

## OCEI Annual Meeting

April 23, 2018 at **2:45 PM**

## BOARD OF DIRECTORS MEETING

April 23, 2018 at **3:00 PM**



### AGENDA

1. Meeting Called to Order
2. Determination of Quorum
3. Approval of Agenda
4. Re-organization of Board
5. Approval of Consent Agenda (**Tab 2**)
  - a) Minutes from March 26, 2018
  - b) New Members
  - c) March 2018 – Form 7
  - d) Statement of Operations
  - e) Cash Flow
  - f) Capital Expenditures by Project
  - g) Cap Ex / O&M Labor Distribution
  - h) Revolving Loan Fund
  - i) Power & Service Data
  - j) Outage Report
  - k) PNGC Newsletter
  - l) WRECA Newsletter
6. Committee Reports
  - a) Governance Meeting
7. Meetings Attended
  - a) PNGC Monthly Meeting – April 3rd – Portland – David and Chuck

- b) PNGC Presentation on Transmission Issues – April 16<sup>th</sup> - 5 PM – Board and Staff
- c) OCEC Annual Meeting – April 16<sup>th</sup> - 7 PM – Board and Staff

8. Meetings to Attend

- a) PNGC Monthly Meeting – May 1<sup>st</sup> – Portland - Dale
- b) WRECA Annual Meeting - June 5 and 6<sup>th</sup> – Wenatchee – Various Board Members
- c) OCEC Open House – June 20
- d) NRECA Director’s Summer School – Coeur D’Alene, Idaho – June 23<sup>rd</sup> - Sara
- e) PNGC Monthly Meeting – July 3<sup>rd</sup> – Portland – Chuck Will Possibly Attend
- f) PNGC Annual Meeting – Oct. 1<sup>st</sup> and 2<sup>nd</sup> – David and Interested Board Members

Meetings Not Attending

- a) WRECA Legislative Conference – Washington D.C. – April 16<sup>th</sup> to 18<sup>th</sup>
- b) NWPPA Annual Meeting – May 20<sup>th</sup> to 23<sup>rd</sup> – Boise, Idaho
- c) PNGC Strategic Planning Meeting – June 5<sup>th</sup> to 6<sup>th</sup> – Stevenson, WA
- d) CFC Forum – Indianapolis, IN – June 10<sup>th</sup> to 13<sup>th</sup>
- e) CRC Annual Meeting – Indianapolis, IN – June 11<sup>th</sup>
- f) NRECA Regional Meeting – Anchorage, AK – September 25<sup>th</sup> to 27<sup>th</sup>
- g) CFC IBEC Forum – Amelia Island, Florida – Nov. 5<sup>th</sup> to 7<sup>th</sup>.

9. General Managers Report (Tab 3)

- 1) Office Update
- 2) Operations Update
- 3) Propane Update

**ITEMS OF BUSINESS**

- 1) Discussion of OCEC Participation in Bi-Annual PNGC Survey in the Fall – Cost would be \$2,500 **(Tab 4 includes 2016 Survey and Results)**
- 2) Results of 2017-2018 NRECA Director’s Study (Because of the password needed to open, this is going out in a separate email)
- 3) Discuss Proposal to Give \$500 Incentive to Electric Car Charging Stations
- 4) Review 1<sup>st</sup> Quarter Balanced Scorecard Goals **(Tab 5)**
- 5) New BPA Community Solar Program – **(Tab 6 Contains Program Information from BPA)**

**MEMBER COMMUNICATIONS**

**EXECUTIVE SESSION**

- 1) Review 1<sup>st</sup> Quarter Subsidiary Results
- 2) Review 1<sup>st</sup> Quarter Management Goal Results



**BOARD MEETING**  
**March 26, 2018**

**Present:** Curtis Edwards, Chuck Armstrong, Sara Carlberg, Ray Peterson and Alan Watson.

**Absent:** Dale Sekijima and John Kirner.

**Attending:** David Gottula; General Manager, Lynn Northcott; Office Manager/CFO, Glenn Huber; Operations Manager and Teri Parker; Office Staff.

**Members in Attendance:** None

**PRELIMINARY**

**1. MEETING CALLED TO ORDER**

President Curtis Edwards called the meeting of the Board of Directors of Okanogan County Electric Cooperative, Inc. (OCEC) to order at 2:58 pm.

**2. DETERMINATION OF QUORUM**

A quorum was present.

**3. APPROVAL OF AGENDA**

Sara requested the addition of 2 Items to the Agenda: NRECA Summer School for Directors and a Resolution Discussion. David asked to add Capital Budget Project – Office Lighting proposal.

Agenda as amended approved by Board consensus.

**4. APPROVAL OF CONSENT AGENDA ITEMS**

Consent Agenda approved by Board consensus.

## **5. COMMITTEE REPORT**

None.

## **6. MEETINGS ATTENDED**

- a. PNGC Monthly Meeting – March 6<sup>th</sup> – Portland - David

PNGC items discussed included: A Rate Surcharge from BPA due to court ordered water spills. In addition, the Strategic Planning meeting to be held in June will address the goal of completing PNGC's business model by 2024.

## **7. MEETINGS TO ATTEND**

- a. WRECA Legislative Committee – March 27<sup>th</sup> – Ritzville – David

Due to bad weather state-wide the meeting in Ritzville was cancelled and was held via conference call.

- b. PNGC Monthly Meeting – April 3<sup>rd</sup> – Portland – David

David and Chuck Armstrong will attend.

- c. PNGC Presentation on Transmission Issues – April 16<sup>th</sup> – 5pm – Board and Staff

Scott Russell from PNGC will be here to give the presentation.

- d. OCEC Annual Meeting – April 16<sup>th</sup> – 7pm – Board and Staff

- e. WRECA Annual Meeting – June 5<sup>th</sup> & 6<sup>th</sup> – Wenatchee

David noted that those attending will find Reservation information and Conference materials in their packet.

## **8. GENERAL MANAGERS REPORT**

Presented and reviewed.

Other items reported:

- David and Lynn are meeting with Methow.net tomorrow to discuss contractual agreements.
- The manager's report will be tracking BPA power costs.
- Red-Flag conditions, outages and re-closure procedures to reduce risks in certain weather conditions.
- Sara reviewed an NRECA Governance Committee Task Force Manual.

### **1. Office Update**

Lynn reported that, per request from Sara, the Office Staff kept phone logs tracking calls coming into the office for 1-month. There were a total of 643 incoming calls in 8-categories. Nothing was out of the ordinary and there were no red-flags raised.

Life Flight gave a group presentation to Staff on March 20<sup>th</sup>. Lynn noted OCEC will be offering the Group Rate for employees, family or Directors for annual coverage. The cost to participants in the group is \$50.00 per year – no cost to OCEC.

### **2. Operations Update**

Glenn Huber reported:

- The new truck, approved by the Board, has been ordered.
- PUD Update: the breaker's for the BPA portion of the new Pateros/Twisp transmission line has been ordered. It is anticipated that the work will be finished in November 2018. This will connect OCEC with the new transmission line.
- OCEC crews will begin capital projects this month.

### **3. OCEI Propane Update**

None.

## **ITEMS OF BUSINESS**

### **1. Annual Meeting Update**

Program and order of business reviewed.

## **2. Review of Audited Financials**

Alan Watson moved to approve the 2017 audited Financial Report from DeCoria, Maichel & Teague, P.S.; OCEC Auditor. Seconded. Carried.

## **3. Approve Revised Policy 10-140 – Authority and Responsibility of General Manager and Board of Directors**

Sara Carlberg reviewed the changes to Policy No. 10-140. It was noted there were a few minor grammar changes to make.

Sara moved to accept the revised Policy No. 10-140 Authority and Responsibility of General Manager and Board of Directors, with noted grammar correction; and, to delete Policy No. 10-050 Authority and Responsibility of the Board of Directors. Seconded. Carried.

## **4. Delete Policy 10-050 – Authority and Responsibility of the Board of Directors**

See above.

## **5. Approve Resolutions:**

- a. 2018-01 Banking Resolution Farmers State Bank**
- b. 2018-02 Banking Resolution North Cascades Bank**

Lynn presented the resolutions noting that Tracy McCabe, OCEI Propane Manager, has been added as a signer on both checking accounts.

Chuck Armstrong moved to accept the 2018-01 Banking Resolution Farmers State Bank, and 2018-02 Banking Resolution North Cascades Bank as presented. Seconded. Carried.

## **6. Review Large Single Load Policy**

Discussion included the risk for new, large load services in the future and whether there is reason for concern at this time. Board consensus is the Large Single Load Policy is reasonable at this time; no changes were discussed or proposed.

## **7. Review Possible By-Law Change for GM Residency**

Curtis asked for Board input due to ongoing discussion regarding General Manager Residency requirement. He reviewed previous discussions. Points being discussed are;

- Time based residency vs. mileage based residency requirements.
- Should the GM be required to be a member of the Cooperative and live within OCEC's service area?

Board consensus is no changes to the By-Laws at this time.

#### **8. NRECA Summer School Discussion**

Sara noted the NRECA Director's Summer School is being held in Coeur D'Alene in 2018. There is one (1) class she is interested in attending and she encouraged other Directors to look over the schedule.

The Board discussed the necessity and costs of Board education. Sara was encouraged to attend the class and report back to the Board.

#### **9. Capital Budget – Office Lighting Project**

David presented a proposal to retrofit all lighting at the OCEC Office complex to LED lighting. The project would qualify for Energy Efficiency (EE) rebates from BPA which would partially fund the retrofit. The proposed project would save kWhs and lower OCEC's cost to purchase power.

After Board discussion the project was approved.

#### **10. Discussion: Resolution Regarding Authority while GM is on Vacation Summer of 2018**

The Board discussion revolved around the necessity of a Board Resolution to designate Lynn Northcott as acting Assistant General Manager during David Gottula's extended vacation from April to July 2018.

Policy No. 10-140 allows the General Manager, David Gottula, to delegate authority to individual staff members.

The Board directed David to develop a document outlining the authority Lynn Northcott has to act in the capacity of General Manager in his absence.

## **MEMBER COMMUNICATION**

Letter from member presented: Complaint regarding uncashed capital credit checks and a stop payment fee.

After reviewing the member letter, By-Laws and discussing policies and costs, the Board, by consensus, agreed the stop payment fee to void an outdated capital credit check and re-issue the balance is reasonable.

Meeting adjourned to executive session at 4:45 pm.

## **EXECUTIVE SESSION**

1. Review Subsidiary Audited Financials
2. Board Monitoring
3. Succession Planning Update

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**Alan Watson, Secretary**

# New Members

April 23, 2018

## Reinstate

1.

## New Members

- |  |        |
|--|--------|
| 1. COHEN, JAN & JAMES                        | 118023 |
| 2. JONES, STEPHEN M                          | 118024 |
| 3. RIGGS, CATRIN & ROBERT                    | 118025 |
| 4. MCCOLGAN, JOHN & AHMED, MARY ANN          | 118026 |
| 5. GLABEK, ARKADY J & MARCINIAK-GLABEK IWONA | 118027 |
| 6. HARDY, KATHRYN & JUDD                     | 118028 |
| 7. MAUKSCH, LARRY & KENTCH, SALLY            | 118029 |
| 8. KALTENBACH, DAN & HILARY                  | 118030 |
| 9. WILKINSON, JEREMY                         | 118031 |



<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Okanogan County Electric Coop Inc
	<b>BORROWER DESIGNATION</b>	WA032
	<b>ENDING DATE</b>	3/31/2018

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION CHOICES
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <div style="border: 1px solid black; border-radius: 50%; width: 20px; height: 20px; background-color: red; margin: 5px; display: flex; align-items: center; justify-content: center;">9</div> <div style="margin: 5px; display: flex; align-items: center; justify-content: center;">6</div> <div style="margin: 5px; display: flex; align-items: center; justify-content: center;">3</div> </div> <div> <p><b>Needs Attention</b></p> <p><b>Please Review</b></p> <p><b>Matches</b></p> </div> </div>	<p style="text-align: center;"><b>A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?</b></p> <div style="text-align: center;"> <input checked="" type="radio"/> YES    <input type="radio"/> NO         </div> <p style="text-align: center;"><b>B. Will you authorize CFC to share your data with other cooperatives?</b></p> <div style="text-align: center;"> <input checked="" type="radio"/> YES    <input type="radio"/> NO         </div>
<div style="display: flex; justify-content: space-between;"> <div style="width: 80%;"> </div> <div style="width: 15%;">           4/12/18 Date         </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 80%;"> </div> <div style="width: 15%;">           4/12/18 Date         </div> </div>		

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital	1,911,455	1,785,398	1,567,955	520,355
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	987,541	932,156	823,847	261,103
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	13,544	18,456	11,948	7,470
7. Distribution Expense - Maintenance	168,849	182,788	157,505	49,639
8. Consumer Accounts Expense	75,986	78,625	78,358	34,020
9. Customer Service and Informational Expense	3,247	3,168	2,916	0
10. Sales Expense	1,566	1,918	0	1,447
11. Administrative and General Expense	264,304	193,007	190,290	47,031
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>1,515,037</b>	<b>1,410,118</b>	<b>1,264,864</b>	<b>400,710</b>
13. Depreciation & Amortization Expense	92,080	95,290	98,670	31,834
14. Tax Expense - Property & Gross Receipts	10,471	11,160	10,782	3,766
15. Tax Expense - Other	58,407	56,163	43,375	18,102
16. Interest on Long-Term Debt	53,065	51,126	50,443	14,855
17. Interest Charged to Construction (Credit)	0	(6)	0	(6)
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	0	0	0	0
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>1,729,060</b>	<b>1,623,852</b>	<b>1,468,134</b>	<b>469,261</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>182,396</b>	<b>161,545</b>	<b>99,821</b>	<b>51,094</b>
22. Non Operating Margins - Interest	1,866	4,949	5,339	3,507
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	5,002	1,723	5,000	575
25. Non Operating Margins - Other	4,500	4,500	4,500	1,500
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	0	0	0	0
28. Extraordinary Items	0	0	0	0
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>193,764</b>	<b>172,717</b>	<b>114,660</b>	<b>56,676</b>

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	1	0	5. Miles Transmission	0	0
2. Services Retired	0	3	6. Miles Distribution Overhead	301	302
3. Total Services In Place	3,671	3,732	7. Miles Distribution Underground	210	212
4. Idle Services (Exclude Seasonal)	108	106	<b>8. Total Miles Energized (5+6+7)</b>	<b>511</b>	<b>514</b>



<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Okanogan County
	<b>BORROWER DESIGNATION</b>	WA032
	<b>ENDING DATE</b>	03/31/2018

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	13,721,667	29. Memberships	15,935
2. Construction Work in Progress	274,479	30. Patronage Capital	7,369,515
<b>3. Total Utility Plant (1+2)</b>	<b>13,996,146</b>	31. Operating Margins - Prior Years	888,188
4. Accum. Provision for Depreciation and Amort	4,478,523	32. Operating Margins - Current Year	168,217
<b>5. Net Utility Plant (3-4)</b>	<b>9,517,622</b>	33. Non-Operating Margins	4,500
6. Nonutility Property - Net	0	34. Other Margins & Equities	477,719
7. Investment in Subsidiary Companies	662,742	<b>35. Total Margins &amp; Equities (29 thru 34)</b>	<b>8,924,073</b>
8. Invest. in Assoc. Org. - Patronage Capital	324,323	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,467,148
10. Invest in Assoc. Org. - Other - Nongeneral Funds	147,136	<b>38. Total Long-Term Debt (36 + 37)</b>	<b>3,467,148</b>
11. Investments in Economic Development Projects	0	39. Obligations Under Capital Leases - Non current	0
12. Other Investments	13,500	40. Accumulated Operating Provisions - Asset Retirement Obligations	0
13. Special Funds	0	<b>41. Total Other Noncurrent Liabilities (39+40)</b>	<b>0</b>
<b>14. Total Other Property &amp; Investments (6 thru 13)</b>	<b>1,147,702</b>	42. Notes Payable	0
15. Cash-General Funds	642,695	43. Accounts Payable	309,144
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	143,795
17. Special Deposits	118,632	45. Current Maturities Long-Term Debt	0
18. Temporary Investments	138,460	46. Current Maturities Long-Term Debt-Economic Dev.	0
19. Notes Receivable - Net	0	47. Current Maturities Capital Leases	0
20. Accounts Receivable - Net Sales of Energy	566,747	48. Other Current & Accrued Liabilities	314,445
21. Accounts Receivable - Net Other	745,554	<b>49. Total Current &amp; Accrued Liabilities (42 thru 48)</b>	<b>767,384</b>
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	250,450	<b>51. Total Liabilities &amp; Other Credits (35+38+41+49+50)</b>	<b>13,158,606</b>
24. Prepayments	26,778	<b>ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION</b>	
25. Other Current & Accrued Assets	966	Balance Beginning of Year	0
<b>26. Total Current &amp; Accrued Assets (15 thru 25)</b>	<b>2,490,282</b>	Amounts Received This Year (Net)	12,865
27. Deferred Debits	0	<b>TOTAL Contributions-In-Aid-Of-Construction</b>	<b>12,865</b>
<b>28. Total Assets &amp; Other Debits (5+14+26+27)</b>	<b>13,155,606</b>		

**PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.**

**OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.**

**STATEMENT OF OPERATIONS**

**March 31, 2018**

	<b>ANNUAL BUDGET</b>	<b>Y-T-D BUDGET</b>	<b>Y-T-D ACTUAL</b>	<b>MONTH BUDGET</b>	<b>MONTH ACTUAL</b>
OPERATING REVENUE	\$5,501,400	\$1,567,955	\$1,785,398	\$423,609	\$520,355
COST OF POWER	\$2,710,581	\$823,847	\$932,156	\$221,651	\$261,103
<b>GROSS MARGINS</b>	\$2,790,819	\$744,108	\$853,242	\$201,958	\$259,252
<b>OPERATING EXPENSES:</b>					
DISTRIBUTION OPERATIONS	\$69,955	\$11,948	\$18,456	\$3,990	\$7,470
DISTRIBUTION MAINTENANCE	\$574,972	\$157,505	\$182,788	\$50,403	\$49,639
CONSUMER ACCOUNTING	\$299,885	\$78,358	\$78,625	\$23,841	\$34,020
CONSUMER SERVICE & INFO	\$5,700	\$2,916	\$3,168	\$0	\$0
SALES EXPENSE	\$0	\$0	\$1,918	\$0	\$1,447
ADMIN & GENERAL	\$674,637	\$190,290	\$193,007	\$56,769	\$47,031
<i>TOTAL OPERATING EXPENSES</i>	\$1,625,149	\$441,017	\$477,962	\$135,003	\$139,607
<b>FIXED EXPENSES:</b>					
DEPRECIATION	\$394,680	\$98,670	\$95,290	\$32,890	\$31,834
TAXES-PROPERTY	\$43,128	\$10,782	\$11,160	\$3,594	\$3,766
TAXES-OTHER	\$185,500	\$43,375	\$56,163	\$14,458	\$18,102
INTEREST	\$201,772	\$50,443	\$51,126	\$16,814	\$14,855
OTHER DEDUCTIONS	\$0	\$0	-\$6	\$0	-\$6
<i>TOTAL FIXED EXPENSES</i>	\$825,080	\$203,270	\$213,734	\$67,757	\$68,551
<b>TOTAL EXPENSES</b>	\$2,450,229	\$644,287	\$691,696	\$202,760	\$208,158
<b>OPERATING MARGINS</b>	\$340,590	\$99,821	\$161,545	-\$802	\$51,094
<b>NONOPERATING MARGINS:</b>					
INTEREST	\$51,154	\$10,339	\$6,672	\$8,749	\$4,082
OTHER	\$18,000	\$4,500	\$4,500	\$1,500	\$1,500
<b>NET MARGINS</b>	\$409,744	\$114,660	\$172,717	\$9,447	\$56,676
<b>T.I.E.R.</b>	3.03	3.27	4.38	1.56	4.82

Okanogan County Electric Cooperative Inc  
Budget Year: 2018

Forecasted

	2017	Budget year Jan - Dec	Actual January	February	March	April	May	June	July	August	September	October	November	December
Patronage Capital or Margins	\$0	\$409,744	\$58,852	\$57,189	\$56,676	(\$21,567)	\$27,800	(\$8,433)	\$11,037	(\$3,268)	\$53,114	(\$25,672)	\$112,177	\$149,896
Plus Depreciation Expense	\$0	\$394,680	\$31,740	\$31,717	\$31,834	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890
Less Capital Credit Allocations	\$0	\$0	(\$29)	(\$751)	\$1,566	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus FAS 158 Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total (Funds From Operations)	\$0	\$804,424	\$90,563	\$88,155	\$90,076	\$11,323	\$60,690	\$24,457	\$43,927	\$29,622	\$86,004	\$7,218	\$145,067	\$182,786
Cash Construction Funds - Trustee	\$0	\$0												
Special Deposit	\$0	(\$76,899)	(\$5,575)	(\$7,241)	(\$5,575)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)	(\$6,408)
Temporary Investment	\$0	\$0												
Accounts Receivable - Sale of Energy (Net)	\$0	\$30,158	\$113,538	\$1,368	\$100,351	\$53,071	(\$28,562)	\$17,202	(\$21,852)	\$18,420	\$4,282	\$10,106	(\$188,438)	(\$121,979)
Accounts Receivable - Other (Net)	\$0	\$137,184	\$24,009	(\$18,747)	\$13,552	\$7,405	\$7,405	\$11,312	\$7,405	\$7,405	\$11,345	\$7,405	\$7,405	\$40,985
Regulatory Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Debits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepayments	\$0	\$0	(\$32,729)	\$2,976	\$2,975	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current & Accrued Asset	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Increase)/Decrease in Operating Assets	\$0	\$894,867	\$99,243	(\$21,644)	\$111,304	\$54,068	(\$27,565)	\$22,106	(\$20,855)	\$19,417	\$9,219	\$11,103	(\$187,441)	(\$87,402)
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accounts Payable	\$0	\$0	\$29,509	(\$50,356)	(\$134,397)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Operating Provisions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deferred Credits	\$0	\$0	(\$45,076)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current and Accrued Liabilities	\$0	(\$40,797)	\$27,839	\$31,381	(\$13,147)	\$0	(\$13,599)	(\$13,599)	(\$13,599)	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	(\$40,797)	\$12,272	(\$18,975)	(\$147,544)	\$0	(\$13,599)	(\$13,599)	(\$13,599)	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$854,070	\$202,078	\$47,535	\$53,835	\$65,391	\$19,526	\$32,964	\$9,473	\$49,039	\$95,223	\$18,321	(\$42,374)	\$95,384
INVESTMENT ACTIVITIES														
Total Utility Plant	\$0	(\$863,521)	(\$360,896)	\$44,051	(\$14,092)	(\$126,123)	(\$97,241)	(\$96,002)	(\$81,703)	(\$52,852)	(\$63,646)	(\$52,212)	(\$52,147)	(\$55,768)
Cost to Retire Utility Plant	\$0	\$0	\$521	\$7,500	(\$12,262)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$0	\$202,273	(\$36,843)	(\$33,795)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$277,356	\$1,152	\$302	\$11,411	\$20,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$20,000	\$13,678
Total Other Property and Investments	\$0	\$0	\$247	(\$762)	\$453	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies - Electric and Other	\$0	\$0	(\$1,394)	\$113	(\$2,104)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Notes Receivable (Net)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM INVESTMENT ACTIVITIES	\$0	(\$586,165)	(\$158,097)	\$14,361	(\$50,389)	(\$106,123)	(\$67,241)	(\$66,002)	(\$51,703)	(\$22,852)	(\$33,646)	(\$22,212)	(\$32,147)	(\$42,090)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$200,000)												(\$200,000)
LT Debt - Additional Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LT Debt - Debt Service Payment	\$0	(\$132,239)	\$0	\$0	(\$32,316)	\$0	\$0	(\$32,807)	\$0	\$0	(\$33,305)	\$0	\$0	(\$33,811)
LT Debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total LT Debt	\$0	(\$132,239)	\$0	\$0	(\$32,316)	\$0	\$0	(\$32,807)	\$0	\$0	(\$33,305)	\$0	\$0	(\$33,811)
LT Debt - Payments Unapplied	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LT Debt - Current maturities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumer Membership	\$0	\$0	\$20	\$0	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$1,250	(\$1,432)	(\$4,550)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$332,239)	\$1,270	(\$1,432)	(\$36,861)	\$0	\$0	(\$32,807)	\$0	\$0	(\$33,305)	\$0	\$0	(\$233,811)
CASH FROM ALL ACTIVITIES	\$0	(\$64,334)	\$45,252	\$60,464	(\$33,414)	(\$40,732)	(\$47,715)	(\$65,845)	(\$42,230)	\$26,187	\$28,272	(\$3,891)	(\$74,521)	(\$180,517)
TOTAL CASH BEGINNING OF PERIOD	\$570,393	\$570,393	\$570,393	\$615,645	\$676,109	\$642,695	\$601,963	\$554,248	\$488,403	\$446,173	\$472,360	\$500,632	\$496,741	\$422,220
TOTAL CASH END OF PERIOD	\$570,393	\$506,059	\$615,645	\$676,109	\$642,695	\$601,963	\$554,248	\$488,403	\$446,173	\$472,360	\$500,632	\$496,741	\$422,220	\$241,703

Okanogan County Electric Cooperative Inc  
 Capital Expenditures by Project  
 Mar-18

	Current Month			Year to Date			Annual Budget	Annual Balance
	Actual	Budget	Variance	Actual	Budget	Variance		
Member Requested Facilities	74.00	16,079.00	16,005.00	74.00	24,118.00	24,044.00	200,983.00	200,909.00
Replacements (Poles & Transformers)	32,918.45	8,656.00	(24,262.45)	52,692.80	28,475.00	(24,217.80)	103,872.00	51,179.20
<b>OCEC Projects:</b>	0.00	0.00	0.00	0.00	0.00	0.00	62,675.00	62,675.00
Replace 2500' of URD at Stud Horse - Part 2	0.00	0.00	0.00	0.00	0.00	0.00	49,718.00	49,718.00
Replace 2500' of URD at Edelweiss - Part 1	0.00	0.00	0.00	0.00	0.00	0.00	57,957.00	57,957.00
Convert 3500' of OH to URD at Bear Crk	0.00	0.00	0.00	0.00	0.00	0.00	41,859.00	41,859.00
Replace 3000' of URD at Davis Lake	0.00	0.00	0.00	0.00	0.00	0.00	50,718.00	50,718.00
Metering projects -upgrades	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pole Inspections	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00
Fire Retardant/Treatment on Poles	0.00	0.00	0.00	0.00	0.00	0.00	17,479.00	17,479.00
Test/Rebuild 2 sets of Regulators Sub	0.00	0.00	0.00	0.00	0.00	0.00	32,791.00	32,791.00
Paint/protect crew hallway	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00
Redo Asphalt in front & back, fix drain	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	25,000.00
Major Storm Damage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>subtotal</b>	<b>32,992.45</b>	<b>24,735.00</b>	<b>(8,257.45)</b>	<b>52,766.80</b>	<b>52,593.00</b>	<b>(173.80)</b>	<b>658,052.00</b>	<b>605,285.20</b>
Un Allocated Overhead	51,622.36			51,622.36	0.00	(51,622.36)		
<b>Member CIAC</b>	<b>CIAC</b>	<b>(11,411.00)</b>	<b>(20,000.00)</b>	<b>8,589.00</b>	<b>*</b>	<b>(12,864.91)</b>	<b>(43,678.00)</b>	<b>30,813.09</b>
<b>Total less CIAC</b>	<b>73,203.81</b>			<b>91,524.25</b>			<b>(277,356.00)</b>	<b>(264,491.09)</b>

\* \$19,652.00 holding in CIAC 03/31/18

<b>Meters Purchases</b>	15,240.00	20,000.00	4,760.00	15,240.00	20,000.00	4,760.00	20,000.00	4,760.00
<b>Computers &amp; Software Upgrades</b>	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00
<b>Transformers Purchases</b>	0.00	0.00	0.00	80,685.84	70,000.00	(10,685.84)	70,000.00	(10,685.84)
<b>Vehicle Replacement</b>	0.00	0.00	0.00	0.00	0.00	0.00	135,000.00	135,000.00
<b>Total</b>	<b>88,443.81</b>	<b>24,735.00</b>		<b>187,450.09</b>	<b>98,915.00</b>		<b>230,000.00</b>	<b>134,074.16</b>

Total Capital Budget less CIAC 610,696.00 423,245.91

\* Note

	Line Crew Direct Labor	Materials	107.25 Labor	Consultants Contractors	Transportation	Benefits	Total
January	2,086.84	0.00	3,436.90	0.00	2,424.24	2,020.44	9,968.42
February	2,963.79		3,041.61		1,617.04	2,183.49	9,805.93
March	8,853.87	2,671.68	9,500.00	0.00	5,729.34	6,237.56	32,992.45
April							
May							
June							
July							
August							
September							
October							
November							
December							
	13,904.50	2,671.68	15,978.51	0.00	9,770.62	10,441.49	52,766.80

\* Note: 107.25 is Capitalized Labor that includes: cost estimates, line staking, development & research for construction projects that no work order has been established. Along with Stores account 163.00 material stocking.

Okanogan County Electric Cooperative Inc

Capital Expenditures by Project

Mar-18

W.O. #	Monthly Allocation	Contractor	Labor	Labor O/H	AP Vendor & Material	Material O/H	Material Retire/Scrap	Benefits	Trans	Total
12092	6,657.30	8	1,909.35	2,054.74				1,345.13	1,348.08	6,657.30
12093	5,312.17	8	817.36	879.60	677.80	2,231.96	(432.08)	575.83	561.70	5,312.17
12094	119.68	8	43.04	46.32				30.32		119.68
12095	239.36	8	86.08	92.63				60.65		239.36
12102	19,943.34	8	5,787.08	6,199.69	60.00			4,077.01	3,819.56	19,943.34
12103	586.60	8	210.96	227.02				148.62		586.60
12111	60.00	8			60.00					60.00
12112	74.00	7			74.00					74.00
	32,992.45	0.00	8,853.87	9,500.00	871.80	2,231.96	(432.08)	6,237.56	5,729.34	32,992.45

7 Member Requested Facilities

8 Replacements (Poles & Transformers)

**OCEC Projects:**

9 Replace 2500' of URD at Stud Horse - Part 2

10 Replace 2500' of URD at Edelweiss - Part 1

11 Convert 3500' of OH to URD at Bear Crk

12 Replace 3000' of URD at Davis Lake

13 Metering projects -upgrades

14 Pole Inspections

15 Fire Retardant/Treatment on Poles

16 Test/Rebuild 2 sets of Regulators Sub

17 Paint/protect crew hallway

18 Redo Asphalt in front & back, fix drain

19 Major Storm Damage

OCEC Work Orders

8	12092 OCEC - Temp Disconnect 2018	6,657.30
8	12093 OCEC - Mazama Upgrade	5,312.17
8	12094 OCEC - Transformers 2018.1	119.68
8	12095 OCEC - Warehouse 2018.1	239.36
8	12102 OCEC - Airport Line	19,943.34
8	12103 OCEC - M Line 25KV Move Phase 1	586.60
8	12111 OCEC - Twisp River Rd 591	60.00
		<u>32,918.45</u>

CApEx/O&M Labor Distribution

Labor is split between Capital and O&M based on work performed. The following is a comparison between how labor was split.

1) YTD Actual 2018 2) YTD Budget 2018 3) YTD Actual 2017

**Capitalization in Percentage**

Labor Capitalized	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Actual	5%	12%	18%										
2018 Budget	3%	12%	15%	15%	35%	37%	41%	37%	37%	37%	15%	3%	24%
2017 Actual	1%	1%	2%	8%	22%	29%	35%	49%	55%	41%	43%	12%	25%

**Capitalization in Dollars**

**Capitalization in Dollars**

Capitalization in Dollars	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Work Order Actual	\$ 7,222	\$ 9,924	\$ 16,540					\$ -	\$ -	\$ -	\$ -	\$ -	
2018 Budget	\$ 3,611	\$ 11,284	\$ 13,541	\$ 13,541	\$ 31,595	\$ 33,851	\$ 37,462	\$ 33,851	\$ 33,851	\$ 33,851	\$ 13,541	\$ 3,159	\$ 263,138
2017 Actual	\$ 1,648	\$ 436	\$ 1,992	\$ 6,742	\$ 21,066	\$ 25,337	\$ 31,850	\$ 47,668	\$ 49,075	\$ 39,586	\$ 39,459	\$ 10,259	\$ 275,119

**O&M Labor Expensed**

**O& M Expense in Percentage**

O&M Labor Expensed	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Actual	98%	88%	82%										
2018 Budget	97%	88%	85%	85%	65%	63%	59%	63%	63%	63%	85%	97%	76%
2017 Actual	99%	99%	98%	92%	78%	71%	65%	51%	45%	59%	77%	88%	77%

**O&M Expense in Dollars**

O&M Expense in Dollars	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Actual	\$ 128,782	\$ 74,657	\$ 75,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279,351
2018 Budget	\$ 131,896	\$ 70,236	\$ 75,888	\$ 72,552	\$ 61,788	\$ 51,623	\$ 54,649	\$ 62,333	\$ 50,115	\$ 62,333	\$ 78,570	\$ 84,880	\$ 856,863
2017 Actual	\$ 125,143	\$ 82,097	\$ 88,798	\$ 77,316	\$ 74,643	\$ 60,689	\$ 58,310	\$ 48,695	\$ 39,823	\$ 56,821	\$ 52,041	\$ 77,734	\$ 842,110

<b>Total Labor YTD</b>	<b>2018</b>	\$ 136,004	\$ 84,581	\$ 92,451										\$ 313,036
<b>Total Labor YTD</b>	<b>2017</b>	\$ 126,790	\$ 82,533	\$ 90,790	\$ 84,058	\$ 95,709	\$ 86,026	\$ 90,161	\$ 96,363	\$ 88,898	\$ 96,407	\$ 91,500	\$ 87,993	\$ 1,117,229

**OKANOGAN COUNTY ELECTRIC COOPERATIVE INC  
REVOLVING LOAN FUND #1  
MONTHLY REPORT**

**For the Month Ending  
March 31, 2018**

<b>Beginning RLF Balance</b>	<b>\$58,058.93</b>	
<b>LOUP LOUP SKI ED FOUNDATION LOAN #2</b>		
<b>PAYOFF AUGUST 01, 2019</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$425.00	\$46,000.36
ADMINISTRATIVE FEE (1%)	\$8.33	\$2,666.68
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$43,333.67
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOANS		\$6,666.33
<b>LOUP LOUP SKI ED FOUNDATION LOAN #3</b>		
<b>PAYOFF OCTOBER 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$445.83	\$18,512.49
ADMINISTRATIVE FEE (1%)	\$29.16	\$1,429.02
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$17,083.47
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOANS		\$32,916.53
<b>TOWN OF TWISP</b>		
<b>PAYOFF AUGUST 01, 2019</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$79.05	\$7,215.94
ADMINISTRATIVE FEE (1%)	\$2.30	\$460.64
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$6,753.76
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOANS		\$2,456.24
<b>MVSTA LOAN #2</b>		
<b>PAYOFF JULY 01, 2022</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$875.00	\$63,604.72
ADMINISTRATIVE FEE (1%)	\$41.67	\$4,438.29
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$58,333.10
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOANS		\$41,666.90
<b>MEDICINE WHEEL WEB DESIGN</b>		
<b>PAYOFF OCTOBER 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$510.00	\$21,770.00
ADMINISTRATIVE FEE (1%)	\$10.00	\$780.00
PRINCIPLE PAYMENT TO LOAN	\$500.00	\$21,000.00
ORIGINAL AMOUNT OF LOAN		\$30,000.00
BALANCE REMAINING ON LOANS		\$9,000.00
<b>TOWN OF WINTHROP</b>		
<b>PAYOFF NOVEMBER 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$870.83	\$3,483.32
ADMINISTRATIVE FEE (1%)	\$79.17	\$316.68
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$3,166.68
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOANS		\$91,833.32
<b>TOTAL BALANCE REMAINING ON LOANS</b>		<b>\$184,539.32</b>
<b>ENDING RLF BALANCE</b>		<b>\$60,260.68</b>

**OKANOGAN COUNTY ELECTRIC COOPERATIVE INC**

**REVOLVING LOAN FUND #2**

**MONTHLY REPORT**

*For the Month Ending*

**March 31, 2018**

<b>Beginning RLF Balance</b>		<b>\$54,998.31</b>
<b>AERO RESCUE</b>		
PAYOFF NOVEMBER 1, 2020	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$2,060.00	\$190,000.00
ADMINISTRATIVE FEE (1%)	\$60.00	\$12,060.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$178,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOANS		\$62,000.00
<b>TOWN OF WINTHROP LOAN #2</b>		
PAYOFF JUNE 01, 2022	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$179.37	\$12,684.21
ADMINISTRATIVE FEE (1%)	\$8.54	\$896.94
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$11,787.27
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOANS		\$8,712.73
<b>MVSTA LOAN #3</b>		
PAYOFF OCTOBER 01, 2024	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$624.16	\$26,481.23
ADMINISTRATIVE FEE (1%)	\$40.84	\$2,146.69
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$24,499.86
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOANS		\$45,500.14
<b>PINETOOTH CREATIVE</b>		
PAYOFF July 01, 2026	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$84.25	\$1,696.76
ADMINISTRATIVE FEE (1%)	\$6.96	\$150.16
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$1,546.78
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOANS		\$7,728.22
<b>EQPD</b>		
PAYOFF February 01, 2027	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$297.92	\$3,972.96
ADMINISTRATIVE FEE (1%)	\$27.08	\$352.06
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$3,520.90
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOANS		\$28,979.10
<b>Little Star Montessorri School</b>		
PAYOFF February 01, 2027	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$295.21	\$4,167.77
ADMINISTRATIVE FEE (1%)	\$24.38	\$376.55
PRINCIPLE PAYMENT TO LOAN	\$270.83	\$3,791.62
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOANS		\$28,708.38
<b>ENDING RLF BALANCE</b>		<b>\$58,371.43</b>

**OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.**

**POWER & SERVICE DATA**  
**March-18**

	December 2017	January 2018	February 2018	March 2018	March 2017
<b>POWER DATA:</b>					
COST OF POWER	\$339,203	\$310,626	\$360,427	<b>\$261,103</b>	\$241,631
KWH PURCHASED	8,870,180	7,789,025	7,309,665	<b>5,927,840</b>	5,913,945
KWH SOLD & OCEC USE	8,348,306	7,308,362	6,859,122	<b>5,546,608</b>	5,540,990
KWH LOST	521,874	480,663	450,543	<b>381,232</b>	372,955
LINE LOSS %	5.88%	6.17%	6.16%	<b>6.43%</b>	6.31%
COST PER KWH	\$0.0382	\$0.0399	\$0.0493	<b>\$0.0440</b>	\$0.0409
<b>BILLING DATA:</b>					
ACCOUNTS BILLED	3,537	3,539	3,536	<b>3,529</b>	3,468
AVG. KWH/CONSUMER	2,360	2,065	1,940	<b>1,572</b>	1,598
BILLING REVENUE	\$708,947	\$636,810	\$613,212	<b>\$517,635</b>	\$509,783
AVERAGE BILL	\$200.44	\$179.94	\$173.42	<b>\$146.68</b>	\$147.00
REVENUE/KWH SOLD	\$0.0849	\$0.0871	\$0.0894	<b>\$0.0933</b>	\$0.0920
<b>SERVICE DATA:</b>					
NEW	4	0	0	<b>0</b>	0
RETIRED	4	2	1	<b>0</b>	0
TOTAL END OF MONTH	3735	3733	3732	<b>3732</b>	3671
IDLE SERVICES	105	106	106	<b>106</b>	108
<b>TRANSPORTATION:</b>					
TOTAL MILES	4,659	3,807	6,224	<b>6,481</b>	7,165
COST OF OPERATION	\$21,429	\$20,390	\$18,958	<b>\$17,384</b>	\$23,863
AVG. COST PER MILE	\$4.599	\$5.356	\$3.046	<b>\$2.682</b>	\$3.330
<b>MATERIALS:</b>					
ISSUES	\$55,355	\$466	\$113	<b>\$1,894</b>	\$13,021
INVENTORY	\$247,065	\$248,459	\$248,346	<b>\$250,450</b>	\$271,945

OCEC 2018 Outage  
Summary  
BALANCED SCORECARD GOALS

Substation	Power Supply Int.	Power Supply # Meters	Major Int	Major Int # Meter	Planned Int.	Planned Int. # Meter	All Other Int.	Feeder Total Hours Out	% of Total	Total # of Meters	# of Meters w/ outage	SAIDI	SAIFI	CAIDI
<b>Winthrop Substation (1)</b>	<b>11,832</b>	<b>2,958</b>			-	-		6,106	99.8%	2865	2138	2.13	0.75	3.52
Feeder 1 = Chewuch	2,360	590	-	-	-	-	172	171.87	2.8%	596	156	0.29	0.26	3.39
Feeder 2 = Mazama	3,764	941	-	-	-	-	5,930	5,930.02	96.9%	1058	1955	5.60	1.85	3.35
Feeder 3 = Sun Mtn	2,984	746	-	-	-	-	4	4.45	0.1%	546	3	0.01	0.01	3.99
Feeder 4 = Winthrop	2,724	681	-	-	-	-	8	7.97	0.1%	665	24	0.01	0.04	3.88
<b>Twisp Substation (2)</b>	<b>2,456</b>	<b>614</b>	-		-	-		11.00	0.2%	623	6	0.02	0.01	3.98
Feeder 1 = Airport	112	28	-	-	-	-	-	-	0.0%	33	0	0.00	0.00	4.00
Feeder 2 = Loup	776	194	-	-	-	-	-	-	0.0%	202	0	0.00	0.00	4.00
Feeder 3 = Twisp	1,568	392	-	-	-	-	11	11.00	0.2%	388	6	0.03	0.02	1.83
<b>Totals</b>								<b>6,117</b>		<b>3488</b>	<b>2144</b>	<b>1.75</b>	<b>0.61</b>	<b>3.57</b>

**SAIDI** = Defined as sum of customer interruption durations divided by the total # of customers served  
**SAIFI** = Defined as total number of customers interrupted divided by the total numbers of customers served  
**CAIDI** = Defined as the average amount of time that a customer is without power for a typical interruption  
**ASAI** = Total minutes during reported time frame divided by total minutes power was available

**Interruption:** a loss of electricity for any period longer than 5 minutes  
**Power supply interruption:** any interruption originating from the transmission system, sub-transmission system, or the substation regardless of ownership  
**Planned interruption:** any interruption scheduled by the distribution system to safely perform routine maintenance  
**All other interruptions:** all excluding power supply, major event, and those that are planned

**Major Event:** an interruption or group of interruptions caused by conditions that exceed the design & operational limits of a system. (IEEE 1366-2003 / RUS 1730a - Exhibit E).

This tab is used for "Balanced Scorecard" goals.

\*\*Power Supply Int have been subtracted from calculations for Balance Scorecard\*\*

OCEC 2018 Outage  
Summary By Cause

SUMMARY BY CAUSE													
POWER SUPPLY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LARGE SCALE	-	-	-	-	-	-	-	-	-	-	-	-	-
OK PUD	14,288	-	-	-	-	-	-	-	-	-	-	-	14,288
OCEC SUB	-	-	-	-	-	-	-	-	-	-	-	-	-
PLANNED													TOTAL
CONSTRUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER PLANNED	-	-	-	-	-	-	-	-	-	-	-	-	-
EQUIPMENT OR INSTALLATION DESIGN													TOTAL
MATERIAL OR EQUIP FAILURE	-	-	4,123	-	-	-	-	-	-	-	-	-	4,123
INSTALLATION FAULT	-	-	-	-	-	-	-	-	-	-	-	-	-
CONDUCTOR SAG OR INADEGUATE CLEARANCE	-	-	-	-	-	-	-	-	-	-	-	-	-
OVERLOAD	-	-	-	-	-	-	-	-	-	-	-	-	-
MISCOORDINATION OF PROTECTION DEVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER EQUIPMENT INSTALLATION / DESIGN	-	-	120	-	-	-	-	-	-	-	-	-	120
MAINTENANCE													TOTAL
DECAY / AGE OF MATERIAL / EQUIP	-	-	2	1	-	-	-	-	-	-	-	-	3
CORROSION / ABRASION OR MATERIAL / EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
TREE GROWTH	-	-	-	-	-	-	-	-	-	-	-	-	-
TREE FAILURE FROM OVERHAND OR DEAD TREE WITHOUT	-	-	-	-	-	-	-	-	-	-	-	-	-
TREES WITH ICE / SNOW	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTAMINATION (LEAKING / EXTERNAL)	-	-	-	-	-	-	-	-	-	-	-	-	-
MOISTURE	-	-	-	-	-	-	-	-	-	-	-	-	-
OCEC CREW CUTS TREE	-	-	-	-	-	-	-	-	-	-	-	-	-
MAINTENANCE, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
WEATHER													TOTAL
LIGHTNING	-	-	-	-	-	-	-	-	-	-	-	-	-
WIND NOT TREE	-	-	-	-	-	-	-	-	-	-	-	-	-
ICE, SLEET, FROST, NOT TREE	-	-	-	-	-	-	-	-	-	-	-	-	-
FLOOD	-	-	-	-	-	-	-	-	-	-	-	-	-
WEATHER OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
ANIMALS													TOTAL
SMALL ANIMAL / BIRD	-	0	-	1	-	-	-	-	-	-	-	-	2
LARGE ANIMAL	-	-	-	-	-	-	-	-	-	-	-	-	-
ANIMAL DAMAGE - GNAW OR BORE	-	-	-	-	-	-	-	-	-	-	-	-	-
ANIMAL , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-

OCEC 2018 Outage  
Summary By Cause

SUMMARY BY CAUSE														
PUBLIC													TOTAL	
CUSTOMER CAUSED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MOTOR VEHICLE	-	-	1,802	-	-	-	-	-	-	-	-	-	-	1,802
AIRCRAFT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC CUTS TREE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VANDALISM	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SWITCHING ERROR OR CAUSED BY CONSTRUCTION / MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER													TOTAL	
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNKNOWN													TOTAL	
CAUSE UNKNOWN	57	-	19	-	-	-	-	-	-	-	-	-	-	76

**\*\*Cause listing shows total number of HOURS for all members out of power:**  
*(minutes of outage \* number of members effected)/60*

OCEC 2018 Outage  
Detailed Summary By Cause

DETAILED SUMMARY BY CAUSE													
GENERATION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
GEN-GENERATION	-	-	-	-	-	-	-	-	-	-	-	-	-
GEN-TOWERS, POLES, FIXTURES	-	-	-	-	-	-	-	-	-	-	-	-	-
GEN-CONDUCTORS AND DEVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
GEN-TRANSMISSION SUB	14,288	-	-	-	-	-	-	-	-	-	-	-	14,288
GEN-GENERATION OR TRANSMISSION, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	14,288												14,288
<b>DISTRIBUTION SUBSTATION</b>													
DIST-POWER TRANSFORMER	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-VOLTAGE REGULATOR	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-LIGHTNING ARRESTER	-	-	4,123	-	-	-	-	-	-	-	-	-	4,123
DIST-SOURCE SIDE FUSE	-	-	2	-	-	-	-	-	-	-	-	-	2
DIST-CIRCUIT BREAKER	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-SWITCH	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-METERING EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-DISTRIBUTION SUBSTATION , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-												4,126
<b>POLES AND FIXTURES</b>													
POL-POLES	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-CROSSARM OR CROSSARM BRACE	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-ANCHOR OR GUY	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-POLES AND FIXTURES, OTHER	-	-	113	-	-	-	-	-	-	-	-	-	113
<b>TOTALS:</b>	-												113
<b>OVERHEAD</b>													
OVR-OVERHEAD	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-LINE CONDUCTOR	-	-	1,809	1	-	-	-	-	-	-	-	-	1,809
OVR-CONNECTOR OR CLAMP	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-SPLICE OR DEAD END	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-JUMPER	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-INSULATOR	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-LIGHTNING ARRESTER LINE	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-FUSE CUTOUT	57	0	19	1	-	-	-	-	-	-	-	-	78
OVR-RECLOSER OR SECTIONALIZER	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-OVERHEAD LINE CONDUCTORS AND DEVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	57												1,887

OCEC 2018 Outage  
Detailed Summary By Cause

DETAILED SUMMARY BY CAUSE													
<b>UNDERGROUND</b>													
UG-PRIMARY CABLE	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-SPLICE OR FITTING	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-SWITCH ELBOW ARRESTER	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-SECONDARY CABLE OR FITTINGS	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-ELBOW	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-POTHEAD OR TERMINATOR	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-UNDERGROUND, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TRANSFORMER</b>													
XFMR-TRANSFORMER BAD	-	-	-	-	-	-	-	-	-	-	-	-	-
XFMR-TRANSFORMER FUSE OR BREAKER	-	-	-	-	-	-	-	-	-	-	-	-	-
XFMR-TRANSFORMER ARRESTER	-	-	-	-	-	-	-	-	-	-	-	-	-
XFMR-LINE TRANSFORMER, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
**SECONDARY	-	-	-	-	-	-	-	-	-	-	-	-	-
SEC-SECONDARY OF SERVICE CONDUCTOR	-	-	-	-	-	-	-	-	-	-	-	-	-
SEC-METERING EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
SEC-SECURITY OR STREET LIGHT	-	-	-	-	-	-	-	-	-	-	-	-	-
SEC-SECONDARY AND SERVICE, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
SEC-XFMR-NO EQUIP FAILURE	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>WEATHER</b>													
WTR-RAIN	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-LIGHTNING	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-WIND	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-SNOW ICE	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-SLEET	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-EXTREME COLD	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-EXTREME HEAT	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-WEATHER OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-CLEAR, CALM	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

# PNGC Power Pulse

March 2018

## Inside This Issue

- 1 A Community of Conservation
- 2 Legislative Look: H.R. 3144
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## A Community of Conservation

PNGC Power has a long commitment to conservation and energy efficiency. Beginning with its founding in 1975, PNGC cooperatives have led the way of conservation at the local level in communities all around our region.

On March 15, the Conservation Committee (the committee comprised of conservation and energy efficiency experts from PNGC’s 15 cooperatives) met at the PNGC office for a quarterly meeting. “Meeting in person a few times throughout the year is really helpful to our members,” said Brandy Neff, PNGC’s Conservation Services Coordinator. “It gives us the opportunity to bring vendors and BPA representatives to one place and creates a space for an open dialogue among them and our Committee members about whatever topic we’re covering.”

The Committee invited General Pacific and Lights There to present on new commercial lighting endeavors that could cost no money to our members up front, and could possibly present major savings over time. These included “Lighting as a Service” or leasing to own over 5, 6, or 7 year contracts. For PNGC members who have commercial accounts that may not have the upfront capital needed for a lighting upgrade, this may be an option to use going forward.

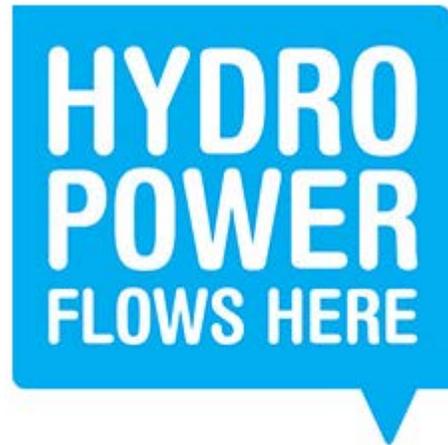
Margaret Lewis, PNGC Power’s Energy Efficiency Representative at BPA, also joined the meeting for various topics. She participated with the Committee as they joined BPA’s brownbag conference call on the results of BPA’s conservation potential assessment. While the CPA is not quite yet finished, it still gave Committee members an idea of what BPA might be expecting from the region in the years to come. “It’s so helpful to have direct access to BPA, especially as they are looking at the future of conservation in the Pacific Northwest. We see PNGC Power’s role as helping to shape the conversation around conservation in the region, as well as helping to facilitate real energy efficiency for our members,” said Neff.



*Conservation is a collaborative effort.*

Program Marketing Lead for Energy Efficiency at BPA, Nic Lane, and BPA contractor Drea Weathers, met with the Committee to get a sense of their use of the marketing material available to members through BPA. Cori Million of Coos-Curry Electric said she used the materials to update her marketing to members this past year, and Ryan Davies of Central Electric expressed a desire for more Spanish language material, since his cooperative is planning to provide all their materials in both English and Spanish moving forward. In general, the Committee stressed ease of use, as well as pictures that reflect the cultural, geological, and agricultural diversity throughout the region.

After BPA left, the Committee also discussed two different campaigns going on in the Northwest designed by BPA and the Northwest Public Power Association (NWPPA) respectively. BPA has developed content for social media that touts the benefits of the hydropower system in our region under the “Hydro Flows Here” hashtag. Likewise, NWPPA has created content for utilities to use aimed at highlighting the importance of public power under the heading of “More Powerful Together.” Each of these campaigns offers ready-made or easily adjustable content for utilities to use to have the biggest impact in their home communities.



The meeting ended with roundtable discussions about what is happening with energy efficiency back home at individual cooperatives. Next up is the Energy Exchange, ran by BPA, which will be held in Tacoma, Washington May 15-17. Committee members will attend the conference, and also have a chance to meet as a group at that time.

## Legislative Look: H.R. 3144

Nearly 20 years of costly litigation might possibly culminate in forced, court-ordered spill at the Columbia River dams this spring. Not only is it a costly prospect to ratepayers who are already subsidizing the largest fish and wildlife mitigation program in the country at a price tag of \$621.5 million in Fiscal Year 2016 alone, it's also bad for fish.

In fact, the most recent federal science indicates that the costly “spill experiment” that the Court has ordered is unlikely to show significant survival benefits for juvenile fish. The Biological Opinion/federal fish plan currently in place was developed over two consecutive Administrations (George W. Bush and Obama) and relies on the best available, peer-reviewed science to direct river operations for Endangered Species Act-listed fish. It provides an operational framework for the healthiest river system we could create, and returning fish numbers prove it can work.

Unfortunately, special interest groups have routinely called into question the validity of this Biological Opinion, and countless lawsuits have dragged out over the years, with the effect of driving down the value of the dams along the Columbia and Snake Rivers. PNGC Power opposes such an action because we believe that salmon and dams can coexist. Furthermore, consistent with our commitment to environmental stewardship, we see the immense benefit of running a dependable electrical grid in the Northwest that is supported by clean, reliable, carbon-free hydropower.

Currently, PNGC Power's Ashley Slater is pursuing a bipartisan legislative solution (H.R. 3144) that protects our members' access to renewable, clean, and reliable federal hydropower while mitigating hydropower impacts and protecting ESA listed salmon. From a practical standpoint, the legislation would temporarily halt the court-ordered spill and therefore negate the need for BPA to impose a rate increase in the form of a so-called "spill surcharge." Additionally, the legislation keeps in place the current Biological Opinion, which would allow the federal agencies to focus on continued environmental study and review without being distracted by litigation.

Stay tuned as we stay on top of this hotly debated topic.



Ashley Slater

## Employee Spotlight: Ashley Slater

Ashley Slater joined the PNGC Power team in 2016 as the Vice President of Government Affairs and Policy. In this role Slater advocates on behalf of PNGC Power, serving the common interests of its 15 member cooperatives, and engaging state, regional, and federal lawmakers on the issues that matter most.

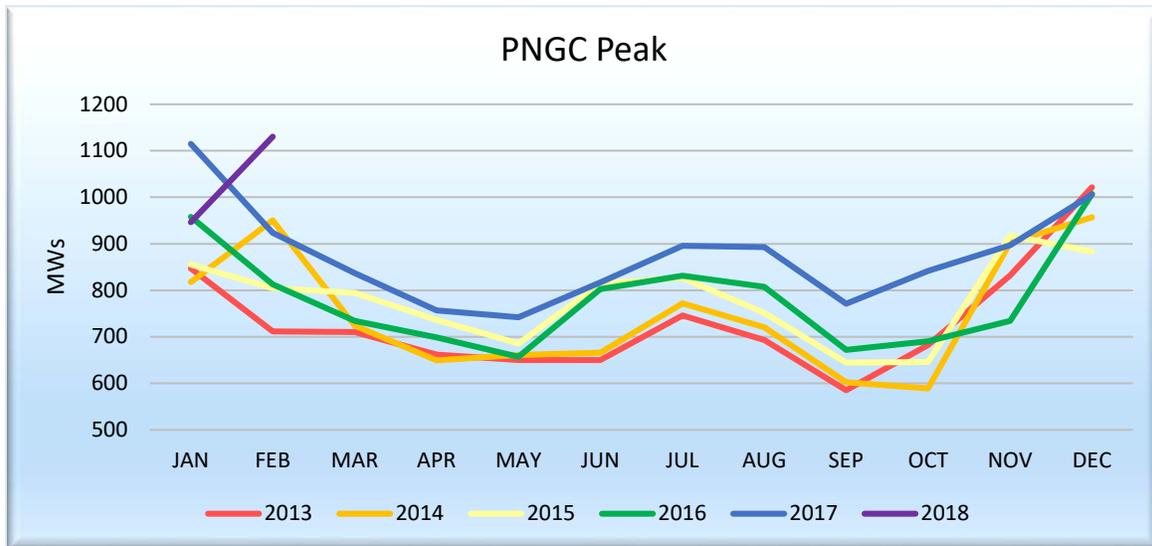
Slater is a tireless supporter of the federal hydropower system, working with Northwest RiverPartners and other key regional players to affect legislation that benefits the river operations at work. She is also PNGC Power's voice in negotiations with the Columbia River Treaty. And every quarter Slater goes to Washington, D.C. to engage congressional staff members on issues like BPA economic viability and Northwest specific energy topics, as well as keeping a pulse on what is happening in this current Administration and political environment.

Slater brought a wealth of experience in energy policy. Prior to PNGC, she worked for BPA in Washington, D.C. where she served as an agency liaison to policymakers within the Department of Energy and on Capitol Hill. She also served as the Associate Director of Legislative Affairs at the White House Council on Environmental Quality. Her cooperative experience includes advocating on behalf of the National Rural Electric Cooperative Association (NRECA) before the U.S. Congress.

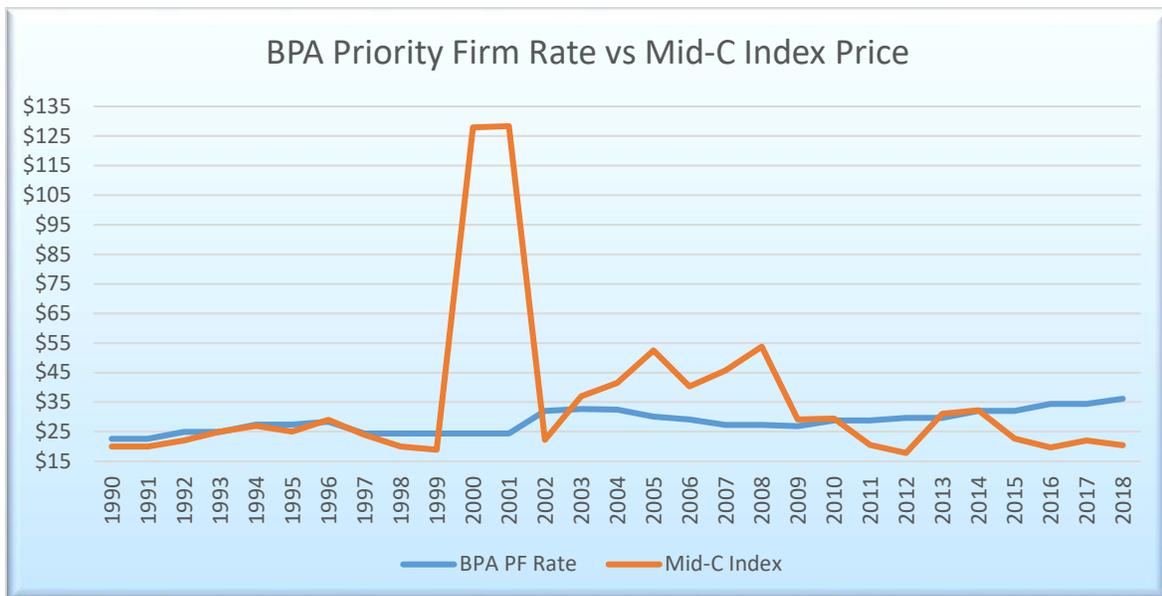
Slater grew up in Seattle, Washington. And prior to relocating back to the Pacific Northwest, Slater, her husband, and their two young sons lived in England.

## PNGC: By the Numbers

The graph below compares PNGC Power’s peak demand by month for the last 5 years.



The graph below compares BPA prices vs. Mid-C prices since 1990.



## BPA Happenings—April-May

### Comment Periods:

April 9

Sturgeon Lake Restoration Project Comments Due

### Event Calendar:

April 4

BPA Brown Bag: April 2018 Implementation Manual

April 5

CHaMP project review presentation by Wildland Hydrology

April 20

Leverage Policy Workshop

April 20

Financial Reserves Implementation Workshop

April 23

2018 PFGA-Tariff Customer Meeting

April 24

Distributed Energy Resources Utility Cross-share

May 15

Efficiency Exchange Northwest 2018

May 29

2018 PFGA-Tariff Customer Meeting

## March 2018 Board Agenda

Below was the agenda of the PNGC Board Meeting for March 6, 2018:

### Information Session:

- Open Floor
- External Power Supply Considerations, Part 1

### Staff Reports:

- Fiduciary Duties and Director Duties Policy
- Coffin Butte Testing Results and Action Plan
- Government Affairs Report
- FY20 & FY21 Market Purchase Update
- 2018 Strategic Planning Session
- CEO Report

## Upcoming Events

March 20	Raft River Annual Meeting
March 24	Lincoln Electric Annual Meeting
April 3	PNGC Board Meeting
April 7	Douglas Electric Annual Meeting
April 8-11	NRECA Legislative Conference
April 13	Central Electric Annual Meeting
April 16	Okanogan County Electric Annual Meeting
April 21	Blachly-Lane Annual Meeting
April 21	Umatilla Electric Annual Meeting
April 21	OPALCO Annual Meeting



711 NE Halsey St.  
 Portland, OR 97232  
 (503) 288-1234  
[www.pngcpower.com](http://www.pngcpower.com)



**Washington Rural Electric  
Cooperative Association**

# Update

**To: WRECA Members**

**April 13, 2018**

**From: Kent Lopez, General Manager**

**We have not slowed down any even though we're well into the legislative interim** – It didn't take long for our attention to shift to the recently-filed voter initiative 1631, called the "Protect Washington Act," which would impose a "pollution fee" on emitters of CO<sub>2</sub>. Yes, that sounds a lot like a carbon tax and that's what we're calling it, but official documents say it is a pollution fee.

**The ballot summary for I-1631 reads:** "This measure would impose pollution fees on certain large emitters of greenhouse gas pollutants based on rules determining carbon content, starting in 2020. A public board would supervise spending the revenues on reducing pollution, promoting clean energy, and addressing climate impacts to the environment and communities. Utilities could receive credits for approved investments. Indian tribes would consult on projects directly impacting their land. There would be periodic reporting on the measure's effectiveness."

Who wouldn't want to vote for that?

However, if I-1631 passes in November, here is what it would do:

1. A tax is collected from "large emitters" based on carbon content of:
  - a. Fossil fuels sold or used within the state;
  - b. Electricity generated within or imported for consumption within the state.
2. The tax is \$15 per metric ton beginning 1/1/2020, increasing two dollars every year beginning 1/1/2021 plus inflation. The tax is fixed at inflation only when the state's 2035 greenhouse gases reduction goal, as it exists now or is amended later, is met and trajectory indicated compliance with the 2050 goal.
3. For BPA power, the Dept. of Ecology must publish a default annual emissions factor.
4. The revenues from the tax would be deposited in a fund established in state treasury.



**We were in Washington DC earlier this week to participate in the 2018 NRECA Legislative Conference. While there, we spent one day on Capitol Hill meeting with members of our Congressional Delegation. Pictured left to right: Danny Lee, Inland Power; Steve Walter, Tanner EC; Troy Berglund, Benton REA; Kent Lopez, WRECA. See page 3 for details.**

5. After reasonable administrative costs, the money in the fund would be spent:
  - a. 70% on clean air/clean energy
  - b. 25% on clean water and healthy forests
  - c. 5% on healthy communities
6. The Public Oversight Board (POB) is established to oversee the spending of the money.
7. Within the percentages listed above:
  - a. At least 35% of funds must provide “direct and meaningful benefits” to Pollution and Health Action Areas (PHAAs).
  - b. At least 10% must fund programs inside PHAAs.
  - c. At least 10% must be used for tribes – which can be counted towards the 35% overlay for PHAAs.
8. Utilities may claim credits for up to 100% of the fee, authorized for programs/activities/projects consistent with a Clean Energy Investment Plan (CEIP) approved by the Dept. of Commerce – not the co-op’s board of directors.
  - a. CEIPs must be developed in “meaningful” collaboration with stakeholders.
  - b. Utilities must maintain a separate clean energy investment account equal to authorized claimed credits.
  - c. Upon CEIP approval, a utility must expend claimed credits in accordance with the CEIP, and submit annual reports on status and performance.
  - d. CEIPs must be submitted and approved every two years.
  - e. Utilities cannot use funds to support existing programs.
  - f. The Dept. of Commerce must adopt rules and procedures for implementation, including stakeholder contribution to CEIPs, review, performance, independent monitoring, etc.

There will doubtless be further analysis of the impacts of I-1631 on electric cooperatives and the ratepayers across the state. Stay tuned.

**Registrations are now being accepted for the 2018 Annual Meeting** – June 5 & 6 at the Red Lion Hotel in Wenatchee. The conference agenda is finished and we’re now working on the details, such as what to have on the menu for lunch on Tuesday.

The speaker lineup is:

- Sen. Brad Hawkins, Wenatchee, WA - Opening Address: “State Energy Policy”
- Kirk Johnson, Sr. VP for Government Relations, NRECA - Keynote Address: “What’s Going On in the Other Washington?”
- Laura Vogel, Sr. Advisor for Public Affairs, NRECA – “What Happens When Co-ops Vote?”
- Tim Bryan, CEO, NRTC – “Technologies and Funding Options for Rural Broadband”
- Gerry Lawlor, Executive VP, Rock Island Communications – “Bringing Broadband to the San Juan Islands”
- Dale Anderson, Manager of Member Services & Justin Naef, Washington Youth Leadership Council Representative, Big Bend EC – “Washington at the NRECA Youth Tour”
- Roger Gray, CEO, NW Requirements Utilities – “Regional Power Supply Overview”

- Terry Flores, Executive Director, Northwest RiverPartners – “NW Riverpartners Update”
- Elliot Mainzer, Administrator, BPA – “BPA Update”

On Monday, June 4, the annual WECAPAC golf tournament will be at the Highlander Golf Course in Wenatchee. Tuesday evening, June 5, is the annual WECAPAC dinner and auction. Please be planning to contribute an awesome item for the WECAPAC auction and bring your checkbook. We need to raise a lot of money for WECAPAC this year.

Registration information and forms have been sent to all WRECA Regular and Associate Members and will be posted on the WRECA website soon.



Meeting with Rep. Cathy McMorris Rodgers were, left to right, Corrinna Walter, Troy Berglund, Steve Walter and Danny Lee.

**This week was the 2018 NRECA Legislative Conference and we were there** – Our schedule included meetings with Rep. Cathy McMorris Rodgers (R-5), Rep. Dan Newhouse (R-4), Rep. Derek Kilmer (D-6), and Rep. Suzan DelBene (D-1). We met with congressional staffers for Reps. Jamie Herrera Beutler, Denny Heck, Rick Larsen, and Sens. Murray and Cantwell. We also had a private meeting with the Policy Director for House Speaker Paul Ryan.

We focused on three primary messages at each meeting:

1. We thanked the delegation members’ for their opposition to the proposal to sell BPA’s transmission assets. Over the last 40 years, Republican and Democratic administrations alike have targeted BPA in the name of deficit reduction. We noted that selling BPA’s transmission assets would threaten the reliability of the transmission grid and reminded everyone that taxpayers do not subsidize BPA.
2. We asked the delegation members to oppose proposals to remove the Snake River Dams and asked for support of HR 3144. We noted that removal of the dams would result in a sharp increase in BPA’s wholesale rates. Together, the four Snake River dams produce 1,020 megawatts of reliable, clean energy, and it would take two nuclear, three coal-fired, or six gas-fired power plants to replace the average annual power produced by the Snake River dams.
3. We asked the delegation members to support S. 2526/HR 5282 which would adjust the PBGC premiums charged for “multiple-employer” pension plans. Since “multiple-employer” plans pose far less risk to PBGC than “single-employer” plans, it does not make sense for such plans to be subject to the same premium structure. For the entire NRECA retirement program, the savings would be over \$30



Out in the hallway beside the flags with Rep. Derek Kilmer.

million. In Washington State, there are 379 individuals in the NRECA retirement plan. The savings to Washington State would be approximately \$300,000 each year.

Other topics discussed included:

- Updating the Columbia River Treaty with Canada,
- Modernizing the Endangered Species Act, and
- Cyber and physical security.

At each visit we left information papers concerning other issues including:

- Updated information on the status of the salmon in the Columbia and Snake Rivers,
- Rural broadband development,
- Proposals to shift BPA to market-based rates,
- BPA's financial status and competitiveness,
- Funding for the Low Income Home Energy Assistance Program (LIHEAP),
- FEMA assistance for electric cooperatives, and
- PURPA reform.



**Troy Berglund discusses the issues with Rep. Dan Newhouse.**



**The final visit of the day was with Rep. Suzan DelBene.**

**The next day, the House Natural Resources Committee held a hearing on HR 3144** – the bill to put a stop to the additional spill that the judge ordered until the comprehensive NEPA review is complete, which is from the same court's previous order. Troy Berglund of Benton REA attended the hearing along with representatives of Oregon electric cooperatives, PNGC Power and PPC.

According to Troy, HR 3144 was voted out of the committee along party lines. "That means there is a lot of work still to be done if the bill has a chance to make it through both the House and the Senate," Troy notes.

**Important dates** – please put the following on your calendars:

- May 21-23 – NWPPA Annual Meeting, Boise, ID
- Jun. 4 – WRECA Board of Directors, Wenatchee, WA
- Jun. 4 – Annual WECAPAC Golf Tournament, Wenatchee, WA
- Jun. 5-6 – WRECA Annual Meeting, Wenatchee, WA
- Jun. 10-14 – CFC Forum, Indianapolis, ID
- Sept. 18 – WRECA Board of Directors, Spokane Valley, WA
- Sept. 25-27 – NRECA Region 9 Meeting, Anchorage, AK
- Nov. 5-7 – CFC IBES Conference, Amelia Island, FL
- Dec. 11 – WRECA Board of Directors, SeaTac, WA

Please let me know if you have any questions. – Kent

## General Manager's Report to the Board – April 2018

### General Discussion:

- I would like to thank the Board and Staff for a very good annual meeting. While the number of members attending was down, the members did get a lot out of it based on questions and comments I received after the program.

### Financial Discussion

- For YTD March 2018, gross margins were \$71,000 under corresponding 2017 amounts and \$104,000 over 2018 budgeted amounts.
- For YTD March 2018, nonpower expenses were \$50,000 under corresponding 2017 amounts and \$47,000 over budget. The budget overrun is due primarily to the following:
  - Higher O&M Distribution expenses (\$32,000) is the result of more than expected O&M labor by operations due to after-hours storm work.
  - Timing of tax expenses (\$13,000)
- For Management Goal #2 which looks at A&G and the Customer Accounts, we were \$5,200 or 1.9% over budget for the first three months of the year.
- Equity ratio for March 2018 is 67.8%. Equity ratio for March 2017 was 65%.
- For the first three months of 2018, BPA power costs have increased 5.2% on a kwh basis compared with 2017. For 2018, the estimated cost attributable to the increase in kwh rate is \$45,000.
  - With the recent adverse court decisions and other BPA financial factors, we are expecting a BPA increase this year on top of this.

**Comparison of BPA Power Costs for CY 2017 and CY2018**

	CY 2017			CY 2018		
	KWH Purchased	Cost	Cents per KWH	KWH Purchased	Cost	Cents per KWH
Jan	9,911,795	\$ 412,865	4.2	7,789,025	\$ 310,626	4.0
Feb	7,558,410	\$ 333,045	4.4	7,309,665	\$ 361,998	5.0
March	5,913,945	\$ 243,202	4.1	5,927,840	\$ 262,674	4.4
April						
May						
June						
<b>Total</b>	<b>23,384,150</b>	<b>989,112</b>		<b>21,026,530</b>	<b>\$ 935,298</b>	
Overall Cents/KWH	4.23			4.45		
Overall % Increase	5.2%					
Estimated \$ in CY 2018 Attributable to Increase in KWH rate				\$ 45,910		



January 13, 2017

[via e-mail](#)

Mr. David Gottula  
General Manager  
Okanogan County Electric Cooperative

**Subject: 2016 Customer Satisfaction Survey Results**

Dear Mr. Gottula:

We have completed our analysis of the customer satisfaction survey insert that accompanied the PNGC energy and conservation survey this past fall. A total of 308 responses to the survey insert were received, providing results with a confidence interval of  $\pm 5.3\%$  for aggregate level data.

A number of key results are summarized in the following tables, graphs, and text including some correlations with demographic information. More detailed results are provided in the accompanying Excel file.

Please feel free to contact me or Traci Janikowski if you have any questions about these results at (608) 442-8668 or at [doug.carlson@clearspringenergy.com](mailto:doug.carlson@clearspringenergy.com).

Best Regards,

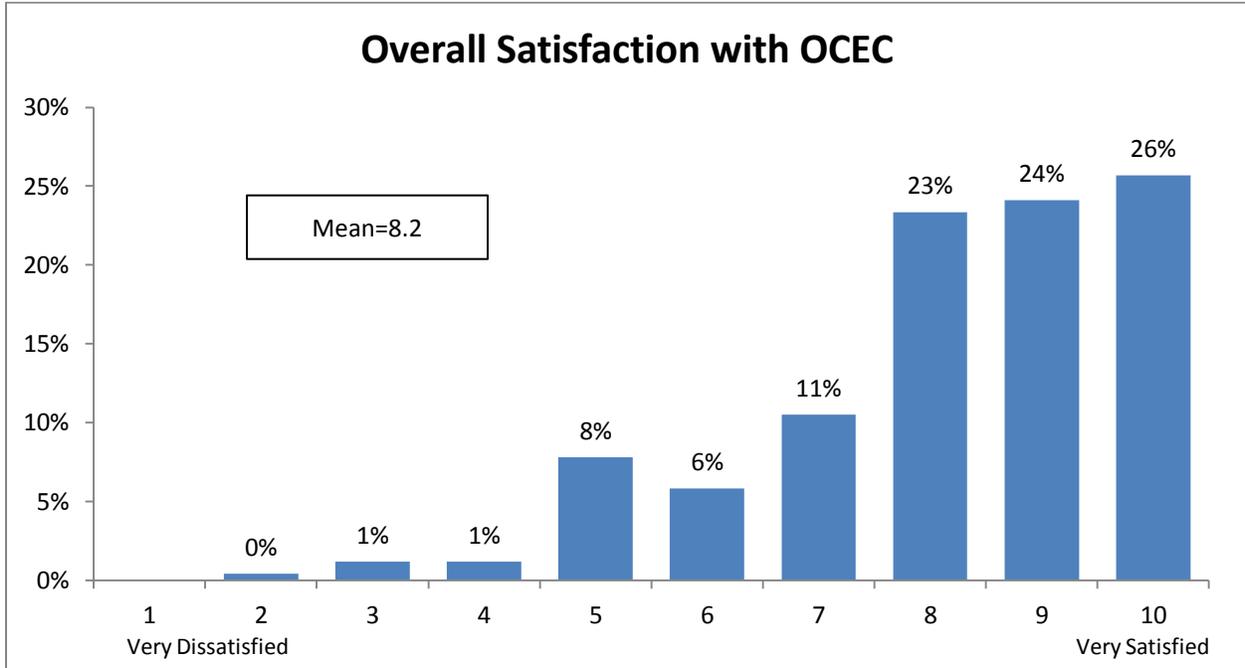
Douglas K. Carlson  
Principal Consultant

C: Jeff Kugel, PNGC Power

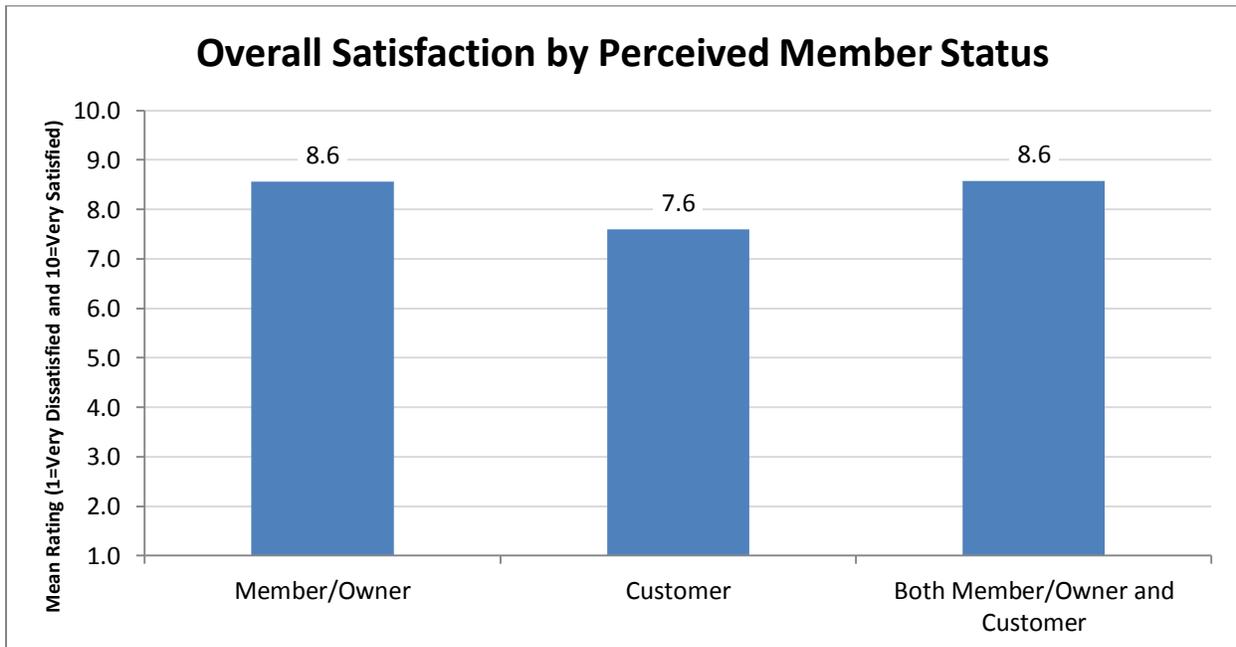
C: Traci Janikowski, Clearspring

## Overall Satisfaction & Performance

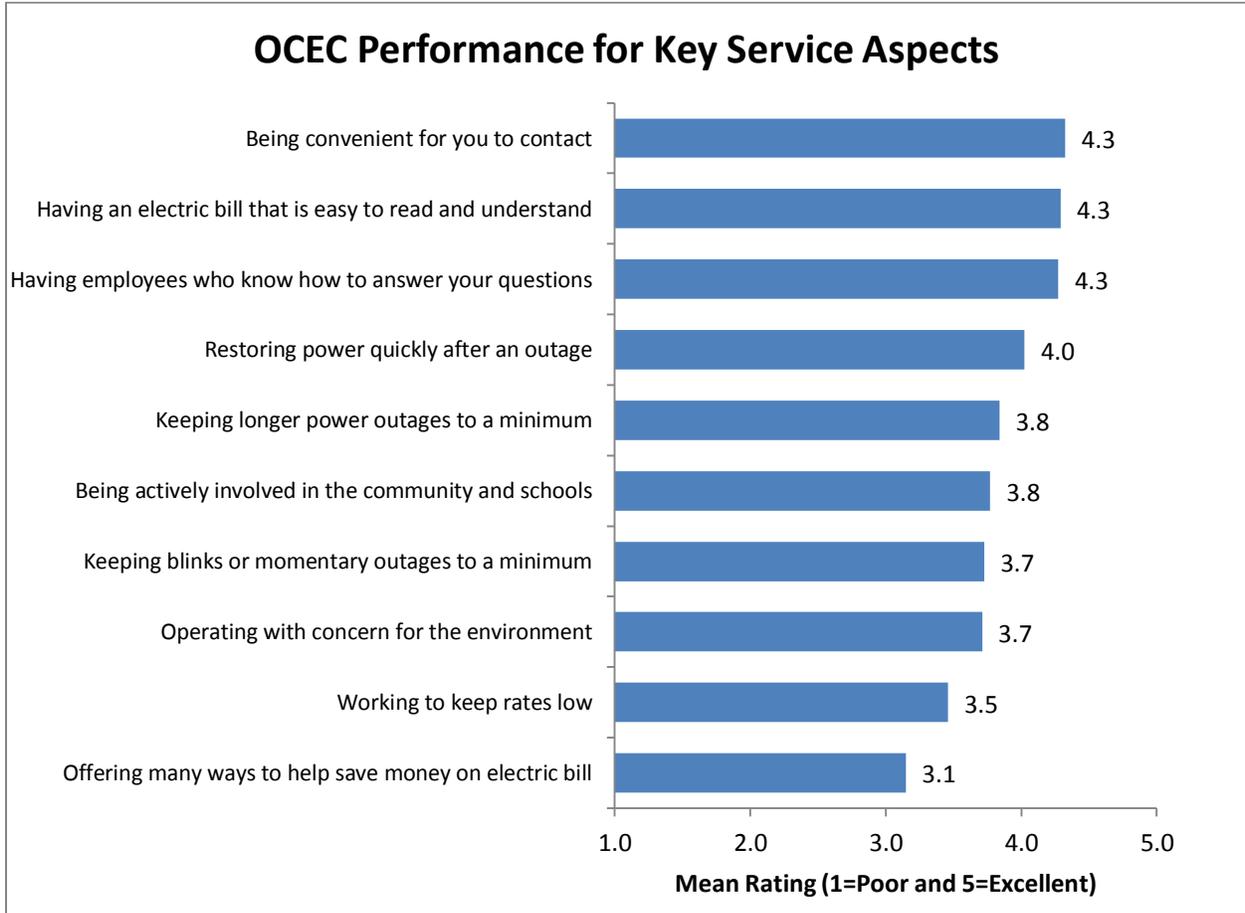
Overall, most respondents are satisfied with Okanogan County Electric Cooperative (OCEC), with a mean rating of 8.2 on a 10-point scale. Approximately one-fourth are very satisfied.



Overall satisfaction is significantly lower among those who view themselves as customers only.



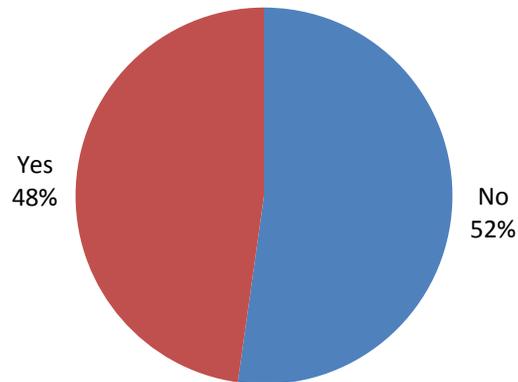
A summary of a customer evaluation of various aspects of service from the Cooperative is illustrated below. Respondents have a favorable opinion of the Cooperative for power outage and customer service aspects. They have a somewhat less favorable opinion of the Cooperative for working to keep rates low and for offering ways for customers to save money.



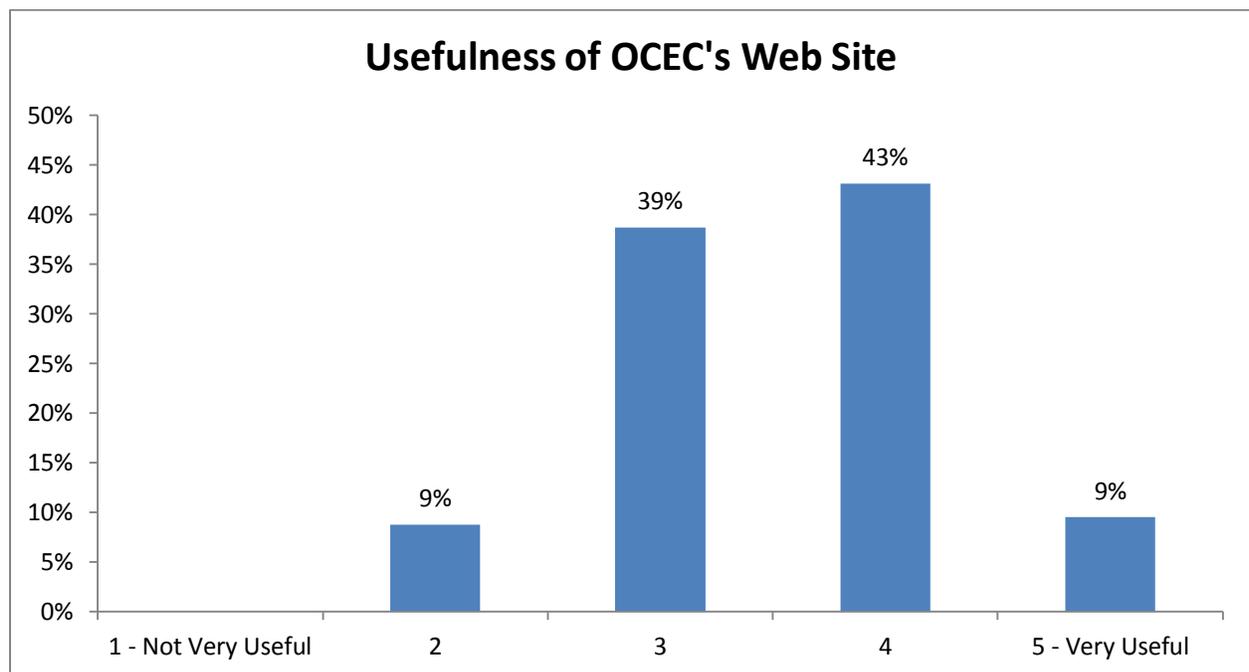
## OCEC's Web Site

Nearly one-half of respondents have visited OCEC's web site. There was an age correlation evident, with only 38 percent of respondents age 65 or older visiting the web site, compared with 56 percent of respondents under age 65 who had visited the web site.

### Visited OCEC's Web Site

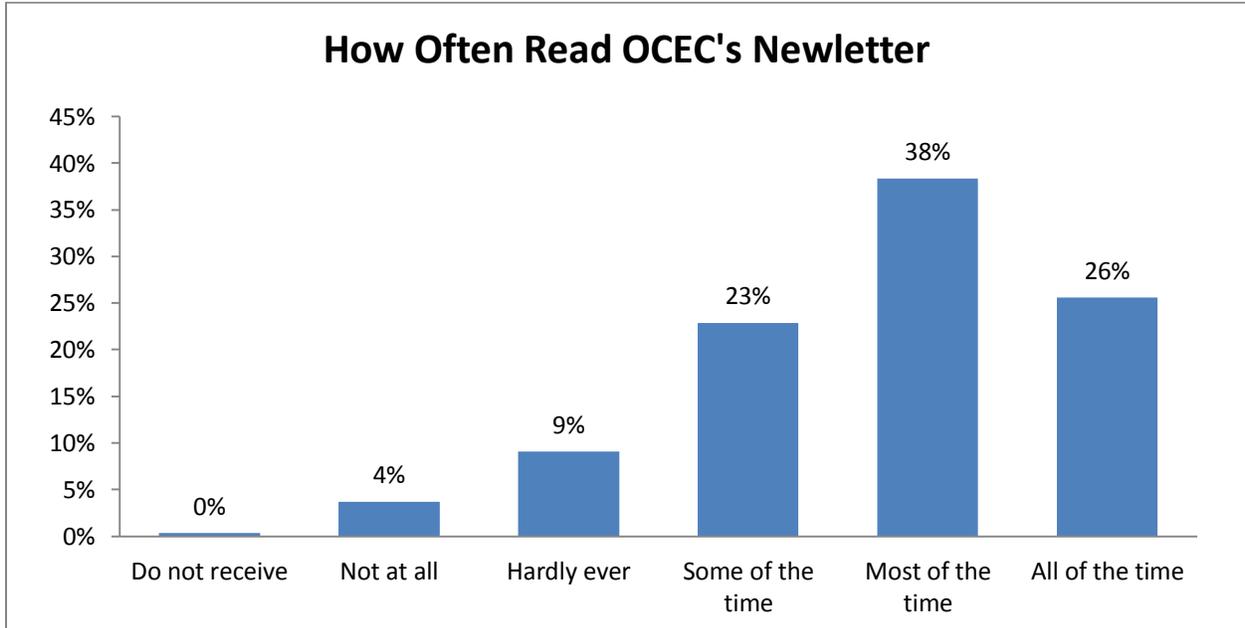


Of those who had visited the web site, just nine percent found it very useful, while the majority found it to be of some use. Specifically, 39 percent gave a rating of '3' and 43 percent gave a rating of '4' on a scale where '1' means 'not very useful' and '5' means 'very useful'.

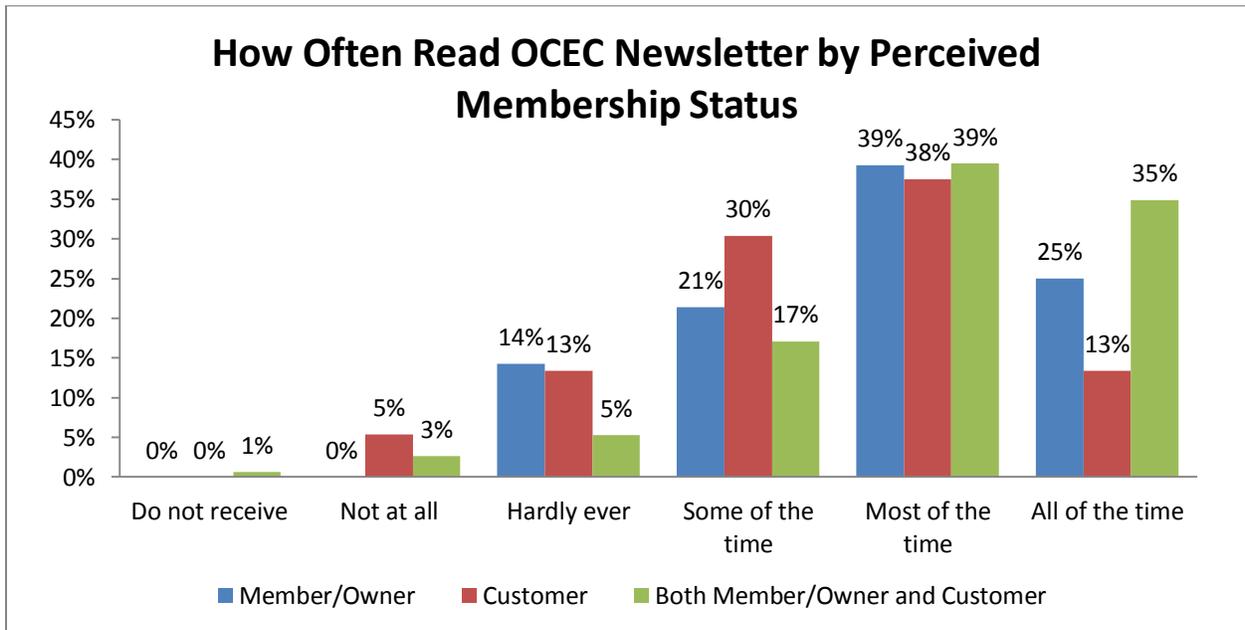


## Communication

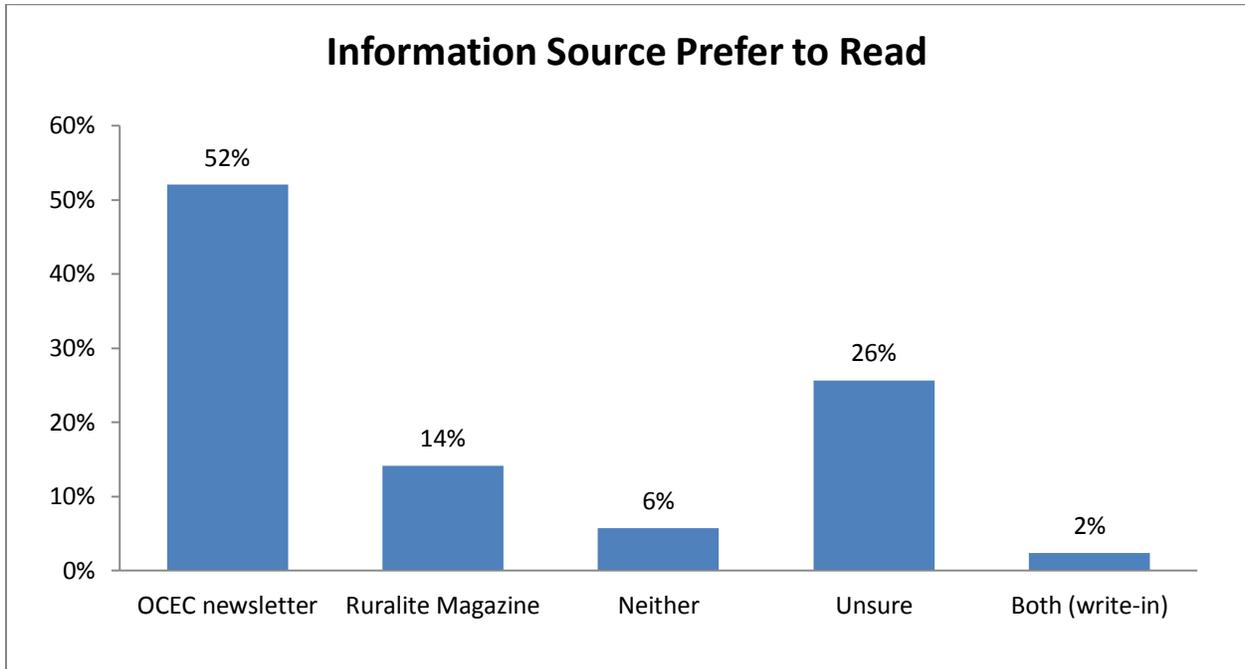
Approximately one-fourth of respondents read OCEC's newsletter all of the time, and another 38 percent read it most of the time.



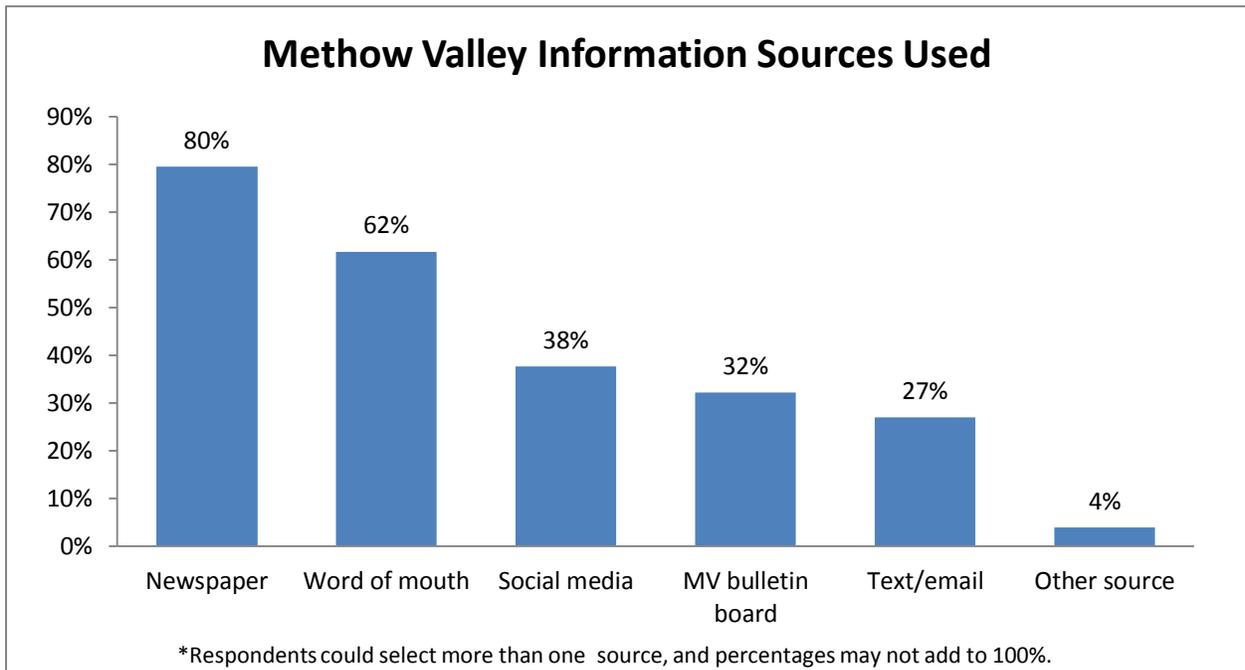
Readership is lower among those who view themselves as customers only. Just 13 percent of those who call themselves customers read the OCEC newsletter all of the time.



Respondents were asked if they prefer to read the OCEC newsletter or Ruralite Magazine. Overall, the OCEC newsletter is preferred over Ruralite Magazine. One-fourth of respondents are unsure. Those under age 55 are more likely to be unsure (44% prefer the OCEC newsletter, and 43% are unsure).



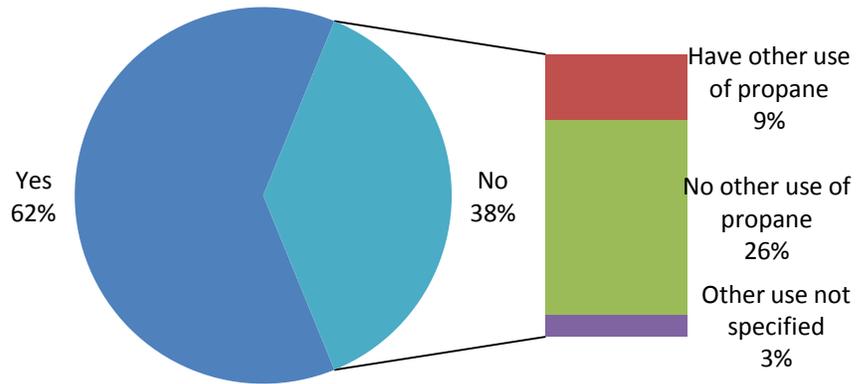
The top Methow Valley information sources used are newspaper and word of mouth. Of note, 38 percent reported using social media to get information.



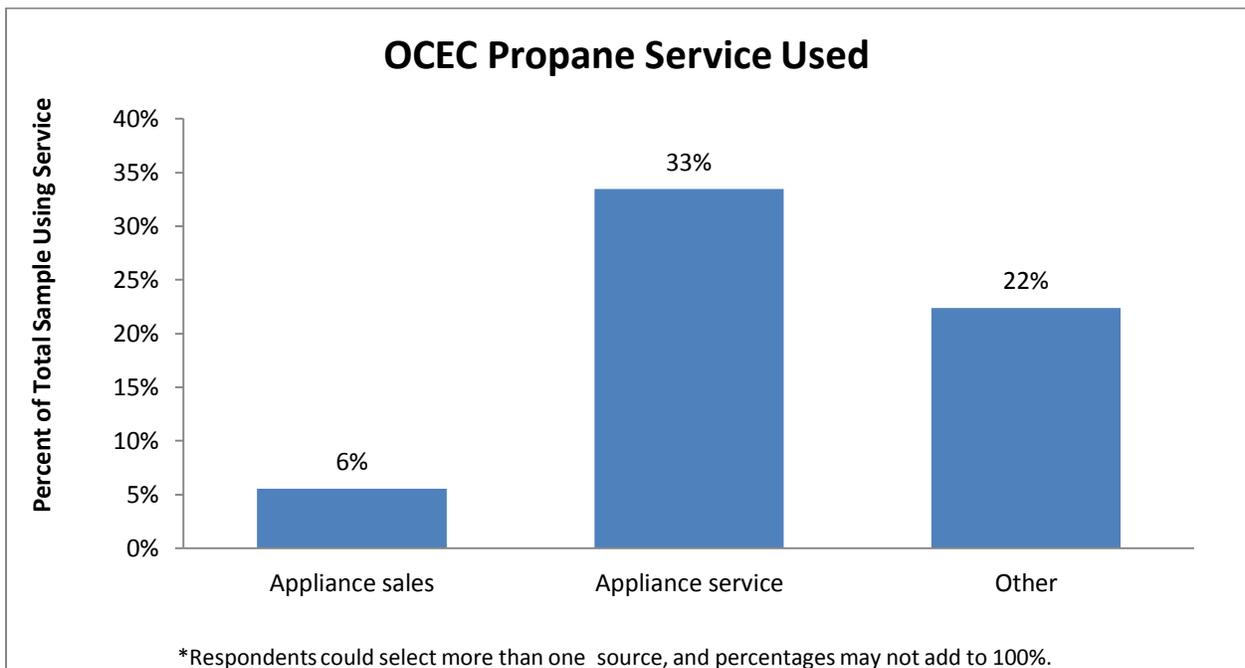
## Propane Service

More than six in 10 respondents reported using OCEC's propane service, Okanogan County Energy Inc. (OCEI). Another 38 percent said they do not use the service (including 26 percent of respondents who have no other use of propane, and nine percent of respondents who do not use OCEI but do use propane).

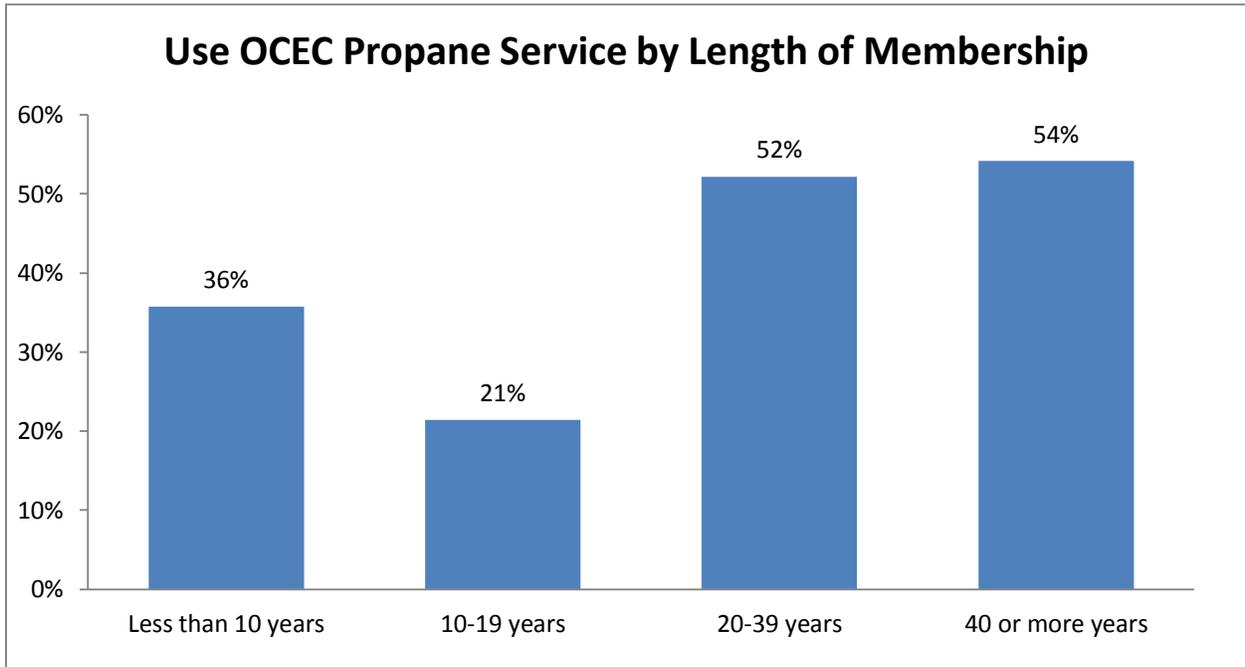
### Use OCEC's Propane Service



One-third of all respondents use the OCEI appliance service, and six percent use appliance sales.

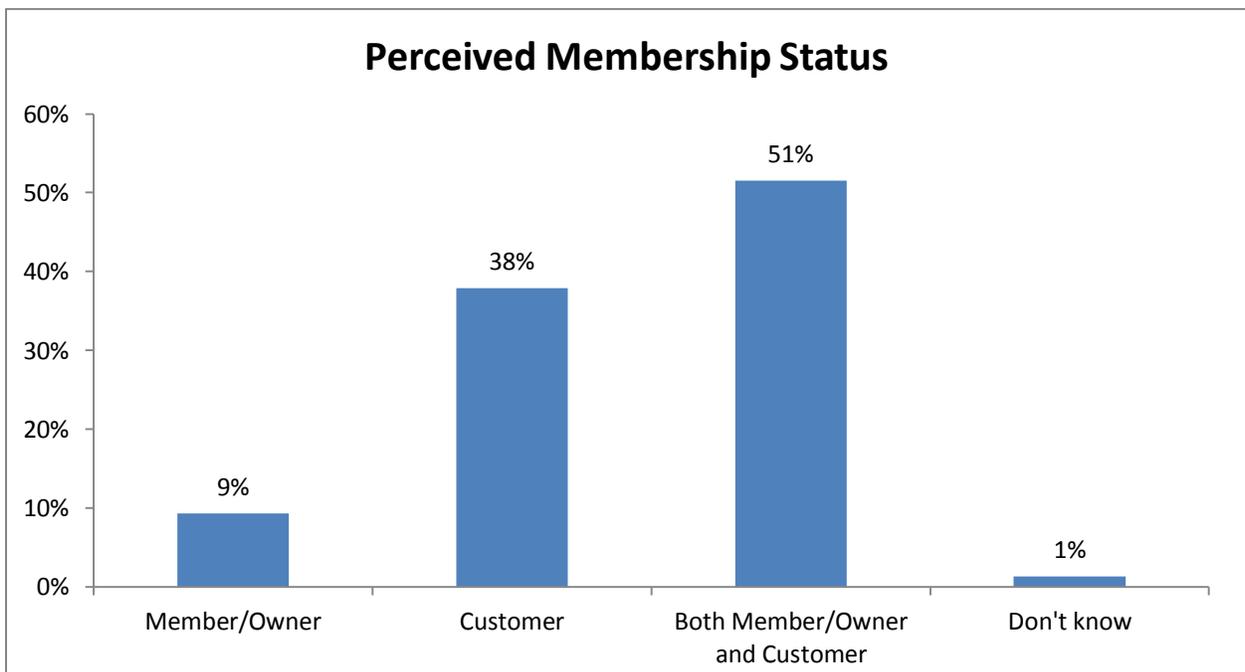


Use of OCEC's propane service is higher among those who have been members for 20 or more years.

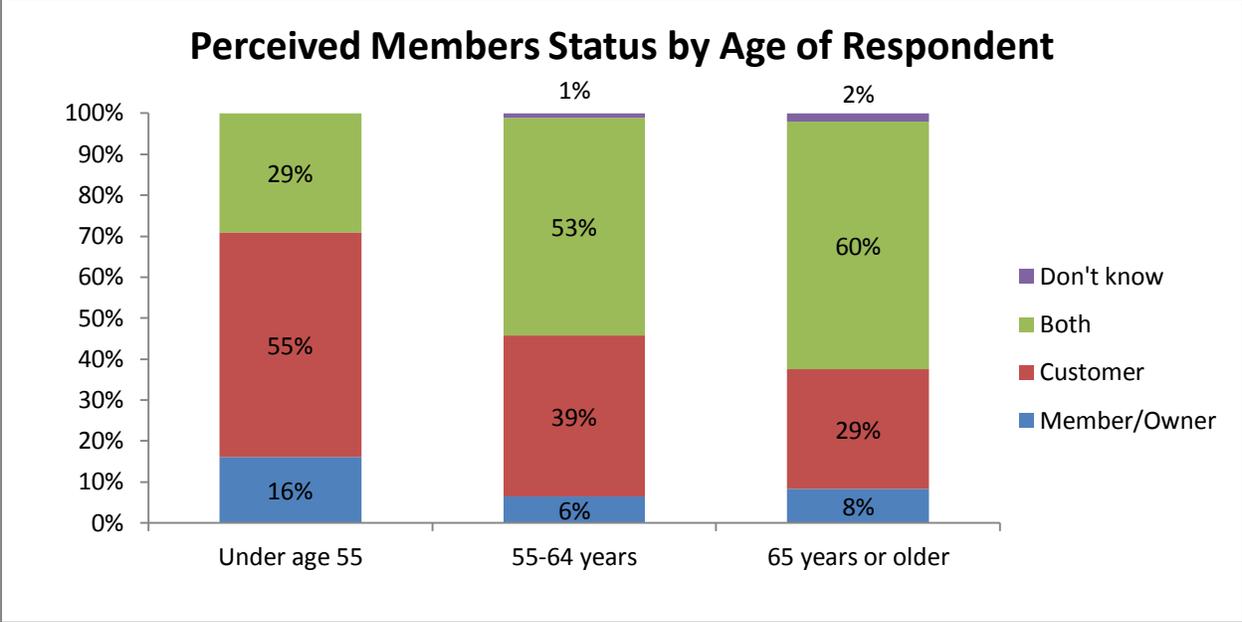


## Membership Perspectives

Approximately one-half of respondents consider themselves both a customer and a member/owner of the Cooperative. Nearly four in 10 consider themselves primarily as a customer only (and not necessarily a member/owner).



There is a correlation between membership perspective and respondent age. Specifically, those who are under age 55 are more likely to view themselves as customers only.



**Okanogan County Electric Cooperative  
Okanogan County Energy Incorporated  
2018 Balanced Scorecard Goals - 1st Quarter Results**

2018 Goals

Strategic Objective	Operational Performance	Percent of Award	YTD Results	2018 Goals			Comments	Bonus Tally
				Minimum	Target	Maximum		
<b>Increase Subsidiary Revenue and Operational Efficiencies</b>	1) Propane Sales (in Thousands)	10%	303	760	895	Open	Total propane gallons sold. For every 5,000 gallons sold over target, and additional \$5 is added to bonus.	
	2) Electric Year-end Inventory Audit Adjustments	10%	N/A	\$ 7,237	\$ 6,031	Open	Target is calculated from adding together both the positive and the negative differences of the inventory adjustments without regards to whether they are positive or negative adjustments. The goal is to reduce both positive and negative inventory adjustments. There is a \$10 increase in bonus for every \$1,000 less than target.	
	3) Propane Year-end Inventory Audit Adjustments	10%	N/A	\$ 5,656	\$ 4,713	Open	See Electric Inventory Audit above for description.	
	4) Installed coop-owned propane tanks - net	10%	10	50	75	Open	Target is a net increase in coop owned tanks. For every net tank over target, an additional \$5 added to bonus.	
<b>Maintain Public and Employee Safety</b>	1) Random Vehicle Inspection	5%	1	7	8	9	Randomly inspect 2 or 3 vehicles a month starting in March. Create checklist i.e. windows, interior, exterior, bins, mechanical ect. Pass/Fail per category. Need 80% of each vehicle to pass. Target is to pass 8 months out of the year.	
	2) Increase Office Training on EAP, Bulk Propane, Mayday procedures. Perform two simulated drill in office.	5%	0	1	2	*	Perform office training on EAP, Bulk Tank, Mayday procedures. Target is to conduct two actual simulated drills, one planned and one unplanned.	
	3) Facility Safety Inspection and Remedies	10%	0	6	7	8	Safety committee has inspected facilities and noted 8 problems. The goal in to resolve these problems by December 1st.	
<b>Increase Reliability</b>	1) Number of Electric Outages	10%	19	120	100	Open	Target is based on average of 2014 to 2016 total number of outages. For every 10 less outages than target, the bonus will increase by \$5.	
<b>Satisfied, Well informed Members</b>	1) Increase number of members that can be texted to update on outages, ect. .	10%	771	800	1000	Open	Our opted-in "Text Outage Alert" count is at ?. The year-end target is 1000 members. The maximum amount is open-ended. For every 50 additional, the incentive comp is increased by \$5.	
	2) Open House in June for Community to do an Arc Demo ect.	10%	N/A	*	1	*	Conduct and open house in June.	
<b>Develop Employees</b>	1) All employees involved in either an off-site or on-line training activity.	10%	29%	*	100%	*	The goal is for all employees to take at least one off-site or on-line training. Only make goal if ALL employees have training .	

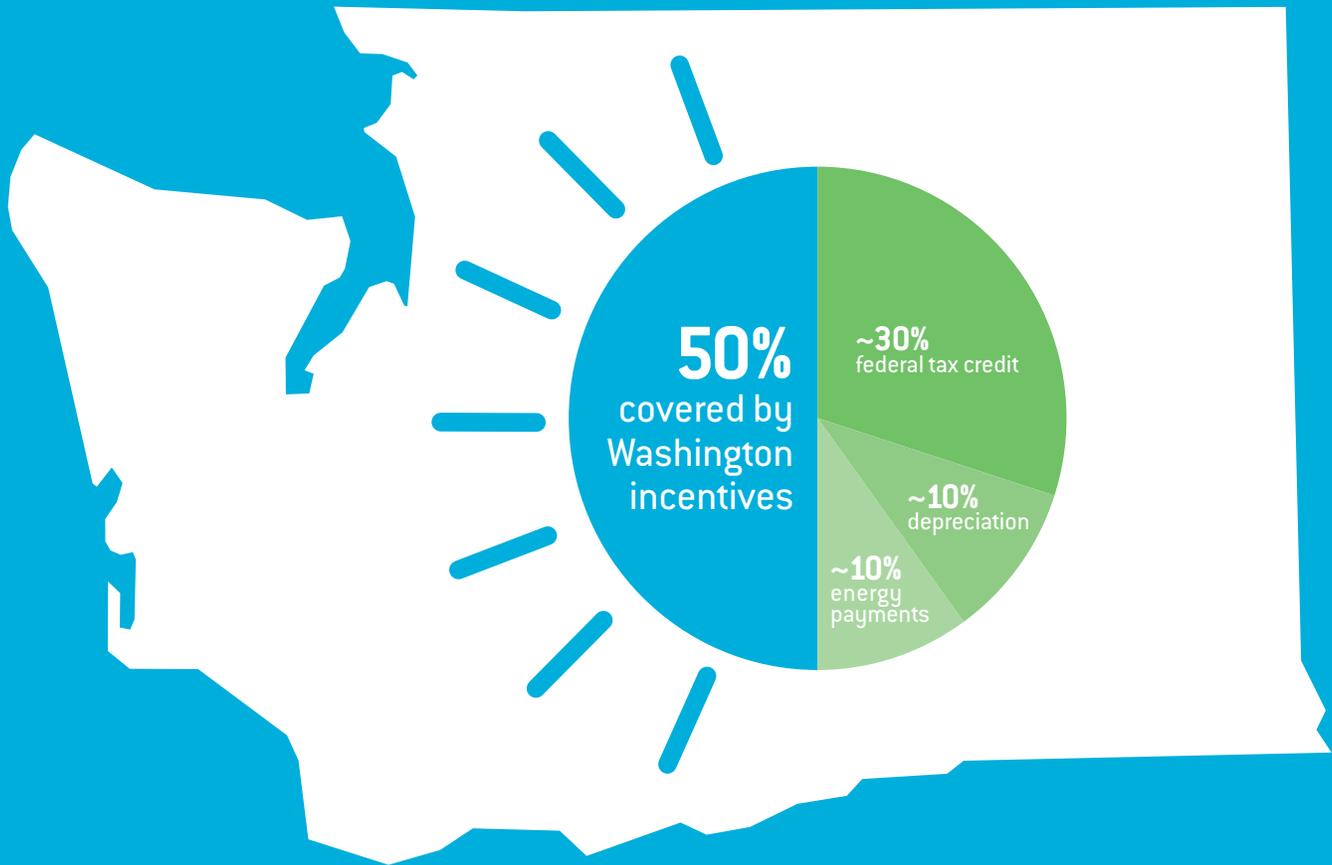
100%

- Notes:**
- 1) Target Incentive Compensation award for each employee is \$1000 and the maximum awarded is \$1,500. .
  - 2)"Percent Award" is the base contribution of each particular component to the total incentive award.
  - 3) Unless otherwise noted, "Maximum" and "Minimum" for each component provides a method to calculate the range of performance for each component.
  - 4) For each component unless otherwise noted, achieving a "Maximum" contributes 125% of target and achieving a "Minimum" contributes 75% of target.
  - 5) Any component performance below "Minimum" target does not contribute anything to the Incentive Compensation.
  - 6) All Incentive Compensation awards are subject to approval of the Board of Directors before payout and may be adjusted at their prerogative.
  - 7) All components subject to audit and may be adjusted after audit.
- \$0.00



# COMMUNITY SOLAR PROGRAM

for Washington Utilities



Senate Bill 5939 was passed in July 2017, which extended the solar incentive program in Washington State. Although the program will now only pay for 50% of eligible project costs, the maximum project size is now 1MW. **The scale of these projects is now suitable to interest a tax equity investor to finance utility community solar.**

BEF brings the capability and assistance to bring the most cost-effective community solar in the region to your customers.

# COMMUNITY SOLAR PROGRAM

for Washington Utilities

## WHAT'S IN IT FOR:

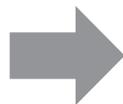
### Utilities

- WA utilities can develop solar largely paid for by the State and Federal Governments
- The utility can own the asset and enjoy free solar energy
- The utility solar resource can provide long term cost savings
- Opportunity to invest and see a return
- The program will not harm revenues or non-participants



### The Investor

- Solar is predictable, and a good return on investment
- A credit worthy partner in the utility
- An opportunity for local investment



### The Customer

- Bill savings!
- No upfront costs
- Don't need to own a home or the solar
- All customers can participate
- Easy to sign up
- See page 6 for details

# WHY TAKE ACTION?



## Limited time opportunity:

the solar incentives in WA may not last more than a couple of years and utilities will have to act now in order to take advantage of the program.



## Opens solar access to everyone:

with no money down and no long-term commitments, community solar in WA can engage customers of all incomes and demographics.



## It makes good financial sense:

solar costs are low, the levelized cost of community solar is comparable to BPA power, and this program can provide customer savings from day one. Solar may never be this cheap in WA again!



# WHY PARTNER WITH BEF?

- BEF has been a trusted utility partner on renewable energy projects for two decades
- BEF will partner on the development and financing necessary to enable projects
- Our model gives the utilities control and ownership of the project and program

## BEF PARTNERS



# PROGRAM DETAILS

1

Utility agrees to a 10-year PPA with the Project at a rate comparable to BPA power

2

Utility invests in the Project via a tax equity partnership

3

After tax benefits are realized the utility can buy out the investor and end the PPA

4

After buyout, the cost of the power is just the ongoing limited maintenance costs for the system

# SIMPLE SOLAR \$SAVER PROGRAM OFFERING TO CUSTOMERS

Sign up for 100% solar energy at a discount  
to your current rate for the next 3-4 years



We'll build a large solar system. You'll then start getting your discounted solar electricity. There are no costs to sign up or to participate, but **space is limited so sign up today!**

## ADDITIONAL INFORMATION

Total annual payout limits apply (they are capped by state law).

The discount will be paid out annually.

Simple Solar \$saver payments are subject to state funding rules and related regulations.

While we will work hard to build the solar system, we cannot guarantee that it will be built.



**The stars are aligned to promote  
the development of the lowest  
cost solar in WA.**

To take advantage of this limited time  
opportunity, please reach out to  
Evan Ramsey ([eramsey@b-e-f.org](mailto:eramsey@b-e-f.org)) at BEF.



**BONNEVILLE ENVIRONMENTAL FOUNDATION**

240 SW 1st Avenue | Portland OR 97204

503-248-1905 | [www.b-e-f.org](http://www.b-e-f.org)