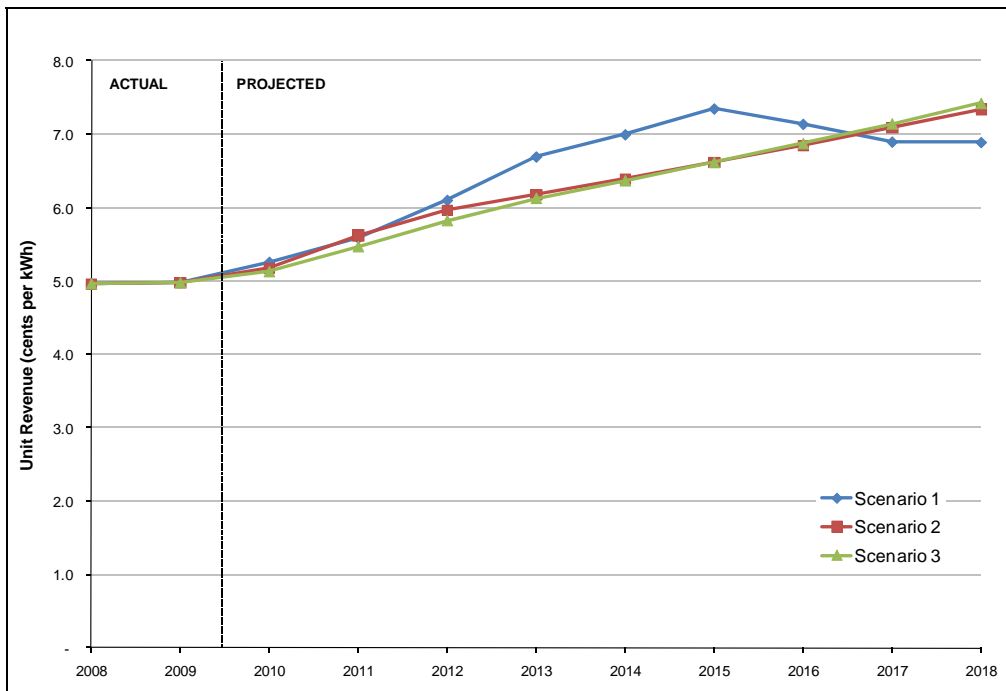


Figure 8: Comparison of Average Unit Sales Revenues (cents per kWh)

As shown in Table 4 and Table 5, the assumed rate adjustments in both Scenario 2 and Scenario 3 maintain a DSC ratio level above target levels for all projected years. The equity ratio also is maintained at a favorable 61.6 percent level in 2018 for Scenario 2, and a 61.2 percent level in 2018 for Scenario 3. Days of working capital are reduced and eventually turn negative in the later years of the forecast; it is anticipated that the District will implement a line of credit in the future to address projected short-term cash needs over the 2014 to 2018 time period.

Table 4  
Okanogon County PUD  
Summary of Results  
EMP Scenario 2

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Scenario 2: Back-to-Back 8.5% Increases</b>											
Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.17	5.62	5.97	6.18	6.39	6.62	6.85	7.09	7.34
Increase over Previous Year	-0.1%	0.3%	4.0%	8.7%	6.2%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Necessary Retail Rate Change (Effective July 1)		0.0%	8.5%	8.5%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Equity to Total Assets	78.7%	80.9%	81.2%	66.7%	67.6%	68.7%	55.0%	56.2%	57.7%	59.5%	61.6%
Cash (Year End) (\$000)	\$29,478	\$24,309	\$19,136	\$13,234	\$9,519	\$3,680	(\$1,797)	(\$3,090)	(\$2,564)	(\$1,014)	\$1,306
Days of Working Capital on Hand	289	259	186	127	88	33	-16	-26	-21	-8	10
Debt Service Coverage	4.55	3.94	1.56	2.07	1.77	2.02	1.83	1.90	2.10	2.29	2.43
Operating TIER	5.01	0.96	(1.87)	1.00	0.68	1.15	1.14	1.27	1.62	2.00	2.32
Total TIER	5.98	4.73	(0.69)	1.84	1.27	1.79	1.60	1.64	2.02	2.43	2.78

**Table 5**  
**Okanogan County PUD**  
**Summary of Results**  
**EMP Scenario 3**

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Scenario 3: Three consecutive 6.5% rate increases</b>											
Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.13	5.47	5.82	6.13	6.37	6.62	6.87	7.14	7.42
Increase over Previous Year	-0.1%	0.3%	3.0%	6.6%	6.5%	5.2%	3.9%	3.9%	3.9%	3.9%	3.9%
Necessary Retail Rate Change (Effective July 1)		0.0%	6.5%	6.5%	6.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Equity to Total Assets	78.7%	80.9%	81.1%	66.3%	67.0%	68.1%	54.2%	55.4%	57.0%	59.0%	61.2%
Cash (Year End) (\$000)	\$29,478	\$24,309	\$18,837	\$11,936	\$7,272	\$1,104	(\$4,552)	(\$5,848)	(\$5,127)	(\$3,156)	(\$161)
Days of Working Capital on Hand	289	259	184	115	67	10	-40	-49	-42	-25	-1
Debt Service Coverage	4.55	3.94	1.37	1.69	1.50	1.93	1.79	1.90	2.14	2.36	2.56
Operating TIER	5.01	0.96	(2.30)	0.22	0.16	0.96	1.06	1.27	1.69	2.15	2.57
Total TIER	5.98	4.73	(1.13)	1.05	0.75	1.60	1.53	1.64	2.08	2.58	3.02

## Conclusion

The results of this EMP study for the District indicate a number of factors that should be considered as part of the District's long-term financial planning efforts.

- The District's equity level is strong and provides a good base upon which additional debt financing is possible.
- Existing retail rates are not sufficient to meet the District's current and projected operating costs, and this is reflected in declining working capital reserves.
- The District's DSC and TIER levels have been very strong in recent years, but are projected to moderate significantly over the study period.
- The District can avoid large future rate increases by implementing a series of moderate rate increases during the next two or three years.



# Appendix A

## EMP Scenario 1

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**Final**  
 Okanogan County PUD  
 2010 Equity Management Plan  
 Summary of Results

Scenario 1	Actual											Avg. Annual
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Rate Change 2008-2018
1 Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.25	5.58	6.10	6.69	7.00	7.35	7.14	6.90	6.89	
2 Increase over Previous Year	-0.1%	0.3%	5.6%	6.3%	9.3%	9.7%	4.5%	5.0%	-2.9%	-3.4%	-0.1%	3.3%
3 Necessary Retail Rate Change (Effective July 1)		0.0%	12.0%	0.0%	20.0%	0.0%	10.0%	0.0%	-6.0%	0.0%	0.0%	
4 Equity to Total Assets	78.7%	80.9%	81.3%	66.7%	67.9%	69.8%	57.4%	59.8%	61.6%	63.0%	64.1%	
5 Cash (Year End) (\$000)	\$29,478	\$24,309	\$19,658	\$13,507	\$10,684	\$8,411	\$7,221	\$11,284	\$14,000	\$14,066	\$12,824	
6 Days of Working Capital on Hand	289	259	192	130	98	75	63	95	115	112	100	
7 Debt Service Coverage	4.55	3.94	1.89	1.98	2.01	3.01	2.77	2.87	2.50	2.02	1.79	
8 Operating TIER	5.01	0.96	(1.10)	0.81	1.17	3.20	2.89	2.99	2.35	1.49	1.02	
9 Total TIER	5.98	4.73	0.07	1.64	1.76	3.83	3.36	3.36	2.75	1.91	1.48	

**Final**  
 Okanogan County PUD  
 2010 Equity Management Plan  
 Table 1 - Summary of Results and Assumptions

**Scenario 1**  
**Enloe Dam Included**

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Avg. Annual Rate Change 2008 - 2018
<b>SUMMARY OF RESULTS</b>												
1 Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.25	5.58	6.10	6.69	7.00	7.35	7.14	6.90	6.89	
2 Increase over Previous Year	-0.1%	0.3%	5.6%	6.3%	9.3%	9.7%	4.5%	5.0%	-2.9%	-3.4%	-0.1%	3.3%
3 Necessary Retail Rate Change (Effective July 1)		0.0%	12.0%	0.0%	20.0%	0.0%	10.0%	0.0%	-6.0%	0.0%	0.0%	
4 Equity to Total Assets	78.7%	80.9%	81.3%	66.7%	67.9%	69.8%	57.4%	59.8%	61.6%	63.0%	64.1%	
5 Cash (Year End) (\$000)	\$29,478	\$24,309	\$19,658	\$13,507	\$10,684	\$8,411	\$7,221	\$11,284	\$14,000	\$14,066	\$12,824	
6 Days of Working Capital on Hand	289	259	192	130	98	75	63	95	115	112	100	
7 Debt Service Coverage Ratio (DSCR)	4.55	3.94	1.89	1.98	2.01	3.01	2.77	2.87	2.50	2.02	1.79	
8 Operating TIER	5.01	0.96	(1.10)	0.81	1.17	3.20	2.89	2.99	2.35	1.49	1.02	
9 Total TIER	5.98	4.73	0.07	1.64	1.76	3.83	3.36	3.36	2.75	1.91	1.48	
<b>ASSUMPTIONS</b>												
8 General Inflation	2.50%											
9 Interest Rates												
10 Co Bank	5.00%											
11 2009 Effective Energy/Demand Rates (\$/kWh)												
12 Residential	0.04410											
13 General Service	0.05327											
14 Industrial	0.04114											
15 Irrigation	0.02870											
16 Frost Control	0.05300											
17 Street Lighting	0.09536											
18 Enloe Dam	Y											
	Prior to 2009	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
19 Capital Improvements (\$000)												
20 Funded with Bonds												
21 AMI Project				\$5,000								\$5,000
22 Pateros to Twisp 115 Construction				12,000								12,000
23 New HQ Building				6,800								6,800
24 Enloe Dam License/Construction				1,235			35,000					36,235
25 Funded with Revenue and/or Reserves												0
26 Normal Replacements & Additions		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
27 Gold Creek Sub Construction		750	575									1,325
28 Shanker's Dam Study		1,250										1,250
29 Pine Creek Sub Construction				1,000								1,000
30 Aeneas to Tonasket 115 Construction				2,200								2,200
31 Aeneas Valley Sub Construction					1,000							1,000
32 Tonasket Sub Addition						750						750
33 Okanogan to Brewster 115 Rebuild						3,300						3,300
34 Sandflat Sub Addition							750					750
35 Warehouse Remodel							3,000					3,000
36 Ophir Sub Addition								750				750
37 Other Capital Additions		-	-	-	-	-	-	-	-	-	-	0
38 Total		\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000	\$125,360
39 Target DSCR		1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
40 Target Operating TIER		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
41 Target Total TIER		1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
42 Target Working Capital (Days of O&M)		60	60	60	60	60	60	60	60	60	60	

**Final**

Okanogan County PUD  
Table 2 - Projected Revenues at Existing Rates

Scenario 1  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>PROJECTED SALES (MWh)</b>											
1 Residential	301,280	289,703	295,617	294,687	300,174	312,400	325,023	338,053	351,505	365,391	379,725
2 General Service	207,063	212,240	217,546	222,984	228,559	234,273	240,130	246,133	252,286	258,594	265,058
3 Industrial	61,862	63,717	65,629	67,598	69,626	71,715	73,866	76,082	78,364	80,715	83,137
4 Irrigation	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639
5 Frost Control	503	508	513	518	523	528	534	539	544	550	555
6 Street Lighting	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
7 Total Retail Sales	639,656	635,117	648,253	654,735	667,830	687,865	708,501	729,756	751,648	774,198	797,424
8 Sales for Resale	233,706	215,070	200,946	193,975	179,895	158,352	136,163	158,271	134,730	110,484	85,509
9 Adjustment	0	-	-	-	-	-	-	-	-	-	-
10 Total Energy Sales	873,362	850,187	849,198	848,710	847,725	846,217	844,663	888,027	886,379	884,681	882,933
<b>PROJECTED CUSTOMER ACCOUNTS</b>											
11 Residential	16,522	16,770	17,021	17,277	17,536	17,799	18,066	18,337	18,612	18,891	19,174
12 General Service	2,342	2,365	2,389	2,413	2,437	2,461	2,486	2,511	2,536	2,561	2,587
13 Industrial	4	4	4	4	4	4	4	4	4	4	4
14 Irrigation	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204
15 Frost Control	133	133	133	133	133	133	133	133	133	133	133
16 Street Lighting	21	21	21	21	21	21	21	21	21	21	21
17 Total Customer Accounts	20,226	20,497	20,772	21,052	21,335	21,622	21,914	22,210	22,510	22,815	23,123
<b>PROJECTED CUSTOMER HP RATING (IRR./FROST CONTROL)</b>											
18 Irrigation											
19 0 - 74.9 HP	17,364	17,538	17,713	17,890	18,069	18,250	18,432	18,617	18,803	18,991	19,181
20 75+ HP	26,496	26,761	27,029	27,299	27,572	27,848	28,126	28,407	28,691	28,978	29,268
21 Frost Control	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931
<b>PROJECTED MONTHLY USAGE PER CUSTOMER ACCOUNT (kWh)</b>											
22 Residential	1,520	1,440	1,447	1,421	1,426	1,463	1,499	1,536	1,574	1,612	1,650
23 General Service	7,368	7,477	7,588	7,701	7,815	7,931	8,049	8,169	8,290	8,413	8,538
24 Industrial	1,288,784	1,327,448	1,367,271	1,408,289	1,450,538	1,494,054	1,538,876	1,585,042	1,632,593	1,681,571	1,732,018
25 Irrigation	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682
26 Frost Control	315	318	321	325	328	331	334	338	341	344	348
27 Street Lighting	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196
<b>EXISTING RATES - CUSTOMER CHARGE (\$/customer/month)</b>											
27 Residential	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
28 General Service	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
29 Industrial	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00
30 Irrigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31 Frost Control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32 Street Lighting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Final**

Okanogan County PUD  
Table 2 - Projected Revenues at Existing Rates

Scenario 1  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>EXISTING RATES - AVERAGE ENERGY AND DEMAND RATE (\$/kWh)</b>											
32 Residential	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410
33 General Service	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327
34 Industrial	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114
35 Irrigation	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870
36 Frost Control	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300
37 Street Lighting	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536
<b>EXISTING RATES - FACILITIES CHARGE (\$/HP) -- IRR. AND FROST CONTROL</b>											
38 Irrigation											
39 0 - 74.9 HP	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85
40 75+ HP	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
41 Frost Control	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45
<b>PROJECTED RETAIL REVENUES AT EXISTING RATES</b>											
42 Residential	\$15,268,716	\$14,787,921	\$15,078,884	\$15,068,506	\$15,341,572	\$15,912,328	\$16,500,998	\$17,108,143	\$17,734,343	\$18,380,195	\$19,046,316
43 General Service	11,367,403	11,646,529	11,932,583	12,225,738	12,526,169	12,834,059	13,149,594	13,472,964	13,804,364	14,143,995	14,492,063
44 Industrial	2,581,701	2,658,058	2,736,705	2,817,712	2,901,149	2,987,089	3,075,607	3,166,781	3,260,690	3,357,416	3,457,044
45 Irrigation	2,314,786	2,318,525	2,322,301	2,326,114	2,329,966	2,333,857	2,337,786	2,341,755	2,345,764	2,349,812	2,353,901
46 Frost Control	67,808	68,074	68,344	68,615	68,890	69,167	69,447	69,730	70,016	70,304	70,596
47 Street Lighting	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862
48 Adjustment	0	0	0	0	0	0	0	0	0	0	0
49 Total Revenue from Retail Sales	\$31,725,275	\$31,603,968	\$32,263,678	\$32,631,546	\$33,292,608	\$34,261,362	\$35,258,294	\$36,284,234	\$37,340,038	\$38,426,585	\$39,544,781
50 Total Revenue from Retail Sales	\$31,725,275	\$31,603,968	\$32,263,678	\$32,631,546	\$33,292,608	\$34,261,362	\$35,258,294	\$36,284,234	\$37,340,038	\$38,426,585	\$39,544,781
51 Percent Change	2.8%	-0.4%	2.1%	1.1%	2.0%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
<b>Unit Revenue at Existing Rates (cents/kWh)</b>											
52 Retail Rates	4.96	4.98	4.98	4.98	4.99	4.98	4.98	4.97	4.97	4.96	4.96

**Final**

Okanogan County PUD  
Table 3 - Income Statement - Accrual Basis  
(\$000)

Scenario 1  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1 Operating Revenue											
2 Retail Rate Revenues at Existing Rates	\$31,725	\$31,604	\$32,264	\$32,632	\$33,293	\$34,261	\$35,258	\$36,284	\$37,340	\$38,427	\$39,545
3											
4	Year	% of Base Sales Revenue	Months Effective								
5	2010	12.0%	6	1,791	3,916	3,995	4,111	4,231	4,354	4,481	4,611
6	2011	0.0%	6	0	0	0	0	0	0	0	0
7	2012	20.0%	6		3,450	7,674	7,898	8,128	8,364	8,608	8,858
8	2013	0.0%	6			0	0	0	0	0	0
9	2014	10.0%	6				2,192	4,877	5,019	5,165	5,315
10	2015	0.0%	6					0	0	0	0
11	2016	-6.0%	6						(1,532)	(3,409)	(3,508)
12	2017	0.0%	6							0	0
13	2018	0.0%	6								0
14 Sales for Resale Revenue	11,264	5,442	4,937	4,865	4,551	3,963	3,313	3,627	2,716	1,595	0
15 Other Revenues	720	691	691	691	691	691	691	691	691	691	691
16 Total Operating Revenues	\$43,709	\$37,737	\$39,684	\$42,103	\$45,980	\$50,700	\$53,583	\$57,960	\$57,077	\$55,687	\$55,647
17 Operating Expenses											
18 Production	\$27	27	28	29	30	31	32	33	34	35	36
19 Purchased Power	24,460	21,214	24,157	24,349	25,743	26,515	27,311	28,130	28,974	29,843	30,739
20 Other Power Supply	526	536	550	564	578	592	607	622	638	654	670
21 Transmission	125	128	131	134	137	140	144	148	152	156	160
22 Distribution	5,428	5,532	5,671	5,813	5,958	6,107	6,260	6,417	6,577	6,741	6,910
23 Consumer Accounting	1,456	1,484	1,522	1,560	1,599	1,639	1,680	1,722	1,765	1,809	1,854
24 Customer Service & Information	487	497	509	522	535	548	562	576	590	605	620
25 Admin. & General	2,824	2,878	2,950	3,024	3,100	3,178	3,257	3,338	3,421	3,507	3,595
26 Tax Expense	1,917	1,954	1,949	1,972	2,011	2,070	2,130	2,192	2,256	2,322	2,389
27 Depreciation/Amortization	2,698	2,796	2,970	3,113	4,154	4,310	4,543	5,467	5,616	5,742	5,868
28 Total Cost of Electric Service	\$39,948	\$37,046	\$40,438	\$41,080	\$43,846	\$45,130	\$46,526	\$48,645	\$50,023	\$51,414	\$52,841
29 Net Operating Revenues	\$3,761	\$691	(\$754)	\$1,023	\$2,135	\$5,570	\$7,057	\$9,315	\$7,054	\$4,273	\$2,806
30 Other Income	1,928	1,976	262	500	513	526	539	552	566	580	595
31 Interest Expense	(751)	(722)	(684)	(1,269)	(1,830)	(1,743)	(2,439)	(3,120)	(3,000)	(2,874)	(2,745)
32 Debt Issuance Expense and Discount	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)
33 Unamortized Loss on Reacquired Debt	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
34 Other Deductions	(2,995)	0	0	0	0	0	0	0	0	0	0
35 Contributions in Aid of Construction	1,796	750	542	556	569	584	598	613	629	644	660
36 Net Income (Loss) before Extraordinary Items	\$3,690	\$2,647	(\$682)	\$762	\$1,339	\$4,888	\$5,707	\$7,312	\$5,201	\$2,575	\$1,268
37 Total Retail Energy Sales (MWh)	639,656	635,117	648,253	654,735	667,830	687,865	708,501	729,756	751,648	774,198	797,424
38 Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.25	5.58	6.10	6.69	7.00	7.35	7.14	6.90	6.89
39 Increase over Previous Year	-0.1%	0.3%	5.6%	6.3%	9.3%	9.7%	4.5%	5.0%	-2.9%	-3.4%	-0.1%
40 Necessary Retail Rate Change		0.0%	12.0%	0.0%	20.0%	0.0%	10.0%	0.0%	-6.0%	0.0%	0.0%
41 DSC Ratio	4.55	3.94	1.89	1.98	2.01	3.01	2.77	2.87	2.50	2.02	1.79
42 Operating TIER	5.01	0.96	(1.10)	0.81	1.17	3.20	2.89	2.99	2.35	1.49	1.02
43 Total TIER	5.98	4.73	0.07	1.64	1.76	3.83	3.36	3.36	2.75	1.91	1.48
44 Working Capital (Days of O&M)		259	192	130	98	75	63	95	115	112	100

**Final**

Okanogan County PUD  
Table 4 - Pro-Forma Balance Sheet as of December 31  
(\$000)

Scenario 1  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>ASSETS AND OTHER DEBITS</b>											
1 Total Utility Plant	\$110,986	\$116,996	\$121,580	\$153,825	\$158,835	\$166,894	\$209,654	\$214,414	\$218,423	\$222,433	\$226,443
2 Accum. Prov. for Deprec.	(49,778)	(51,584)	(53,564)	(55,687)	(58,851)	(62,171)	(65,723)	(70,200)	(74,826)	(79,578)	(84,456)
3 Net Utility Plant	\$61,208	\$65,412	\$68,016	\$98,138	\$99,984	\$104,723	\$143,931	\$144,214	\$143,597	\$142,855	\$141,987
4 Other Property & Investments											
5 Investments in Associated Companies	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062
6 Electric Investment in Communications	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467
7 Total Other Property & Investments	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529
8 Current Assets	14										
9 Revenue Fund	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982
10 Working Funds	15	15	15	15	15	15	15	15	15	15	15
11 Temporary Cash Investments	28,481	23,313	18,662	12,510	9,687	7,414	6,225	10,288	13,004	13,069	11,827
12 Other Current Assets	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464
13 Total Unrestricted Current Assets	\$33,942	\$28,774	\$24,123	\$17,971	\$15,148	\$12,875	\$11,686	\$15,748	\$18,465	\$18,530	\$17,288
14 Restricted Current Assets											
15 Bond Sinking Funds	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130
16 Customer Deposits	450	450	450	450	450	450	450	450	450	450	450
17 Compensated Absences	680	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
18 Bond Construction Funds	0	0	0	0	0	0	0	0	0	0	0
19 Other Special Funds	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
20 Total Restricted Current Assets	\$8,260	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680
21 Deferred Debits											
22 Unamortized Debt Expense	\$205	\$189	\$174	\$159	\$144	\$129	\$114	\$99	\$84	\$69	\$53
23 Unamortized Loss on Reaquired Debt	349	324	299	274	249	224	199	174	150	125	100
24 Other Deferred Debits	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603
25 Total Assets & Other Debits	\$111,095	\$110,510	\$108,424	\$132,354	\$131,337	\$133,763	\$171,742	\$176,047	\$178,107	\$177,390	\$175,240
<b>EQUITIES AND LIABILITIES</b>											
26 Net Assets											
27 Restricted for Capital Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 Restricted for Contingencies	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
29 Appropriated Net Assets	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
30 Unappropriated Net Assets	64,907	66,804	65,580	65,786	66,556	70,860	75,969	82,668	87,240	89,171	89,779
31 Contributions in Aid of Construction	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558
32 Total Net Assets	\$87,466	\$89,363	\$88,138	\$88,345	\$89,114	\$93,419	\$98,527	\$105,226	\$109,798	\$111,729	\$112,337
33 Non-Current Liabilities											
34 Long-Term Debt	\$14,480	\$13,610	\$12,291	\$35,532	\$33,646	\$31,507	\$64,106	\$61,586	\$58,930	\$56,164	\$53,264
35 Other Long Term Liabilities	(110)	(101)	(93)	(85)	(77)	(69)	(61)	(53)	(45)	(37)	(29)
36 Total Long-Term Liabilities	\$14,370	\$13,509	\$12,198	\$35,447	\$33,569	\$31,438	\$64,045	\$61,533	\$58,885	\$56,127	\$53,235
37 Current and Accrued Liabilities											
38 Warrants Outstanding	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865
39 Accounts Payable	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202
40 Taxes Accrued	817	817	817	817	817	817	817	817	817	817	817
41 Miscellaneous	56	56	56	56	56	56	56	56	56	56	56
42 Other Regulatory Liabilities	2,075	0	0	0	0	0	0	0	0	0	0
43 Total Current and Accrued Liabilities	\$7,015	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940
44 Current Liab. Payable from Restricted Assets											
45 Current Portion of Long Term Debt	\$835	\$870	\$1,319	\$1,794	\$1,886	\$2,139	\$2,401	\$2,520	\$2,656	\$2,766	\$2,900
46 Interest on Long Term Debt	60	60	60	60	60	60	60	60	60	60	60
47 Compensated Absences	881	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
48 Customer Deposits	468	468	468	468	468	468	468	468	468	468	468
49 Total Current Liab. Payable from Restricted Asset	\$2,244	\$2,699	\$3,148	\$3,623	\$3,715	\$3,968	\$4,230	\$4,349	\$4,485	\$4,595	\$4,729
50 Deferred Credits	0	0	0	0	0	0	0	0	0	0	0
51 Total Equities and Liabilities	\$111,095	\$110,510	\$108,424	\$132,354	\$131,337	\$133,764	\$171,742	\$176,047	\$178,108	\$177,391	\$175,241
<b>FINANCIAL RATIOS</b>											
52 Equity to Total Assets	78.7%	80.9%	81.3%	66.7%	67.9%	69.8%	57.4%	59.8%	61.6%	63.0%	64.1%
53 Working Capital (Days of O&M)	289	259	192	130	98	75	63	95	115	112	100

**Final**

Okanogan County PUD  
Table 5 - Statement of Operations - Cash Basis  
(\$000)

Scenario 1  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1 Total Net Operating Revenues	\$691	(\$754)	\$1,023	\$2,135	\$5,570	\$7,057	\$9,315	\$7,054	\$4,273	\$2,806
2 Add: Depreciation	2,768	2,942	3,085	4,126	4,282	4,515	5,439	5,588	5,714	5,840
3 Add: Other Income	1,976	262	500	513	526	539	552	566	580	595
4 Less: Other Reg. Liabilities	(2,075)	-	-	-	-	-	-	-	-	-
5 Cash from Operations	\$3,360	\$2,449	\$4,608	\$6,773	\$10,377	\$12,110	\$15,305	\$13,208	\$10,567	\$9,241
6 Debt Service - Long Term										
7 Existing - Interest	\$722	\$684	\$643	\$599	\$554	\$506	\$453	\$397	\$338	\$279
8 Existing - Principal	835	870	910	955	1,005	1,050	1,095	1,150	1,220	1,260
9 New - Interest	0	0	626	1,231	1,189	1,933	2,667	2,603	2,536	2,466
10 New - Principal	0	0	409	839	881	1,089	1,306	1,370	1,436	1,506
11 Total Debt Service	\$1,557	\$1,554	\$2,588	\$3,624	\$3,629	\$4,578	\$5,521	\$5,520	\$5,530	\$5,511
12 Cash Margins After Debt Service	\$1,803	\$895	\$2,020	\$3,149	\$6,748	\$7,532	\$9,784	\$7,688	\$5,037	\$3,730
13 Uses of Cash Margins										
14 Plant Investment	7,000	5,575	8,200	6,000	9,050	8,750	5,750	5,000	5,000	5,000
15 Total Uses of Cash Margins	7,000	5,575	8,200	6,000	9,050	8,750	5,750	5,000	5,000	5,000
16 Net Cash	(5,197)	(4,680)	(6,180)	(2,851)	(2,302)	(1,218)	4,034	2,688	37	(1,270)
FINANCIAL RATIOS										
17 Debt Service Coverage	3.94	1.89	1.98	2.01	3.01	2.77	2.87	2.50	2.02	1.79

**Final**

Okanogan County PUD  
Table 6 - General Funds Summary  
(\$000)

Scenario 1  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>SOURCES OF GENERAL FUNDS</b>										
1 Net General Funds - Beg. of Year	\$36,858	\$31,661	\$26,981	\$20,801	\$17,950	\$15,649	\$14,431	\$18,465	\$21,153	\$21,190
2 Cash Margins after Debt Service	1,803	895	2,020	3,149	6,748	7,532	9,784	7,688	5,037	3,730
3 Loan Proceeds	0	0	25,035	0	0	35,000	0	0	0	0
4 Adjustments made to Balance Sheet	0	0	0	0	0	0	0	0	0	0
5 Total General Funds Available	\$38,661	\$32,556	\$54,036	\$23,950	\$24,699	\$58,181	\$24,215	\$26,153	\$26,190	\$24,919
<b>USES OF GENERAL FUNDS</b>										
6 Debt Funded Plant Investment	0	0	25,035	0	0	35,000	0	0	0	0
7 General Funded Plant Investment	7,000	5,575	8,200	6,000	9,050	8,750	5,750	5,000	5,000	5,000
8 Repayment of Short Term Debt	0	0	0	0	0	0	0	0	0	0
9 Total Uses of General Funds	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
10 Net General Funds - End of Year	\$31,661	\$26,981	\$20,801	\$17,950	\$15,649	\$14,431	\$18,465	\$21,153	\$21,190	\$19,919
<hr/>										
2008										
(1) Components of general funds as of December 31 were:										
Sinking Funds	\$130									
Other Special Funds										
Employee Annual Leave	680									
Rate Stabilization Fund	7,000									
Revenue Fund Less Warrants Outstanding	117									
Temporary Cash Investments	28,481									
Customer Deposit Reserve	450									
Total	\$36,858									



**Final**

Okanogan County PUD  
Table 7 - Plant Investment and Depreciation Expense  
(\$000)

Scenario 1  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>UTILITY PLANT</b>										
1 Total Utility Plant (Beg Yr)	\$110,986	\$116,996	\$121,580	\$153,825	\$158,835	\$166,894	\$209,654	\$214,414	\$218,423	\$222,433
2 Additions and Replacements										
3 Funded with Bonds										
4 AMI Project	0	0	5,000	0	0	0	0	0	0	0
5 Pateros to Twisp 115 Construction	0	0	12,000	0	0	0	0	0	0	0
6 New HQ Building	0	0	6,800	0	0	0	0	0	0	0
7 Enloe Dam License/Construction	0	0	1,235	0	0	35,000	0	0	0	0
8 Funded with Revenue and/or Reserves										
9 Normal Replacements & Additions (1)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
10 Gold Creek Sub Construction	750	575	0	0	0	0	0	0	0	0
11 Shanker's Dam Study	1,250	0	0	0	0	0	0	0	0	0
12 Pine Creek Sub Construction	0	0	1,000	0	0	0	0	0	0	0
13 Aeneas to Tonasket 115 Construction	0	0	2,200	0	0	0	0	0	0	0
14 Aeneas Valley Sub Construction	0	0	0	1,000	0	0	0	0	0	0
15 Tonasket Sub Addition	0	0	0	0	750	0	0	0	0	0
16 Okanogan to Brewster 115 Rebuild	0	0	0	0	3,300	0	0	0	0	0
17 Sandflat Sub Addition	0	0	0	0	0	750	0	0	0	0
18 Warehouse Remodel	0	0	0	0	0	3,000	0	0	0	0
19 Ophir Sub Addition	0	0	0	0	0	0	750	0	0	0
20 Total	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
21 Less Retirements	990	990	990	990	990	990	990	990	990	990
22 Total Utility Plant (End Yr)	\$116,996	\$121,580	\$153,825	\$158,835	\$166,894	\$209,654	\$214,414	\$218,423	\$222,433	\$226,443
23 Net Additions and Replacements (Excluding Capitalized Interest)										
24 Distribution	\$7,000	\$5,575	\$29,800	\$6,000	\$5,750	\$8,750	\$5,750	\$5,000	\$5,000	\$5,000
25 Other Generation & Transmission	-	-	3,435	-	3,300	35,000	-	-	-	-
26 Total Net Additions and Replacements	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000

*Final*

Okanogan County PUD  
Table 7 - Plant Investment and Depreciation Expense  
(\$000)

Scenario 1  
Enloe Dam Included

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>DEPRECIATION EXPENSE</b>											
27	Funded with Bonds										
28	AMI Project	6.67%	\$0	\$0	\$0	\$333	\$333	\$333	\$333	\$333	\$333
29	Pateros to Twisp 115 Construction	2.52%	0	0	0	302	302	302	302	302	302
30	New HQ Building	2.50%	0	0	0	170	170	170	170	170	170
31	Enloe Dam License/Construction	2.00%	0	0	0	25	25	25	725	725	725
32	Funded with Revenue and/or Reserves										
33	Normal Replacements & Additions	3.00%	\$150	\$300	\$450	\$600	\$750	\$900	\$1,050	\$1,200	\$1,350
34	Gold Creek Sub Construction	3.03%	0	23	40	40	40	40	40	40	40
35	Shanker's Dam Study	2.00%	0	25	25	25	25	25	25	25	25
36	Pine Creek Sub Construction	3.03%	0	0	0	30	30	30	30	30	30
37	Aeneas to Tonasket 115 Construction	2.52%	0	0	0	55	55	55	55	55	55
38	Aeneas Valley Sub Construction	3.03%	0	0	0	0	30	30	30	30	30
39	Tonasket Sub Addition	3.03%	0	0	0	0	23	23	23	23	23
40	Okanogan to Brewster 115 Rebuild	2.52%	0	0	0	0	83	83	83	83	83
41	Sandflat Sub Addition	3.03%	0	0	0	0	0	23	23	23	23
42	Warehouse Remodel	2.50%	0	0	0	0	0	75	75	75	75
43	Ophir Sub Addition	3.03%	0	0	0	0	0	0	23	23	23
44	Existing Plant	2.41%	2,646	2,622	2,598	2,574	2,550	2,527	2,503	2,479	2,455
45	Total Depreciation Expense		\$2,796	\$2,970	\$3,113	\$4,154	\$4,310	\$4,543	\$5,467	\$5,616	\$5,742
46	Less Depreciation in Other Accounts		0	0	0	0	0	0	0	0	0
47	Net Depreciation Expense		\$2,796	\$2,970	\$3,113	\$4,154	\$4,310	\$4,543	\$5,467	\$5,616	\$5,742
48	Amortization of Regulatory Asset		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>49 2008 ESTIMATED DEPRECIATION RATE ON EXISTING PLANT</b>											
50	Total Utility Plant in Service (EOY)	110,986									
51	Depreciation Expense	2,670									
52	Estimated Average Depreciation Rate	2.41%									
<b>53 ESTIMATED PLANT IN SERVICE - EXISTING PLANT</b>											
54	Total Existing Plant in Service (BOY)	110,986	109,996	109,005	108,015	107,025	106,034	105,044	104,054	103,063	102,073
55	Retirements	990	990	990	990	990	990	990	990	990	990
56	Total Existing Plant in Service (EOY)	109,996	109,005	108,015	107,025	106,034	105,044	104,054	103,063	102,073	101,083
57	Estimated Depreciation Expense on Existing Plant	2,646	2,622	2,598	2,574	2,550	2,527	2,503	2,479	2,455	2,431

Notes

(1) Includes CIAC.

**Final**

Okanogan County PUD  
Table 8 - Long-Term Debt and Debt Service  
(\$000)

Scenario 1  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>EXISTING LONG TERM DEBT</b>										
1 Balance (Beg Yr)	\$14,480	\$13,645	\$12,775	\$11,865	\$10,910	\$9,905	\$8,855	\$7,760	\$6,610	\$5,390
2 Principal Repayments	835	870	910	955	1,005	1,050	1,095	1,150	1,220	1,260
3 Balance (End Yr)	\$13,645	\$12,775	\$11,865	\$10,910	\$9,905	\$8,855	\$7,760	\$6,610	\$5,390	\$4,130
<b>EXISTING DEBT INTEREST AND PRINCIPAL PAYMENTS</b>										
4 Interest										
5 2002 Bonds	\$301	\$286	\$269	\$251	\$233	\$213	\$192	\$170	\$146	\$120
6 2003 Bonds	421	398	374	348	321	293	261	228	192	158
7 Total Interest	\$722	\$684	\$643	\$599	\$554	\$506	\$453	\$397	\$338	\$279
8 Principal										
9 2002 Bonds	\$380	\$395	\$410	\$430	\$450	\$470	\$480	\$500	\$535	\$560
10 2003 Bonds	455	475	500	525	555	580	615	650	685	700
11 Total Principal	\$835	\$870	\$910	\$955	\$1,005	\$1,050	\$1,095	\$1,150	\$1,220	\$1,260
<b>FUNDING REQUIREMENTS</b>										
12 Capital Funding Requirements	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
13 Refinancing Requirements	0	0	0	0	0	0	0	0	0	0
14 Total Funding Requirements	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
15 Loan Funds Advanced	0	0	25,035	0	0	35,000	0	0	0	0
16 General Funds Invested	\$7,000	\$5,575	\$8,200	\$6,000	\$9,050	\$8,750	\$5,750	\$5,000	\$5,000	\$5,000
<b>NEW LONG TERM DEBT</b>										
17 New Long Term Debt										
18 BOY Balance	\$0	\$0	\$0	\$24,626	\$23,787	\$22,906	\$56,817	\$55,511	\$54,141	\$52,705
19 Loan Funds Advanced	0	0	25,035	0	0	35,000	0	0	0	0
20 Interest Expense	0	0	626	1,231	1,189	1,933	2,667	2,603	2,536	2,466
21 Principal Payments	0	0	409	839	881	1,089	1,306	1,370	1,436	1,506
22 Total Debt Service	\$0	\$0	\$1,035	\$2,070	\$2,070	\$3,022	\$3,973	\$3,973	\$3,972	\$3,972
23 EOY Balance	\$0	\$0	\$24,626	\$23,787	\$22,906	\$56,817	\$55,511	\$54,141	\$52,705	\$51,199
<b>TOTAL LONG TERM DEBT SERVICE</b>										
24 Interest										
25 Existing Debt	722	\$684	\$643	\$599	\$554	\$506	\$453	\$397	\$338	\$279
26 New Long Term Debt	0	0	626	1,231	1,189	1,933	2,667	2,603	2,536	2,466
27 Total Interest	\$722	\$684	\$1,269	\$1,830	\$1,743	\$2,439	\$3,120	\$3,000	\$2,874	\$2,745
28 Principal										
29 Existing Debt	\$835	\$870	\$910	\$955	\$1,005	\$1,050	\$1,095	\$1,150	\$1,220	\$1,260
30 New Long Term Debt	0	0	409	839	881	1,089	1,306	1,370	1,436	1,506
31 Total Principal	\$835	\$870	\$1,319	\$1,794	\$1,886	\$2,139	\$2,401	\$2,520	\$2,656	\$2,766
32 Total Debt Service	\$1,557	\$1,554	\$2,588	\$3,624	\$3,629	\$4,578	\$5,521	\$5,520	\$5,530	\$5,511
33 Less Portion Allocated to Telecom	(278)	(278)	(278)	(278)	(278)	(278)	(278)	(278)	(278)	(278)
34 Total Electric System Debt Service	\$1,279	\$1,276	\$2,310	\$3,346	\$3,351	\$4,300	\$5,243	\$5,242	\$5,252	\$5,233
<b>TOTAL LONG TERM DEBT</b>										
33 Balance (Beg Yr)	\$14,480	\$13,645	\$12,775	\$36,491	\$34,697	\$32,811	\$65,672	\$63,271	\$60,751	\$58,095
34 Loan Funds Advanced	-	-	25,035	-	-	35,000	-	-	-	-
35 Less Principal Repayments	835	870	1,319	1,794	1,886	2,139	2,401	2,520	2,656	2,766
36 Balance (End Yr)	\$13,645	\$12,775	\$36,491	\$34,697	\$32,811	\$65,672	\$63,271	\$60,751	\$58,095	\$55,329
<b>Current Portion of Long Term Debt - EOY</b>										
34 Existing Debt	\$870	\$910	\$955	\$1,005	\$1,050	\$1,095	\$1,150	\$1,220	\$1,260	\$1,320
36 New Long Term Debt	0	409	839	881	1,089	1,306	1,370	1,436	1,506	1,580
37 Total Current Portion	\$870	\$1,319	\$1,794	\$1,886	\$2,139	\$2,401	\$2,520	\$2,656	\$2,766	\$2,900

**Final**

Okanogan County PUD  
Table 9 - Energy Resources and Cost of Power

Scenario 1  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Avg. Annual Increase 2009 - 2018
<b>POWER SUPPLY (MWh) (1)</b>											
1 Purchased Power											
2 BPA Block	206,161	206,161	206,161	298,445	298,445	298,445	298,445	298,445	298,445	298,445	4.2%
3 BPA Slice	390,732	390,732	390,732	298,445	298,445	298,445	298,445	298,445	298,445	298,445	-2.9%
4 Douglas NCW Trans.	629	629	629	629	629	629	629	629	629	629	0.0%
5 Wells	258,942	258,942	258,942	258,942	258,942	258,942	258,942	258,942	258,942	258,942	0.0%
6 Nine Canyon Wind	42,156	42,156	42,156	42,156	42,156	42,156	42,156	42,156	42,156	42,156	0.0%
7 Other	0	0	0	0	0	0	0	0	0	0	n/a
8 Subtotal - Purchased Power	898,620	898,620	898,620	898,617	898,617	898,617	898,617	898,617	898,617	898,617	0.0%
9 New Resources											
10 Enloe Dam	0	0	0	0	0	0	44,963	44,963	44,963	44,963	n/a
11 Subtotal - New Resources	0	0	0	0	0	0	44,963	44,963	44,963	44,963	n/a
12 Generation Losses	0	0	0	0	0	0	0	0	0	0	n/a
13 Total Power Supply	898,620	898,620	898,620	898,617	898,617	898,617	943,580	943,580	943,580	943,580	0.5%
<b>POWER REQUIREMENTS (MWh)</b>											
14 Retail Energy Sales	635,117	648,253	654,735	667,830	687,865	708,501	729,756	751,648	774,198	797,424	2.6%
15 Sales for Resale	215,070	200,946	193,975	179,895	158,352	136,163	158,271	134,730	110,484	85,509	n/a
16 Station Use											
17 Distribution Line Losses	47,804	48,793	49,281	50,267	51,775	53,328	54,928	56,576	58,273	60,021	2.6%
18 Total	898,620	898,620	898,620	898,617	898,617	898,617	943,580	943,580	943,580	943,580	0.5%
<b>LOSSES (MWh)</b>											
19 As a Percent of Requirements	5.3%	5.4%	5.5%	5.6%	5.8%	5.9%	5.8%	6.0%	6.2%	6.4%	
<b>POWER COSTS (\$000) (2)</b>											
20 Purchased Power											
21 BPA Block	\$3,901	\$4,864	\$4,864	\$8,412	\$8,665	\$8,925	\$9,192	\$9,468	\$9,752	\$10,045	11.1%
22 BPA Slice	9,086	10,827	10,827	8,412	8,665	8,925	9,192	9,468	9,752	10,045	1.1%
23 Douglas NCW Trans.	2,071	2,071	2,071	2,134	2,198	2,263	2,331	2,401	2,473	2,548	2.3%
24 Wells	3,349	3,765	3,878	3,994	4,114	4,237	4,365	4,496	4,630	4,769	4.0%
25 Nine Canyon Wind	2,806	2,630	2,709	2,791	2,874	2,961	3,049	3,141	3,235	3,332	1.9%
26 Other	0	0	0	0	0	0	0	0	0	0	n/a
27 Subtotal - Purchased Power	\$21,214	\$24,157	\$24,349	\$25,743	\$26,515	\$27,311	\$28,130	\$28,974	\$29,843	\$30,739	4.2%
28 New Resources											
29 Enloe Dam	\$0	\$0	\$0	\$0	\$0	\$0	\$1,131	\$1,156	\$1,182	\$1,208	
30 Subtotal - New Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$1,131	\$1,156	\$1,182	\$1,208	
31 Total Fuel and Purchased Power	\$21,214	\$24,157	\$24,349	\$25,743	\$26,515	\$27,311	\$29,261	\$30,130	\$31,025	\$31,947	
<b>UNIT POWER COSTS (cents/kWh)</b>											
33 BPA Block	1.89	2.36	2.36	2.82	2.90	2.99	3.08	3.17	3.27	3.37	6.6%
34 BPA Slice	2.33	2.77	2.77	2.82	2.90	2.99	3.08	3.17	3.27	3.37	4.2%
35 Douglas NCW Trans.	329.31	329.31	329.31	339.19	349.37	359.85	370.64	381.76	393.22	405.01	2.3%
36 Wells	1.29	1.45	1.50	1.54	1.59	1.64	1.69	1.74	1.79	1.84	4.0%
37 Nine Canyon Wind	6.66	6.24	6.43	6.62	6.82	7.02	7.23	7.45	7.67	7.90	1.9%
38 Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
39 Enloe Dam	n/a	n/a	n/a	n/a	n/a	n/a	2.52	2.57	2.63	2.69	n/a
40 Total	2.36	2.69	2.71	2.86	2.95	3.04	3.10	3.19	3.29	3.39	4.1%

# Appendix B

## EMP Scenario 2

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**Final**  
 Okanogan County PUD  
 2010 Equity Management Plan  
 Summary of Results

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Avg. Annual Rate Change 2008-2018
<b>Scenario 2: Back-to-Back 8.5% Increases</b>												
1 Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.17	5.62	5.97	6.18	6.39	6.62	6.85	7.09	7.34	
2 Increase over Previous Year	-0.1%	0.3%	4.0%	8.7%	6.2%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%
3 Necessary Retail Rate Change (Effective July 1)		0.0%	8.5%	8.5%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	
4 Equity to Total Assets	78.7%	80.9%	81.2%	66.7%	67.6%	68.7%	55.0%	56.2%	57.7%	59.5%	61.6%	
5 Cash (Year End) (\$000)	\$29,478	\$24,309	\$19,136	\$13,234	\$9,519	\$3,680	(\$1,797)	(\$3,090)	(\$2,564)	(\$1,014)	\$1,306	
6 Days of Working Capital on Hand	289	259	186	127	88	33	-16	-26	-21	-8	10	
7 Debt Service Coverage	4.55	3.94	1.56	2.07	1.77	2.02	1.83	1.90	2.10	2.29	2.43	
8 Operating TIER	5.01	0.96	(1.87)	1.00	0.68	1.15	1.14	1.27	1.62	2.00	2.32	
9 Total TIER	5.98	4.73	(0.69)	1.84	1.27	1.79	1.60	1.64	2.02	2.43	2.78	

**Final**

Okanogan County PUD  
2010 Equity Management Plan  
Table 1 - Summary of Results and Assumptions

**Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included**

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Avg. Annual Rate Change 2008 - 2018
<b>SUMMARY OF RESULTS</b>												
1 Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.17	5.62	5.97	6.18	6.39	6.62	6.85	7.09	7.34	
2 Increase over Previous Year	-0.1%	0.3%	4.0%	8.7%	6.2%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%
3 Necessary Retail Rate Change (Effective July 1)		0.0%	8.5%	8.5%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	
4 Equity to Total Assets	78.7%	80.9%	81.2%	66.7%	67.6%	68.7%	55.0%	56.2%	57.7%	59.5%	61.6%	
5 Cash (Year End) (\$000)	\$29,478	\$24,309	\$19,136	\$13,234	\$9,519	\$3,680	(\$1,797)	(\$3,090)	(\$2,564)	(\$1,014)	\$1,306	
6 Days of Working Capital on Hand	289	259	186	127	88	33	-16	-26	-21	-8	10	
7 Debt Service Coverage Ratio (DSCR)	4.55	3.94	1.56	2.07	1.77	2.02	1.83	1.90	2.10	2.29	2.43	
8 Operating TIER	5.01	0.96	(1.87)	1.00	0.68	1.15	1.14	1.27	1.62	2.00	2.32	
9 Total TIER	5.98	4.73	(0.69)	1.84	1.27	1.79	1.60	1.64	2.02	2.43	2.78	
<b>ASSUMPTIONS</b>												
8 General Inflation	2.50%											
9 Interest Rates												
10 Co Bank	5.00%											
11 2009 Effective Energy/Demand Rates (\$/kWh)												
12 Residential	0.04410											
13 General Service	0.05327											
14 Industrial	0.04114											
15 Irrigation	0.02870											
16 Frost Control	0.05300											
17 Street Lighting	0.09536											
18 Enloe Dam	<input type="checkbox"/> Y											
	Prior to 2009	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
19 Capital Improvements (\$000)												
20 Funded with Bonds												
21 AMI Project				\$5,000								\$5,000
22 Pateros to Twisp 115 Construction				12,000								12,000
23 New HQ Building				6,800								6,800
24 Enloe Dam License/Construction				1,235			35,000					36,235
25 Funded with Revenue and/or Reserves												0
26 Normal Replacements & Additions		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
27 Gold Creek Sub Construction		750	575									1,325
28 Shanker's Dam Study		1,250										1,250
29 Pine Creek Sub Construction				1,000								1,000
30 Aeneas to Tonasket 115 Construction				2,200								2,200
31 Aeneas Valley Sub Construction					1,000							1,000
32 Tonasket Sub Addition						750						750
33 Okanogan to Brewster 115 Rebuild						3,300						3,300
34 Sandflat Sub Addition							750					750
35 Warehouse Remodel							3,000					3,000
36 Ophir Sub Addition								750				750
37 Other Capital Additions		-	-	-	-	-	-	-	-	-	-	0
38 Total		\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000	\$125,360
39 Target DSCR		1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
40 Target Operating TIER		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
41 Target Total TIER		1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
42 Target Working Capital (Days of O&M)		60	60	60	60	60	60	60	60	60	60	



**Final**

Okanogan County PUD  
Table 2 - Projected Revenues at Existing Rates

Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>PROJECTED SALES (MWh)</b>											
1 Residential	301,280	289,703	295,617	294,687	300,174	312,400	325,023	338,053	351,505	365,391	379,725
2 General Service	207,063	212,240	217,546	222,984	228,559	234,273	240,130	246,133	252,286	258,594	265,058
3 Industrial	61,862	63,717	65,629	67,598	69,626	71,715	73,866	76,082	78,364	80,715	83,137
4 Irrigation	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639
5 Frost Control	503	508	513	518	523	528	534	539	544	550	555
6 Street Lighting	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
7 Total Retail Sales	639,656	635,117	648,253	654,735	667,830	687,865	708,501	729,756	751,648	774,198	797,424
8 Sales for Resale	233,706	215,070	200,946	193,975	179,895	158,352	136,163	158,271	134,730	110,484	85,509
9 Adjustment	0	-	-	-	-	-	-	-	-	-	-
10 Total Energy Sales	873,362	850,187	849,198	848,710	847,725	846,217	844,663	888,027	886,379	884,681	882,933
<b>PROJECTED CUSTOMER ACCOUNTS</b>											
11 Residential	16,522	16,770	17,021	17,277	17,536	17,799	18,066	18,337	18,612	18,891	19,174
12 General Service	2,342	2,365	2,389	2,413	2,437	2,461	2,486	2,511	2,536	2,561	2,587
13 Industrial	4	4	4	4	4	4	4	4	4	4	4
14 Irrigation	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204
15 Frost Control	133	133	133	133	133	133	133	133	133	133	133
16 Street Lighting	21	21	21	21	21	21	21	21	21	21	21
17 Total Customer Accounts	20,226	20,497	20,772	21,052	21,335	21,622	21,914	22,210	22,510	22,815	23,123
<b>PROJECTED CUSTOMER HP RATING (IRR./FROST CONTROL)</b>											
18 Irrigation											
19 0 - 74.9 HP	17,364	17,538	17,713	17,890	18,069	18,250	18,432	18,617	18,803	18,991	19,181
20 75+ HP	26,496	26,761	27,029	27,299	27,572	27,848	28,126	28,407	28,691	28,978	29,268
21 Frost Control	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931
<b>PROJECTED MONTHLY USAGE PER CUSTOMER ACCOUNT (kWh)</b>											
22 Residential	1,520	1,440	1,447	1,421	1,426	1,463	1,499	1,536	1,574	1,612	1,650
23 General Service	7,368	7,477	7,588	7,701	7,815	7,931	8,049	8,169	8,290	8,413	8,538
24 Industrial	1,288,784	1,327,448	1,367,271	1,408,289	1,450,538	1,494,054	1,538,876	1,585,042	1,632,593	1,681,571	1,732,018
25 Irrigation	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682
26 Frost Control	315	318	321	325	328	331	334	338	341	344	348
27 Street Lighting	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196
<b>EXISTING RATES - CUSTOMER CHARGE (\$/customer/month)</b>											
27 Residential	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
28 General Service	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
29 Industrial	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00
30 Irrigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31 Frost Control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32 Street Lighting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Final**

Okanogan County PUD  
Table 2 - Projected Revenues at Existing Rates

Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>EXISTING RATES - AVERAGE ENERGY AND DEMAND RATE (\$/kWh)</b>											
32 Residential	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410
33 General Service	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327
34 Industrial	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114
35 Irrigation	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870
36 Frost Control	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300
37 Street Lighting	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536
<b>EXISTING RATES - FACILITIES CHARGE (\$/HP) -- IRR. AND FROST CONTROL</b>											
38 Irrigation											
39 0 - 74.9 HP	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85
40 75+ HP	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
41 Frost Control	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45
<b>PROJECTED RETAIL REVENUES AT EXISTING RATES</b>											
42 Residential	\$15,268,716	\$14,787,921	\$15,078,884	\$15,068,506	\$15,341,572	\$15,912,328	\$16,500,998	\$17,108,143	\$17,734,343	\$18,380,195	\$19,046,316
43 General Service	11,367,403	11,646,529	11,932,583	12,225,738	12,526,169	12,834,059	13,149,594	13,472,964	13,804,364	14,143,995	14,492,063
44 Industrial	2,581,701	2,658,058	2,736,705	2,817,712	2,901,149	2,987,089	3,075,607	3,166,781	3,260,690	3,357,416	3,457,044
45 Irrigation	2,314,786	2,318,525	2,322,301	2,326,114	2,329,966	2,333,857	2,337,786	2,341,755	2,345,764	2,349,812	2,353,901
46 Frost Control	67,808	68,074	68,344	68,615	68,890	69,167	69,447	69,730	70,016	70,304	70,596
47 Street Lighting	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862
48 Adjustment	0	0	0	0	0	0	0	0	0	0	0
49 Total Revenue from Retail Sales	\$31,725,275	\$31,603,968	\$32,263,678	\$32,631,546	\$33,292,608	\$34,261,362	\$35,258,294	\$36,284,234	\$37,340,038	\$38,426,585	\$39,544,781
50 Total Revenue from Retail Sales	\$31,725,275	\$31,603,968	\$32,263,678	\$32,631,546	\$33,292,608	\$34,261,362	\$35,258,294	\$36,284,234	\$37,340,038	\$38,426,585	\$39,544,781
51 Percent Change	2.8%	-0.4%	2.1%	1.1%	2.0%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
<b>Unit Revenue at Existing Rates (cents/kWh)</b>											
52 Retail Rates	4.96	4.98	4.98	4.98	4.99	4.98	4.98	4.97	4.97	4.96	4.96

**Final**

Okanogan County PUD  
Table 3 - Income Statement - Accrual Basis  
(\$000)

Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
1 Operating Revenue												
2 Retail Rate Revenues at Existing Rates	\$31,725	\$31,604	\$32,264	\$32,632	\$33,293	\$34,261	\$35,258	\$36,284	\$37,340	\$38,427	\$39,545	
3												
4	Year	% of Base Sales Revenue	Months Effective									
5	2010	8.5%	6	1,269	2,774	2,830	2,912	2,997	3,084	3,174	3,266	3,361
6	2011	8.5%	6		1,392	3,070	3,160	3,252	3,346	3,444	3,544	3,647
7	2012	3.6%	6			653	1,452	1,494	1,538	1,582	1,629	1,676
8	2013	3.6%	6			696	1,548	1,593	1,639	1,687	1,736	
9	2014	3.6%	6				742	1,650	1,698	1,748	1,799	
10	2015	3.6%	6					791	1,760	1,811	1,864	
11	2016	3.6%	6						843	1,876	1,931	
12	2017	3.6%	6							899	2,000	
13	2018	3.6%	6								959	
14 Sales for Resale Revenue	11,264	5,442	4,937	4,865	4,551	3,963	3,313	3,627	2,716	1,595	0	
15 Other Revenues	720	691	691	691	691	691	691	691	691	691	691	
16 Total Operating Revenues	\$43,709	\$37,737	\$39,161	\$42,353	\$45,088	\$47,134	\$49,294	\$52,605	\$54,887	\$57,172	\$59,208	
17 Operating Expenses												
18 Production	\$27	27	28	29	30	31	32	33	34	35	36	
19 Purchased Power	24,460	21,214	24,157	24,349	25,743	26,515	27,311	28,130	28,974	29,843	30,739	
20 Other Power Supply	526	536	550	564	578	592	607	622	638	654	670	
21 Transmission	125	128	131	134	137	140	144	148	152	156	160	
22 Distribution	5,428	5,532	5,671	5,813	5,958	6,107	6,260	6,417	6,577	6,741	6,910	
23 Consumer Accounting	1,456	1,484	1,522	1,560	1,599	1,639	1,680	1,722	1,765	1,809	1,854	
24 Customer Service & Information	487	497	509	522	535	548	562	576	590	605	620	
25 Admin. & General	2,824	2,878	2,950	3,024	3,100	3,178	3,257	3,338	3,421	3,507	3,595	
26 Tax Expense	1,917	1,954	1,949	1,972	2,011	2,070	2,130	2,192	2,256	2,322	2,389	
27 Depreciation/Amortization	2,698	2,796	2,970	3,113	4,154	4,310	4,543	5,467	5,616	5,742	5,868	
28 Total Cost of Electric Service	\$39,948	\$37,046	\$40,438	\$41,080	\$43,846	\$45,130	\$46,526	\$48,645	\$50,023	\$51,414	\$52,841	
29 Net Operating Revenues	\$3,761	\$691	(\$1,277)	\$1,274	\$1,242	\$2,004	\$2,768	\$3,959	\$4,864	\$5,758	\$6,368	
30 Other Income	1,928	1,976	262	500	513	526	539	552	566	580	595	
31 Interest Expense	(751)	(722)	(684)	(1,269)	(1,830)	(1,743)	(2,439)	(3,120)	(3,000)	(2,874)	(2,745)	
32 Debt Issuance Expense and Discount	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	
33 Unamortized Loss on Reacquired Debt	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	
34 Other Deductions	(2,995)	0	0	0	0	0	0	0	0	0	0	
35 Contributions in Aid of Construction	1,796	750	542	556	569	584	598	613	629	644	660	
36 Net Income (Loss) before Extraordinary Items	\$3,690	\$2,647	(\$1,205)	\$1,012	\$446	\$1,322	\$1,419	\$1,956	\$3,011	\$4,061	\$4,830	
37 Total Retail Energy Sales (MWh)	639,656	635,117	648,253	654,735	667,830	687,865	708,501	729,756	751,648	774,198	797,424	
38 Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.17	5.62	5.97	6.18	6.39	6.62	6.85	7.09	7.34	
39 Increase over Previous Year	-0.1%	0.3%	4.0%	8.7%	6.2%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
40 Necessary Retail Rate Change		0.0%	8.5%	8.5%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	
41 DSC Ratio	4.55	3.94	1.56	2.07	1.77	2.02	1.83	1.90	2.10	2.29	2.43	
42 Operating TIER	5.01	0.96	(1.87)	1.00	0.68	1.15	1.14	1.27	1.62	2.00	2.32	
43 Total TIER	5.98	4.73	(0.69)	1.84	1.27	1.79	1.60	1.64	2.02	2.43	2.78	
44 Working Capital (Days of O&M)		259	186	127	88	33	(16)	(26)	(21)	(8)	10	

**Final**

Okanogan County PUD  
Table 4 - Pro-Forma Balance Sheet as of December 31  
(\$000)

Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>ASSETS AND OTHER DEBITS</b>											
1 Total Utility Plant	\$110,986	\$116,996	\$121,580	\$153,825	\$158,835	\$166,894	\$209,654	\$214,414	\$218,423	\$222,433	\$226,443
2 Accum. Prov. for Deprec.	(49,778)	(51,584)	(53,564)	(55,687)	(58,851)	(62,171)	(65,723)	(70,200)	(74,826)	(79,578)	(84,456)
3 Net Utility Plant	\$61,208	\$65,412	\$68,016	\$98,138	\$99,984	\$104,723	\$143,931	\$144,214	\$143,597	\$142,855	\$141,987
4 Other Property & Investments											
5 Investments in Associated Companies	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062
6 Electric Investment in Communications	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467
7 Total Other Property & Investments	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529
8 Current Assets	14										
9 Revenue Fund	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982
10 Working Funds	15	15	15	15	15	15	15	15	15	15	15
11 Temporary Cash Investments	28,481	23,313	18,139	12,238	8,523	2,684	(2,794)	(4,087)	(3,561)	(2,010)	309
12 Other Current Assets	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464
13 Total Unrestricted Current Assets	\$33,942	\$28,774	\$23,600	\$17,699	\$13,984	\$8,145	\$2,667	\$1,374	\$1,900	\$3,451	\$5,770
14 Restricted Current Assets											
15 Bond Sinking Funds	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130
16 Customer Deposits	450	450	450	450	450	450	450	450	450	450	450
17 Compensated Absences	680	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
18 Bond Construction Funds	0	0	0	0	0	0	0	0	0	0	0
19 Other Special Funds	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
20 Total Restricted Current Assets	\$8,260	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680
21 Deferred Debits											
22 Unamortized Debt Expense	\$205	\$189	\$174	\$159	\$144	\$129	\$114	\$99	\$84	\$69	\$53
23 Unamortized Loss on Required Debt	349	324	299	274	249	224	199	174	150	125	100
24 Other Deferred Debits	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603
25 Total Assets & Other Debits	\$111,095	\$110,510	\$107,901	\$132,082	\$130,172	\$129,033	\$162,723	\$161,673	\$161,543	\$162,311	\$163,722
<b>EQUITIES AND LIABILITIES</b>											
26 Net Assets											
27 Restricted for Capital Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 Restricted for Contingencies	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
29 Appropriated Net Assets	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
30 Unappropriated Net Assets	64,907	66,804	65,057	65,514	65,391	66,130	66,950	68,293	70,675	74,092	78,261
31 Contributions in Aid of Construction	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558
32 Total Net Assets	\$87,466	\$89,363	\$87,616	\$88,072	\$87,949	\$88,688	\$89,509	\$90,852	\$93,234	\$96,650	\$100,820
33 Non-Current Liabilities											
34 Long-Term Debt	\$14,480	\$13,610	\$12,291	\$35,532	\$33,646	\$31,507	\$64,106	\$61,586	\$58,930	\$56,164	\$53,264
35 Other Long Term Liabilities	(110)	(101)	(93)	(85)	(77)	(69)	(61)	(53)	(45)	(37)	(29)
36 Total Long-Term Liabilities	\$14,370	\$13,509	\$12,198	\$35,447	\$33,569	\$31,438	\$64,045	\$61,533	\$58,885	\$56,127	\$53,235
37 Current and Accrued Liabilities											
38 Warrants Outstanding	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865
39 Accounts Payable	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202
40 Taxes Accrued	817	817	817	817	817	817	817	817	817	817	817
41 Miscellaneous	56	56	56	56	56	56	56	56	56	56	56
42 Other Regulatory Liabilities	2,075	0	0	0	0	0	0	0	0	0	0
43 Total Current and Accrued Liabilities	\$7,015	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940
44 Current Liab. Payable from Restricted Assets											
45 Current Portion of Long Term Debt	\$835	\$870	\$1,319	\$1,794	\$1,886	\$2,139	\$2,401	\$2,520	\$2,656	\$2,766	\$2,900
46 Interest on Long Term Debt	60	60	60	60	60	60	60	60	60	60	60
47 Compensated Absences	881	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
48 Customer Deposits	468	468	468	468	468	468	468	468	468	468	468
49 Total Current Liab. Payable from Restricted Asset	\$2,244	\$2,699	\$3,148	\$3,623	\$3,715	\$3,968	\$4,230	\$4,349	\$4,485	\$4,595	\$4,729
50 Deferred Credits	0	0	0	0	0	0	0	0	0	0	0
51 Total Equities and Liabilities	\$111,095	\$110,510	\$107,901	\$132,082	\$130,173	\$129,034	\$162,723	\$161,673	\$161,543	\$162,311	\$163,723
<b>FINANCIAL RATIOS</b>											
52 Equity to Total Assets	78.7%	80.9%	81.2%	66.7%	67.6%	68.7%	55.0%	56.2%	57.7%	59.5%	61.6%
53 Working Capital (Days of O&M)	289	259	186	127	88	33	(16)	(26)	(21)	(8)	10

**Final**

Okanogan County PUD  
Table 5 - Statement of Operations - Cash Basis  
(\$000)

Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1 Total Net Operating Revenues	\$691	(\$1,277)	\$1,274	\$1,242	\$2,004	\$2,768	\$3,959	\$4,864	\$5,758	\$6,368
2 Add: Depreciation	2,768	2,942	3,085	4,126	4,282	4,515	5,439	5,588	5,714	5,840
3 Add: Other Income	1,976	262	500	513	526	539	552	566	580	595
4 Less: Other Reg. Liabilities	(2,075)	-	-	-	-	-	-	-	-	-
5 Cash from Operations	\$3,360	\$1,927	\$4,858	\$5,881	\$6,811	\$7,822	\$9,950	\$11,018	\$12,052	\$12,802
6 Debt Service - Long Term										
7 Existing - Interest	\$722	\$684	\$643	\$599	\$554	\$506	\$453	\$397	\$338	\$279
8 Existing - Principal	835	870	910	955	1,005	1,050	1,095	1,150	1,220	1,260
9 New - Interest	0	0	626	1,231	1,189	1,933	2,667	2,603	2,536	2,466
10 New - Principal	0	0	409	839	881	1,089	1,306	1,370	1,436	1,506
11 Total Debt Service	\$1,557	\$1,554	\$2,588	\$3,624	\$3,629	\$4,578	\$5,521	\$5,520	\$5,530	\$5,511
12 Cash Margins After Debt Service	\$1,803	\$373	\$2,270	\$2,257	\$3,182	\$3,244	\$4,429	\$5,498	\$6,522	\$7,291
13 Uses of Cash Margins										
14 Plant Investment	7,000	5,575	8,200	6,000	9,050	8,750	5,750	5,000	5,000	5,000
15 Total Uses of Cash Margins	7,000	5,575	8,200	6,000	9,050	8,750	5,750	5,000	5,000	5,000
16 Net Cash	(5,197)	(5,202)	(5,930)	(3,743)	(5,868)	(5,506)	(1,321)	498	1,522	2,291
FINANCIAL RATIOS										
17 Debt Service Coverage	3.94	1.56	2.07	1.77	2.02	1.83	1.90	2.10	2.29	2.43

**Final**

Okanogan County PUD  
Table 6 - General Funds Summary  
(\$000)

Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>SOURCES OF GENERAL FUNDS</b>										
1 Net General Funds - Beg. of Year	\$36,858	\$31,661	\$26,459	\$20,529	\$16,786	\$10,918	\$5,412	\$4,091	\$4,589	\$6,111
2 Cash Margins after Debt Service	1,803	373	2,270	2,257	3,182	3,244	4,429	5,498	6,522	7,291
3 Loan Proceeds	0	0	25,035	0	0	35,000	0	0	0	0
4 Adjustments made to Balance Sheet	0	0	0	0	0	0	0	0	0	0
5 Total General Funds Available	\$38,661	\$32,034	\$53,764	\$22,786	\$19,968	\$49,162	\$9,841	\$9,589	\$11,111	\$13,402
<b>USES OF GENERAL FUNDS</b>										
6 Debt Funded Plant Investment	0	0	25,035	0	0	35,000	0	0	0	0
7 General Funded Plant Investment	7,000	5,575	8,200	6,000	9,050	8,750	5,750	5,000	5,000	5,000
8 Repayment of Short Term Debt	0	0	0	0	0	0	0	0	0	0
9 Total Uses of General Funds	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
10 Net General Funds - End of Year	\$31,661	\$26,459	\$20,529	\$16,786	\$10,918	\$5,412	\$4,091	\$4,589	\$6,111	\$8,402
<hr/>										
2008										
(1) Components of general funds as of December 31 were:										
Sinking Funds	\$130									
Other Special Funds										
Employee Annual Leave	680									
Rate Stabilization Fund	7,000									
Revenue Fund Less Warrants Outstanding	117									
Temporary Cash Investments	28,481									
Customer Deposit Reserve	450									
Total	\$36,858									

**Final**

Okanogan County PUD  
Table 7 - Plant Investment and Depreciation Expense  
(\$000)

Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>UTILITY PLANT</b>										
1 Total Utility Plant (Beg Yr)	\$110,986	\$116,996	\$121,580	\$153,825	\$158,835	\$166,894	\$209,654	\$214,414	\$218,423	\$222,433
2 Additions and Replacements										
3 Funded with Bonds										
4 AMI Project	0	0	5,000	0	0	0	0	0	0	0
5 Pateros to Twisp 115 Construction	0	0	12,000	0	0	0	0	0	0	0
6 New HQ Building	0	0	6,800	0	0	0	0	0	0	0
7 Enloe Dam License/Construction	0	0	1,235	0	0	35,000	0	0	0	0
8 Funded with Revenue and/or Reserves										
9 Normal Replacements & Additions (1)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
10 Gold Creek Sub Construction	750	575	0	0	0	0	0	0	0	0
11 Shanker's Dam Study	1,250	0	0	0	0	0	0	0	0	0
12 Pine Creek Sub Construction	0	0	1,000	0	0	0	0	0	0	0
13 Aeneas to Tonasket 115 Construction	0	0	2,200	0	0	0	0	0	0	0
14 Aeneas Valley Sub Construction	0	0	0	1,000	0	0	0	0	0	0
15 Tonasket Sub Addition	0	0	0	0	750	0	0	0	0	0
16 Okanogan to Brewster 115 Rebuild	0	0	0	0	3,300	0	0	0	0	0
17 Sandflat Sub Addition	0	0	0	0	0	750	0	0	0	0
18 Warehouse Remodel	0	0	0	0	0	3,000	0	0	0	0
19 Ophir Sub Addition	0	0	0	0	0	0	750	0	0	0
20 Total	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
21 Less Retirements	990	990	990	990	990	990	990	990	990	990
22 Total Utility Plant (End Yr)	\$116,996	\$121,580	\$153,825	\$158,835	\$166,894	\$209,654	\$214,414	\$218,423	\$222,433	\$226,443
23 Net Additions and Replacements (Excluding Capitalized Interest)										
24 Distribution	\$7,000	\$5,575	\$29,800	\$6,000	\$5,750	\$8,750	\$5,750	\$5,000	\$5,000	\$5,000
25 Other Generation & Transmission	-	-	3,435	-	3,300	35,000	-	-	-	-
26 Total Net Additions and Replacements	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000

*Final*

Okanogan County PUD  
Table 7 - Plant Investment and Depreciation Expense  
(\$000)

Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>DEPRECIATION EXPENSE</b>											
27	Funded with Bonds										
28	AMI Project	6.67%	\$0	\$0	\$0	\$333	\$333	\$333	\$333	\$333	\$333
29	Pateros to Twisp 115 Construction	2.52%	0	0	0	302	302	302	302	302	302
30	New HQ Building	2.50%	0	0	0	170	170	170	170	170	170
31	Enloe Dam License/Construction	2.00%	0	0	0	25	25	25	725	725	725
32	Funded with Revenue and/or Reserves										
33	Normal Replacements & Additions	3.00%	\$150	\$300	\$450	\$600	\$750	\$900	\$1,050	\$1,200	\$1,350
34	Gold Creek Sub Construction	3.03%	0	23	40	40	40	40	40	40	40
35	Shanker's Dam Study	2.00%	0	25	25	25	25	25	25	25	25
36	Pine Creek Sub Construction	3.03%	0	0	0	30	30	30	30	30	30
37	Aeneas to Tonasket 115 Construction	2.52%	0	0	0	55	55	55	55	55	55
38	Aeneas Valley Sub Construction	3.03%	0	0	0	0	30	30	30	30	30
39	Tonasket Sub Addition	3.03%	0	0	0	0	23	23	23	23	23
40	Okanogan to Brewster 115 Rebuild	2.52%	0	0	0	0	83	83	83	83	83
41	Sandflat Sub Addition	3.03%	0	0	0	0	0	23	23	23	23
42	Warehouse Remodel	2.50%	0	0	0	0	0	75	75	75	75
43	Ophir Sub Addition	3.03%	0	0	0	0	0	0	23	23	23
44	Existing Plant	2.41%	2,646	2,622	2,598	2,574	2,550	2,527	2,503	2,479	2,455
45	Total Depreciation Expense		\$2,796	\$2,970	\$3,113	\$4,154	\$4,310	\$4,543	\$5,467	\$5,616	\$5,742
46	Less Depreciation in Other Accounts		0	0	0	0	0	0	0	0	0
47	Net Depreciation Expense		\$2,796	\$2,970	\$3,113	\$4,154	\$4,310	\$4,543	\$5,467	\$5,616	\$5,742
48	Amortization of Regulatory Asset		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>49 2008 ESTIMATED DEPRECIATION RATE ON EXISTING PLANT</b>											
50	Total Utility Plant in Service (EOY)		110,986								
51	Depreciation Expense		2,670								
52	Estimated Average Depreciation Rate		2.41%								
<b>53 ESTIMATED PLANT IN SERVICE - EXISTING PLANT</b>											
54	Total Existing Plant in Service (BOY)		110,986	109,996	109,005	108,015	107,025	106,034	105,044	104,054	103,063
55	Retirements		990	990	990	990	990	990	990	990	990
56	Total Existing Plant in Service (EOY)		109,996	109,005	108,015	107,025	106,034	105,044	104,054	103,063	102,073
57	Estimated Depreciation Expense on Existing Plant		2,646	2,622	2,598	2,574	2,550	2,527	2,503	2,479	2,455

Notes

(1) Includes CIAC.



**Final**

Okanogan County PUD  
Table 8 - Long-Term Debt and Debt Service  
(\$000)

Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>EXISTING LONG TERM DEBT</b>										
1 Balance (Beg Yr)	\$14,480	\$13,645	\$12,775	\$11,865	\$10,910	\$9,905	\$8,855	\$7,760	\$6,610	\$5,390
2 Principal Repayments	835	870	910	955	1,005	1,050	1,095	1,150	1,220	1,260
3 Balance (End Yr)	\$13,645	\$12,775	\$11,865	\$10,910	\$9,905	\$8,855	\$7,760	\$6,610	\$5,390	\$4,130
<b>EXISTING DEBT INTEREST AND PRINCIPAL PAYMENTS</b>										
4 Interest										
5 2002 Bonds	\$301	\$286	\$269	\$251	\$233	\$213	\$192	\$170	\$146	\$120
6 2003 Bonds	421	398	374	348	321	293	261	228	192	158
7 Total Interest	\$722	\$684	\$643	\$599	\$554	\$506	\$453	\$397	\$338	\$279
8 Principal										
9 2002 Bonds	\$380	\$395	\$410	\$430	\$450	\$470	\$480	\$500	\$535	\$560
10 2003 Bonds	455	475	500	525	555	580	615	650	685	700
11 Total Principal	\$835	\$870	\$910	\$955	\$1,005	\$1,050	\$1,095	\$1,150	\$1,220	\$1,260
<b>FUNDING REQUIREMENTS</b>										
12 Capital Funding Requirements	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
13 Refinancing Requirements	0	0	0	0	0	0	0	0	0	0
14 Total Funding Requirements	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
15 Loan Funds Advanced	0	0	25,035	0	0	35,000	0	0	0	0
16 General Funds Invested	\$7,000	\$5,575	\$8,200	\$6,000	\$9,050	\$8,750	\$5,750	\$5,000	\$5,000	\$5,000
<b>NEW LONG TERM DEBT</b>										
17 New Long Term Debt										
18 BOY Balance	\$0	\$0	\$0	\$24,626	\$23,787	\$22,906	\$56,817	\$55,511	\$54,141	\$52,705
19 Loan Funds Advanced	0	0	25,035	0	0	35,000	0	0	0	0
20 Interest Expense	0	0	626	1,231	1,189	1,933	2,667	2,603	2,536	2,466
21 Principal Payments	0	0	409	839	881	1,089	1,306	1,370	1,436	1,506
22 Total Debt Service	\$0	\$0	\$1,035	\$2,070	\$2,070	\$3,022	\$3,973	\$3,973	\$3,972	\$3,972
23 EOY Balance	\$0	\$0	\$24,626	\$23,787	\$22,906	\$56,817	\$55,511	\$54,141	\$52,705	\$51,199
<b>TOTAL LONG TERM DEBT SERVICE</b>										
24 Interest										
25 Existing Debt	722	\$684	\$643	\$599	\$554	\$506	\$453	\$397	\$338	\$279
26 New Long Term Debt	0	0	626	1,231	1,189	1,933	2,667	2,603	2,536	2,466
27 Total Interest	\$722	\$684	\$1,269	\$1,830	\$1,743	\$2,439	\$3,120	\$3,000	\$2,874	\$2,745
28 Principal										
29 Existing Debt	\$835	\$870	\$910	\$955	\$1,005	\$1,050	\$1,095	\$1,150	\$1,220	\$1,260
30 New Long Term Debt	0	0	409	839	881	1,089	1,306	1,370	1,436	1,506
31 Total Principal	\$835	\$870	\$1,319	\$1,794	\$1,886	\$2,139	\$2,401	\$2,520	\$2,656	\$2,766
32 Total Debt Service	\$1,557	\$1,554	\$2,588	\$3,624	\$3,629	\$4,578	\$5,521	\$5,520	\$5,530	\$5,511
33 Less Portion Allocated to Telecom	(278)	(278)	(278)	(278)	(278)	(278)	(278)	(278)	(278)	(278)
34 Total Electric System Debt Service	\$1,279	\$1,276	\$2,310	\$3,346	\$3,351	\$4,300	\$5,243	\$5,242	\$5,252	\$5,233
<b>TOTAL LONG TERM DEBT</b>										
33 Balance (Beg Yr)	\$14,480	\$13,645	\$12,775	\$36,491	\$34,697	\$32,811	\$65,672	\$63,271	\$60,751	\$58,095
34 Loan Funds Advanced	-	-	25,035	-	-	35,000	-	-	-	-
35 Less Principal Repayments	835	870	1,319	1,794	1,886	2,139	2,401	2,520	2,656	2,766
36 Balance (End Yr)	\$13,645	\$12,775	\$36,491	\$34,697	\$32,811	\$65,672	\$63,271	\$60,751	\$58,095	\$55,329
<b>Current Portion of Long Term Debt - EOY</b>										
34 Existing Debt	\$870	\$910	\$955	\$1,005	\$1,050	\$1,095	\$1,150	\$1,220	\$1,260	\$1,320
36 New Long Term Debt	0	409	839	881	1,089	1,306	1,370	1,436	1,506	1,580
37 Total Current Portion	\$870	\$1,319	\$1,794	\$1,886	\$2,139	\$2,401	\$2,520	\$2,656	\$2,766	\$2,900

**Final**

Okanogan County PUD  
Table 9 - Energy Resources and Cost of Power

Scenario 2: Back-to-Back 8.5% Increases  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Avg. Annual Increase 2009 - 2018	
<b>POWER SUPPLY (MWh) (1)</b>												
1	Purchased Power											
2	BPA Block	206,161	206,161	206,161	298,445	298,445	298,445	298,445	298,445	298,445	298,445	4.2%
3	BPA Slice	390,732	390,732	390,732	298,445	298,445	298,445	298,445	298,445	298,445	298,445	-2.9%
4	Douglas NCW Trans.	629	629	629	629	629	629	629	629	629	629	0.0%
5	Wells	258,942	258,942	258,942	258,942	258,942	258,942	258,942	258,942	258,942	258,942	0.0%
6	Nine Canyon Wind	42,156	42,156	42,156	42,156	42,156	42,156	42,156	42,156	42,156	42,156	0.0%
7	Other	0	0	0	0	0	0	0	0	0	0	n/a
8	Subtotal - Purchased Power	898,620	898,620	898,620	898,617	898,617	898,617	898,617	898,617	898,617	898,617	0.0%
9	New Resources											
10	Enloe Dam	0	0	0	0	0	0	44,963	44,963	44,963	44,963	n/a
11	Subtotal - New Resources	0	0	0	0	0	0	44,963	44,963	44,963	44,963	n/a
12	Generation Losses	0	0	0	0	0	0	0	0	0	0	n/a
13	Total Power Supply	898,620	898,620	898,620	898,617	898,617	898,617	943,580	943,580	943,580	943,580	0.5%
<b>POWER REQUIREMENTS (MWh)</b>												
14	Retail Energy Sales	635,117	648,253	654,735	667,830	687,865	708,501	729,756	751,648	774,198	797,424	2.6%
15	Sales for Resale	215,070	200,946	193,975	179,895	158,352	136,163	158,271	134,730	110,484	85,509	n/a
16	Station Use											
17	Distribution Line Losses	47,804	48,793	49,281	50,267	51,775	53,328	54,928	56,576	58,273	60,021	2.6%
18	Total	898,620	898,620	898,620	898,617	898,617	898,617	943,580	943,580	943,580	943,580	0.5%
<b>LOSSES (MWh)</b>												
19	As a Percent of Requirements	5.3%	5.4%	5.5%	5.6%	5.8%	5.9%	5.8%	6.0%	6.2%	6.4%	
<b>POWER COSTS (\$000) (2)</b>												
20	Purchased Power											
21	BPA Block	\$3,901	\$4,864	\$4,864	\$8,412	\$8,665	\$8,925	\$9,192	\$9,468	\$9,752	\$10,045	11.1%
22	BPA Slice	9,086	10,827	10,827	8,412	8,665	8,925	9,192	9,468	9,752	10,045	1.1%
23	Douglas NCW Trans.	2,071	2,071	2,071	2,134	2,198	2,263	2,331	2,401	2,473	2,548	2.3%
24	Wells	3,349	3,765	3,878	3,994	4,114	4,237	4,365	4,496	4,630	4,769	4.0%
25	Nine Canyon Wind	2,806	2,630	2,709	2,791	2,874	2,961	3,049	3,141	3,235	3,332	1.9%
26	Other	0	0	0	0	0	0	0	0	0	0	n/a
27	Subtotal - Purchased Power	\$21,214	\$24,157	\$24,349	\$25,743	\$26,515	\$27,311	\$28,130	\$28,974	\$29,843	\$30,739	4.2%
28	New Resources											
29	Enloe Dam	\$0	\$0	\$0	\$0	\$0	\$0	\$1,131	\$1,156	\$1,182	\$1,208	
30	Subtotal - New Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$1,131	\$1,156	\$1,182	\$1,208	
31	Total Fuel and Purchased Power	\$21,214	\$24,157	\$24,349	\$25,743	\$26,515	\$27,311	\$29,261	\$30,130	\$31,025	\$31,947	
<b>UNIT POWER COSTS (cents/kWh)</b>												
33	BPA Block	1.89	2.36	2.36	2.82	2.90	2.99	3.08	3.17	3.27	3.37	6.6%
34	BPA Slice	2.33	2.77	2.77	2.82	2.90	2.99	3.08	3.17	3.27	3.37	4.2%
35	Douglas NCW Trans.	329.31	329.31	329.31	339.19	349.37	359.85	370.64	381.76	393.22	405.01	2.3%
36	Wells	1.29	1.45	1.50	1.54	1.59	1.64	1.69	1.74	1.79	1.84	4.0%
37	Nine Canyon Wind	6.66	6.24	6.43	6.62	6.82	7.02	7.23	7.45	7.67	7.90	1.9%
38	Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
39	Enloe Dam	n/a	n/a	n/a	n/a	n/a	n/a	2.52	2.57	2.63	2.69	n/a
40	Total	2.36	2.69	2.71	2.86	2.95	3.04	3.10	3.19	3.29	3.39	4.1%

# Appendix C

## EMP Scenario 3

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**Final**  
 Okanogan County PUD  
 2010 Equity Management Plan  
 Summary of Results

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Avg. Annual Rate Change 2008-2018
<b>Scenario 3: Three consecutive 6.5% rate increases</b>												
1 Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.13	5.47	5.82	6.13	6.37	6.62	6.87	7.14	7.42	
2 Increase over Previous Year	-0.1%	0.3%	3.0%	6.6%	6.5%	5.2%	3.9%	3.9%	3.9%	3.9%	3.9%	4.1%
3 Necessary Retail Rate Change (Effective July 1)		0.0%	6.5%	6.5%	6.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
4 Equity to Total Assets	78.7%	80.9%	81.1%	66.3%	67.0%	68.1%	54.2%	55.4%	57.0%	59.0%	61.2%	
5 Cash (Year End) (\$000)	\$29,478	\$24,309	\$18,837	\$11,936	\$7,272	\$1,104	(\$4,552)	(\$5,848)	(\$5,127)	(\$3,156)	(\$161)	
6 Days of Working Capital on Hand	289	259	184	115	67	10	-40	-49	-42	-25	-1	
7 Debt Service Coverage	4.55	3.94	1.37	1.69	1.50	1.93	1.79	1.90	2.14	2.36	2.56	
8 Operating TIER	5.01	0.96	(2.30)	0.22	0.16	0.96	1.06	1.27	1.69	2.15	2.57	
9 Total TIER	5.98	4.73	(1.13)	1.05	0.75	1.60	1.53	1.64	2.08	2.58	3.02	

**Final**

Okanogan County PUD  
2010 Equity Management Plan  
Table 1 - Summary of Results and Assumptions

**Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included**

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Avg. Annual Rate Change 2008 - 2018
<b>SUMMARY OF RESULTS</b>												
1 Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.13	5.47	5.82	6.13	6.37	6.62	6.87	7.14	7.42	
2 Increase over Previous Year	-0.1%	0.3%	3.0%	6.6%	6.5%	5.2%	3.9%	3.9%	3.9%	3.9%	3.9%	4.1%
3 Necessary Retail Rate Change (Effective July 1)		0.0%	6.5%	6.5%	6.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
4 Equity to Total Assets	78.7%	80.9%	81.1%	66.3%	67.0%	68.1%	54.2%	55.4%	57.0%	59.0%	61.2%	
5 Cash (Year End) (\$000)	\$29,478	\$24,309	\$18,837	\$11,936	\$7,272	\$1,104	(\$4,552)	(\$5,848)	(\$5,127)	(\$3,156)	(\$161)	
6 Days of Working Capital on Hand	289	259	184	115	67	10	-40	-49	-42	-25	-1	
7 Debt Service Coverage Ratio (DSCR)	4.55	3.94	1.37	1.69	1.50	1.93	1.79	1.90	2.14	2.36	2.56	
8 Operating TIER	5.01	0.96	(2.30)	0.22	0.16	0.96	1.06	1.27	1.69	2.15	2.57	
9 Total TIER	5.98	4.73	(1.13)	1.05	0.75	1.60	1.53	1.64	2.08	2.58	3.02	
<b>ASSUMPTIONS</b>												
8 General Inflation	2.50%											
9 Interest Rates												
10 Co Bank	5.00%											
11 2009 Effective Energy/Demand Rates (\$/kWh)												
12 Residential	0.04410											
13 General Service	0.05327											
14 Industrial	0.04114											
15 Irrigation	0.02870											
16 Frost Control	0.05300											
17 Street Lighting	0.09536											
18 Enloe Dam	<input type="checkbox"/> Y											
	Prior to 2009	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
19 Capital Improvements (\$000)												
20 Funded with Bonds												
21 AMI Project				\$5,000								\$5,000
22 Pateros to Twisp 115 Construction				12,000								12,000
23 New HQ Building				6,800								6,800
24 Enloe Dam License/Construction				1,235			35,000					36,235
25 Funded with Revenue and/or Reserves												0
26 Normal Replacements & Additions		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
27 Gold Creek Sub Construction		750	575									1,325
28 Shanker's Dam Study		1,250										1,250
29 Pine Creek Sub Construction				1,000								1,000
30 Aeneas to Tonasket 115 Construction				2,200								2,200
31 Aeneas Valley Sub Construction					1,000							1,000
32 Tonasket Sub Addition						750						750
33 Okanogan to Brewster 115 Rebuild						3,300						3,300
34 Sandflat Sub Addition							750					750
35 Warehouse Remodel							3,000					3,000
36 Ophir Sub Addition								750				750
37 Other Capital Additions		-	-	-	-	-	-	-	-	-	-	0
38 Total		\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000	\$125,360
39 Target DSCR		1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
40 Target Operating TIER		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
41 Target Total TIER		1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	
42 Target Working Capital (Days of O&M)		60	60	60	60	60	60	60	60	60	60	

**Final**

Okanogan County PUD  
Table 2 - Projected Revenues at Existing Rates

Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>PROJECTED SALES (MWh)</b>											
1 Residential	301,280	289,703	295,617	294,687	300,174	312,400	325,023	338,053	351,505	365,391	379,725
2 General Service	207,063	212,240	217,546	222,984	228,559	234,273	240,130	246,133	252,286	258,594	265,058
3 Industrial	61,862	63,717	65,629	67,598	69,626	71,715	73,866	76,082	78,364	80,715	83,137
4 Irrigation	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639	67,639
5 Frost Control	503	508	513	518	523	528	534	539	544	550	555
6 Street Lighting	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
7 Total Retail Sales	639,656	635,117	648,253	654,735	667,830	687,865	708,501	729,756	751,648	774,198	797,424
8 Sales for Resale	233,706	215,070	200,946	193,975	179,895	158,352	136,163	158,271	134,730	110,484	85,509
9 Adjustment	0	-	-	-	-	-	-	-	-	-	-
10 Total Energy Sales	873,362	850,187	849,198	848,710	847,725	846,217	844,663	888,027	886,379	884,681	882,933
<b>PROJECTED CUSTOMER ACCOUNTS</b>											
11 Residential	16,522	16,770	17,021	17,277	17,536	17,799	18,066	18,337	18,612	18,891	19,174
12 General Service	2,342	2,365	2,389	2,413	2,437	2,461	2,486	2,511	2,536	2,561	2,587
13 Industrial	4	4	4	4	4	4	4	4	4	4	4
14 Irrigation	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204
15 Frost Control	133	133	133	133	133	133	133	133	133	133	133
16 Street Lighting	21	21	21	21	21	21	21	21	21	21	21
17 Total Customer Accounts	20,226	20,497	20,772	21,052	21,335	21,622	21,914	22,210	22,510	22,815	23,123
<b>PROJECTED CUSTOMER HP RATING (IRR./FROST CONTROL)</b>											
18 Irrigation											
19 0 - 74.9 HP	17,364	17,538	17,713	17,890	18,069	18,250	18,432	18,617	18,803	18,991	19,181
20 75+ HP	26,496	26,761	27,029	27,299	27,572	27,848	28,126	28,407	28,691	28,978	29,268
21 Frost Control	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931	11,931
<b>PROJECTED MONTHLY USAGE PER CUSTOMER ACCOUNT (kWh)</b>											
22 Residential	1,520	1,440	1,447	1,421	1,426	1,463	1,499	1,536	1,574	1,612	1,650
23 General Service	7,368	7,477	7,588	7,701	7,815	7,931	8,049	8,169	8,290	8,413	8,538
24 Industrial	1,288,784	1,327,448	1,367,271	1,408,289	1,450,538	1,494,054	1,538,876	1,585,042	1,632,593	1,681,571	1,732,018
25 Irrigation	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682	4,682
26 Frost Control	315	318	321	325	328	331	334	338	341	344	348
27 Street Lighting	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196	5,196
<b>EXISTING RATES - CUSTOMER CHARGE (\$/customer/month)</b>											
27 Residential	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
28 General Service	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
29 Industrial	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00
30 Irrigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31 Frost Control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32 Street Lighting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Final**

Okanogan County PUD  
Table 2 - Projected Revenues at Existing Rates

Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>EXISTING RATES - AVERAGE ENERGY AND DEMAND RATE (\$/kWh)</b>											
32 Residential	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410	\$0.04410
33 General Service	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327	0.05327
34 Industrial	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114	0.04114
35 Irrigation	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870	0.02870
36 Frost Control	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300	0.05300
37 Street Lighting	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536	0.09536
<b>EXISTING RATES - FACILITIES CHARGE (\$/HP) -- IRR. AND FROST CONTROL</b>											
38 Irrigation											
39 0 - 74.9 HP	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85	\$10.85
40 75+ HP	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
41 Frost Control	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45
<b>PROJECTED RETAIL REVENUES AT EXISTING RATES</b>											
42 Residential	\$15,268,716	\$14,787,921	\$15,078,884	\$15,068,506	\$15,341,572	\$15,912,328	\$16,500,998	\$17,108,143	\$17,734,343	\$18,380,195	\$19,046,316
43 General Service	11,367,403	11,646,529	11,932,583	12,225,738	12,526,169	12,834,059	13,149,594	13,472,964	13,804,364	14,143,995	14,492,063
44 Industrial	2,581,701	2,658,058	2,736,705	2,817,712	2,901,149	2,987,089	3,075,607	3,166,781	3,260,690	3,357,416	3,457,044
45 Irrigation	2,314,786	2,318,525	2,322,301	2,326,114	2,329,966	2,333,857	2,337,786	2,341,755	2,345,764	2,349,812	2,353,901
46 Frost Control	67,808	68,074	68,344	68,615	68,890	69,167	69,447	69,730	70,016	70,304	70,596
47 Street Lighting	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862	124,862
48 Adjustment	0	0	0	0	0	0	0	0	0	0	0
49 Total Revenue from Retail Sales	\$31,725,275	\$31,603,968	\$32,263,678	\$32,631,546	\$33,292,608	\$34,261,362	\$35,258,294	\$36,284,234	\$37,340,038	\$38,426,585	\$39,544,781
50 Total Revenue from Retail Sales	\$31,725,275	\$31,603,968	\$32,263,678	\$32,631,546	\$33,292,608	\$34,261,362	\$35,258,294	\$36,284,234	\$37,340,038	\$38,426,585	\$39,544,781
51 Percent Change	2.8%	-0.4%	2.1%	1.1%	2.0%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
<b>Unit Revenue at Existing Rates (cents/kWh)</b>											
52 Retail Rates	4.96	4.98	4.98	4.98	4.99	4.98	4.98	4.97	4.97	4.96	4.96



**Final**

Okanogan County PUD  
Table 3 - Income Statement - Accrual Basis  
(\$000)

Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1 Operating Revenue											
2 Retail Rate Revenues at Existing Rates	\$31,725	\$31,604	\$32,264	\$32,632	\$33,293	\$34,261	\$35,258	\$36,284	\$37,340	\$38,427	\$39,545
3											
4	Year	% of Base Sales Revenue	Months Effective								
5	2010	6.5%	6	970	2,121	2,164	2,227	2,292	2,358	2,427	2,498
6	2011	6.5%	6		1,045	2,305	2,372	2,441	2,512	2,585	2,660
7	2012	6.5%	6			1,136	2,526	2,599	2,675	2,753	2,833
8	2013	4.0%	6				766	1,704	1,753	1,804	1,857
9	2014	4.0%	6					820	1,823	1,876	1,931
10	2015	4.0%	6						877	1,951	2,008
11	2016	4.0%	6							939	2,089
12	2017	4.0%	6								1,005
13	2018	4.0%	6								
14 Sales for Resale Revenue	11,264	5,442	4,937	4,865	4,551	3,963	3,313	3,627	2,716	1,595	0
15 Other Revenues	720	691	691	691	691	691	691	691	691	691	691
16 Total Operating Revenues	\$43,709	\$37,737	\$38,863	\$41,354	\$44,139	\$46,805	\$49,117	\$52,601	\$55,082	\$57,593	\$59,884
17 Operating Expenses											
18 Production	\$27	27	28	29	30	31	32	33	34	35	36
19 Purchased Power	24,460	21,214	24,157	24,349	25,743	26,515	27,311	28,130	28,974	29,843	30,739
20 Other Power Supply	526	536	550	564	578	592	607	622	638	654	670
21 Transmission	125	128	131	134	137	140	144	148	152	156	160
22 Distribution	5,428	5,532	5,671	5,813	5,958	6,107	6,260	6,417	6,577	6,741	6,910
23 Consumer Accounting	1,456	1,484	1,522	1,560	1,599	1,639	1,680	1,722	1,765	1,809	1,854
24 Customer Service & Information	487	497	509	522	535	548	562	576	590	605	620
25 Admin. & General	2,824	2,878	2,950	3,024	3,100	3,178	3,257	3,338	3,421	3,507	3,595
26 Tax Expense	1,917	1,954	1,949	1,972	2,011	2,070	2,130	2,192	2,256	2,322	2,389
27 Depreciation/Amortization	2,698	2,796	2,970	3,113	4,154	4,310	4,543	5,467	5,616	5,742	5,868
28 Total Cost of Electric Service	\$39,948	\$37,046	\$40,438	\$41,080	\$43,846	\$45,130	\$46,526	\$48,645	\$50,023	\$51,414	\$52,841
29 Net Operating Revenues	\$3,761	\$691	(\$1,575)	\$274	\$293	\$1,674	\$2,591	\$3,955	\$5,059	\$6,179	\$7,044
30 Other Income	1,928	1,976	262	500	513	526	539	552	566	580	595
31 Interest Expense	(751)	(722)	(684)	(1,269)	(1,830)	(1,743)	(2,439)	(3,120)	(3,000)	(2,874)	(2,745)
32 Debt Issuance Expense and Discount	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)	(23)
33 Unamortized Loss on Reacquired Debt	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
34 Other Deductions	(2,995)	0	0	0	0	0	0	0	0	0	0
35 Contributions in Aid of Construction	1,796	750	542	556	569	584	598	613	629	644	660
36 Net Income (Loss) before Extraordinary Items	\$3,690	\$2,647	(\$1,503)	\$12	(\$502)	\$993	\$1,241	\$1,953	\$3,205	\$4,481	\$5,506
37 Total Retail Energy Sales (MWh)	639,656	635,117	648,253	654,735	667,830	687,865	708,501	729,756	751,648	774,198	797,424
38 Unit Revenue from Retail Sales (¢/kWh)	4.96	4.98	5.13	5.47	5.82	6.13	6.37	6.62	6.87	7.14	7.42
39 Increase over Previous Year	-0.1%	0.3%	3.0%	6.6%	6.5%	5.2%	3.9%	3.9%	3.9%	3.9%	3.9%
40 Necessary Retail Rate Change		0.0%	6.5%	6.5%	6.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
41 DSC Ratio	4.55	3.94	1.37	1.69	1.50	1.93	1.79	1.90	2.14	2.36	2.56
42 Operating TIER	5.01	0.96	(2.30)	0.22	0.16	0.96	1.06	1.27	1.69	2.15	2.57
43 Total TIER	5.98	4.73	(1.13)	1.05	0.75	1.60	1.53	1.64	2.08	2.58	3.02
44 Working Capital (Days of O&M)		259	184	115	67	10	(40)	(49)	(42)	(25)	(1)

**Final**

Okanogan County PUD  
Table 4 - Pro-Forma Balance Sheet as of December 31  
(\$000)

Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included

	Actual 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>ASSETS AND OTHER DEBITS</b>											
1 Total Utility Plant	\$110,986	\$116,996	\$121,580	\$153,825	\$158,835	\$166,894	\$209,654	\$214,414	\$218,423	\$222,433	\$226,443
2 Accum. Prov. for Deprec.	(49,778)	(51,584)	(53,564)	(55,687)	(58,851)	(62,171)	(65,723)	(70,200)	(74,826)	(79,578)	(84,456)
3 Net Utility Plant	\$61,208	\$65,412	\$68,016	\$98,138	\$99,984	\$104,723	\$143,931	\$144,214	\$143,597	\$142,855	\$141,987
4 Other Property & Investments											
5 Investments in Associated Companies	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062	\$1,062
6 Electric Investment in Communications	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467	2,467
7 Total Other Property & Investments	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529	\$3,529
8 Current Assets	14										
9 Revenue Fund	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982	\$982
10 Working Funds	15	15	15	15	15	15	15	15	15	15	15
11 Temporary Cash Investments	28,481	23,313	17,841	10,939	6,276	107	(5,548)	(6,845)	(6,124)	(4,153)	(1,158)
12 Other Current Assets	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464	4,464
13 Total Unrestricted Current Assets	\$33,942	\$28,774	\$23,302	\$16,400	\$11,737	\$5,568	(\$87)	(\$1,384)	(\$663)	\$1,308	\$4,303
14 Restricted Current Assets											
15 Bond Sinking Funds	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$130
16 Customer Deposits	450	450	450	450	450	450	450	450	450	450	450
17 Compensated Absences	680	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
18 Bond Construction Funds	0	0	0	0	0	0	0	0	0	0	0
19 Other Special Funds	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
20 Total Restricted Current Assets	\$8,260	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680	\$8,680
21 Deferred Debits											
22 Unamortized Debt Expense	\$205	\$189	\$174	\$159	\$144	\$129	\$114	\$99	\$84	\$69	\$53
23 Unamortized Loss on Reaquired Debt	349	324	299	274	249	224	199	174	150	125	100
24 Other Deferred Debits	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603	3,603
25 Total Assets & Other Debits	\$111,095	\$110,510	\$107,603	\$130,783	\$127,925	\$126,456	\$159,969	\$158,915	\$158,979	\$160,168	\$162,255
<b>EQUITIES AND LIABILITIES</b>											
26 Net Assets											
27 Restricted for Capital Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 Restricted for Contingencies	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
29 Appropriated Net Assets	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
30 Unappropriated Net Assets	64,907	66,804	64,759	64,216	63,144	63,553	64,196	65,535	68,112	71,949	76,794
31 Contributions in Aid of Construction	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558
32 Total Net Assets	\$87,466	\$89,363	\$87,317	\$86,774	\$85,702	\$86,112	\$86,754	\$88,094	\$90,671	\$94,507	\$99,353
33 Non-Current Liabilities											
34 Long-Term Debt	\$14,480	\$13,610	\$12,291	\$35,532	\$33,646	\$31,507	\$64,106	\$61,586	\$58,930	\$56,164	\$53,264
35 Other Long Term Liabilities	(110)	(101)	(93)	(85)	(77)	(69)	(61)	(53)	(45)	(37)	(29)
36 Total Long-Term Liabilities	\$14,370	\$13,509	\$12,198	\$35,447	\$33,569	\$31,438	\$64,045	\$61,533	\$58,885	\$56,127	\$53,235
37 Current and Accrued Liabilities											
38 Warrants Outstanding	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865	\$865
39 Accounts Payable	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202	3,202
40 Taxes Accrued	817	817	817	817	817	817	817	817	817	817	817
41 Miscellaneous	56	56	56	56	56	56	56	56	56	56	56
42 Other Regulatory Liabilities	2,075	0	0	0	0	0	0	0	0	0	0
43 Total Current and Accrued Liabilities	\$7,015	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940	\$4,940
44 Current Liab. Payable from Restricted Assets											
45 Current Portion of Long Term Debt	\$835	\$870	\$1,319	\$1,794	\$1,886	\$2,139	\$2,401	\$2,520	\$2,656	\$2,766	\$2,900
46 Interest on Long Term Debt	60	60	60	60	60	60	60	60	60	60	60
47 Compensated Absences	881	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
48 Customer Deposits	468	468	468	468	468	468	468	468	468	468	468
49 Total Current Liab. Payable from Restricted Asset	\$2,244	\$2,699	\$3,148	\$3,623	\$3,715	\$3,968	\$4,230	\$4,349	\$4,485	\$4,595	\$4,729
50 Deferred Credits	0	0	0	0	0	0	0	0	0	0	0
51 Total Equities and Liabilities	\$111,095	\$110,510	\$107,603	\$130,783	\$127,926	\$126,457	\$159,969	\$158,915	\$158,980	\$160,169	\$162,256
<b>FINANCIAL RATIOS</b>											
52 Equity to Total Assets	78.7%	80.9%	81.1%	66.3%	67.0%	68.1%	54.2%	55.4%	57.0%	59.0%	61.2%
53 Working Capital (Days of O&M)	289	259	184	115	67	10	(40)	(49)	(42)	(25)	(1)

**Final**

Okanogan County PUD  
Table 5 - Statement of Operations - Cash Basis  
(\$000)

Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1 Total Net Operating Revenues	\$691	(\$1,575)	\$274	\$293	\$1,674	\$2,591	\$3,955	\$5,059	\$6,179	\$7,044
2 Add: Depreciation	2,768	2,942	3,085	4,126	4,282	4,515	5,439	5,588	5,714	5,840
3 Add: Other Income	1,976	262	500	513	526	539	552	566	580	595
4 Less: Other Reg. Liabilities	(2,075)	-	-	-	-	-	-	-	-	-
5 Cash from Operations	\$3,360	\$1,628	\$3,858	\$4,932	\$6,482	\$7,644	\$9,946	\$11,213	\$12,472	\$13,478
6 Debt Service - Long Term										
7 Existing - Interest	\$722	\$684	\$643	\$599	\$554	\$506	\$453	\$397	\$338	\$279
8 Existing - Principal	835	870	910	955	1,005	1,050	1,095	1,150	1,220	1,260
9 New - Interest	0	0	626	1,231	1,189	1,933	2,667	2,603	2,536	2,466
10 New - Principal	0	0	409	839	881	1,089	1,306	1,370	1,436	1,506
11 Total Debt Service	\$1,557	\$1,554	\$2,588	\$3,624	\$3,629	\$4,578	\$5,521	\$5,520	\$5,530	\$5,511
12 Cash Margins After Debt Service	\$1,803	\$74	\$1,270	\$1,308	\$2,853	\$3,066	\$4,425	\$5,693	\$6,942	\$7,967
13 Uses of Cash Margins										
14 Plant Investment	7,000	5,575	8,200	6,000	9,050	8,750	5,750	5,000	5,000	5,000
15 Total Uses of Cash Margins	7,000	5,575	8,200	6,000	9,050	8,750	5,750	5,000	5,000	5,000
16 Net Cash	(5,197)	(5,501)	(6,930)	(4,692)	(6,197)	(5,684)	(1,325)	693	1,942	2,967
FINANCIAL RATIOS										
17 Debt Service Coverage	3.94	1.37	1.69	1.50	1.93	1.79	1.90	2.14	2.36	2.56

**Final**

Okanogan County PUD  
Table 6 - General Funds Summary  
(\$000)

Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>SOURCES OF GENERAL FUNDS</b>										
1 Net General Funds - Beg. of Year	\$36,858	\$31,661	\$26,160	\$19,231	\$14,539	\$8,342	\$2,658	\$1,333	\$2,025	\$3,968
2 Cash Margins after Debt Service	1,803	74	1,270	1,308	2,853	3,066	4,425	5,693	6,942	7,967
3 Loan Proceeds	0	0	25,035	0	0	35,000	0	0	0	0
4 Adjustments made to Balance Sheet	0	0	0	0	0	0	0	0	0	0
5 Total General Funds Available	\$38,661	\$31,735	\$52,466	\$20,539	\$17,392	\$46,408	\$7,083	\$7,025	\$8,968	\$11,935
<b>USES OF GENERAL FUNDS</b>										
6 Debt Funded Plant Investment	0	0	25,035	0	0	35,000	0	0	0	0
7 General Funded Plant Investment	7,000	5,575	8,200	6,000	9,050	8,750	5,750	5,000	5,000	5,000
8 Repayment of Short Term Debt	0	0	0	0	0	0	0	0	0	0
9 Total Uses of General Funds	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
10 Net General Funds - End of Year	\$31,661	\$26,160	\$19,231	\$14,539	\$8,342	\$2,658	\$1,333	\$2,025	\$3,968	\$6,935
<hr/>										
2008										
(1) Components of general funds as of December 31 were:										
Sinking Funds	\$130									
Other Special Funds										
Employee Annual Leave	680									
Rate Stabilization Fund	7,000									
Revenue Fund Less Warrants Outstanding	117									
Temporary Cash Investments	28,481									
Customer Deposit Reserve	450									
Total	\$36,858									

**Final**

Okanogan County PUD  
Table 7 - Plant Investment and Depreciation Expense  
(\$000)

Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>UTILITY PLANT</b>										
1 Total Utility Plant (Beg Yr)	\$110,986	\$116,996	\$121,580	\$153,825	\$158,835	\$166,894	\$209,654	\$214,414	\$218,423	\$222,433
2 Additions and Replacements										
3 Funded with Bonds										
4 AMI Project	0	0	5,000	0	0	0	0	0	0	0
5 Pateros to Twisp 115 Construction	0	0	12,000	0	0	0	0	0	0	0
6 New HQ Building	0	0	6,800	0	0	0	0	0	0	0
7 Enloe Dam License/Construction	0	0	1,235	0	0	35,000	0	0	0	0
8 Funded with Revenue and/or Reserves										
9 Normal Replacements & Additions (1)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
10 Gold Creek Sub Construction	750	575	0	0	0	0	0	0	0	0
11 Shanker's Dam Study	1,250	0	0	0	0	0	0	0	0	0
12 Pine Creek Sub Construction	0	0	1,000	0	0	0	0	0	0	0
13 Aeneas to Tonasket 115 Construction	0	0	2,200	0	0	0	0	0	0	0
14 Aeneas Valley Sub Construction	0	0	0	1,000	0	0	0	0	0	0
15 Tonasket Sub Addition	0	0	0	0	750	0	0	0	0	0
16 Okanogan to Brewster 115 Rebuild	0	0	0	0	3,300	0	0	0	0	0
17 Sandflat Sub Addition	0	0	0	0	0	750	0	0	0	0
18 Warehouse Remodel	0	0	0	0	0	3,000	0	0	0	0
19 Ophir Sub Addition	0	0	0	0	0	0	750	0	0	0
20 Total	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
21 Less Retirements	990	990	990	990	990	990	990	990	990	990
22 Total Utility Plant (End Yr)	\$116,996	\$121,580	\$153,825	\$158,835	\$166,894	\$209,654	\$214,414	\$218,423	\$222,433	\$226,443
23 Net Additions and Replacements (Excluding Capitalized Interest)										
24 Distribution	\$7,000	\$5,575	\$29,800	\$6,000	\$5,750	\$8,750	\$5,750	\$5,000	\$5,000	\$5,000
25 Other Generation & Transmission	-	-	3,435	-	3,300	35,000	-	-	-	-
26 Total Net Additions and Replacements	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000

*Final*

Okanogan County PUD  
Table 7 - Plant Investment and Depreciation Expense  
(\$000)

Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>DEPRECIATION EXPENSE</b>											
27	Funded with Bonds										
28	AMI Project	6.67%	\$0	\$0	\$0	\$333	\$333	\$333	\$333	\$333	\$333
29	Pateros to Twisp 115 Construction	2.52%	0	0	0	302	302	302	302	302	302
30	New HQ Building	2.50%	0	0	0	170	170	170	170	170	170
31	Enloe Dam License/Construction	2.00%	0	0	0	25	25	25	725	725	725
32	Funded with Revenue and/or Reserves										
33	Normal Replacements & Additions	3.00%	\$150	\$300	\$450	\$600	\$750	\$900	\$1,050	\$1,200	\$1,350
34	Gold Creek Sub Construction	3.03%	0	23	40	40	40	40	40	40	40
35	Shanker's Dam Study	2.00%	0	25	25	25	25	25	25	25	25
36	Pine Creek Sub Construction	3.03%	0	0	0	30	30	30	30	30	30
37	Aeneas to Tonasket 115 Construction	2.52%	0	0	0	55	55	55	55	55	55
38	Aeneas Valley Sub Construction	3.03%	0	0	0	0	30	30	30	30	30
39	Tonasket Sub Addition	3.03%	0	0	0	0	23	23	23	23	23
40	Okanogan to Brewster 115 Rebuild	2.52%	0	0	0	0	83	83	83	83	83
41	Sandflat Sub Addition	3.03%	0	0	0	0	0	23	23	23	23
42	Warehouse Remodel	2.50%	0	0	0	0	0	75	75	75	75
43	Ophir Sub Addition	3.03%	0	0	0	0	0	0	23	23	23
44	Existing Plant	2.41%	2,646	2,622	2,598	2,574	2,550	2,527	2,503	2,479	2,455
45	Total Depreciation Expense		\$2,796	\$2,970	\$3,113	\$4,154	\$4,310	\$4,543	\$5,467	\$5,616	\$5,742
46	Less Depreciation in Other Accounts		0	0	0	0	0	0	0	0	0
47	Net Depreciation Expense		\$2,796	\$2,970	\$3,113	\$4,154	\$4,310	\$4,543	\$5,467	\$5,616	\$5,742
48	Amortization of Regulatory Asset		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>49 2008 ESTIMATED DEPRECIATION RATE ON EXISTING PLANT</b>											
50	Total Utility Plant in Service (EOY)		110,986								
51	Depreciation Expense		2,670								
52	Estimated Average Depreciation Rate		2.41%								
<b>53 ESTIMATED PLANT IN SERVICE - EXISTING PLANT</b>											
54	Total Existing Plant in Service (BOY)		110,986	109,996	109,005	108,015	107,025	106,034	105,044	104,054	103,063
55	Retirements		990	990	990	990	990	990	990	990	990
56	Total Existing Plant in Service (EOY)		109,996	109,005	108,015	107,025	106,034	105,044	104,054	103,063	102,073
57	Estimated Depreciation Expense on Existing Plant		2,646	2,622	2,598	2,574	2,550	2,527	2,503	2,479	2,455

Notes

(1) Includes CIAC.

**Final**

Okanogan County PUD  
Table 8 - Long-Term Debt and Debt Service  
(\$000)

Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>EXISTING LONG TERM DEBT</b>										
1 Balance (Beg Yr)	\$14,480	\$13,645	\$12,775	\$11,865	\$10,910	\$9,905	\$8,855	\$7,760	\$6,610	\$5,390
2 Principal Repayments	835	870	910	955	1,005	1,050	1,095	1,150	1,220	1,260
3 Balance (End Yr)	\$13,645	\$12,775	\$11,865	\$10,910	\$9,905	\$8,855	\$7,760	\$6,610	\$5,390	\$4,130
<b>EXISTING DEBT INTEREST AND PRINCIPAL PAYMENTS</b>										
4 Interest										
5 2002 Bonds	\$301	\$286	\$269	\$251	\$233	\$213	\$192	\$170	\$146	\$120
6 2003 Bonds	421	398	374	348	321	293	261	228	192	158
7 Total Interest	\$722	\$684	\$643	\$599	\$554	\$506	\$453	\$397	\$338	\$279
8 Principal										
9 2002 Bonds	\$380	\$395	\$410	\$430	\$450	\$470	\$480	\$500	\$535	\$560
10 2003 Bonds	455	475	500	525	555	580	615	650	685	700
11 Total Principal	\$835	\$870	\$910	\$955	\$1,005	\$1,050	\$1,095	\$1,150	\$1,220	\$1,260
<b>FUNDING REQUIREMENTS</b>										
12 Capital Funding Requirements	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
13 Refinancing Requirements	0	0	0	0	0	0	0	0	0	0
14 Total Funding Requirements	\$7,000	\$5,575	\$33,235	\$6,000	\$9,050	\$43,750	\$5,750	\$5,000	\$5,000	\$5,000
15 Loan Funds Advanced	0	0	25,035	0	0	35,000	0	0	0	0
16 General Funds Invested	\$7,000	\$5,575	\$8,200	\$6,000	\$9,050	\$8,750	\$5,750	\$5,000	\$5,000	\$5,000
<b>NEW LONG TERM DEBT</b>										
17 New Long Term Debt										
18 BOY Balance	\$0	\$0	\$0	\$24,626	\$23,787	\$22,906	\$56,817	\$55,511	\$54,141	\$52,705
19 Loan Funds Advanced	0	0	25,035	0	0	35,000	0	0	0	0
20 Interest Expense	0	0	626	1,231	1,189	1,933	2,667	2,603	2,536	2,466
21 Principal Payments	0	0	409	839	881	1,089	1,306	1,370	1,436	1,506
22 Total Debt Service	\$0	\$0	\$1,035	\$2,070	\$2,070	\$3,022	\$3,973	\$3,973	\$3,972	\$3,972
23 EOY Balance	\$0	\$0	\$24,626	\$23,787	\$22,906	\$56,817	\$55,511	\$54,141	\$52,705	\$51,199
<b>TOTAL LONG TERM DEBT SERVICE</b>										
24 Interest										
25 Existing Debt	722	\$684	\$643	\$599	\$554	\$506	\$453	\$397	\$338	\$279
26 New Long Term Debt	0	0	626	1,231	1,189	1,933	2,667	2,603	2,536	2,466
27 Total Interest	\$722	\$684	\$1,269	\$1,830	\$1,743	\$2,439	\$3,120	\$3,000	\$2,874	\$2,745
28 Principal										
29 Existing Debt	\$835	\$870	\$910	\$955	\$1,005	\$1,050	\$1,095	\$1,150	\$1,220	\$1,260
30 New Long Term Debt	0	0	409	839	881	1,089	1,306	1,370	1,436	1,506
31 Total Principal	\$835	\$870	\$1,319	\$1,794	\$1,886	\$2,139	\$2,401	\$2,520	\$2,656	\$2,766
32 Total Debt Service	\$1,557	\$1,554	\$2,588	\$3,624	\$3,629	\$4,578	\$5,521	\$5,520	\$5,530	\$5,511
33 Less Portion Allocated to Telecom	(278)	(278)	(278)	(278)	(278)	(278)	(278)	(278)	(278)	(278)
34 Total Electric System Debt Service	\$1,279	\$1,276	\$2,310	\$3,346	\$3,351	\$4,300	\$5,243	\$5,242	\$5,252	\$5,233
<b>TOTAL LONG TERM DEBT</b>										
33 Balance (Beg Yr)	\$14,480	\$13,645	\$12,775	\$36,491	\$34,697	\$32,811	\$65,672	\$63,271	\$60,751	\$58,095
34 Loan Funds Advanced	-	-	25,035	-	-	35,000	-	-	-	-
35 Less Principal Repayments	835	870	1,319	1,794	1,886	2,139	2,401	2,520	2,656	2,766
36 Balance (End Yr)	\$13,645	\$12,775	\$36,491	\$34,697	\$32,811	\$65,672	\$63,271	\$60,751	\$58,095	\$55,329
<b>Current Portion of Long Term Debt - EOY</b>										
34 Existing Debt	\$870	\$910	\$955	\$1,005	\$1,050	\$1,095	\$1,150	\$1,220	\$1,260	\$1,320
36 New Long Term Debt	0	409	839	881	1,089	1,306	1,370	1,436	1,506	1,580
37 Total Current Portion	\$870	\$1,319	\$1,794	\$1,886	\$2,139	\$2,401	\$2,520	\$2,656	\$2,766	\$2,900

**Final**

Okanogan County PUD  
Table 9 - Energy Resources and Cost of Power

Scenario 3: Three consecutive 6.5% rate increases  
Enloe Dam Included

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Avg. Annual Increase 2009 - 2018	
<b>POWER SUPPLY (MWh) (1)</b>												
1	Purchased Power											
2	BPA Block	206,161	206,161	206,161	298,445	298,445	298,445	298,445	298,445	298,445	298,445	4.2%
3	BPA Slice	390,732	390,732	390,732	298,445	298,445	298,445	298,445	298,445	298,445	298,445	-2.9%
4	Douglas NCW Trans.	629	629	629	629	629	629	629	629	629	629	0.0%
5	Wells	258,942	258,942	258,942	258,942	258,942	258,942	258,942	258,942	258,942	258,942	0.0%
6	Nine Canyon Wind	42,156	42,156	42,156	42,156	42,156	42,156	42,156	42,156	42,156	42,156	0.0%
7	Other	0	0	0	0	0	0	0	0	0	0	n/a
8	Subtotal - Purchased Power	898,620	898,620	898,620	898,617	898,617	898,617	898,617	898,617	898,617	898,617	0.0%
9	New Resources											
10	Enloe Dam	0	0	0	0	0	44,963	44,963	44,963	44,963	44,963	n/a
11	Subtotal - New Resources	0	0	0	0	0	44,963	44,963	44,963	44,963	44,963	n/a
12	Generation Losses	0	0	0	0	0	0	0	0	0	0	n/a
13	Total Power Supply	898,620	898,620	898,620	898,617	898,617	898,617	943,580	943,580	943,580	943,580	0.5%
<b>POWER REQUIREMENTS (MWh)</b>												
14	Retail Energy Sales	635,117	648,253	654,735	667,830	687,865	708,501	729,756	751,648	774,198	797,424	2.6%
15	Sales for Resale	215,070	200,946	193,975	179,895	158,352	136,163	158,271	134,730	110,484	85,509	n/a
16	Station Use											
17	Distribution Line Losses	47,804	48,793	49,281	50,267	51,775	53,328	54,928	56,576	58,273	60,021	2.6%
18	Total	898,620	898,620	898,620	898,617	898,617	898,617	943,580	943,580	943,580	943,580	0.5%
<b>LOSSES (MWh)</b>												
19	As a Percent of Requirements	5.3%	5.4%	5.5%	5.6%	5.8%	5.9%	5.8%	6.0%	6.2%	6.4%	
<b>POWER COSTS (\$000) (2)</b>												
20	Purchased Power											
21	BPA Block	\$3,901	\$4,864	\$4,864	\$8,412	\$8,665	\$8,925	\$9,192	\$9,468	\$9,752	\$10,045	11.1%
22	BPA Slice	9,086	10,827	10,827	8,412	8,665	8,925	9,192	9,468	9,752	10,045	1.1%
23	Douglas NCW Trans.	2,071	2,071	2,071	2,134	2,198	2,263	2,331	2,401	2,473	2,548	2.3%
24	Wells	3,349	3,765	3,878	3,994	4,114	4,237	4,365	4,496	4,630	4,769	4.0%
25	Nine Canyon Wind	2,806	2,630	2,709	2,791	2,874	2,961	3,049	3,141	3,235	3,332	1.9%
26	Other	0	0	0	0	0	0	0	0	0	0	n/a
27	Subtotal - Purchased Power	\$21,214	\$24,157	\$24,349	\$25,743	\$26,515	\$27,311	\$28,130	\$28,974	\$29,843	\$30,739	4.2%
28	New Resources											
29	Enloe Dam	\$0	\$0	\$0	\$0	\$0	\$0	\$1,131	\$1,156	\$1,182	\$1,208	
30	Subtotal - New Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$1,131	\$1,156	\$1,182	\$1,208	
31	Total Fuel and Purchased Power	\$21,214	\$24,157	\$24,349	\$25,743	\$26,515	\$27,311	\$29,261	\$30,130	\$31,025	\$31,947	
<b>UNIT POWER COSTS (cents/kWh)</b>												
33	BPA Block	1.89	2.36	2.36	2.82	2.90	2.99	3.08	3.17	3.27	3.37	6.6%
34	BPA Slice	2.33	2.77	2.77	2.82	2.90	2.99	3.08	3.17	3.27	3.37	4.2%
35	Douglas NCW Trans.	329.31	329.31	329.31	339.19	349.37	359.85	370.64	381.76	393.22	405.01	2.3%
36	Wells	1.29	1.45	1.50	1.54	1.59	1.64	1.69	1.74	1.79	1.84	4.0%
37	Nine Canyon Wind	6.66	6.24	6.43	6.62	6.82	7.02	7.23	7.45	7.67	7.90	1.9%
38	Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
39	Enloe Dam	n/a	n/a	n/a	n/a	n/a	n/a	2.52	2.57	2.63	2.69	n/a
40	Total	2.36	2.69	2.71	2.86	2.95	3.04	3.10	3.19	3.29	3.39	4.1%