

2 PM – Meeting with Ben Kujala (NW Power and Conservation Council) and Elizabeth Osborne (WA Dept. of Commerce, Energy Department)



BOARD OF DIRECTORS MEETING

January 28, 2019 at 1:00 PM

AGENDA

1. Meeting Called to Order
2. Determination of Quorum
3. Approval of Agenda
4. Member Communications
5. Approval of Consent Agenda (**Tab 2**)
 - a) Minutes from December 17, 2018
 - b) New Members
 - c) December 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
6. Committee Reports
 - a) Finance Committee Meeting on Cap Budget
 - b) Audit Committee Meeting with Auditor
7. Meetings Attended
 - a) PNGC Monthly Board Meeting, Portland, January 3rd – David and Dale

b) Christmas Party – Staff and Board - January 4th -
6:30 PM – Wood Stone Pizzeria

8. Meetings to Attend

- a) PNGC Monthly Board Meeting, Portland, February 5th – Dale
- b) WRECA Board Meeting and Legislative Visits – Olympia, February 11-13th - David

9. General Managers Report (Tab 3)

- a) Office Update
- b) Operations Update
- c) Propane Update

ITEMS OF BUSINESS

- 1) Coordination of Messaging
- 2) Risk Management - Insurance Update
- 3) Nomination Committee Update

EXECUTIVE SESSION

- 1) 2018 Management Goals
- 2) 2019 Management Goals
- 3) Litigation Update



**BOARD MEETING
December 17, 2018**

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

Attending: David Gottula; General Manager, Lynn Northcott; CFO/Office Manager, Deanna Melton; Staking Tech, Tracy McCabe; OCEI Propane Manager, and Callie Fink; Office Staff.

Members in Attendance: No members attended the meeting.

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

Agenda approved by Board Consensus.

4. MEMBER COMMUNICATION

Letters from members attached.

5. APPROVAL OF CONSENT AGENDA ITEMS

The Consent Agenda was approved with two changes suggested by Sara Carlberg. A typo was corrected, changing a comma at the end of a sentence to a period. In the following sentence, the word “each” was changed to “next”:

*Modifications suggested are to change the timing to coordinate with the release of BPA’s rates in July or August of **next** year.*

Consent Agenda was approved with changes.

6. COMMITTEE REPORT

Finance Committee:

Alan Watson stated that they have met and discussed the capital budget and have some questions that they will discuss with David and Lynn in an upcoming meeting.

7. MEETINGS ATTENDED

- a. PNGC Monthly Board Meeting in Portland, On December 3rd – David

They discussed Demand Control and Management, reducing equity adder to PNGC and carbon legislation. Dale is planning on attending the January and February PNGC meetings.

8. MEETINGS TO ATTEND

- a. Christmas Party – Staff and Board - January 4th, 6:30 p.m. at Woodstone Pizzeria
- b. PNGC Monthly Board Meeting, Portland, January 3 – David and Dale will attend. They expect to discuss equity adders and direct access at this upcoming meeting.

9. GENERAL MANAGERS REPORT

Attached and reviewed.

a) Office Update

No office update.

b) Operations Update

Deanna Melton reported:

- Eight outages over the weekend due to heavy snow load. She noted that this gives us a chance to look at where it's happening and what system improvements can be made in the future in locations that have repeated problems.
- Subdivisions are being gone through systematically and underground wire is being replaced. Edelweiss is the oldest and largest subdivision. The wire there was put in at the same time and is all going bad at the same time. Pine Forest has all new wire, Twin Lakes has a 70-30 mix, with the oldest wire being 15 years old. Davis Lake has been worked on in the past couple of years and is 75% finished. Studhorse is about 50% completed with new wire. New wire is now being put into conduit when it is replaced, which means that in the future when the wire needs to be replaced we won't need to dig. Liberty Woodlands Subdivision will need to be focused on in the future.

c) OCEI Propane

Tracy McCabe reported that the service department is very busy and we are lucky to have two really experienced, safety minded drivers covering delivery. She noted that Byron Odion retired at the end of November and this position has been offered to a potential new employee. She is hopeful that the position will be filled as of February 1st.

ITEMS OF BUSINESS

1. Discussion for Open Board Position

This item will be discussed in executive session

2. Acknowledgment of OCEC Policy NO. 10-120, Conduct of Individual Members of the Board of Directors

Policy NO. 10-120 was read and signed by the board members.

3. Approve Revised Policy No. 30-210, Disconnect and Reconnect Policy

Sara motioned to accept revised policy 30-210 as presented. Second. Carried.

4. Approve Revised Policy No. 20-030 Attendance at Board Meetings

Sara motioned to approve revised policy 20-030. Seconded. Carried Lynn mentioned that the revised policies would be signed at the next board meeting.

5. Balanced Scorecard November Results

David noted that the crews are still finishing up inventory and bonuses for employees would be issued in the first week of January, 2019

6. Request for Write off

Lynn noted that there is enough capital credits to pay the write-off in full, so there is no cost to the co-op. The request is to retire the capital credits to pay the write off. Alan moved to accept the write off and Dale seconded. The motion carried.

7. Update – Major 11 hour Transmission Outage to happen in April 2019

David noted that this is a BPA Outage that will affect all members served out of the Winthrop Substation. The current projected date is April 11 at 7 p.m. to April 12 at 6 a.m. This is the first of two outages necessary to finish the change-over to the new transmission line. Dates will be confirmed with BPA in January before we announce the outage in the newsletter.

8. Mazama Project Brief

David presented a Power Point detailing the Mazama Project. Power Point is attached here in.

9. Board E-mail

Curtis mentioned that he'd like to have the ability to email from his co-op email account and other board members agreed. David agreed that if the board members would like to have this back, it's no problem. He will have Mark Crum set it up.

10. Base Charge Discussion

Due to higher revenue than expected and lower expenses, the board discussed the option of waiving the base charge for December that is reflected on the January billing statement. The amount is approximately 150k. Ray moved that the base charge for December be waived. Second. Carried. David will communicate this to the members in the newsletter.

Adjourn at 4:10 pm.

- 11. Open Board Position –** The Board came out of Executive Session and voted to approve Michael Murray to fill the open Board Position. Michael will take the oath at the January meeting.

EXECUTIVE SESSION

1. Broadband Discussion
2. 2019 Management Goals
3. Litigation Update
4. Open Board Position

Alan Watson, Secretary

New Members OCEC**January 28, 2019****REINSTATE**

1.

NEW MEMBERS

1. ALTISOURCE SINGLE FAMILY INC	118192
2. WHITE, ROBERT	118193
3. ROESNER, KENNETH & ROBYN	118194
4. VOID	118195
5. HARDEN, BLAINE	118196
6. SMITH, RICHARD & LAURA	118197
7. LEDUC, MARC	118198
8. BARRY, ROBERT	118199
9. LAKE CHELAN ARTSIAN BAKERY INC	118200
10. LEDUC, CLAIRE & FORREST, JOEL	118201
11. SIEMS, BRIAN & EMANUEL, MARGAUX	118202
12. HARFORD, CHLOE & REBBECK, HENRY	118203
13. WHIPPLE, PAULA & WATSON, JEFF	118204
14. JOHNSON, LOREE	118205
15. GREEN, ANNE & SHROPSHIRE, RUSSELL	118206
16. JOHNSON, JARRED	118207



Pn Audit

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County Electric Coop Inc
	BORROWER DESIGNATION	WA032
	ENDING DATE	12/31/2018

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

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION CHOICES
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.	<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 5px; margin-right: 10px;"> <div style="background-color: red; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">8</div> <p style="margin: 0;">Needs Attention</p> </div> <div style="background-color: yellow; color: black; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">6</div> <p style="margin: 0;">Please Review</p> </div> <div style="background-color: green; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">4</div> <p style="margin: 0;">Matches</p>	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 _____ Date _____		<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	5,863,669	5,584,790	5,501,400	551,789
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	2,726,275	2,707,600	2,710,581	332,298
4. Transmission Expense	0	0	0	0
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	68,122	88,646	69,955	7,826
7. Distribution Expense - Maintenance	538,686	551,055	574,972	50,529
8. Consumer Accounts Expense	280,954	291,181	299,885	23,772
9. Customer Service and Informational Expense	5,046	5,786	5,700	514
10. Sales Expense	1,193	7,162	0	642
11. Administrative and General Expense	734,229	554,083	675,636	15,640
12. Total Operation & Maintenance Expense (2 thru 11)	4,354,506	4,205,514	4,336,729	431,220
13. Depreciation & Amortization Expense	370,491	374,077	394,680	29,044
14. Tax Expense - Property & Gross Receipts	43,124	45,055	43,128	3,766
15. Tax Expense - Other	183,405	173,425	185,500	16,099
16. Interest on Long-Term Debt	209,411	201,713	201,772	16,258
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)	5,160,937	4,999,784	5,161,809	496,387
21. Patronage Capital & Operating Margins (1 minus 20)	702,732	585,006	339,591	55,402
22. Non Operating Margins - Interest	15,531	24,382	21,154	5,010
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	151,924	42,993	30,000	15,861
25. Non Operating Margins - Other	18,000	18,000	18,000	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)	888,187	670,382	408,745	77,773

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	72	56	5. Miles Transmission	0	0
2. Services Retired	8	6	6. Miles Distribution Overhead	302	303
3. Total Services In Place	3,735	3,782	7. Miles Distribution Underground	212	221
4. Idle Services (Exclude Seasonal)	105	101	8. Total Miles Energized (5+6+7)	514	524



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Okanogan County
	BORROWER DESIGNATION	WA032
	ENDING DATE	12/31/2018

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	13,861,035	29. Memberships	16,205
2. Construction Work in Progress	537,521	30. Patronage Capital	7,154,745
3. Total Utility Plant (1+2)	14,398,556	31. Operating Margins - Prior Years	888,188
4. Accum. Provision for Depreciation and Amort	4,763,306	32. Operating Margins - Current Year	652,382
5. Net Utility Plant (3-4)	9,635,250	33. Non-Operating Margins	18,000
6. Nonutility Property - Net	0	34. Other Margins & Equities	481,099
7. Investment in Subsidiary Companies	662,742	35. Total Margins & Equities (29 thru 34)	9,210,618
8. Invest. in Assoc. Org. - Patronage Capital	350,874	36. Long-Term Debt CFC (Net)	0
9. Invest. in Assoc. Org. - Other - General Funds	0	37. Long-Term Debt - Other (Net)	3,367,225
10. Invest in Assoc. Org. - Other - Nongeneral Funds	147,136	38. Total Long-Term Debt (36 + 37)	3,367,225
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)	1,174,253	42. Notes Payable	0
15. Cash-General Funds	650,516	43. Accounts Payable	347,729
16. Cash-Construction Funds-Trustee	0	44. Consumers Deposits	152,805
17. Special Deposits	33,669	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	561,090	48. Other Current & Accrued Liabilities	231,292
21. Accounts Receivable - Net Other	921,742	49. Total Current & Accrued Liabilities (42 thru 48)	731,827
22. Renewable Energy Credits	0	50. Deferred Credits	0
23. Materials & Supplies - Electric and Other	193,724	51. Total Liabilities & Other Credits (35+38+41+49+50)	13,309,670
24. Prepayments	0	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)	2,500,167	Amounts Received This Year (Net)	493,406
27. Deferred Debits	0	TOTAL Contributions-In-Aid-Of-Construction	493,406
28. Total Assets & Other Debits (5+14+26+27)	13,309,670		

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

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

STATEMENT OF OPERATIONS

December 31, 2018

	ANNUAL BUDGET	Y-T-D BUDGET	Y-T-D ACTUAL	MONTH BUDGET	MONTH ACTUAL
OPERATING REVENUE	\$5,501,400	\$5,501,400	\$5,584,790	\$681,459	\$551,789
COST OF POWER	\$2,710,581	\$2,710,581	\$2,707,600	\$331,728	\$332,298
GROSS MARGINS	\$2,790,819	\$2,790,819	\$2,877,190	\$349,731	\$219,491
OPERATING EXPENSES:					
DISTRIBUTION OPERATIONS	\$69,955	\$69,955	\$88,646	\$5,546	\$7,826
DISTRIBUTION MAINTENANCE	\$574,972	\$574,972	\$551,055	\$51,592	\$50,529
CONSUMER ACCOUNTING	\$299,885	\$299,885	\$291,181	\$24,304	\$23,772
CONSUMER SERVICE & INFO	\$5,700	\$5,700	\$5,786	\$362	\$514
SALES EXPENSE	\$0	\$0	\$7,162	\$0	\$642
ADMIN & GENERAL	\$675,636	\$675,636	\$554,083	\$55,423	\$15,640
TOTAL OPERATING EXPENSES	\$1,626,148	\$1,626,148	\$1,497,914	\$137,227	\$98,922
FIXED EXPENSES:					
DEPRECIATION	\$394,680	\$394,680	\$374,077	\$32,890	\$29,044
TAXES-PROPERTY	\$43,128	\$43,128	\$45,055	\$3,594	\$3,766
TAXES-OTHER	\$185,500	\$185,500	\$173,425	\$14,458	\$16,099
INTEREST	\$201,772	\$201,772	\$201,713	\$16,814	\$16,258
OTHER DEDUCTIONS	\$0	\$0	\$0	\$0	\$0
TOTAL FIXED EXPENSES	\$825,080	\$825,080	\$794,271	\$67,757	\$65,167
TOTAL EXPENSES	\$2,451,228	\$2,451,228	\$2,292,184	\$204,984	\$164,089
OPERATING MARGINS	\$339,591	\$339,591	\$585,006	\$144,747	\$55,402
NONOPERATING MARGINS:					
INTEREST	\$51,154	\$51,154	\$67,376	\$3,648	\$20,871
OTHER	\$18,000	\$18,000	\$18,000	\$1,500	\$1,500
NET MARGINS	\$408,745	\$408,745	\$670,382	\$149,895	\$77,773
T.I.E.R.	3.03	3.03	4.32	9.91	5.78

Okanogan County Electric Cooperative Inc
Budget Year: 2018

	2017	Budget year												
		Jan - Dec	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	\$67,924	\$175,281	\$77,773
Plus Depreciation Expense	\$0	\$394,680	\$31,740	\$31,717	\$31,834	\$31,882	\$31,899	\$31,872	\$32,009	\$32,035	\$32,046	\$29,029	\$28,972	\$29,044
Less Capital Credit Allocations	\$0	\$0	(\$29)	(\$751)	\$1,566	(\$120)	(\$683)	\$0	\$0	\$0	\$0	(\$170)	\$0	(\$210,417)
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	\$96,783	\$204,253	(\$103,600)
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)	(\$5,652)	\$137,063	(\$7,242)
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)	(\$1,751)	(\$128,003)	(\$28,797)
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	\$6,777	(\$136,462)	\$12,695
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	\$2,975	\$2,976	\$2,975
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	\$2,349	(\$124,426)	(\$20,369)
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	(\$44,976)	\$12,316	\$36,795
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)	(\$26,385)	\$17,376	(\$27,920)
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	(\$71,361)	\$29,692	\$8,875
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	\$27,771	\$109,519	(\$115,094)
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)	(\$4,030)	\$51,847	(\$25,471)
Cost to Retire Utility Plant	\$0	\$0	\$521	\$7,500	(\$12,262)	\$242	\$6,504	(\$12,477)	(\$1,278)	\$8,622	\$6,631	\$2,837	(\$5,594)	\$508
Construction Work-in-Progress	\$0	\$0	\$202,273	(\$36,843)	(\$33,795)	(\$67,376)	(\$58,546)	(\$143,843)	\$2,318	(\$69,169)	(\$69,924)	(\$94,900)	(\$123,499)	(\$118,793)
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	\$46,472	\$82,350	\$1,196
Total Other Property and Investments	\$0	\$0	\$247	(\$762)	\$453	\$0	\$0	\$0	\$0	(\$12,524)	(\$289)	\$0	\$0	(\$13,739)
Materials & Supplies - Electric and Other	\$0	\$0	(\$1,394)	\$113	(\$2,104)	(\$8,140)	\$1,869	(\$5,149)	(\$18,228)	(\$3,262)	(\$17,704)	(\$1,959)	(\$3,789)	\$113,088
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)	(\$51,580)	\$1,315	(\$43,211)
FINANCING ACTIVITIES														
Margins & Equities	\$0	(\$200,000)												\$0
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	\$55	\$10	\$40
Consumers Deposits	\$0	\$0	\$1,250	(\$1,432)	(\$4,550)	\$1,850	\$1,460	\$1,150	\$950	\$455	\$1,295	\$600	\$550	\$700
CASH FROM FINANCING ACTIVITIES	\$0	(\$332,239)	\$1,270	(\$1,432)	(\$36,861)	\$1,885	\$1,475	(\$31,617)	\$970	\$475	(\$31,975)	\$655	\$560	(\$33,071)
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)	(\$23,154)	\$111,395	(\$191,376)
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	\$730,498	\$841,893
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	\$730,498	\$841,893	\$650,516

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												
	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Actual	5%	12%	18%	27%	23%	25%	19%	27%	24%	28%	27%	12%	21%
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												
	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	\$ 27,830	\$ 25,493	\$ 11,120	\$ 236,331
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												
	Jan	Feb	March	April	May	June	July	August	September	October	November	December	YTD
2018 Actual	98%	88%	82%	73%	77%	75%	81%	73%	76%	72%	73%	88%	80%
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	\$ 72,475	\$ 68,749	\$ 82,904	\$ 937,586
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	\$ 93,316	\$ 99,523	\$ 97,573	\$ 89,657	\$ 100,305	\$ 94,242	\$ 94,024	\$ 1,173,918
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
December 31, 2018

Beginning RLF Balance		\$4,041.39
LOUP LOUP SKI ED FOUNDATION LOAN #2		
PAYOFF AUGUST 01, 2019	MONTH	TO DATE
PAYMENTS RECEIVED	\$420.84	\$48,808.42
ADMINISTRATIVE FEE (1%)	\$4.17	\$2,725.01
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$47,083.70
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$2,916.30
LOUP LOUP SKI ED FOUNDATION LOAN #3		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$441.67	\$22,516.64
ADMINISTRATIVE FEE (1%)	\$25.00	\$1,683.14
PRINCIPLE PAYMENT TO LOAN	\$416.67	\$20,833.50
ORIGINAL AMOUNT OF LOAN		\$50,000.00
BALANCE REMAINING ON LOAN		\$29,166.50
TOWN OF TWISP		
PAYOFF AUGUST 01, 2019	MONTH	TO DATE
PAYMENTS RECEIVED	\$78.29	\$7,847.60
ADMINISTRATIVE FEE (1%)	\$1.54	\$478.30
PRINCIPLE PAYMENT TO LOAN	\$76.75	\$7,444.51
ORIGINAL AMOUNT OF LOAN		\$9,210.00
BALANCE REMAINING ON LOAN		\$1,765.49
MVSTA LOAN #2		
PAYOFF JULY 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$866.66	\$71,438.02
ADMINISTRATIVE FEE (1%)	\$33.33	\$4,771.62
PRINCIPLE PAYMENT TO LOAN	\$833.33	\$65,833.07
ORIGINAL AMOUNT OF LOAN		\$100,000.00
BALANCE REMAINING ON LOAN		\$34,166.93
MEDICINE WHEEL WEB DESIGN		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$510.00	\$26,360.00
ADMINISTRATIVE FEE (1%)	\$10.00	\$870.00
PRINCIPLE PAYMENT TO LOAN	\$500.00	\$25,500.00
ORIGINAL AMOUNT OF LOAN		\$30,000.00
BALANCE REMAINING ON LOAN		\$4,500.00
TOWN OF WINTHROP		
PAYOFF NOVEMBER 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$870.83	\$11,320.79
ADMINISTRATIVE FEE (1%)	\$79.17	\$1,029.21
PRINCIPLE PAYMENT TO LOAN	\$791.67	\$10,291.71
ORIGINAL AMOUNT OF LOAN		\$95,000.00
BALANCE REMAINING ON LOAN		\$84,708.29
Smiling Woods Yurts		
PAYOFF NOVEMBER 01, 2028	MONTH	TO DATE
PAYMENTS RECEIVED	\$366.66	\$366.66
ADMINISTRATIVE FEE (1%)	\$33.33	\$33.33
PRINCIPLE PAYMENT TO LOAN	\$333.33	\$333.33
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$39,666.67
TwisworksFoundation		
PAYOFF DECEMBER 01, 2028	MONTH	TO DATE
PAYMENTS RECEIVED	\$366.66	\$0.00
ADMINISTRATIVE FEE (1%)	\$33.33	\$0.00
PRINCIPLE PAYMENT TO LOAN	\$333.33	\$0.00
ORIGINAL AMOUNT OF LOAN		\$40,000.00
BALANCE REMAINING ON LOAN		\$40,000.00
TOTAL BALANCE REMAINING ON LOANS		\$236,890.18
ENDING RLF BALANCE		\$7,909.82

OKANOGAN COUNTY ELECTRIC COOPERATIVE INC

REVOLVING LOAN FUND #2

MONTHLY REPORT

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

Beginning RLF Balance	\$22,385.56	
AERO RESCUE		
PAYOFF NOVEMBER 1, 2020	MONTH	TO DATE
PAYMENTS RECEIVED	\$2,040.00	\$28,500.00
ADMINISTRATIVE FEE (1%)	\$40.00	\$12,540.00
PRINCIPLE PAYMENT TO LOAN	\$2,000.00	\$196,000.00
ORIGINAL AMOUNT OF LOAN		\$240,000.00
BALANCE REMAINING ON LOAN		\$44,000.00
TOWN OF WINTHROP LOAN #2		
PAYOFF JUNE 01, 2022	MONTH	TO DATE
PAYMENTS RECEIVED	\$177.67	\$14,288.34
ADMINISTRATIVE FEE (1%)	\$6.84	\$963.60
PRINCIPLE PAYMENT TO LOAN	\$170.83	\$13,324.74
ORIGINAL AMOUNT OF LOAN		\$20,500.00
BALANCE REMAINING ON LOAN		\$7,175.26
MVSTA LOAN #3		
PAYOFF OCTOBER 01, 2024	MONTH	TO DATE
PAYMENTS RECEIVED	\$618.33	\$32,087.01
ADMINISTRATIVE FEE (1%)	\$35.00	\$2,508.41
PRINCIPLE PAYMENT TO LOAN	\$583.33	\$29,749.83
ORIGINAL AMOUNT OF LOAN		\$70,000.00
BALANCE REMAINING ON LOAN		\$40,250.17
PINETOOTH CREATIVE		
PAYOFF July 01, 2026	MONTH	TO DATE
PAYMENTS RECEIVED	\$83.48	\$2,451.13
ADMINISTRATIVE FEE (1%)	\$6.19	\$208.92
PRINCIPLE PAYMENT TO LOAN	\$77.29	\$2,242.39
ORIGINAL AMOUNT OF LOAN		\$9,275.00
BALANCE REMAINING ON LOAN		\$7,032.61
EQPD		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$295.21	\$6,646.11
ADMINISTRATIVE FEE (1%)	\$24.37	\$587.65
PRINCIPLE PAYMENT TO LOAN	\$270.84	\$5,958.46
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$26,541.54
Little Star Montessorri School		
PAYOFF February 01, 2027	MONTH	TO DATE
PAYMENTS RECEIVED	\$295.21	\$6,824.66
ADMINISTRATIVE FEE (1%)	\$24.38	\$595.97
PRINCIPLE PAYMENT TO LOAN	\$270.83	\$6,229.10
ORIGINAL AMOUNT OF LOAN		\$32,500.00
BALANCE REMAINING ON LOAN		\$26,270.90
Winthrop Ice & Sports Rink		
PAYOFF November 01, 2028	MONTH	TO DATE
PAYMENTS RECEIVED	\$582.09	\$582.09
ADMINISTRATIVE FEE (1%)	\$52.92	\$52.92
PRINCIPLE PAYMENT TO LOAN	\$529.17	\$529.17
ORIGINAL AMOUNT OF LOAN		\$63,500.00
BALANCE REMAINING ON LOAN		\$62,970.83
TOTAL BALANCE REMAINING ON LOANS		\$214,241.31
ENDING RLF BALANCE		\$25,758.69

OKANOGAN COUNTY ELECTRIC COOPERATIVE, INC.

POWER & SERVICE DATA

December-18

	September 2018	October 2018	November 2018	December 2018	December 2017
POWER DATA:					
COST OF POWER	\$174,731	\$184,784	\$172,451	\$332,298	\$339,203
KWH PURCHASED	3,523,645	4,367,480	6,025,725	8,389,405	8,870,180
KWH SOLD & OCEC USE	3,204,941	4,022,143	5,625,132	7,862,788	8,348,306
KWH LOST	318,704	345,337	400,593	526,617	521,874
LINE LOSS %	9.04%	7.91%	6.65%	6.28%	5.88%
COST PER KWH	\$0.0496	\$0.0423	\$0.0286	\$0.0396	\$0.0382
BILLING DATA:					
ACCOUNTS BILLED	3,762	3,780	3,588	3,586	3,537
AVG. KWH/CONSUMER	852	1,064	1,568	2,193	2,360
BILLING REVENUE	\$362,624	\$416,350	\$527,697	\$548,801	\$708,947
AVERAGE BILL	\$96.39	\$110.15	\$147.07	\$153.04	\$200.44
REVENUE/KWH SOLD	\$0.1131	\$0.1035	\$0.0938	\$0.0698	\$0.0849
SERVICE DATA:					
NEW	8	15	2	2	4
RETIRED	1	1	0	1	4
TOTAL END OF MONTH	3765	3779	3781	3782	3735
IDLE SERVICES	101	102	101	101	105
TRANSPORTATION:					
TOTAL MILES	5,718	7,820	5,446	4,800	4,659
COST OF OPERATION	\$17,940	\$16,599	\$19,680	\$15,969	\$21,429
AVG. COST PER MILE	\$3.137	\$2.123	\$3.614	\$3.327	\$4.599
MATERIALS:					
ISSUES	\$15,319	\$23,484	\$10,407	\$129,974	\$55,335
INVENTORY	\$301,064	\$303,023	\$306,812	\$193,724	\$247,065

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	-	-	7,934	17,938	74.2%	2958	6482	6.064	2.191	3.049
Feeder 1 = Chewuch	2,360	-	-	593	2,953	12.2%	590	974	5.005	1.651	3.032
Feeder 2 = Mazama	3,764	-	-	6,498	10,262	42.4%	941	3330	10.905	3.539	3.082
Feeder 3 = Sun Mtn	2,984	-	-	22	3,006	12.4%	746	767	4.029	1.028	3.919
Feeder 4 = Winthrop	2,724	-	-	822	3,546	14.7%	681	1411	5.206	2.072	2.513
Twisp Substation (2)	2,456	-	-	3,781	6,237	25.8%	614	1653	10.158	2.692	3.773
Feeder 1 = Airport	112	-	-	866	978	4.0%	28	227	34.916	8.107	4.307
Feeder 2 = Loup	776	-	-	150	926	3.8%	194	249	4.774	1.284	3.719
Feeder 3 = Twisp	1,568	-	-	2,765	4,333	17.9%	392	1177	11.054	3.003	3.681
Totals					24,175		3572	8135	6.768	2.277	3.20
CFC Summary	240	-	-	196.77							

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

NUMBER OF OUTAGES = 52

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	###	-	-	2	7,247
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	-	-	-	-	-	-	-	-	-	###	-	-	518
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	###	###	###	-	14	1,767

****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	-	-	-	-	-	-	-	747	-	-	-	-	747
DIST-SWITCH	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-METERING EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST-DISTRIBUTION SUBSTATION , OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-												4,873
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	-	-	-	-	518	-	2	5,240
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	32	-	14	177
OVR-RECLOSER OR SECTIONALIZER	-	-	-	-	-	-	-	-	447	430	-	-	877
OVR-OVERHEAD LINE CONDUCTORS AND DEVICES	-	-	-	-	-	133	-	-	-	-	-	-	133
TOTALS:	57												6,469

OCEC 2018 Outage
Detailed Summary By Cause

DETAILED SUMMARY BY CAUSE													
UNDERGROUND													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-	-	-	-	-	-	-	-	-	-	-	-	207
TRANSFORMER													
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	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS:	-	-	-	-	-	-	-	-	-	-	-	-	53
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:	-	-	-	-	-	-	-	-	-	-	-	-	-

General Manager's Report to the Board – January 2019

General Discussion:

OCEC has reached its level of spent funds allocated by BPA for energy efficiency and is putting the program on hold. Our major emphasis this year has been change out of commercial lighting to LEDs. For 2018, the BPA program provided around \$81,000 in incentives to members while OCEC received \$40,000 in performance payments. The \$40,000 in performance payments was credited to O&M accounts in 2018.

An example of the program was OCEC's LED conversion. It costs OCEC around \$16,000 to change out our lights to LED. We received \$6,700 in both incentives and performance payments.

The Town of Winthrop changed out the lights at the Town Hall, the Barn and the Ice Rink. The Town received \$34,000 in incentives and OCEC received \$13,000 in performance payments.

FYI - The BPA energy efficiency program is financed through our rates.

Financial Discussion

Instead of my normal financial discussion, I wanted to take a look back at the OCEC Cost Structure for the last 18 years. The third page of this report shows a graph of OCEC's cost structure since 2000. These costs are raw dollars and are not normalized to weather, inflation, or sales.

Working from the top line, the light blue line in the "Cost of Power". Power costs have steadily increased over the years.

The green line is "Total non-power Costs of Electric Service". This the summation of the orange line (Non-Power O&M) and the yellow line (Depreciation, Taxes and interest).

The orange line is "Non-Power O&M". Non-power O&M steadily increased over the years until 2012 when we instituted major costs cuts and have held these costs to a smaller levelized annual increases since. The cost cuts initiated in 2012 include reducing workforce by 20% and reducing retirement benefit costs by almost 50%.

The yellow line shows “Depreciation, Taxes and Interest Costs”. These costs have been steady since 2012 when we started revenue financing our capital expenditures thus reducing interest costs. The interest cost reductions were off-set by increases in depreciation.

The dark blue line at the bottom is the “Operating Margins”. From 2000 to 2011, operating margins were steady. In 2012, operating margins increased roughly in line with the O&M costs reductions.

As OCEC moves away from revenue financing both capital expenditures and capital credit returns and starts to borrow funds for these items, “Operating Margins” will decrease by design and “Depreciation, Taxes, and Interest” will start to increase once again.

The dashed purple line represents the 2018 TIER of 2.4. TIER is the “Times Interest Earned Ratio”. While our lender does not use this ratio, it is a good representation of where we want to head with margins in the future.

OCEC Cost Structure from 2000 to 2018

