



BOARD OF DIRECTORS MEETING

June 25, 2018 at **3:00 PM**

AGENDA

1. Meeting Called to Order
2. Determination of Quorum
3. Approval of Agenda
4. Approval of Consent Agenda (**Tab 2**)
 - a) Minutes from May 21, 2018
 - b) New Members
 - c) May 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
5. Committee Reports
 - a) Governance Meeting
6. Meetings Attended
 - a) PNGC Strategic Planning Meeting – June 4th & 5th – Stevenson WA – Portland – Dale
 - b) WRECA Annual Meeting – June 4th- Wenatchee – Sara, Alan & Chuck
 - c) Grand Coulee Dam Tour – June 8th – Grand Coulee – Alan Watson & guest, Chuck

Armstrong, Sara Carlberg & guest, Teri Parker & guest, Callie Fink.

d) OCEC Open House – June 20th

e) NRECA Director's Summer School – Coeur D'Alene, Idaho – June 23rd - Sara

7. Meetings to Attend

a) PNGC Monthly Meeting – July 3rd – Portland – Dale

b) PNGC Annual Meeting – Oct. 1st and 2nd – David and Interested Board Members

Meetings Not Attending

a) NRECA Regional Meeting – Anchorage, AK – September 25th to 27th

b) CFC IBEC Forum – Amelia Island, Florida – Nov. 5th to 7th.

8. General Managers Report (Tab 3)

1) Office Update

2) Operations Update

3) Propane Update

ITEMS OF BUSINESS

1) Review of Policy 30-155 New Single Large Loads **(Tab 4)**

2) Possible OCEC Involvement in Broadband Services **(Tab 5)**

3) Revolving Loan Fund

MEMBER COMMUNICATIONS

EXECUTIVE SESSION

- 1) Large Solar Installation Proposal
- 2) Succession discussion



BOARD MEETING

May 21, 2018

Present: Curtis Edwards, Chuck Armstrong, Sara Carlberg, Ray Peterson, Dale Sekijima, John Kirner and Alan Watson.

Attending: Lynn Northcott; Assistant General Manager/CFO, Glenn Huber; Operations Manager, Mark Crum; Engineer Staff, Tracy McCabe; OCEI Propane 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 3:00 pm.

2. DETERMINATION OF QUORUM

A quorum was present.

3. APPROVAL OF AGENDA

Dale will brief the Board on PNGC Strategic Planning during his monthly meeting report.

Sara requested that Item No. 1 – OCEC Strategic Plan Discussion be added to Executive Session.

Agenda as amended approved by Board consensus.

4. APPROVAL OF CONSENT AGENDA ITEMS

Consent Agenda approved by Board consensus.

5. COMMITTEE REPORT

Governance Committee:

John reported that Policy No. 10-120 Conduct of Individual Members of the Board of Directors has been reviewed by legal and has a couple of minor changes. The policy is ready for Board approval.

He noted Policy No. 30-310 Theft of Electrical Service and Policy No. 20-040 Member Requests for Cooperative Information were reviewed by the committee today. Both policies are ready to be sent to legal for review before being presented to the Board for approval.

6. MEETINGS ATTENDED

- a. PNGC Monthly Meeting – May 5th - Portland – Dale Sekijima

PNGC items discussed included:

- The PNGC Board turned down a proposed 'carve-out' proposal.

7. MEETINGS TO ATTEND

- a. PNGC Monthly Meeting – June 4th – Portland – Dale

This will be a Strategic Planning meeting.

- b. WRECA Annual Meeting – June 5th & 6th – Wenatchee – Sara Carlberg, Alan Watson & Chuck Armstrong

- c. PNGC Strategic Planning Meeting – June 5th & 6th – Stevenson WA - Dale

- d. OCEC Open House – June 20th

Lynn noted the Open House hours are from 1:00 pm to 5:00 pm and will include a raffle, lunch, an Arc Demo and displays for the public to learn about their

Cooperative. Lynn encouraged all board members to attend for at least a portion of the open house.

- e. NRECA Director's Summer School – Coeur D'Alene ID – June 23rd - Sara
- f. PNCG Monthly Meeting – July 3rd – Portland – Chuck will possibly attend
- g. PNGC Annual Meeting – Oct 1st & 2nd – David and interested Board Members

Meetings Not Attending

- a. NWPPA Annual Meeting – May 20th to 23rd – Boise ID
- b. CFC Forum – Indianapolis IN – June 10th to 13th
- c. CRC Annual Meeting – Indianapolis IN – June 11th
- d. NRECA Regional Meeting – Anchorage AK – September 25th to 27th
- e. CFC IBEC Forum – Amelia Island FL – Nov 5th to 7th

8. GENERAL MANAGERS REPORT

Lynn Northcott presented the comparison of BPA power costs.

The BPA billed surcharge estimate to OCEC is \$12,000.00 over four months. The surcharge is due to court ordered water spills.

1. Office Update

None.

2. Operations Update

Glenn Huber reported:

- Flood Update: OCEC is watching Northcott Road and Lost River Road. No major events at this time.
- Update on the PUD Transmission line and the Twisp Substation: OCEC will meet with the PUD tomorrow to discuss the remainder of work needed to complete the Loup Feeder.
- Tree trimming is completed for now.
- Glenn reviewed planned outages coming up.

3. OCEI Propane Update

Tracy reviewed flooding that OCEI is watching.

OCEI will donate a BBQ for the June 20th Open House. Tracy will have printed materials promoting OCEI available at the event. Her staff has been involved in community service helping with the annual Methow Valley Metal Drive and staff will be helping the Twisp Pool with hot water issues that have come up.

ITEMS OF BUSINESS

1. Update on Commercial Electric Car Charging Stations Incentive

Mark Crum presented research on costs and incentives for installing and operating a commercial electric car charging station and what other utilities are doing or offering. There are minimal incentives available – none from BPA at this point in time.

The cost for a start-up installation for a commercial venture can begin with \$5,000.00 just for the pedestal. Other costs include other electric equipment and infrastructure (upgrades or installations) and various monthly fees not only from the utility.

Curtis noted he wanted this discussion to see if OCEC could offer an incentive for installation of a commercial charging station. Board consensus after reviewing the research and costs involved, this is not a cost effective venture at this time.

2. Review of Policy 30-155 New Single Large Loads

Lynn Northcott presented the policy for discussion due to a vague inquiry OCEC has received and actions that have been taken by neighboring Utilities.

The discussion included: Does the current policy provide needed guidelines and protections for OCEC and could OCEC even provide the amount of load that would be required for a large load venture.

Lynn noted that a large deposit for this type of request would be required for engineering fees and for OCEC, PUD and BPA upgrades that would be needed before

any load of size could be added. This would likely take from months to years to accomplish.

The Board consensus is for Lynn to consult with OCEC's legal team for recommendations on current policy 30-155.

3. CFC Financial Management Training

Lynn presented the 2018 CFC Course Catalog. The classes are free to the Cooperative. CFC will come onsite to teach the class. She asked the Board to look over the offerings and let her know if there is any interest in having a class at OCEC.

Sara suggested further discussion in executive session.

4. Policy 10-120 Conduct of Individual Members of the Board of Directors

Sara Carlberg moved to accept Policy 10-120 Conduct of Individual Members of the Board of Directors as presented. Seconded. Carried.

MEMBER COMMUNICATION

None.

Adjourn to executive session at 3:55 pm.

EXECUTIVE SESSION

1. Discussion of OCEC Strategic Planning

Alan Watson, Secretary

New Members OCEC

June 25, 2018

REINSTATE

1.

NEW MEMBERS

1. KOERNER, MICHAEL & GORDON, DIANE	118045
2. WALDRON, STEVE	118046
3. JOHNSON, TIM	118047
4. GRIMSBY, SIGURD & BIALLAS, SHELLA	118048
5. DEVLIEG, RUSSELL & BROOKE	118049
6. GEORGE, MANDI & CLINT	118050
7. GEHRING, ALEXANDRA	118051
8. GEVERS, JORDAN	118052
9. FLACK, SEAN	118053
10. ALLEN, NATHAN	118054
11. ROGERS, KYLE & SHAINA	118055
12. BRADFORD, DENISE	118056
13. SAUNDERS, STEVE	118057
14. ZABIELSKI, MEG & BOOTH, BILL	118058
15. THORPE, RW RETIREMENT TRUST LLC	118059
16. GRAY, KRISTOFER	118060
17. JOHNSON, THOR	118061
18. VOID	118062
19. VOID	118063
20. COOLEY, MICHAEL-ANN	118064
21. GRIFFITH, GORDON & REYNOLDS, CHRISTIAN	118065



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	5/31/2018

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.		A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?
Signature of Office Manager or Accountant: <i>Al Northwest</i> Date: 6/13/18		<input checked="" type="radio"/> YES <input type="radio"/> NO
Signature of Manager: _____ Date: _____		B. Will you authorize CFC to share your data with other cooperatives? <input checked="" type="radio"/> YES <input type="radio"/> NO

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	2,684,632	2,550,076	2,337,593	363,400
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	1,311,317	1,290,468	1,190,702	145,406
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	21,258	28,386	21,895	5,492
7. Distribution Expense - Maintenance	270,956	285,726	258,738	60,212
8. Consumer Accounts Expense	121,782	126,058	127,217	24,840
9. Customer Service and Informational Expense	3,504	3,939	3,622	514
10. Sales Expense	1,579	5,044	0	3,625
11. Administrative and General Expense	386,476	270,466	296,171	30,519
12. Total Operation & Maintenance Expense (2 thru 11)	2,116,872	2,010,088	1,898,345	270,609
13. Depreciation & Amortization Expense	153,582	159,071	164,450	31,899
14. Tax Expense - Property & Gross Receipts	17,727	18,693	17,970	3,766
15. Tax Expense - Other	82,758	79,969	72,292	11,694
16. Interest on Long-Term Debt	88,441	85,210	84,072	17,042
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	0	0	0	0
19. Other Deductions	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	2,459,381	2,353,032	2,237,128	335,010
21. Patronage Capital & Operating Margins (1 minus 20)	225,251	197,044	100,465	28,390
22. Non Operating Margins - Interest	4,588	7,854	6,929	566
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	5,002	1,723	5,000	0
25. Non Operating Margins - Other	7,500	7,500	7,500	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
29. Patronage Capital or Margins (21 thru 28)	242,341	214,122	119,893	30,456

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	9	7	5. Miles Transmission	0	0
2. Services Retired	1	1	6. Miles Distribution Overhead	301	302
3. Total Services In Place	3,679	3,738	7. Miles Distribution Underground	210	212
4. Idle Services (Exclude Seasonal)	105	102	8. Total Miles Energized (5+6+7)	511	514



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County
	BORROWER DESIGNATION	WA032
	ENDING DATE	05/31/2018

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	13,729,450	29. Memberships	15,985
2. Construction Work in Progress	262,709	30. Patronage Capital	7,368,479
3. Total Utility Plant (1+2)	13,992,159	31. Operating Margins - Prior Years	888,188
4. Accum. Provision for Depreciation and Amort	4,549,050	32. Operating Margins - Current Year	206,622
5. Net Utility Plant (3-4)	9,443,109	33. Non-Operating Margins	7,500
6. Nonutility Property - Net	0	34. Other Margins & Equities	477,952
7. Investment in Subsidiary Companies	662,742	35. Total Margins & Equities (29 thru 34)	8,964,726
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	38. Total Long-Term Debt (36 + 37)	3,467,148
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	41. Total Other Noncurrent Liabilities (39+40)	0
14. Total Other Property & Investments (6 thru 13)	1,147,701	42. Notes Payable	0
15. Cash-General Funds	927,688	43. Accounts Payable	251,225
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	147,105
17. Special Deposits	132,282	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	387,553	48. Other Current & Accrued Liabilities	317,697
21. Accounts Receivable - Net Other	692,594	49. Total Current & Accrued Liabilities (42 thru 48)	716,027
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	256,721	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,147,901
24. Prepayments	20,827	ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
25. Other Current & Accrued Assets	966	Balance Beginning of Year	0
26. Total Current & Accrued Assets (15 thru 25)	2,557,091	Amounts Received This Year (Net)	150,557
27. Deferred Debits	0	TOTAL Contributions-In-Aid-Of-Construction	150,557
28. Total Assets & Other Debits (5+14+26+27)	13,147,901		

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

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OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

STATEMENT OF OPERATIONS

May 31, 2018

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,501,400	\$2,337,593	\$2,550,076	\$399,100	\$363,400
COST OF POWER	\$2,710,581	\$1,190,702	\$1,290,468	\$170,873	\$145,406
GROSS MARGINS	\$2,790,819	\$1,146,891	\$1,259,608	\$228,227	\$217,994
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$69,955	\$21,895	\$28,386	\$4,958	\$5,492
DISTRIBUTION MAINTENANCE	\$574,972	\$258,738	\$285,726	\$55,874	\$60,212
CONSUMER ACCOUNTING	\$299,885	\$127,217	\$126,058	\$25,197	\$24,840
CONSUMER SERVICE & INFO	\$5,700	\$3,622	\$3,939	\$449	\$514
SALES EXPENSE	\$0	\$0	\$5,044	\$0	\$3,625
ADMIN & GENERAL	\$674,637	\$296,171	\$270,466	\$48,487	\$30,519
TOTAL OPERATING EXPENSES	\$1,625,149	\$707,643	\$719,620	\$134,965	\$125,203
FIXED EXPENSES:					
DEPRECIATION	\$394,680	\$164,450	\$159,071	\$32,890	\$31,899
TAXES-PROPERTY	\$43,128	\$17,970	\$18,693	\$3,594	\$3,766
TAXES-OTHER	\$185,500	\$72,292	\$79,969	\$14,458	\$11,694
INTEREST	\$201,772	\$84,072	\$85,210	\$16,814	\$17,042
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
TOTAL FIXED EXPENSES	\$825,080	\$338,783	\$342,943	\$67,757	\$64,401
TOTAL EXPENSES	\$2,450,229	\$1,046,426	\$1,062,564	\$202,722	\$189,604
OPERATING MARGINS	\$340,590	\$100,465	\$197,044	\$25,505	\$28,390
NONOPERATING MARGINS:					
INTEREST	\$51,154	\$11,929	\$9,577	\$795	\$566
OTHER	\$18,000	\$7,500	\$7,500	\$1,500	\$1,500
NET MARGINS	\$409,744	\$119,893	\$214,122	\$27,800	\$30,456
T.I.E.R.	3.03	2.43	3.51	2.65	2.79

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	\$10,948	\$30,456	(\$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	\$31,882	\$31,899	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890	\$32,890
Less Capital Credit Allocations	\$0	\$0	(\$29)	(\$751)	\$1,566	(\$120)	(\$683)	\$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	\$42,710	\$61,672	\$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)	(\$7,242)	(\$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	\$118,126	\$61,068	\$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	\$8,459	\$47,501	\$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	\$2,975	\$2,976	\$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	\$122,318	\$105,137	\$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)	\$20,489	(\$78,408)	\$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)	(\$20,843)	\$24,095	(\$13,599)	(\$13,599)	\$0	\$0	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	(\$40,797)	\$12,272	(\$18,975)	(\$147,544)	(\$354)	(\$54,313)	(\$13,599)	(\$13,599)	\$0	\$0	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$854,070	\$202,078	\$47,535	\$53,835	\$164,674	\$112,496	\$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)	(\$5,776)	(\$2,007)	(\$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)	\$242	\$6,504	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$0	\$202,273	(\$36,843)	(\$33,795)	(\$67,376)	(\$58,546)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$277,356	\$1,152	\$302	\$11,411	\$64,525	\$73,167	\$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)	(\$8,140)	\$1,869	\$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)	(\$16,525)	\$20,987	(\$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												
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										
LT Debt - Current maturities	\$0	\$0	\$0	\$0										
Consumer Membership	\$0	\$0	\$20	\$0	\$5	\$35	\$15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$1,250	(\$1,432)	(\$4,550)	\$1,850	\$1,460	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$332,239)	\$1,270	(\$1,432)	(\$36,861)	\$1,885	\$1,475	(\$32,807)	\$0	\$0	(\$33,305)	\$0	\$0	(\$233,811)
CASH FROM ALL ACTIVITIES	\$0	(\$64,334)	\$45,252	\$60,464	(\$33,414)	\$150,034	\$134,958	(\$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	\$792,729	\$927,687	\$861,842	\$819,612	\$845,799	\$874,071	\$870,180	\$795,659
TOTAL CASH END OF PERIOD	\$570,393	\$506,059	\$615,645	\$676,109	\$642,695	\$792,729	\$927,687	\$861,842	\$819,612	\$845,799	\$874,071	\$870,180	\$795,659	\$615,142

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

	Current Month			Year to Date			Annual	Annual		
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance		
Member Requested Facilities	18,941.26	24,118.00	5,176.74	30,697.13	64,315.00	33,617.87	200,983.00	170,285.87		
Replacements (Poles & Transformers)	10,973.78	17,610.00	6,636.22	106,791.14	54,831.00	(51,960.14)	103,872.00	(2,919.14)		
OCEC Projects:	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	28,979.00	28,979.00	0.00	28,979.00	28,979.00	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	2,770.44	0.00	(2,770.44)	10,890.70	12,000.00	1,109.30	50,718.00	39,827.30		
Metering projects -upgrades	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Pole Inspections	2,858.72	0.00	(2,858.72)	2,858.72	0.00	(2,858.72)	10,000.00	7,141.28		
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	11,634.31	0.00	(11,634.31)	23,774.99	0.00	(23,774.99)	32,791.00	9,016.01		
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	25,000.00	25,000.00	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		
subtotal	47,178.51	70,707.00	23,528.49	175,012.68	185,125.00	10,112.32	658,052.00	483,039.32		
Un Allocated Overhead	61,401.33			61,401.33	0.00	(61,401.33)				
Member CIAC	CIAC	(73,166.72)	(30,000.00)	(43,166.72)	*	(150,556.95)	(93,678.00)	(56,878.95)	(277,356.00)	(126,799.05)
Total less CIAC	35,413.12			85,857.06						
							* \$99,974.19 holding in CIAC 05/31/18			
Meters Purchases	0.00	0.00	0.00	21,180.00	20,000.00	(1,180.00)	20,000.00	(1,180.00)		
Computers & Software Upgrades	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	5,000.00		
Transformers Purchases	0.00	0.00	0.00	80,685.84	70,000.00	(10,685.84)	70,000.00	(10,685.84)		
Vehicle Replacement	0.00	0.00	0.00	0.00	0.00	0.00	135,000.00	135,000.00		
Total	35,413.12	40,707.00		187,722.90	181,447.00		230,000.00	128,134.16		
							Total Capital Budget less CIAC	610,696.00	422,973.10	

* Note

	Line Crew		107.25	Consultants	Transportation	Benefits	Total
	Direct Labor	Materials	Labor	Contractors			
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	0.00	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	16,562.77	10,492.77	26,772.52	0.00	9,520.08	11,719.23	75,067.37
May	14,115.42	134.06	16,434.36	0.00	6,233.76	10,260.91	47,178.51
June							
July							
August							
September							
October							
November							
December							
	44,582.69	13,298.51	59,185.39	0.00	25,524.46	32,421.63	175,012.68

* 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

May-18

W.O. #	Monthly Allocation	Contractor	Labor	Labor O/H	AP Vendor & Material	Material O/H	Material Retire/Scrap	Benefits	Trans	Total	
12092	6362.99	8	1879.84	2130.82				1563.06	789.27	6,362.99	
12093	1,344.95	8	274.23	310.84	392.45	416.17	(395.11)	228.02	118.35	1,344.95	
12095	(27.37)	8					(27.37)			(27.37)	
12102	(2,729.06)	8					(2,729.06)			(2,729.06)	
12111	1,314.27	8	403.35	457.20				335.37	118.35	1,314.27	
12112	3,101.96	7	806.70	914.40				670.76	710.10	3,101.96	
12116	2,770.44	12	774.72	878.15				644.17	473.40	2,770.44	
12121	1,229.22	7	336.13	381.01	17.15	18.19		279.48	197.26	1,229.22	
12122	3,965.73	7	1,051.42	1,191.80				874.24	848.27	3,965.73	
12124	422.32	7	129.12	146.36				107.35	39.49	422.32	
12126	1,193.88	7	336.13	381.01				279.48	197.26	1,193.88	
12127	1,432.62	7	403.35	457.20				335.37	236.70	1,432.62	
12128	1,752.54	8	537.80	609.60				447.18	157.96	1,752.54	
12131	2,858.72	14	844.41	957.15				702.11	355.05	2,858.72	
12132	2,400.51	7	605.03	685.81	74.00			503.08	532.59	2,400.51	
12133	74.00	7			74.00					74.00	
12134	1,130.07	7	314.61	356.61				261.59	197.26	1,130.07	
12135	208.00	7			208.00					208.00	
12136	11,634.31	16	4,222.05	4,785.74				2,034.77	591.75	11,634.31	
12137	2,224.00	8			2,224.00					2,224.00	
12138	731.46	8	193.48	219.31				160.87	157.80	731.46	
12139	422.32	7	129.12	146.36				107.35	39.49	422.32	
12141	74.00	7			74.00					74.00	
12142	438.09	7	134.45	152.40				111.79	39.45	438.09	
12143	955.08	7	268.90	304.80				223.58	157.80	955.08	
12145	1,671.46	7	470.58	533.43				391.29	276.16	1,671.46	
12146	148.00	7			148.00					148.00	
12147	74.00	7			74.00					74.00	
	47,178.51		0.00	14,115.42	16,000.00	3,285.60	434.36	(3,151.54)	10,260.91	6,233.76	47,178.51

7 Member Requested Facilities

8 Replacements (Poles & Transformers)

OCEC Work Orders

OCEC Projects:

9 Replace 2500' of URD at Stud Horse - Part 2	8	12092 Service Orders Temp Disc	6362.99
10 Replace 2500' of URD at Edelweiss - Part 1	8	12093 Cutouts 2018.01	1,344.95
11 Convert 3500' of OH to URD at Bear Crk	8	12095 OCEC - Warehouse 2018.01	(27.37)
12 Replace 3000' of URD at Davis Lake	8	12102 OCEC-Airport Line	(2,729.06)
13 Metering projects -upgrades	12	12111 OCEC-Twisp River Rd 591	1,314.27
14 Pole Inspections	8	12116 OCEC-Davis Lake 2018	2,770.44
15 Fire Retardant/Treatment on Poles	8	12128 OCEC-Mclean Hill	1,752.54
16 Test/Rebuild 2 sets of Regulators Sub	14	12131 OCEC-Pole Test RPLC 2017.1	2,858.72
17 Paint/protect crew hallway	16	12136 OCEC-W Sub Regs	11,634.31
18 Redo Asphalt in front & back, fix drain	8	12137 TU-Evan's Rd Crossing	2,224.00
19 Major Storm Damage	8	12138 OCEC-T70 3R 12L	731.46
			<u>28,237.25</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

Labor Capitalized	Capitalization in Percentage												YTD
	Jan	Feb	March	April	May	June	July	August	September	October	November	December	
2018 Actual	5%	12%	18%	27%	23%								
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												YTD
	Jan	Feb	March	April	May	June	July	August	September	October	November	December	
2018 Work Order Actual	\$ 7,222	\$ 9,924	\$ 16,540	\$ 24,183	\$ 23,318			\$ -	\$ -	\$ -	\$ -	\$ -	
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												YTD
	Jan	Feb	March	April	May	June	July	August	September	October	November	December	
2018 Actual	98%	88%	82%	73%	77%								
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												YTD
	Jan	Feb	March	April	May	June	July	August	September	October	November	December	
2018 Actual	\$ 128,782	\$ 74,657	\$ 75,912	\$ 65,816	\$ 78,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 424,092
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

Total Labor YTD	2018	\$ 136,004	\$ 84,581	\$ 92,451	\$ 89,999	\$ 102,243								\$ 505,277
Total Labor YTD	2017	\$ 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
May 31, 2018

Beginning RLF Balance		\$64,129.11
LOUP LOUP SKI ED FOUNDATION LOAN #2		
PAYOFF AUGUST 01, 2019	MONTH	TO DATE
PAYMENTS RECEIVED	\$425.00	\$46,275.36
ADMINISTRATIVE FEE (1%)	\$8.33	\$2,691.67
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$44,583.68
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOANS		\$5,416.32
LOUP LOUP SKI ED FOUNDATION LOAN #3		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$445.83	\$19,849.98
ADMINISTRATIVE FEE (1%)	\$29.16	\$1,516.50
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$18,333.48
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOANS		\$31,666.52
TOWN OF TWISP		
PAYOFF AUGUST 01, 2019	MONTH	TO DATE
PAYMENTS RECEIVED	\$79.05	\$7,374.04
ADMINISTRATIVE FEE (1%)	\$2.30	\$465.24
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$6,907.26
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOANS		\$2,302.74
MVSTA LOAN #2		
PAYOFF JULY 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$875.00	\$65,354.72
ADMINISTRATIVE FEE (1%)	\$41.67	\$4,521.63
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$59,999.76
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOANS		\$40,000.24
MEDICINE WHEEL WEB DESIGN		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$510.00	\$22,790.00
ADMINISTRATIVE FEE (1%)	\$10.00	\$800.00
PRINCIPLE PAYMENT TO LOAN	\$500.00	\$22,000.00
ORIGINAL AMOUNT OF LOAN		\$30,000.00
BALANCE REMAINING ON LOANS		\$8,000.00
TOWN OF WINTHROP		
PAYOFF NOVEMBER 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$870.83	\$5,224.98
ADMINISTRATIVE FEE (1%)	\$79.17	\$475.02
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$4,750.02
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOANS		\$90,249.98
TOTAL BALANCE REMAINING ON LOANS		\$177,635.80
ENDING RLF BALANCE		\$67,164.20

OKANOGAN COUNTY ELECTRIC COOPERATIVE INC
REVOLVING LOAN FUND #2
MONTHLY REPORT

For the Month Ending
May 31, 2018

Beginning RLF Balance	\$61,744.55	
AERO RESCUE		
PAYOFF NOVEMBER 1, 2020	MONTH	TO DATE
PAYMENTS RECEIVED	\$2,060.00	\$194,120.00
ADMINISTRATIVE FEE (1%)	\$60.00	\$12,180.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$182,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOANS		\$58,000.00
TOWN OF WINTHROP LOAN #2		
PAYOFF JUNE 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$179.37	\$13,042.95
ADMINISTRATIVE FEE (1%)	\$8.54	\$914.02
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$12,128.93
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOANS		\$8,371.07
MVSTA LOAN #3		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$624.16	\$27,729.55
ADMINISTRATIVE FEE (1%)	\$40.84	\$2,228.37
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$25,666.52
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOANS		\$44,333.48
PINETOOTH CREATIVE		
PAYOFF July 01, 2026	MONTH	TO DATE
PAYMENTS RECEIVED	\$84.25	\$1,865.26
ADMINISTRATIVE FEE (1%)	\$6.96	\$164.08
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$1,701.36
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOANS		\$7,573.64
EQPD		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$297.92	\$4,568.80
ADMINISTRATIVE FEE (1%)	\$27.08	\$406.22
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$4,062.58
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOANS		\$28,437.42
Little Star Montessorri School		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$295.21	\$4,758.19
ADMINISTRATIVE FEE (1%)	\$24.38	\$425.31
PRINCIPLE PAYMENT TO LOAN	\$270.83	\$4,333.28
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOANS		\$28,166.72
ENDING RLF BALANCE	\$65,117.67	

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA
May-18

	February 2018	March 2018	April 2018	May 2018	May 2017
POWER DATA:					
COST OF POWER	\$360,427	\$261,103	\$212,906	\$145,406	\$133,899
KWH PURCHASED	7,309,665	5,927,840	4,105,730	3,443,600	3,623,220
KWH SOLD & OCEC USE	6,859,122	5,546,608	3,785,326	3,144,751	3,308,421
KWH LOST	450,543	381,232	320,404	298,849	314,799
LINE LOSS %	6.16%	6.43%	7.80%	8.68%	8.69%
COST PER KWH	\$0.0493	\$0.0440	\$0.0519	\$0.0422	\$0.0370
BILLING DATA:					
ACCOUNTS BILLED	3,536	3,529	3,536	3,733	3,674
AVG. KWH/CONSUMER	1,940	1,572	1,071	842	900
BILLING REVENUE	\$613,212	\$517,635	\$397,993	\$360,224	\$365,449
AVERAGE BILL	\$173.42	\$146.68	\$112.55	\$96.50	\$99.47
REVENUE/KWH SOLD	\$0.0894	\$0.0933	\$0.1051	\$0.1145	\$0.1105
SERVICE DATA:					
NEW	0	0	1	6	6
RETIRED	1	0	1	0	1
TOTAL END OF MONTH	3732	3732	3732	3738	3679
IDLE SERVICES	106	106	103	102	105
TRANSPORTATION:					
TOTAL MILES	6,224	6,481	5,405	5,148	7,510
COST OF OPERATION	\$18,958	\$17,384	\$16,752	\$17,104	\$14,069
AVG. COST PER MILE	\$3.046	\$2.682	\$3.099	\$3.322	\$1.873
MATERIALS:					
ISSUES	\$113	\$1,894	\$9,843	\$7,235	\$4,200
INVENTORY	\$248,346	\$250,450	\$258,590	\$256,721	\$322,580

OCEC 2018 Outage
Summary

Substation	Power Supply Int.	Major	Planned Int.	All Other Int.	Feeder Total Hours Out	% of Total	Total # of Meters	# of Meters w/ outage	SAIDI	SAIFI	CAIDI
Winthrop Substation (1)	11,832	-	-	6,222	17,938	77.0%	2958	5197	6.064	1.757	3.474
Feeder 1 = Chewuch	2,360	-	-	256	2,616	11.2%	590	823	4.435	1.395	3.179
Feeder 2 = Mazama	3,764	-	-	5,930	9,694	41.6%	941	2896	10.302	3.078	3.347
Feeder 3 = Sun Mtn	2,984	-	-	20	3,004	12.9%	746	766	4.027	1.027	3.922
Feeder 4 = Winthrop	2,724	-	-	15	2,739	11.7%	681	712	4.022	1.046	3.847
Twisp Substation (2)	2,456	-	-	2,917	5,373	23.0%	614	1289	8.751	2.099	4.169
Feeder 1 = Airport	112	-	-	866	978	4.2%	28	227	34.916	8.107	4.307
Feeder 2 = Loup	776	-	-	122	898	3.9%	194	222	4.628	1.144	4.044
Feeder 3 = Twisp	1,568	-	-	1,930	3,498	15.0%	392	840	8.923	2.143	4.164
Totals					23,311		3572	6486	6.526	1.816	3.61
CFC Summary	240	-	-	153.51							

SAIDI = Defined as sum of customer interruption durations divided by the total # of customers server
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

NUMBER OF OUTAGES = 35

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).

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	-	2,948	-	-	-	-	-	-	-	7,071
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	56	-	-	-	-	-	-	-	59
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	1	2	7	-	-	-	-	-	-	-	86

****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	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	14,288												14,288
DISTRIBUTION SUBSTATION													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-												4,126
POLES AND FIXTURES													
POL-POLES	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-CROSSARM OR CROSSARM BRACE	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-ANCHOR OR GUY	-	-	-	-	-	-	-	-	-	-	-	-	-
POL-POLES AND FIXTURES, OTHER	-	-	113	-	-	-	-	-	-	-	-	-	113
TOTALS:	-												113
OVERHEAD													
OVR-OVERHEAD	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-LINE CONDUCTOR	-	-	1,809	1	2,912	-	-	-	-	-	-	-	4,721
OVR-CONNECTOR OR CLAMP	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-SPLICE OR DEAD END	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-JUMPER	-	-	-	-	32	-	-	-	-	-	-	-	32
OVR-INSULATOR	-	-	-	-	10	-	-	-	-	-	-	-	10
OVR-LIGHTNING ARRESTER LINE	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-FUSE CUTOFF	57	0	19	2	36	7	-	-	-	-	-	-	122
OVR-RECLOSER OR SECTIONALIZER	-	-	-	-	-	-	-	-	-	-	-	-	-
OVR-OVERHEAD LINE CONDUCTORS AND DEVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	57												4,885

OCEC 2018 Outage
Detailed Summary By Cause

DETAILED SUMMARY BY CAUSE													
UNDERGROUND													
UG-PRIMARY CABLE	-	-	-	-	15	-	-	-	-	-	-	-	15
UG-SPLICE OR FITTING	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-SWITCH ELBOW ARRESTER	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-SECONDARY CABLE OR FITTINGS	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-ELBOW	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-POTHEAD OR TERMINATOR	-	-	-	-	-	-	-	-	-	-	-	-	-
UG-UNDERGROUND, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-	-	-	-	-	-	-	-	-	-	-	-	15
TRANSFORMER													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-	-	-	-	-	-	-	-	-	-	-	-	-
WEATHER													
WTR-RAIN	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-LIGHTNING	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-WIND	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-SNOW ICE	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-SLEET	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-EXTREME COLD	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-EXTREME HEAT	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-WEATHER OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
WTR-CLEAR, CALM	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-	-	-	-	-	-	-	-	-	-	-	-	-

PNGC Power Pulse

May 2018

Inside This Issue

- 1 Big Incentives to Save
- 2 That Dam Legislation
- 2 Employee Spotlight: Brandy Neff
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- 3 May 2018 Agenda
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- 4 Mid C Pricing
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Big Incentives to Save

On May 3 Umatilla Electric Cooperative (UEC) presented Lamb Weston an incentive check for \$500,000 for completing one of the Northwest's largest industrial energy savings projects in the past decade. The check was given for the Boardman West Refrigeration Project that Lamb Weston implemented in two phases over a 16-month period. The project will save the company an estimated 12,975,327 kilowatt-hours annually.

UEC has worked with Lamb Weston on multiple energy efficiency projects since 2010, and has saved a total of 34,734,000 kilowatt-hours, which is enough to offset the consumption of 3,100 single family homes. That's a substantial amount of energy savings.

"Your impressive commitment to saving energy has far-reaching benefits," UEC General Manager Robert Echenrode told Lamb Weston officials at the check presentation ceremony. "Saving energy frees up



UEC Board and staff, as well as staff from BPA, Lamb Weston, and PNGC, mark the completion of one of the Northwest's largest energy savings projects.

capacity on the UEC system for Lamb Weston and other companies to grow, and it reduces the need for Northwest ratepayers to pay for new generation and transmission."

"This project is a great example of PNGC member's efforts to utilize cost-effective energy efficiency to meet energy needs in the future," said Greg Mendonca, PNGC Vice President of Power Supply. He went on to say, "Investments like this contribute to PNGC's nearly carbon-free portfolio of resources to meet our member's requirements."

The Lamb Weston project at Boardman represents the largest energy savings for any Bonneville Power Administration's Energy Smart Industrial (ESI) refrigeration project to date, and the third largest energy savings for all ESI project categories.

That Dam Legislation

Following the successful, bipartisan passage of H.R. 3144 in the House of Representatives on April 25, the bill's sponsors are actively pursuing next steps. Specifically, they are executing a dual-track strategy to codify the effort to block any additional spill pursued by Plaintiff groups over the next four years.

The first track encourages the introduction of a stand-alone version of H.R. 3144 in the Senate. The second track pursues a one-year timeout on *additional* spill via an appropriations policy rider. The policy rider would essentially pre-empt, for only one year, any *additional* spill ordered by the court in fiscal year 2019.

For both tracks (the stand-alone and the appropriations policy rider), the next critical



Bonneville Dam

step is building support and identifying a champion in the Senate. This means identifying a Senator or Senators who are willing to push this concept in a place that requires 60 votes to get most things done. In order for the language to be signed into law, both the House and the Senate must act. PNGC will keep you posted.

Employee Spotlight: Brandy Neff

Brandy Neff has been with PNGC Power since 2006. Starting in the accounting department, Brandy has been an Accounting Technician, Accountant, and Accounting Analyst before moving into her role as the Conservation Services Coordinator.

Neff sees her role as the Conservation Services Coordinator as providing energy efficiency services to our members by being the BPA liaison, facilitating member projects, and meeting the needs of the Energy Efficiency Collaborative (the group of energy efficiency experts from each of PNGC's cooperatives, formerly known as the Conservation Committee.)

Neff is proudest of the Energy Efficiency Incentive Tracker that PNGC developed as an input tool for billing and data collection. In the void of a BPA solution, PNGC created a system that its members can use to collect this important information, and also smoothly make reimbursements for energy efficiency projects.

Looking ahead, Neff said, "The future of energy efficiency will be technology based," listing demand response, smart controls, and web-based monitoring that allows for data analysis as areas of growth. "It's a fast changing environment and we want to be aware of the innovative edges."

Neff earned a Bachelor of Science in Accounting from Linfield College. An Oregon native, she now lives in Vancouver, Washington with her two children, Kayla and Keymani, and their two spoiled cats.



Brandy Neff

BPA Happenings

May 22	Strengthening Financial Health: Capital Financing Workshop
May 29	2018 PFGA-Tariff Customer Meeting
May 30	BP-20 Rate Case Workshop
May 31	TC-20 Tariff Customer Workshop
June 13	2018 South of Allston Bilateral Pilot Workshop
June 18-21	2018 Integrated Program Review Workshop

May 2018 Board Agenda

The following topics were covered during our May 1, 2018 Board meeting:

Information Session:

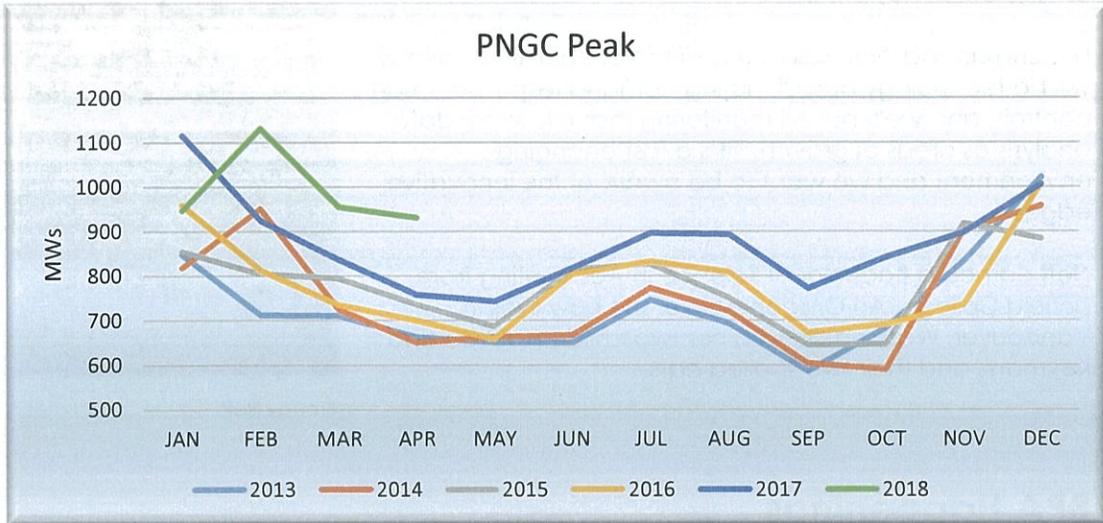
- Open Floor
- Guest Speakers: Mark Schwirtz – CEO, Golden Spread Electric Cooperative (G&T): "Transitioning to a New Business Model"

Staff Reports:

- Coffin Butte Quarterly Operations Report
- FY20-24 Draft Resource Purchasing Strategy
- Internal Considerations
- PPC Forum Presentation
- Transmission Update
- Government Affairs Update
- CEO Report
- Carve Out Risk and Benefit Summary

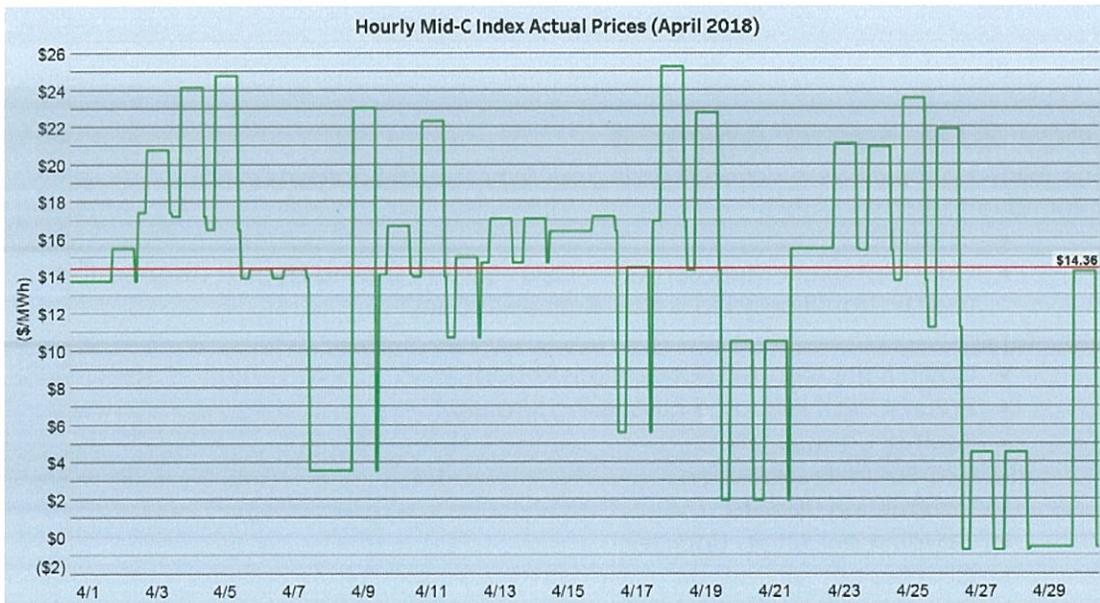
PNGC Peak by Month & Year

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



Mid-C Pricing

The graph below shows Mid-C Pricing for the month of April 2018



Upcoming PNGC Events

May 21-23	NWPPA Annual Meeting (Boise, ID)
May 28	Memorial Day – PNGC Offices Closed
June 4-6	PNGC Strategic Planning
June 5-6	WRECA Annual Meeting (Wenatchee, WA)
June 10-13	CFC Forum (Indianapolis, IN)
June 16	Fall River Annual Meeting
June 21	Coos-Curry Annual Meeting



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About PNGC Power

PNGC Power is a Portland-based electric generation and transmission (G & T) cooperative owned by 15 Northwest electric distribution cooperative utilities with service territory in seven western states (Oregon, Washington, Idaho, Montana, Utah, Nevada and Wyoming). The company creates value for its member systems by providing power supply, transmission, and other management services. PNGC Power is an aggregator of geographically diverse loads in the region.

Comparison of BPA Power Costs for YTD FY 2017 and FY 2018

	FY 2017			FY 2018		
	KWH Purchased	Cost	Cents per KWH	KWH Purchased	Cost	Cents per KWH
Oct	4,247,850	\$ 179,765	4.2	4,617,795	\$ 199,417	4.3
Nov	4,840,000	\$ 167,067	3.5	6,039,500	\$ 211,428	3.5
Dec	9,195,205	\$ 354,871	3.9	8,870,180	\$ 339,203	3.8
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	4,152,605	\$ 191,448	4.6	4,105,730	\$ 214,477	5.2
May	3,623,220	\$ 133,899	3.7	3,443,600	\$ 145,406	4.2
June						
Total	49,443,030	2,016,162		48,103,335	2,045,229	
Overall Cents/KWH	4.08			4.25		
Overall % Increase	4.3%					

Note: PNGC Credit is backed out of December's costs.

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	4,152,605	\$ 191,448	4.6	4,105,730	\$ 214,477	5.2
May	3,623,220	\$ 133,899	3.7	3,443,600	\$ 145,406	4.2
June						
Total	31,159,975	1,314,459		28,575,860	\$ 1,295,181	
Overall Cents/KWH	4.22			4.53		
Overall % Increase	7.4%					
Estimated \$ in CY 2018 Attributable to Increase in KWH rate				\$ 89,731		
Estimated \$ in FY 2018 Attributable to Increase in KWH rate				\$ 83,696		

POLICY: 30-155**DATE: April 25, 2016****SUBJECT: New Single Large Loads****I. PURPOSE:**

To set forth the procedure for serving OCEC members with large electrical loads.

II. TYPE OF SERVICE: New single or cumulative loads of one (1) megawatt or higher, served by three phase, 60 cycle, at a voltage available and approved by OCEC.

III. POLICY CONTENT:

Any single customer seeking electrical service (whether a new service or expansion of an existing service), resulting in a use of one (1) megawatt or more in a single month (a "large load") must enter into a separate power sale agreement with OCEC prior to the provision of such electric service. The agreement shall identify terms, rates, and conditions for providing the electrical service and shall address any special provisions applicable to the provision of the electrical service.

This requirement applies to a "single customer" regardless of the number or billing name or names of the metering points resulting in the creation of the large load, and the separate agreement may not be avoided by spreading the large load over multiple metering points or different billing names.

For the purpose of this policy, a "single customer" shall include all persons or entities "under common control" that obtain power from the OCEC. "Under common control" shall mean those persons or entities of whatsoever nature (whether trusts, partnerships, corporations, limited liability companies) in which the same individual or individuals directly or indirectly hold more than 50% of the voting or capital or profit and loss interest. For the purpose of calculating ownership of voting, capital or profit and loss, the interests of spouses, domestic partners, siblings and lineal descendants shall be aggregated to determine whether or not the 50% ownership threshold exists.

Prior to negotiating a power sales agreement the requesting customer shall provide OCEC with a detailed and verifiable estimate of the electrical power they require **IV.**

RESPONSIBILITY:

The General Manager is responsible for implementation of the policy.

ATTESTING:

President

Secretary

Date

OCEC Broadband Discussion

- I. Why Discuss Broadband?
How can OCEC further support the members/businesses? Better internet improves access to online education, access to job opportunities and telecommuting. How can OCEC modernize the grid and distributed energy opportunities? Can OCEC feasibly help improve internet access and therefore the community/economy?
- II. Nationwide Rural Broadband Rollout
Rural electric co-ops have taken the lead in bringing broadband to its members. The business route taken by individual cooperatives is based on the many variables unique to its situation.
<https://www.cooperative.com/programs-services/bts/pages/broadband-co-op-case-studies.aspx>
- III. OPALCO/Rock Island Story
CenturyLink's submarine cable failed in 2013; CenturyLink was unwilling to make the investment in fiber. Fiber optic broadband is the platinum standard for telecommunications with much lower resistance and faster speeds than copper wire. Using a shared cost model, Rock Island now has 3,500 internet customers with 25 to 1000Mbps for both upload and download. OPALCO funds the backbone, organized fiber groups fund the middle while the homeowner/business owner receives a \$1,500 credit to fund the last mile. LTE Fixed Wireless extends service to hard to reach areas which generates revenue. Fiber is the goal.
<https://rockisland.com/>
- IV. Current OCEC Area Broadband Situation
Three ISPs currently operate in the OCEC service area: MethowNet.com, NCI Datacom (Swift-Stream) and CenturyLink (with a landline/internet account). MethowNet.com has 18 wireless access points in the Valley with fiber service in Twisp and Winthrop; fiber has/is being installed to businesses in Winthrop. CenturyLink is currently using copper wire. Verizon offers LTE for those who wish to access the internet through their phones and tether to other devices.
- V. Potential Improvement
Fiber to the home (FTTH)/business, additional access points, LTE fixed wireless – to reach a larger percentage of OCEC members.
- VI. Various Business Models Possible
There are various ways for OCEC to get more involved in Broadband ranging from further supporting the current ISP to forming a new wholly owned subsidiary.

LARGE SOLAR INSTALLATION PROPOSAL - JUNE, 2018

In a Nutshell: Are we willing to accept some loss in revenue, possible one-time expense and some risk to help make this happen?

SUMMARY:

1 MWa installation in Winthrop by the sewer ponds
0.5 MWa installation by the schools (sizes are "nameplate" maximum output)

Generated power would be distributed from one or both substations.

Expected generation for both is 2100 MWH per year
OCEC uses about 60,000 MWH per year = 3.5% produced by the new solar

At times this solar could be providing up to 30% of our system load.

Installations will be owned by a Seattle developer seeking green building credentials that would earn approval for an additional floor in their planned building along with bragging rights.

All up-front costs for installation and connection to our distribution paid by the developer.
Additional costs (engineering, infrastructure, BPA requirements) are not yet known and may be a stopping point for the proposal.

O&M costs paid by the developer for the life of the contract.

Landowners contract with developer for use of their land for a nominal fee.
OCEC does a power purchase agreement with the developer.

Developer sells generated power to OCEC for \$0.025 per KWH
Current PNGC wholesale cost is about \$.045 per KWH

Contracts would be for 15 years with an option to extend, on the same terms, for another 10.
At 15 years, the landowners could also choose to purchase the installations and assume O&M.
At 25 years the arrays are removed by the developer.

The two members, MVSD and Winthrop, need compensation for granting the land use.
OCEC is the avenue for that by lowering the KWH portion of their bills.
The school district has been pitched a savings of about \$22,000 a year
Winthrop has been pitched a savings of about \$17,000 a year.
They are both interested at those rates.

For Winthrop, the solar generation would be credited at \$.0125 per KWH hour produced.
For the school district the credit formula would be different in order to reach the higher savings.
Creating these credits might require creating new rate classes = board approval.

OCEC net revenue loss is estimated at \$6K a year. That could reduce over time due to the "escalation clause" described below.

For the landowners, the credit (reduction in energy charge) would increase by half of any future increases in the OCEC wholesale cost of power. If OCEC is paying a penny more per KWH then the two members get an additional reduction in KWH charges of half a penny per KWH.

BPA approval starts with a Small Generation Interconnect application. PNGC helped OPALCO with theirs recently and will help us. For generation 1MW or less BPA often gives a less-involved "exception" to allow. Even though these are two installations they will likely view as one, 1.5MW, installation.

If BPA grants an exception that will likely be the only one we get. Additional solar in our service area will be through net metering, limited to 100KW but usually much smaller.

NEXT STEPS (if we decide to keep entertaining the proposal)

1. Approval in principle by OCEC, MVSD, Winthrop Town Council, developer (working through their consultant, Capstone Solutions)
2. Developer pays for engineering needed to apply to BPA and estimate infrastructure costs.
3. Developer decides whether or not to cover the estimated costs, understanding BPA may add to them with their requirements.
4. PNGC works with OCEC to apply to BPA.
5. Wait for BPA reply.
6. If there are additional requirements or costs from BPA, parties decide whether/how to proceed.
7. OCEC works out contingency plan with PNGC to replace the solar generation if it suddenly goes away.
8. Landowners negotiate and execute contracts for use of their land.
9. OCEC negotiates and executes power purchase agreement with developer.
10. OCEC does credit agreements with the two members / landowners.
11. Installation, testing, connection.
12. Media coverage

BENEFITS

1. Strong show of support for solar - generation stays in the OCEC service area
2. Learning tool for both the schools and OCEC
3. Savings for MVSD and Winthrop that can be put toward other needs
4. 15-25 years of power at \$.025 per KWH
5. Probably a one time opportunity for this good a deal, if up front costs are paid by the developer.

RISKS

1. Solar generation goes away (failure, disaster, bankruptcy, contract default) - landowners lose KWH savings, OCEC has to replace the power possibly at a higher price than other purchased power, possible litigation costs
2. Lost revenue necessitates a rate increase.
3. Unexpected issues and costs with the added generation, particularly at full output.
4. May close opportunities for any future solar installations of this size because of BPA requirements. Possibly limit future net metering because of cumulative generation?

QUESTIONS

1. Do we support this proposal?
2. How much revenue loss would we accept and how would that be covered?
3. Would we pay some of the up-front costs? By borrowing?
4. Is it okay that only these two members were offered this opportunity?