

## BOARD OF DIRECTORS MEETING

October 22, 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 September 24, 2018
  - b) New Members
  - c) September 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
  - m) OCEC November Newsletter
5. Committee Reports  
Revolving Loan Fund Committee
6. Meetings Attended
  - a) PNGC Annual Meeting – Oct. 1<sup>st</sup> and 2<sup>nd</sup> – David, Alan, Chuck, John, Sara
  - b) Methow Valley Broadband Community Meeting – October 10<sup>th</sup> – 7 PM – MV Community Center, Twisp
  - c) WRECA Manager's Meeting – October 17 – Lakeview – David

d) PNGC Special Board Meeting – October 19<sup>th</sup> –  
By Conference Call - David

7. Meetings to Attend

- a) PNGC Monthly Board Meeting and CEO Interviews  
Nov. 5<sup>th</sup> thru 8<sup>th</sup>– David
- b) WRECA Board Meeting - November 11<sup>th</sup> SeaTac –  
David

8. General Managers Report (Tab 3)

- a) Office Update
- b) Operations Update

**ITEMS OF BUSINESS**

- 1) 2019 Budget Topics
  - a. 2019 Training/Conferences **(Tab 4)**
  - b. Capital Credits for 2019
- 2) Approval of 2018 Capital Credits Payouts
- 3) New Unmetered Energy Rate and Policy for  
Small Communication Installations **(Tab 5)**
- 4) Nomination Committee Update
- 5) Strategic Plan Adoption **(Tab 6)**
- 6) 3<sup>rd</sup> Quarter Balanced Scorecard Goals **(Tab 7)**
- 7) Approval of RLF Loan Fund Loans
- 8) Bylaw Discussion

**MEMBER COMMUNICATIONS**

**EXECUTIVE SESSION**

- 1) Subsidiary Update
- 2) Broadband Discussion
- 3) 3<sup>rd</sup> Quarter Management Goals Update
- 4) 2019 Management Goals

## 5) Personnel Discussion



**BOARD MEETING**  
**September 24, 2018**

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

**Attending:** David Gottula; General Manager, Glenn Huber; Operations Manager, Tracy McCabe; OCEI Propane Manager, Jessica Dewbrey; Office Staff and Teri Parker; Office Staff.

**Members in Attendance:** Michael Murray

**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 3:05 pm.

**2. DETERMINATION OF QUORUM**

A quorum was present.

**3. APPROVAL OF AGENDA**

Curtis added Finance Committee report. Agenda approved as amended by Board Consensus.

**4. APPROVAL OF CONSENT AGENDA ITEMS**

The Consent Agenda was approved by Board consensus.

**5. COMMITTEE REPORT**

## Finance Committee

Alan Watson reported the Finance Committee reviewed a possible rate increase for 2019. Discussion points included current rates and debt.

The Committee recommendation to the Board is no rate increase for 2019.

## 6. MEETINGS ATTENDED

- a. PNGC Monthly Meeting – September 4<sup>th</sup> & 5<sup>th</sup> – Portland - David

David reported the search for a new CEO has begun. There have been 32 applicants and the Board has narrowed the choices to 10 candidates. Interviews are scheduled for November.

In addition, the Board continued its Strategic Planning discussion.

- b. WRECA Legislative Committee Meeting with PUD's – September 13<sup>th</sup> – Pasco WA – David

David summarized the meeting noting that Cooperatives will be on the defense in 2019 with many legislative proposals that could potentially increase costs. If Initiative 1631 (Carbon Tax) passes it will increase costs of both propane and electricity.

- c. WRECA Board Meeting – September 18<sup>th</sup> – Spokane – David
- d. PNGC Special Board Meeting – September 21<sup>st</sup> – By Conference Call - David

## 7. MEETINGS TO ATTEND

- a. PNGC Annual Meeting – Oct 1<sup>st</sup> & 2<sup>nd</sup> – David, Alan, Chuck, John and Sara
- b. Methow Valley Broadband Community Meeting – Oct 10<sup>th</sup> – 7pm – MV Community Center, Twisp
- c. WRECA Manager's Meeting – October 17<sup>th</sup> – Lakeview – David
- d. PNGC Special Board Meeting – October 19<sup>th</sup> – By Conference Call – David

- e. CFC IBEC Forum – Amelia Island, FL – Nov 5<sup>th</sup> to 7<sup>th</sup> – Lynn

## **8. GENERAL MANAGERS REPORT**

Attached and reviewed.

Board training on Equity and Debt is scheduled for before the Board meeting in December 2018.

### **1. Office Update**

David reported the Revolving Loan Fund (RLF) application deadline is September 30, 2018. There are 4 received and possibly 1-additional, applicants for funds.

Committee members are John Kirner, Alan Watson, Curtis Edwards, Lynn Northcott and David Gottula. The committee will meet on October 9<sup>th</sup> at 10:00 am to review the applicants.

OCEC has 255 members signed up for E-Check payments and 1,116 members signed up for text alerts.

### **2. Operations Update**

Glenn Huber reported:

- The PUD's annual transmission line maintenance outage is scheduled for Thursday October 25<sup>th</sup> beginning at 11:00 pm and ending at 6:00 am.
- Pole testing is wrapping up this week.

### **3. Propane Update**

Tracy McCabe reported the crew is busy with service calls and construction.

On October 10<sup>th</sup> there is an Arc Demo and Bulk Facilities tour for the Volunteer Fire Department for the purpose of reviewing emergency procedures.

## **ITEMS OF BUSINESS**

1. 2019 Budget Topic – Succession Planning

The discussion reviewed OCEC's current Line Crew, standby schedules, work duties and system facilities. The current plan is to advertise for a Journeyman Lineman or an Apprentice Lineman in February or March of 2019. Hiring is expected by April of 2019.

## 2. Vacation Benefits for New Employees

The Board discussed the comparison analysis that David prepared showing what other Co-ops are doing in regards to Vacation and Sick Leave Benefits. The Board discussed the pros and cons and the costs of implementing a PTO (paid time off) plan.

The Board consensus is that this is a management decision and there is no cost benefit to make a change to the current plan.

## 3. 2019 Rate Increase

The Board consensus is to approve the Finance Committee recommendation for no rate increase in 2019. Staff will update the 2019 Rate Policies.

## 4. New Unmetered Energy Rate & Policy for Small Communication Installations

David reviewed the proposed policy with the Board. After incorporating staff, Methownet, and Legal's comments, this will be returned to Board for approval.

## 5. WRECA Draft Legislative Agenda, Carbon Legislation Statement, Initiative 1631's Effect on Propane and Power Costs

David presented and reviewed the draft 2019 WRECA Legislative Objectives and the WRECA Carbon Legislation Statement with the Board.

After discussion of Initiative 1631 the Board agreed to have David write a mailing or ad to outline the effect that I-1631 could have on Electric and Propane/Fuel costs.

## 6. Energy Conservation – Projects/Funding Update (Also discuss Possible 2019 Annual Meeting Gifts)

Jessica Dewbrey presented OCEC's conservation program for 2018:

- Explained the relationship between OCEC, PNGC and BPA and available conservation funds for a 2-year period. We have used 14.9% of the budgeted funds in this cycle.
- Reviewed the Lighting Retrofit Rebate program for Commercial Accounts – there are 12-member applicants to date, 4 projects have been completed with another 3-expected by the end of 2018.
- The program rebates are for the retrofit products and not labor.
- The program is a first come-first serve program. When the funds are used the program ends.
- David will include an article about the Commercial Lighting Rebate Program in an upcoming Newsletter.

**7. Approve Annual Meeting Date of April 15, 2019 and Discussion of Possible 2019 Annual Meeting Themes**

The Board approved the Annual Meeting Date for Monday April 15, 2019.

OCEC will recognize 80-years of service to the Methow Valley and OCEI will recognize 20-years of service.

Gift ideas were light bulbs or weather stripping. Jessica and David will review suggestions that qualify as conservation money from BPA.

**8. Nomination Committee Members**

Committee members suggested are: Gina Monteverde, Julie Muyliaert, Karen Nichols, Ed Surrette, Duncan Bronson and Dave Ashcom.

Alan Watson moved to accept the nominees as presented. Seconded. Carried.

David will contact the Committee members for confirmation and schedule the first meeting.

**MEMBER COMMUNICATION**

Michaels Murray asked for clarification on WSU and the State Solar Incentive Program; the Solar and Net Meter program through OCEC; where does OCEC stand on Electric Vehicles and charging stations; what OCEC uses for outage detection, and he requested a service territory map.

David noted he talked with a dissatisfied customer who requested that we use a local answering service for after hours.

Adjourn at 4:58 pm.

**EXECUTIVE SESSION**

1. No Agenda

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**Alan Watson, Secretary**

**New Members OCEC****October 22, 2018****REINSTATE**

1. TREISE, SUMMER 111022

**NEW MEMBERS**

1. DODT, VICKI & THOMAS 118132  
2. SMITH, AUSTIN 118133  
3. THORP, ANDREU 118134  
4. VOID 118135  
5. MILES, SETH 118136  
6. ANDERSON, LARRY & VICKI 118137  
7. MCCLUNG, VIRGINIA C 118138  
8. JAMES A WRIGHT CONSTRUCTION LLC 118139  
9. WINTHROP, VERA & SMITH, MORRIE 118140  
10. SCHUSTER, REINHARD 118141  
11. VOID 118142  
12. HARPER, AUGUSTINA & HARKESTAD, RUNE 118143  
13. ROGERS, CHRISTOPHER T 118144  
14. LINTS, EMILY & KYLE 118145  
15. VOID 118146  
16. PALAZZI, VITTORIA & WILLIAMSON, TODD 118147  
17. HANKS, TRACI & DAN 118148  
18. TRIPP, GEOFFREY & ELIZABETH 118149  
19. CHEWUCH RIVER GUEST HOUSE LLC 118150  
20. THERRIAULT, CARY M 118151  
21. CASCADIA SUNSET PROPERTIES LLC 118152  
22. ENDRES. WENDY 118153



<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>	9/30/2018

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.	Needs Attention Please Review Matches	<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> <input checked="" type="radio"/> YES <input type="radio"/> NO
Signature of Office Manager or Accountant <span style="float: right;">Date</span> 10/11/18 Signature of Manager <span style="float: right;">Date</span> 10/11/18		<b>B. Will you authorize CFC to share your data with other cooperatives?</b> <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	4,209,194	4,083,318	3,889,619	365,730
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	2,003,469	2,018,067	1,945,476	174,731
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	52,342	67,233	53,789	4,119
7. Distribution Expense - Maintenance	444,155	443,745	432,972	40,393
8. Consumer Accounts Expense	216,490	221,823	224,846	26,081
9. Customer Service and Informational Expense	4,275	5,015	4,614	306
10. Sales Expense	1,294	5,359	0	1,254
11. Administrative and General Expense	577,282	430,745	505,185	45,451
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>3,299,307</b>	<b>3,191,987</b>	<b>3,166,882</b>	<b>292,335</b>
13. Depreciation & Amortization Expense	277,262	287,033	296,010	32,046
14. Tax Expense - Property & Gross Receipts	32,240	33,757	32,346	3,766
15. Tax Expense - Other	130,550	126,294	130,125	11,339
16. Interest on Long-Term Debt	158,087	151,990	151,329	16,421
17. Interest Charged to Construction (Credit)	0	19	0	19
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>3,897,446</b>	<b>3,791,080</b>	<b>3,776,692</b>	<b>355,925</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>311,748</b>	<b>292,238</b>	<b>112,927</b>	<b>9,805</b>
22. Non Operating Margins - Interest	9,485	16,533	15,916	4,441
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	32,097	27,132	30,000	361
25. Non Operating Margins - Other	13,500	13,500	13,500	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>366,829</b>	<b>349,404</b>	<b>172,343</b>	<b>16,107</b>

**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	48	37	5. Miles Transmission	0	0
2. Services Retired	4	4	6. Miles Distribution Overhead	301	302
3. Total Services In Place	3,715	3,765	7. Miles Distribution Underground	210	212
4. Idle Services (Exclude Seasonal)	105	101	<b>8. Total Miles Energized (5+6+7)</b>	<b>511</b>	<b>514</b>



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		BORROWER NAME	Okanogan County
		BORROWER DESIGNATION	WA032
		ENDING DATE	09/30/2018
<b>PART C. BALANCE SHEET</b>			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	13,883,381	29. Memberships	16,100
2. Construction Work in Progress	330,347	30. Patronage Capital	7,368,479
<b>3. Total Utility Plant (1+2)</b>	<b>14,213,728</b>	31. Operating Margins - Prior Years	888,188
4. Accum. Provision for Depreciation and Amort	4,678,510	32. Operating Margins - Current Year	335,904
<b>5. Net Utility Plant (3-4)</b>	<b>9,535,218</b>	33. Non-Operating Margins	13,500
6. Nonutility Property - Net	0	34. Other Margins & Equities	477,952
7. Investment in Subsidiary Companies	662,742	<b>35. Total Margins &amp; Equities (29 thru 34)</b>	<b>9,100,123</b>
8. Invest. in Assoc. Org. - Patronage Capital	337,136	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,401,036
10. Invest in Assoc. Org. - Other - Nongeneral Funds	147,136	<b>38. Total Long-Term Debt (36 + 37)</b>	<b>3,401,036</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>1,160,514</b>	42. Notes Payable	0
15. Cash-General Funds	753,652	43. Accounts Payable	343,594
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	150,955
17. Special Deposits	157,838	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	402,539	48. Other Current & Accrued Liabilities	268,221
21. Accounts Receivable - Net Other	804,753	<b>49. Total Current &amp; Accrued Liabilities (42 thru 48)</b>	<b>762,770</b>
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	301,064	<b>51. Total Liabilities &amp; Other Credits (35+38+41+49+50)</b>	<b>13,263,929</b>
24. Prepayments	8,926	<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>2,568,197</b>	Amounts Received This Year (Net)	362,178
27. Deferred Debits	(0)	<b>TOTAL Contributions-In-Aid-Of-Construction</b>	<b>362,178</b>
<b>28. Total Assets &amp; Other Debits (5+14+26+27)</b>	<b>13,263,929</b>		
<b>PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.</b>			

**OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.**

**STATEMENT OF OPERATIONS**

**September 30, 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	\$3,889,619	\$4,083,318	\$381,048	\$365,730
COST OF POWER	\$2,710,581	\$1,945,476	\$2,018,067	\$181,526	\$174,731
<b>GROSS MARGINS</b>	\$2,790,819	\$1,944,143	\$2,065,251	\$199,522	\$190,999
<b>OPERATING EXPENSES:</b>					
DISTRIBUTION OPERATIONS	\$69,955	\$53,789	\$67,233	\$5,080	\$4,119
DISTRIBUTION MAINTENANCE	\$574,972	\$432,972	\$443,745	\$25,606	\$40,393
CONSUMER ACCOUNTING	\$299,885	\$224,846	\$221,823	\$23,290	\$26,081
CONSUMER SERVICE & INFO	\$5,700	\$4,614	\$5,015	\$478	\$306
SALES EXPENSE	\$0	\$0	\$5,359	\$0	\$1,254
ADMIN & GENERAL	\$674,637	\$505,185	\$430,745	\$54,380	\$45,451
<b>TOTAL OPERATING EXPENSES</b>	\$1,625,149	\$1,221,406	\$1,173,920	\$108,834	\$117,604
<b>FIXED EXPENSES:</b>					
DEPRECIATION	\$394,680	\$296,010	\$287,033	\$32,890	\$32,046
TAXES-PROPERTY	\$43,128	\$32,346	\$33,757	\$3,594	\$3,766
TAXES-OTHER	\$185,500	\$130,125	\$126,294	\$14,458	\$11,339
INTEREST	\$201,772	\$151,329	\$151,990	\$16,814	\$16,421
OTHER DEDUCTIONS	\$0	\$0	\$19	\$0	\$19
<b>TOTAL FIXED EXPENSES</b>	\$825,080	\$609,810	\$599,093	\$67,757	\$63,590
<b>TOTAL EXPENSES</b>	\$2,450,229	\$1,831,216	\$1,773,013	\$176,591	\$181,194
<b>OPERATING MARGINS</b>	\$340,590	\$112,927	\$292,238	\$22,931	\$9,805
<b>NONOPERATING MARGINS:</b>					
INTEREST	\$51,154	\$45,916	\$43,665	\$28,682	\$4,802
OTHER	\$18,000	\$13,500	\$13,500	\$1,500	\$1,500
<b>NET MARGINS</b>	\$409,744	\$172,343	\$349,404	\$53,113	\$16,107
<b>T.I.E.R.</b>	3.03	2.14	3.30	4.16	1.98

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	\$23,954	\$40,690	\$54,531	\$16,107	(\$25,672)	\$112,177	\$149,896
Plus Depreciation Expense	\$0	\$394,680	\$31,740	\$31,717	\$31,834	\$31,882	\$31,899	\$31,872	\$32,009	\$32,035	\$32,046	\$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	\$55,826	\$72,699	\$86,566	\$48,153	\$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)	(\$6,409)	(\$6,331)	(\$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	(\$451)	(\$24,125)	\$11,450	(\$1,860)	\$10,106	(\$188,438)	(\$121,979)
Accounts Receivable - Other (Net)	\$0	\$137,184	\$24,009	(\$18,747)	\$13,552	\$8,459	\$47,501	\$11,416	(\$142,487)	\$7,522	\$11,390	\$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	\$2,975	\$2,975	\$2,976	\$2,975	\$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	\$7,532	(\$170,045)	\$15,539	\$6,174	\$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)	\$113,082	(\$34,297)	(\$45,887)	\$59,471	\$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	(\$36,981)	\$1,650	\$16,516	(\$30,661)	\$0	\$0	\$0
Increase/(Decrease) in Operating Liabilities	\$0	(\$40,797)	\$12,272	(\$18,975)	(\$147,544)	(\$354)	(\$54,313)	\$76,101	(\$32,647)	(\$29,371)	\$28,810	\$0	\$0	\$0
CASH FROM OPERATING ACTIVITIES	\$0	\$854,070	\$202,078	\$47,535	\$53,835	\$164,674	\$112,496	\$139,459	(\$129,993)	\$72,734	\$83,137	\$18,321	(\$42,374)	\$95,384
INVESTMENT ACTIVITIES														
Total Utility Plant	\$0	(\$863,521)	(\$360,896)	\$44,051	(\$14,092)	(\$5,776)	(\$2,007)	(\$10,754)	(\$63,085)	(\$43,052)	(\$37,040)	(\$52,212)	(\$52,147)	(\$55,768)
Cost to Retire Utility Plant	\$0	\$0	\$521	\$7,500	(\$12,262)	\$242	\$6,504	(\$12,477)	(\$1,278)	\$8,622	\$6,631	\$0	\$0	\$0
Construction Work-in-Progress	\$0	\$0	\$202,273	(\$36,843)	(\$33,795)	(\$67,376)	(\$58,546)	(\$143,843)	\$2,318	(\$69,169)	(\$69,924)	\$0	\$0	\$0
Contributions in aid of construction (CIAC)	\$0	\$277,356	\$1,152	\$302	\$11,411	\$64,525	\$73,167	\$76,580	\$40,918	\$31,958	\$63,525	\$30,000	\$20,000	\$13,678
Total Other Property and Investments	\$0	\$0	\$247	(\$762)	\$453	\$0	\$0	\$0	\$0	(\$12,524)	(\$289)	\$0	\$0	\$0
Materials & Supplies - Electric and Other	\$0	\$0	(\$1,394)	\$113	(\$2,104)	(\$8,140)	\$1,869	(\$5,149)	(\$18,228)	(\$3,262)	(\$17,704)	\$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	(\$95,643)	(\$39,355)	(\$87,427)	(\$54,801)	(\$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	\$35	\$15	\$40	\$20	\$20	\$35	\$0	\$0	\$0
Consumers Deposits	\$0	\$0	\$1,250	(\$1,432)	(\$4,550)	\$1,850	\$1,460	\$1,150	\$950	\$455	\$1,295	\$0	\$0	\$0
CASH FROM FINANCING ACTIVITIES	\$0	(\$332,239)	\$1,270	(\$1,432)	(\$36,861)	\$1,885	\$1,475	(\$31,617)	\$970	\$475	(\$31,975)	\$0	\$0	(\$233,811)
CASH FROM ALL ACTIVITIES	\$0	(\$64,334)	\$45,252	\$60,464	(\$33,414)	\$150,034	\$134,958	\$12,199	(\$168,378)	(\$14,218)	(\$3,639)	(\$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	\$939,886	\$771,508	\$757,290	\$753,651	\$749,760	\$675,239
TOTAL CASH END OF PERIOD	\$570,393	\$506,059	\$615,645	\$676,109	\$642,695	\$792,729	\$927,687	\$939,886	\$771,508	\$757,290	\$753,651	\$749,760	\$675,239	\$494,722

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

	Current Month			Year to Date			Annual	Annual	
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Balance	
Member Requested Facilities	32,390.75	24,118.00	(8,272.75)	214,580.06	160,787.00	(53,793.06)	200,983.00	(13,597.06)	
Replacements (Poles & Transformers)	25,488.11	30,742.00	5,253.89	183,944.30	129,449.00	(54,495.30)	103,872.00	(80,072.30)	
<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	49,718.00	49,718.00	49,718.00	49,718.00	
Replace 2500' of URD at Edelweiss - Part 1	38,861.68	0.00	(38,861.68)	40,790.08	43,468.00	2,677.92	57,957.00	17,166.92	
Convert 3500' of OH to URD at Bear Crk	0.00	12,906.00	12,906.00	0.00	54,765.00	54,765.00	41,859.00	41,859.00	
Replace 3000' of URD at Davis Lake	0.00	0.00	0.00	17,674.73	24,906.00	7,231.27	50,718.00	33,043.27	
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	3,092.13	10,000.00	6,907.87	10,000.00	6,907.87	
Fire Retardant/Treatment on Poles	0.00	0.00	0.00	0.00	17,479.00	17,479.00	17,479.00	17,479.00	
Test/Rebuild 2 sets of Regulators Sub	0.00	0.00	0.00	48,453.93	32,791.00	(15,662.93)	32,791.00	(15,662.93)	
Paint/protect crew hallway	0.00	5,000.00	5,000.00	0.00	5,000.00	5,000.00	5,000.00	5,000.00	
Redo Asphalt in front & back, fix drain	0.00	0.00	0.00	17,272.76	25,000.00	7,727.24	25,000.00	7,727.24	
Major Storm Damage	0.00	0.00	0.00	15,029.49	0.00	(15,029.49)	0.00	(15,029.49)	
subtotal	96,740.54	72,766.00	(23,974.54)	540,837.48	553,363.00	12,525.52	658,052.00	117,214.52	
Un Allocated Overhead	58,860.88			58,860.88	0.00	(58,860.88)			
<b>Member CIAC</b>	CIAC	(63,525.09)	(30,000.00)	(33,525.09)	* (363,238.09)	(183,687.00)	(179,551.09)	(277,356.00)	85,882.09
Total less CIAC	92,076.33			236,460.27					

\* \$109,512.40 holding in CIAC 09/30/18

<b>Meters Purchases</b>	0.00	0.00	0.00	21,180.00	20,000.00	(1,180.00)	20,000.00	(1,180.00)
<b>Computers &amp; Software Upgrades</b>	0.00	0.00	0.00	7,200.00	5,000.00	(2,200.00)	5,000.00	(2,200.00)
<b>Transformers Purchases</b>	0.00	0.00	0.00	92,019.79	70,000.00	(22,019.79)	70,000.00	(22,019.79)
<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>	92,076.33	42,766.00		356,860.06	464,676.00		230,000.00	109,600.21

Total Capital Budget less CIAC 610,696.00 253,835.94

\* Note

	Line Crew		107.25	Consultants			
	Direct Labor	Materials	Labor	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	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	16,712.98	52,849.74	20,000.00	24,678.94	7,579.99	10,450.36	132,272.01
July	6,874.61	10,431.18	10,819.48	0.00	4,398.54	5,746.83	38,270.64
August	15,738.13	1,520.60	20,241.26	26,617.32	8,915.34	8,236.20	81,268.85
September	15,121.79	13,781.99	27,878.36	17,673.25	9,538.18	12,746.97	96,740.54
October							
November							
December							
	99,030.20	91,882.02	138,124.49	68,969.51	55,956.51	69,601.99	523,564.72

\* 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  
 Sep-18

W.O. #	Monthly Allocation	Contractor	Labor	Labor O/H	AP Vendor & Material	Material O/H	Material Retire/Scrap	Benefits	Trans	Total	
12037	28.55	7			22.8	5.75				28.55	
12056	7,373.72	7	1,800.24	3,071.86				1,517.52	984.10	7,373.72	
12085	1,095.46	7	265.98	453.86				224.22	151.40	1,095.46	
12092	3,989.93	8	974.85	1,663.45				821.75	529.88	3,989.93	
12096	2,906.53	8			2,382.08	524.45				2,906.53	
12123	1,024.70	7	235.38	401.64				198.42	189.26	1,024.70	
12125	2,375.40	7			1,896.91	478.49				2,375.40	
12140	570.95	7	141.23	240.99	10.30	2.60		119.05	56.78	570.95	
12154	(39.00)	7					(39.00)			(39.00)	
12158	8,322.68	7			6,646.21	1,676.47				8,322.68	
12160	15,312.70	8	3,503.59	5,175.13	1,315.03			2,953.35	2,365.60	15,312.70	
12164	819.74	7	188.30	321.31				158.73	151.4	819.74	
12167	533.62	7	138.48	236.30	3.40	0.86		116.73	37.85	533.62	
12174	38,861.68	10	17673.25	5,073.94	8,657.99			4,277.10	3179.4	38,861.68	
12175	1,587.06	7	282.45	481.96	376.13	94.87		238.10	113.55	1,587.06	
12176	471.00	7			376.13	94.87				471.00	
12186	3,278.95	8	753.20	1,285.23				634.92	605.60	3,278.95	
12191	2,364.02	7	559.41	954.56				471.55	378.50	2,364.02	
12193	99.00	7			99.00					99.00	
12194	529.36	7	138.48	236.30				116.73	37.85	529.36	
12195	99.00	7			99.00					99.00	
12196	1,701.62	7	415.44	708.89				350.19	227.10	1,701.62	
12197	198.00	7			198.00					198.00	
12198	1,024.70	7	235.38	401.64				198.42	189.26	1,024.70	
12200	99.00	7			99.00					99.00	
12201	99.00	7			99.00					99.00	
12202	1,815.17	7	415.44	708.89				350.19	340.65	1,815.17	
12205	198.00	7			198.00					198.00	
96,740.54		17,673.25		15,121.79	25,000.00	13,820.99	2,878.36	(39.00)	12,746.97	9,538.18	96,740.54

7 Member Requested Facilities

8 Replacements (Poles & Transformers)

OCEC Work Orders

**OCEC Projects:**

8	12092 Service Orders (temp Disc)	3989.93
8	12096 OCEC - Conduit 2018.1	2,906.53
8	12160 OCEC - 2018 T Sub	15,312.70
10	12174 OCEC - 2017 Edelweiss	38,861.68
8	12186 OCEC - Wolf Crk Park Lane	3,278.95
13 Metering projects -upgrades		64,349.79
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		

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%	27%	23%	25%	19%	27%	24%				
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	\$ 24,183	\$ 23,318	\$ 23,747	\$ 18,625	\$ 26,716	\$ 21,615	\$ -	\$ -	\$ -	
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%	73%	77%	75%	81%	73%	76%				
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	\$ 65,816	\$ 78,925	\$ 69,568	\$ 80,898	\$ 70,858	\$ 68,042	\$ -	\$ -	\$ -	\$ 713,458
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 2018</b>	\$ 136,004	\$ 84,581	\$ 92,451	\$ 89,999	\$ 102,243	\$ 93,316	\$ 99,523	\$ 97,573	\$ 89,657				\$ 885,347
<b>Total Labor YTD 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**  
**September 30, 2018**

<b>Beginning RLF Balance</b>		<b>\$76,269.47</b>
<b>LOUP LOUP SKI ED FOUNDATION LOAN #2</b>		
PAYOFF AUGUST 01, 2019	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$420.84	\$47,967.04
ADMINISTRATIVE FEE (1%)	\$4.17	\$2,716.67
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$46,250.36
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$3,749.64
<b>LOUP LOUP SKI ED FOUNDATION LOAN #3</b>		
PAYOFF OCTOBER 01, 2024	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$445.83	\$21,633.30
ADMINISTRATIVE FEE (1%)	\$29.16	\$1,633.14
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$20,000.16
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$29,999.84
<b>TOWN OF TWISP</b>		
PAYOFF AUGUST 01, 2019	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$79.05	\$7,611.19
ADMINISTRATIVE FEE (1%)	\$2.30	\$472.14
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$7,137.51
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOAN		\$2,072.49
<b>MVSTA LOAN #2</b>		
PAYOFF JULY 01, 2022	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$866.66	\$68,838.04
ADMINISTRATIVE FEE (1%)	\$33.33	\$4,671.63
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$63,333.08
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOAN		\$36,666.92
<b>MEDICINE WHEEL WEB DESIGN</b>		
PAYOFF OCTOBER 01, 2024	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$510.00	\$24,830.00
ADMINISTRATIVE FEE (1%)	\$10.00	\$840.00
PRINCIPLE PAYMENT TO LOAN	\$500.00	\$24,000.00
ORIGINAL AMOUNT OF LOAN		\$30,000.00
BALANCE REMAINING ON LOAN		\$6,000.00
<b>TOWN OF WINTHROP</b>		
PAYOFF NOVEMBER 01, 2027	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$870.83	\$8,708.30
ADMINISTRATIVE FEE (1%)	\$79.17	\$791.70
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$7,916.70
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOAN		\$87,083.30
<b>TOTAL BALANCE REMAINING ON LOANS</b>		<b>\$165,572.19</b>
<b>ENDING RLF BALANCE</b>		<b>\$79,227.81</b>

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

*For the Month Ending*  
**September 30, 2018**

<b>Beginning RLF Balance</b>	<b>\$75,237.03</b>	
<b>AERO RESCUE</b>		
<b>PAYOFF NOVEMBER 1, 2020</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$2,060.00	\$22,360.00
ADMINISTRATIVE FEE (1%)	\$60.00	\$12,420.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$190,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOAN		\$50,000.00
<b>TOWN OF WINTHROP LOAN #2</b>		
<b>PAYOFF JUNE 01, 2022</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$177.67	\$13,755.33
ADMINISTRATIVE FEE (1%)	\$6.84	\$943.08
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$12,812.25
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOAN		\$7,687.75
<b>MVSTA LOAN #3</b>		
<b>PAYOFF OCTOBER 01, 2024</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$624.16	\$30,226.19
ADMINISTRATIVE FEE (1%)	\$40.84	\$2,391.73
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$27,999.84
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOAN		\$42,000.16
<b>PINETOOTH CREATIVE</b>		
<b>PAYOFF July 01, 2026</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$84.25	\$2,202.26
ADMINISTRATIVE FEE (1%)	\$6.96	\$191.92
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$2,010.52
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOAN		\$7,264.48
<b>EQPD</b>		
<b>PAYOFF February 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$297.92	\$5,760.48
ADMINISTRATIVE FEE (1%)	\$27.08	\$514.54
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$5,145.94
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$27,354.06
<b>Little Star Montessorri School</b>		
<b>PAYOFF February 01, 2027</b>	<b>MONTH</b>	<b>TO DATE</b>
PAYMENTS RECEIVED	\$295.21	\$5,939.03
ADMINISTRATIVE FEE (1%)	\$24.38	\$522.83
PRINCIPLE PAYMENT TO LOAN	\$270.83	\$5,416.60
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$27,083.40
<b>ENDING RLF BALANCE</b>	<b>\$78,610.15</b>	

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

**POWER & SERVICE DATA**  
**September-18**

	June 2018	July 2018	August 2018	September 2018	September 2017
<b>POWER DATA:</b>					
COST OF POWER	\$165,471	\$199,106	\$188,291	<b>\$174,731</b>	\$187,040
KWH PURCHASED	3,472,835	4,348,875	4,000,505	<b>3,523,645</b>	3,574,580
KWH SOLD & OCEC USE	3,162,798	4,003,758	3,575,416	<b>3,204,941</b>	3,383,268
KWH LOST	310,037	345,117	425,089	<b>318,704</b>	191,312
LINE LOSS %	8.93%	7.94%	10.63%	<b>9.04%</b>	5.35%
COST PER KWH	\$0.0476	\$0.0458	\$0.0471	<b>\$0.0496</b>	\$0.0523
<b>BILLING DATA:</b>					
ACCOUNTS BILLED	3,745	3,760	3,759	<b>3,762</b>	3,715
AVG. KWH/CONSUMER	845	1,065	951	<b>852</b>	911
BILLING REVENUE	\$356,762	\$411,464	\$388,878	<b>\$362,624</b>	\$366,793
AVERAGE BILL	\$95.26	\$109.43	\$103.45	<b>\$96.39</b>	\$98.73
REVENUE/KWH SOLD	\$0.1128	\$0.1028	\$0.1088	<b>\$0.1131</b>	\$0.1084
<b>SERVICE DATA:</b>					
NEW	9	8	5	<b>8</b>	10
RETIRED	0	2	0	<b>1</b>	1
TOTAL END OF MONTH	3747	3753	3758	<b>3765</b>	3715
IDLE SERVICES	103	101	100	<b>101</b>	105
<b>TRANSPORTATION:</b>					
TOTAL MILES	5,379	6,424	7,583	<b>5,718</b>	5,681
COST OF OPERATION	\$14,373	\$17,705	\$16,970	<b>\$17,940</b>	\$16,127
AVG. COST PER MILE	\$2.672	\$2.756	\$2.238	<b>\$3.137</b>	\$2.839
<b>MATERIALS:</b>					
ISSUES	\$38,106	\$10,627	\$3,595	<b>\$15,319</b>	\$14,873
INVENTORY	\$261,870	\$280,098	\$283,360	<b>\$301,064</b>	\$289,598

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
<b>Winthrop Substation (1)</b>	<b>11,832</b>	-	-	<b>7,502</b>	17,938	75.9%	2958	6137	6.064	2.075	3.150
Feeder 1 = Chewuch	2,360	-	-	593	2,953	12.5%	590	974	5.005	1.651	3.032
Feeder 2 = Mazama	3,764	-	-	6,066	9,830	41.6%	941	2985	10.447	3.172	3.293
Feeder 3 = Sun Mtn	2,984	-	-	22	3,006	12.7%	746	767	4.029	1.028	3.919
Feeder 4 = Winthrop	2,724	-	-	822	3,546	15.0%	681	1411	5.206	2.072	2.513
<b>Twisp Substation (2)</b>	<b>2,456</b>	-	-	<b>3,240</b>	5,696	24.1%	614	1513	9.277	2.464	3.765
Feeder 1 = Airport	112	-	-	866	978	4.1%	28	227	34.916	8.107	4.307
Feeder 2 = Loup	776	-	-	150	926	3.9%	194	249	4.774	1.284	3.719
Feeder 3 = Twisp	1,568	-	-	2,224	3,792	16.0%	392	1037	9.674	2.645	3.657
<b>Totals</b>					<b>23,634</b>		<b>3572</b>	<b>7650</b>	<b>6.617</b>	<b>2.142</b>	<b>3.27</b>
<b>CFC Summary</b>	<b>240</b>	-	-	<b>180.44</b>							

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 = 51

**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	-	-	57	###	-	-	-	7,246
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	-	-	-	-	-	0	-	-	2
LARGE ANIMAL	-	-	-	-	-	-	-	-	-	-	-	-	-
ANIMAL DAMAGE - GNAW OR BORE	-	-	-	-	-	-	-	-	-	-	-	-	-
ANIMAL , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-

OCEC 2018 Outage  
Summary By Cause

SUMMARY BY CAUSE													
PUBLIC													TOTAL
CUSTOMER CAUSED	-	-	-	-	-	-	-	11	57	-	-	-	67
MOTOR VEHICLE	-	-	1,802	-	-	-	-	-	-	-	-	-	1,802
AIRCRAFT	-	-	-	-	-	-	-	-	-	-	-	-	-
FIRE	-	-	-	-	-	-	0	-	-	-	-	-	0
PUBLIC CUTS TREE	-	-	-	-	-	-	-	-	-	-	-	-	-
VANDALISM	-	-	-	-	-	-	-	-	-	-	-	-	-
SWITCHING ERROR OR CAUSED BY CONSTRUCTION / MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-	-	-
PUBLIC, OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER													TOTAL
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
UNKNOWN													TOTAL
CAUSE UNKNOWN	57	-	19	1	2	9	7	###	###	22	-	-	1,314

**\*\*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	-	-	-	-	-	-	-	747	-	-	-	-	747
DIST-SWITCH	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-METERING EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-DISTRIBUTION SUBSTATION , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-												4,873
<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	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	9	5	3	1	23	-	-	154
OVR-RECLOSER OR SECTIONALIZER	-	-	-	-	-	-	-	-	447	-	-	-	447
OVR-OVERHEAD LINE CONDUCTORS AND DEVICES	-	-	-	-	-	133	-	-	-	-	-	-	133
<b>TOTALS:</b>	57												5,497

OCEC 2018 Outage  
Detailed Summary By Cause

DETAILED SUMMARY BY CAUSE													
<b>UNDERGROUND</b>													
UG-PRIMARY CABLE	-	-	-	-	15	-	3	14	175	-	-	-	207
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>	-	-	-	-	-	-	-	-	-	-	-	-	207
<b>TRANSFORMER</b>													
XFMR-TRANSFORMER BAD	-	-	-	-	-	-	-	53	-	-	-	-	53
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	-	-	-	-	-	-	0	-	-	-	-	-	0
SEC-XFMR-NO EQUIP FAILURE	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTALS:</b>	-	-	-	-	-	-	-	-	-	-	-	-	53
<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

September 2018

## Inside This Issue

- 1 A Meeting of Minds
- 2 Online Energy Auction
- 3 PNGC Peak
- 3 Mid-C Pricing
- 4 BPA Happenings
- 4 Upcoming PNGC Events

## A Meeting of Minds

PNGC hosted the National G&T Managers Association meeting at The Benson, in downtown Portland, September 9-11. This bi-yearly event allows G&T managers from across the nation to gather in one space to share ideas, swap best practices, and learn from industry leaders.

This meeting's agenda was packed with speakers covering a variety of topics including broadband development, CEO challenges and solutions, and battery technology developments. RUS, CoBank, and NRECA updates were provided, and NRECA CEO Jim Matheson spoke with the group.

PNGC staff hosted events outside the official agenda that included a wine tasting tour of Willamette Valley wineries, golf, and a guest lunch that toured iconic Portland neighborhood food carts. Finally, the managers group was treated to a dinner cruise on the Portland Spirit for their final night in the city.

Association President, Lisa Johnson of Seminole Electric, used the morning of the final meeting session to thank PNGC staff for their work. "These meetings aren't easy to put together, and planning is hard when everyone is spread across the country," Johnson stated, "and we just want to tell PNGC thank you for taking care of us while we were here."



The spring 2019 National G&T Managers Association meeting will be held in North Carolina.

View of downtown Portland from the bow of the Portland Spirit.

## Online Energy Auction

On September 13 PNGC conducted an energy purchase auction on the Enernoc auction platform. Outside of the need to acquire the energy to meet our load needs, PNGC staff was interested in seeing whether buying through an auction platform resulted in better pricing in comparison to the current practice of bi-laterally contacting counterparties individually for pricing.

Jeff Kugel, PNGC Power Resource Analyst, describes Enernoc as an energy services company. He describes Enernoc's auction platform as working similar to eBay, from a software perspective. In this case, PNGC would initiate a Request for Proposals (RFP) for the auction, and Enernoc would then contact PNGC's counterparties to solicit their participation in the upcoming auction. The participating counterparties would then enter bids into the auction platform where the lowest bid would be visible to all. The idea is that transacting in this type of environment could potentially drive prices down and create pricing transparency for the buying entity.

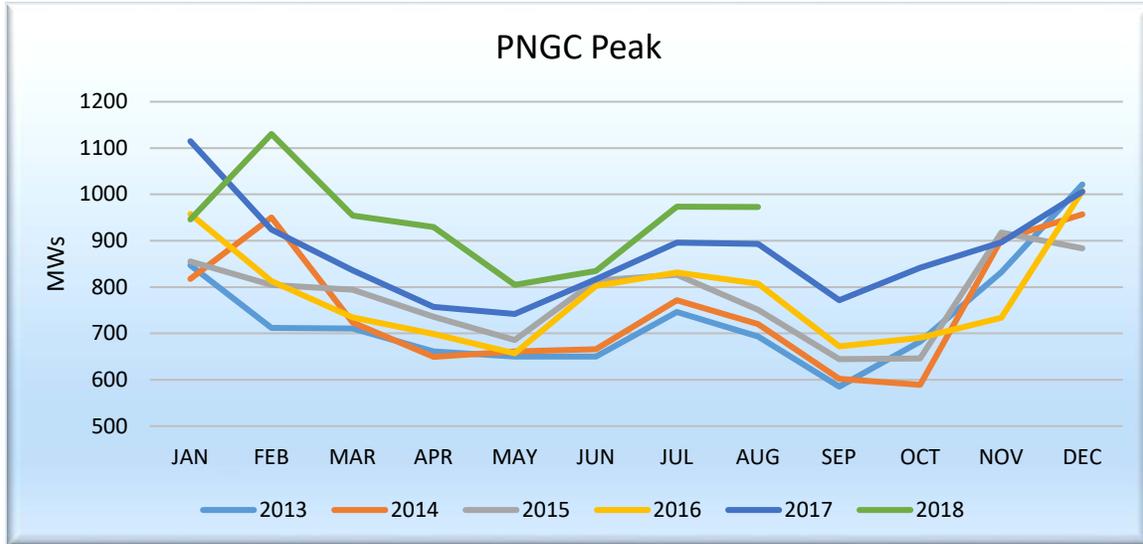
PNGC did purchase 25 MW of flat energy for Q1-2019 in this pilot auction at a competitive rate. "We did our due diligence with this pilot," Kugel said. "We did the pilot, the post-mortem, and now we're looking at more detailed back-end analysis." Kugel said there's a lot to consider with a program like this, and the power supply department at PNGC is currently weighing the benefits of what Enernoc has to offer. Fully exploring a potential new purchasing technique is all a part of the job, Kugel said. "It's part of our ongoing dedication to providing the best energy product on the market for our members."



Tiffany Menhorn of Enernoc, and Greg Mendonca and Jeff Kugel of PNGC Power.

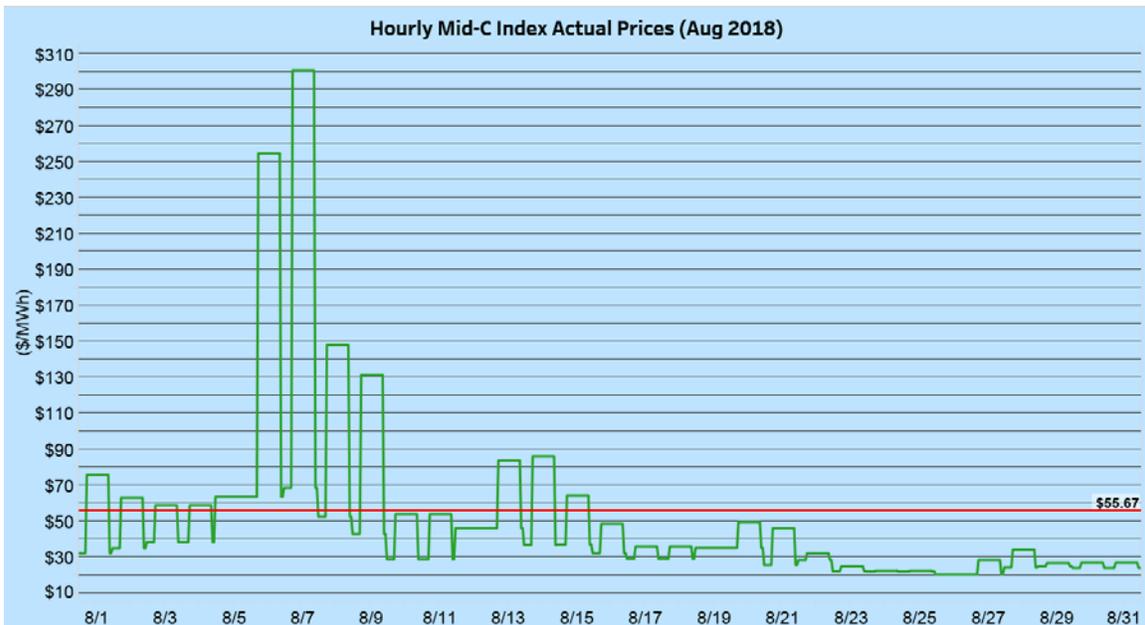
## PNGC Peak

The graph below shows PNGC Peak for the past 5 years



## Mid-C Pricing

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



## BPA Happenings

Sept. 26	BP-20 Rate Case Workshop
Sept. 27	Brown Bag: Implementation Manual Updates
Oct. 11	BPA EIM Stakeholder Meeting

## Upcoming PNGC Events

Oct. 1-2	PNGC Power Annual Meeting
Nov. 6	PNGC Board 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.*



Washington Rural Electric  
Cooperative Association

# Update

To: WRECA Members

October 9, 2018

From: Kent Lopez, General Manager

**It's exactly four weeks until the 2018 general election** – which means the political ads will finally end. Until then, we'll suffer through them while watching the baseball post-season games – which are a lot more interesting. But I digress.

We haven't any indications that the results of the general election will differ from what we reported in late August. You'll remember that Grant Nelson analyzed the results of the August primary and based on combined vote totals (adding all candidates from the same party together) the Democrats would likely take over 15 seats currently held by Republicans in the House of Representatives, while Senate Democrats are ahead in combined vote totals in three districts currently held by Republicans. We still don't see any seats in the State House or State Senate that are currently held by Democrats being taken over by Republicans.

Fortunately, WRECA has strong relationships on both sides of the political aisle in Washington, so regardless of how the general election shakes out, we will need to continue working with and educating policy makers on the issues that matter most to our members. The key will be meeting early with the new members of the legislature, especially those from electric cooperative service areas and those who are members of the jurisdictional committees.

**We're still waiting to see who will be the new chair of the House Finance Committee** – which has been chaired the past few years by Rep. Kristine Lytton (D-40). Rep. Lytton was instrumental in getting our bill that would remove the B&O tax liability on interest paid to CFC through the House last session. Rep. Lytton is not running for re-election this year and we're in a holding pattern concerning the bill until we learn who will be the chair of the House Finance Committee in 2019. We'll be working quickly with whoever is named the chair of the House Finance Committee to get our bill ready for introduction.

On the Senate side, the Ways & Means Committee is the jurisdictional committee for our B&O tax bill. Since the last UPDATE, we've learned that the current chair of the Senate Ways & Means Committee, Sen. Rolfes, is a candidate to be the new Senate Majority Leader. If she is elected the new Senate Majority Leader, there will be a new chair of the Senate Ways & Means Committee as well.

We do not expect any changes to the leadership of the energy and environment jurisdictional committees in the Senate or the House. But you never know until the last minute, so stay tuned.

**At its meeting last month, the WRECA Board, voting as the governing committee for the Washington Electric Cooperative PAC (WECAPAC) – approved campaign contributions for legislative candidates totaling \$31,000. WECAPAC had the funds because of the WRECA membership’s support of WECAPAC through direct contributions, participation in the annual WECAPAC Golf Tournament, and purchases made during the annual WECAPAC auction.**

So far this year, two WRECA members have made direct contributions to WECAPAC. Modern Electric matched the income from the annual auction with a contribution of \$5,800, and Big Bend EC sent a contribution of \$1,900. There’s still time to make contributions to WECAPAC before the end of 2018.

The campaign contributions that WECAPAC makes every two years are very important to the mission of WRECA. By supporting the legislators who support our electric cooperatives, we demonstrate that we’re serious about advancing the objectives of WRECA and its members.

**The other major ballot measure in November is I-1631 – the voter initiative that will impose a tax on any carbon emissions in Washington State.**

While WRECA is in favor of “decarbonization”, the proposed initiative isn’t the way to do it. The initiative provides very little in the way of actual incentives to reduce carbon emissions. Instead, it relies on an ever-increasing tax on transportation fuels, home heating fuels and electricity to raise money for a variety of causes which will do nothing to reduce carbon emissions. In addition, the major sources of carbon emissions in Washington are exempted from the tax, leaving the burden to be paid by small businesses, farmers and every citizen who lives in the state. Compared to other proposals for carbon reduction policies, I-1631 is very bad public policy.

During its meeting last month, the WRECA Board voted to join the coalition that is opposing I-1631 and also authorized WECAPAC to contribute \$7,500 to the campaign. The coalition is sponsoring the “No on I 1631” campaign. More information, including how you can join the coalition, is at [www.VoteNOon1631.com](http://www.VoteNOon1631.com). The website includes information concerning the impacts that I-1631 would have on the businesses and communities that the electric cooperatives serve. A business or individual is welcome to join the coalition regardless of whether or not a contribution is made. You can also follow the opposition campaign on Facebook and Twitter.

**Washington Governor Jay Inslee has designated this week “Public Power Week” – and issued a proclamation last month noting a number of contributions that public power has made to Washington State.**

In his proclamation, Gov. Inslee notes that “public power utilities contribute substantially to the well-being of Washingtonians through energy efficiency, customer service, environmental protection, economic development, and safety awareness.”

Gov. Inslee also notes that “public power utilities in Washington provide homes, businesses, industries, farms, social service organizations, and government agencies with efficient and cost-effective electricity while employing sound business practices, local accountability, and transparency for the public benefit.”

He adds that “locally-owned public power utilities have a vested interest in preserving the natural beauty and resources of Washington and have a long history of serving communities with clean, renewable energy resources while promoting energy efficiency and conservation.”

**An article in Forbes caught my attention: “The Little Reactor That Could – WA State Nuclear Plant Continues To Break Records”** – The article starts by stating “The Columbia Generating Station nuclear power plant, operated by the non-profit Energy Northwest near Richland, Washington, keeps breaking its electricity generation records, including for zero-carbon generation.”

The article goes on to review the record-setting performance of CGS and explains its significant carbon-free contribution to the region’s power supply portfolio. You can read the entire article at <https://www.forbes.com/sites/jamesconca/2018/10/08/the-little-reactor-that-could-wa-state-nuclear-plant-continues-to-break-records/>.

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

- Nov. 5-7 – CFC IBES Conference, Amelia Island, FL
- Nov. 6 – National Election Day
- Dec. 10 – WRECA Legislative Process Overview, SeaTac, WA
- Dec. 11 – WRECA Board of Directors, SeaTac, WA
- Jan. 14, 2019 – 2019 Legislative Session Begins
- Feb. 12, 2019 – WRECA Board of Directors, Olympia, WA
- Mar. 11-14, 2019 – 2019 NRECA Annual Meeting, Orlando, FL
- Apr. 29-May1, 2019 – 2019 NRECA Legislative Conference, Washington, DC
- June 10, 2019 – 2019 WECAPAC Golf Tournament, Spokane, WA
- June 10, 2019 – WRECA Board of Directors, Spokane, WA
- June 11-12, 2019 – 2019 WRECA Annual Meeting, Spokane, WA

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



# Okanogon County Electric Co-op Newsletter

**November 2018**

## Office Info:

Winter Office Hours:  
Mon - Fri  
8 am - 4:30 pm

Our customer service call center is available 24/7/365 to handle most electric & propane concerns.  
(509) 996-2228

## OCEC Board:

**Sara Carlberg**  
(scarlberg@ocec.coop)

**Curtis Edwards**  
(cedwards@ocec.coop)

**John Kirner**  
(jkirner@ocec.coop)

**Ray Peterson**  
(rpeterson@ocec.coop)

**Dale Sekijima**  
(dsekijima@ocec.coop)

**Alan Watson**  
(awatson@ocec.coop)

## Contacts:

**General Manager**  
David Gottula  
(dgottula@ocec.coop)

**Information**  
(info@ocec.coop)

## No Increase in Power Rates for 2019

The OCEC Board has determined that there will be no increase in power rates in 2019. As background, BPA increased wholesale power rates in October of 2017 and the actual amount of this increase was what was forecasted. OCEC had raised rates in January of 2018 to recover these additional costs.

BPA is forecasting another rate increase in October of 2019 and this may require OCEC to raise rates in January of 2020.

## OCEC Board Openings

There is currently a Board opening due to the resignation of a Board member who has moved out of the Valley. In addition, a board member up for re-election next April has decided not to seek re-election. If you are interested in being on the OCEC Board, please contact GM David Gottula at 509-996-2228.

## WANTED - Commercial Lighting Projects for Energy Efficiency Dollars

BPA is currently sponsoring commercial lighting retrofit projects to convert current lighting to energy efficient LED. If you have a commercial building and are interested in partial funding of a LED retrofit project, please contact Jessica at 509-996-2228.

## Value of Snake River Dams



The Snake River dams are powerful and irreplaceable energy producers for the Northwest. Together, the four federal dams on the lower Snake River produce enough energy to power a city the size of Seattle every year, and are capable of providing over twice that amount for short periods of time during power emergencies.



## ***Snake River Dams continued...***

Unlike coal or natural gas-fired power, Snake River hydropower is 100 percent renewable and adds no carbon to the skies. The lower Snake River dams also provide other important benefits to the region, including river navigation that enables over \$20 billion in trade and commerce, recreation opportunities, and irrigation that allows farmers to feed the Northwest and the world.

The energy the dams produce cannot be replaced by wind power or conservation measures. Wind and other resources can't be stored, so reliable resources like hydropower, nuclear, coal and gas must always be available to meet the full load at all times to assure the lights stay on even when the wind isn't blowing. Wind and conservation can't reliably supply the same volume of renewable energy or any of the other benefits that the Snake River dams provide.

- A 2015 BPA reliability analysis concluded that replacement of the lower Snake Dams with natural gas generation would increase the region's carbon dioxide emissions by 2.0 to 2.6 million metric tons annually. At the low end, this would be equivalent of adding 421,000 passenger cars to the region's roads each year.
- The Snake River dams supply 12 percent of all the energy produced on average by the entire federal hydro system and 5 percent of the Northwest's total hydro energy.
- The Snake River dams help in dealing with power emergencies because they can provide over 2,650 megawatts over a period of 10 hours per day for five consecutive days.
- Because of their location, the Snake River dams provide voltage stability on a long transmission path between western Montana and eastern Washington. Without these dams, the carrying capability of certain major transmission lines would have to be reduced and reliability would suffer.
- Only four species of salmon listed for protection under the Endangered Species Act are affected by the Snake River dams. Survival through the dams for young salmon heading downstream to the ocean is already high, at 97 percent on average.
- More adult chinook will have passed Lower Granite dam in the last 5 years (2015 included) than in the previous 37 years combined.

*It would take two nuclear, three coal-fired, or six gas-fired power plants (exact amounts depend on the size of the power plant) to replace the average annual power produced by the Snake River dams. Energy conservation and intermittent resources like wind and solar can't replace them.*

**Courtesy of the Northwest River Partners**



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

### General Discussion:

- At this month's Board meeting, we will discuss two parts of the 2019 budget:
  - 2019 capital credits to include in the budget, and
  - Training/conferences for employees and Board members to attend.

In 2018, training and conferences were extensively curtailed. We are proposing to reinstate these because of the part of the new Strategic Plan which calls for being open to new technologies. For example, I have not attended the combined NRECA Annual Meeting/Tech Advantage conference for years because of cost. This conference has the largest number of technology exhibits of any conference for the year. Specifically, I plan to investigate 1) technologies that can be installed on our distribution lines to gather information about outages in real time and, 2) utility scale batteries.

The other training/conferences for employees to attend have similar value. Board members have the option to attend three conferences that will be local that may be of interest to them.

- Last month I reported that OCEC was no longer accepting new applications for the solar incentive because we had reached out peak. The State has just announced that they are also not going to accept new applications after February 14<sup>th</sup> because they are approaching the State funding limits. We are working to make sure the ones we approved comply with the State's new deadline.
- The Community Broadband meeting was informative. The main takeaway was to identify large sections of the Valley that did not have adequate broadband service. The areas include:
  - Lost River
  - Upper Twisp River
  - Upper Chewuch area
  - Area around Carlton

We will discuss this more at the Board meeting.

### Financial Discussion

- For YTD September 2018, operating margins were \$19,500 under corresponding 2017 amounts and \$180,000 over 2018 budgeted amounts.

- CIAC (Customer contributions for new work) is at \$363,000. This is twice the budgeted amount and about 7% higher than last year at this time. We may have a backlog of projects towards the end of the year because few members are ready for service yet.
- For YTD September 2018, nonpower expenses were \$121,000 under corresponding 2017 amounts and \$60,000 under budget.
- Equity ratio for September 2018 is 68.6%. Equity ratio for September 2017 was 66.1%.
- Power costs continue to show a major increase compared to last year. For the first nine months of 2018, BPA power costs have increased 7.2 % on a kwh basis compared with 2017. So far for 2018, the estimated cost attributable to the increase in kwh rate is \$135,676.

## 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	3,421,650	\$ 155,255	4.5	3,472,835	165,471	4.8
July	4,336,360	\$ 179,386	4.1	4,348,875	199,106	4.6
August	4,210,650	\$ 170,471	4.0	4,000,505	188,291	4.7
September	3,574,580	\$ 187,040	5.2	3,523,645	174,731	5.0
Total	46,703,215	\$ 2,006,611		43,921,720	2,022,780	
Overall Cents/KWH		4.30			4.61	

# Okanogan County Electric Cooperative , Inc.

Overall %  
Increase on a  
kwh basis.

7.2%

## Proposed 2019 Training/Conferences for Employees and Board

Event	Date	Location	Attendee	Cost
NRECA Annual Meeting/Tech Advantage Exhibition	March 11-14	Orlando	David	\$ 3,000
NWPPA Engineering and Operations Conference	April 9 to 11	Spokane	David, Glenn, Deanna	\$ 2,000
NRECA Legislative Rally	April 28 to 30	D.C.	David	\$ 2,000
WRECA Annual Meeting	June 11 to 12	Spokane	David and Board	\$ 1,500
CFC Forum	July 1 to 3rd	New York	Lynn	\$ 3,000
NRECA Benefits			TBD	\$ 2,000
NWPPA Accounting Conference	June 19 to 20	Spokane	Tracy	\$ 1,000
NRECA Region 9	September	Spokane	David and Board	\$ 2,000
PNGC Annual Meeting	October	Portland	David and Board	\$ 2,000
CFC Independent Borrower Conference	November	Virginia	David	\$ 2,500
<b>Total</b>				<b>\$ 21,000</b>

Note: This does not include PNGC and WRECA monthly meetings.

**POLICY NO. 30-165****EFFECTIVE DATE: January 1, 2019 to December 31, 2019****SUBJECT: UNMETERED ENERGY RATE SCHEDULE**

**AVAILABILITY:** Available to small fixed loads such as communication amplifiers, repeaters, traffic signals, and broad band equipment where load is constant and can be calculated. Loads must be 1 KW or less.

**UNMETERED ENERGY RATE**

<b>MONTHLY RATE:</b>	Monthly Service Charge:	\$32.00 per month
	Kilowatt-hour charge:	\$ .0810 per kWh

**Type of Service**

Single phase, 60 cycles, 120 volts, 1 kw or less.

**Billing**

Billing will be once a year in January for the entire annual amount for that calendar year. A late charge of at least 5% of the unpaid invoice will be charged for late payment, in addition to interest of 1% per month on any unpaid amounts.

**General Provisions**

1. Member must install a disconnect switch that can be locked by the Cooperative as a condition of service and at the member's expense.
2. The member must provide fusing to protect their equipment at the member's expense.
3. Kilowatt hour usage shall be calculated by the Cooperative based on the device drawing rated current (as determined by the manufacturer's recommended fuse size) at 120 volts at unity power factor for 8,760 hours per year.
4. For partial years, billing will be calculated when installed and pro-rated for the rest of the calendar year.
5. Customary line extension policy (Policy 30-410) applies.
6. Load needs will be verified annually.

**Electrical and Harmonic Interference:**

The member agrees to maintain an average total harmonic distortion (THD) level of the load current that is consistent with the IEEE 519 (1992) standard for distribution system customers. If the Cooperative determines that the member load is

contributing to excess THD on the distribution system, the member will install the necessary filtering or compensation to maintain the THD at or below the level required by the Cooperative, within thirty (30) days of the Cooperative's written request to the member and at the member's sole expense. Failure to install the necessary preventative equipment will result in disconnection of service without necessity of further notice by the Cooperative.

**STATE AND MUNICIPAL TAXES:** All state and municipal taxes, in areas where applicable, will be added to the service charges described above.

**ATTESTING:**

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

## OCEC STRATEGIC PLAN 2019-2022

The aim of Okanogon County Electric Cooperative, Inc. is to provide services to its members at the lowest cost consistent with sound economy and good management.

This strategic plan provides priorities, direction and a foundation for more specific objectives and activities created and carried out by the OCEC General Manager and staff and monitored by the Board of Directors.

### Continuing Goals

1. Reliable energy at the lowest life cycle cost possible
  - a. Life cycle cost means cost over the expected life of the investment even though the initial cost may not be the lowest
2. Satisfied, well-informed members
  - a. Generally satisfied with rates, service and OCEC management. Questions and feedback show an understanding of policies, practices and issues.
3. Financial health
4. Employee and public safety
5. Quality personnel - staff, management, board - with smooth transitions
6. Ensure the viability and health of subsidiaries

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The more specific goals for this planning cycle reflect what the board and management feel might be in OCEC's 10-15 year future, specifically:

- Slow, steady growth in residential membership
- Little or no growth in agricultural power use - possibly a decline
- Change in how we purchase power, possibly without PNGC
- State or federally mandated wind and solar energy requirements
- Growing member support for wind and solar energy
- More feasible, affordable demand management technology
- Continuing increase in energy efficiency
- More electric vehicles, particularly if battery technology improves
- Climate change and other conditions that makes outages more likely
- Possibility of a merger with a larger provider

### Goals For This Planning Cycle

1. Re-examine net metering policy
  - a. Focus on the rate paid for generated power

- b. Combine with the next COSA
2. Help improve internet service for our members
  - a. Can we assist with infrastructure? Are there partnership opportunities?
3. Consider new technology that may be beneficial
  - a. For example, batteries for demand management, time-of-day capable meters, arc-resistant wire, more efficient ways to inspect lines or locate outages
4. Evaluate rate structure
  - a. Is it fair? Does it produce adequate revenue without being excessive?
5. Continue to improve member communication
  - a. Two-way communication. Faster, easier methods? More self-service information?
6. Optimize debt structure and level
7. Protect against risks of being so small
  - a. Strong relationships with larger entities; cooperative agreements; shared resources
8. Maintain strong, cooperative relationship with Okanogan PUD

**Okanogan County Electric Cooperative  
Okanogan County Energy Incorporated  
2018 Balanced Scorecard Goals - 3rd 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%	668	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%	59	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%	7	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%	5.5	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%	44	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%	1124	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%	1	*	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%	88%	*	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