

# Pend Oreille PUD

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## Rate Hearing

March 3, 2026

# Rate Hearing

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- **The District's Board of Commissioners have the authority to set rates**
  - As a public utility, we are not regulated by another authoritative body. For-profit utilities are regulated by the Washington Utilities & Transportation Commission (UTC).
- **Staff's rate recommendations will be presented in today's hearing**
  - The Board of Commissioners will take public comment at the end of the presentation.
  - Electronically-submitted comments received by the PUD will be compiled and presented to the Board of Commissioners.
- **Adoption is scheduled for March 17th**

# Agenda

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Electric System Rates



Electric System Policy Updates



Line Extension Fees



Community Network System Fees



# Electric System Rates



# 2026 Rate Goals

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**1.** Provide customers with stable, predictable rate increases.

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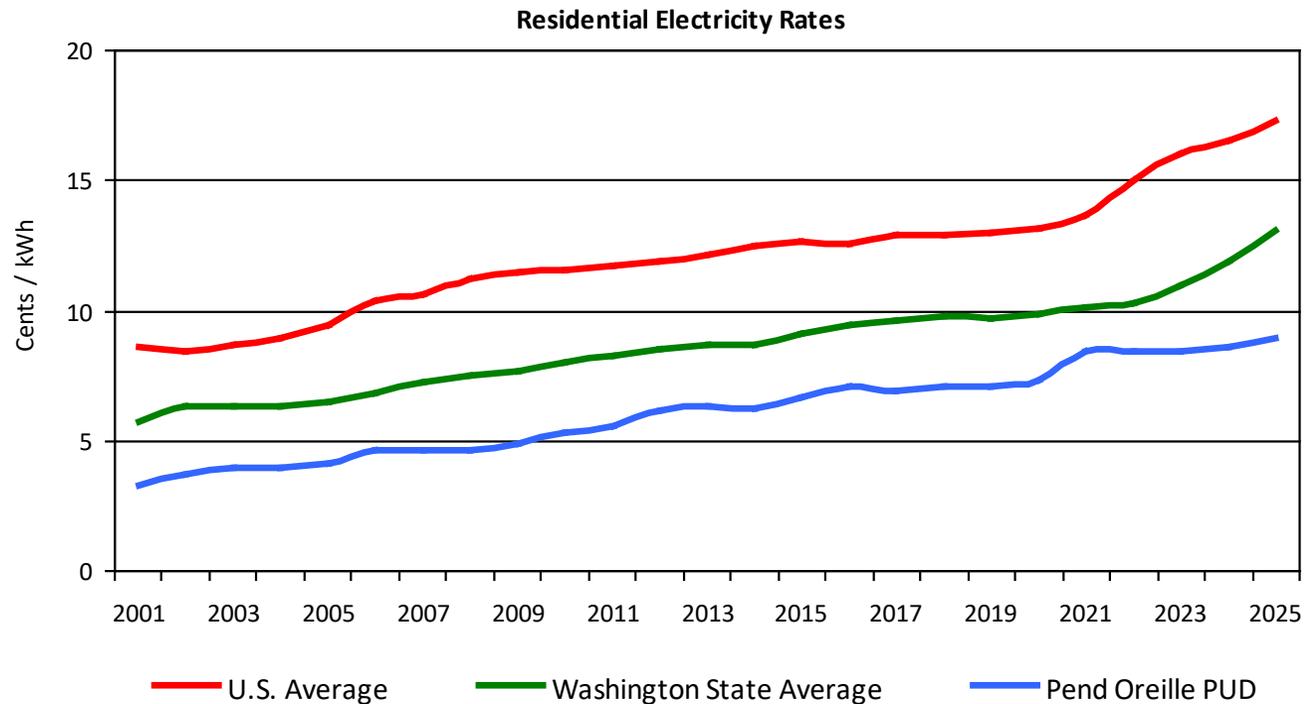
**2.** Base rate design on long-term needs.

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**3.** Maintain sufficient revenue to sustain operations.

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# Long-term Rate Stability



## Residential Electricity Rate Comparison

This slide compares residential electricity rates from 2021 – 2025 across Pend Oreille PUD, the National average the Washington State average.

## Benefits of Local Energy

Pend Oreille PUD's rates highlight the advantages of local hydroelectric resources.

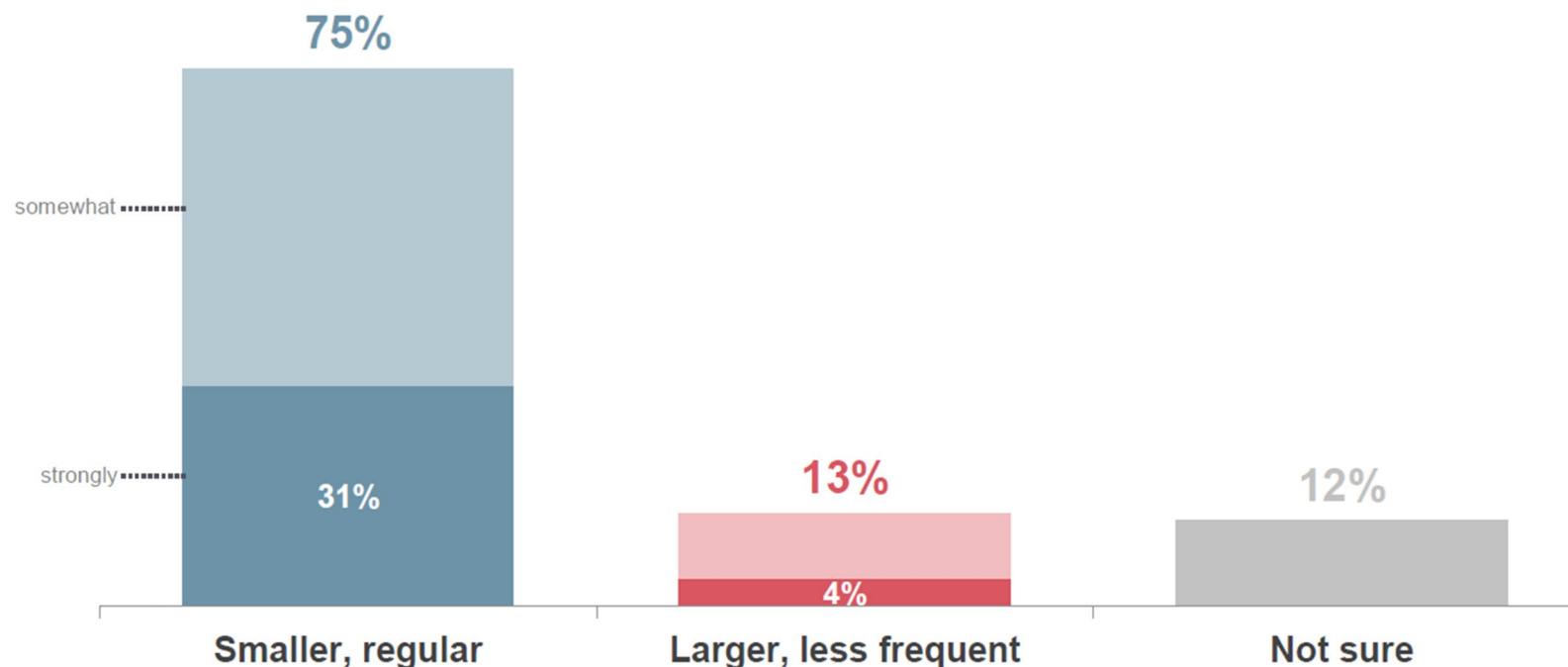


# Rate Adjustment Frequency

Across all demographics and categories, customers prefer rate increases that are smaller and more regular as opposed to larger and less frequent.

## Rate increases smaller and regular, or larger and less frequent?\*

Which approach comes closest to your point of view? Should the PUD make small rate increases each year, or should the PUD space them out with larger increases when they do happen?

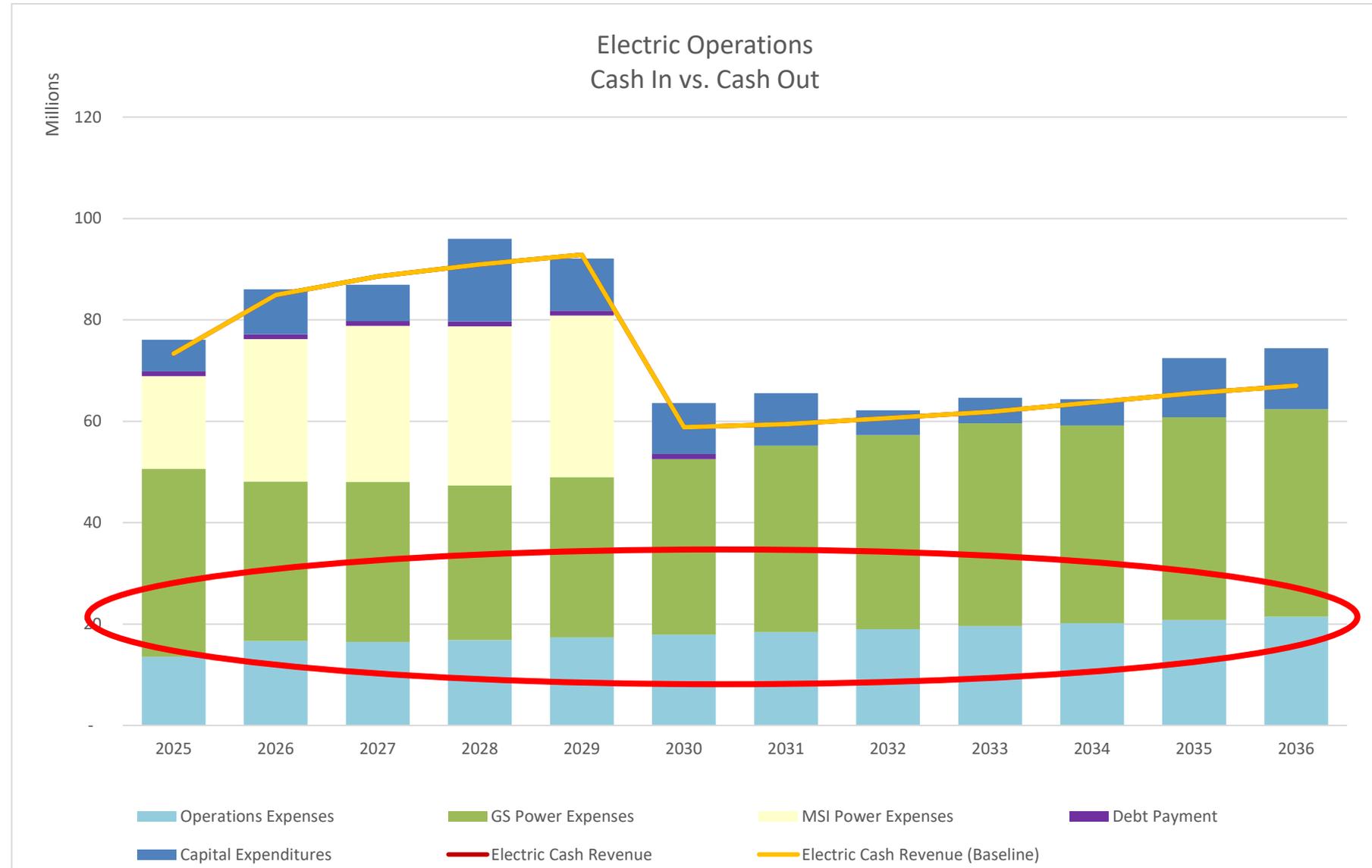


Our customers prefer smaller, regular adjustments.

# Revenue Forecast

3% inflation increases our operating costs approximately \$460,000 per year.

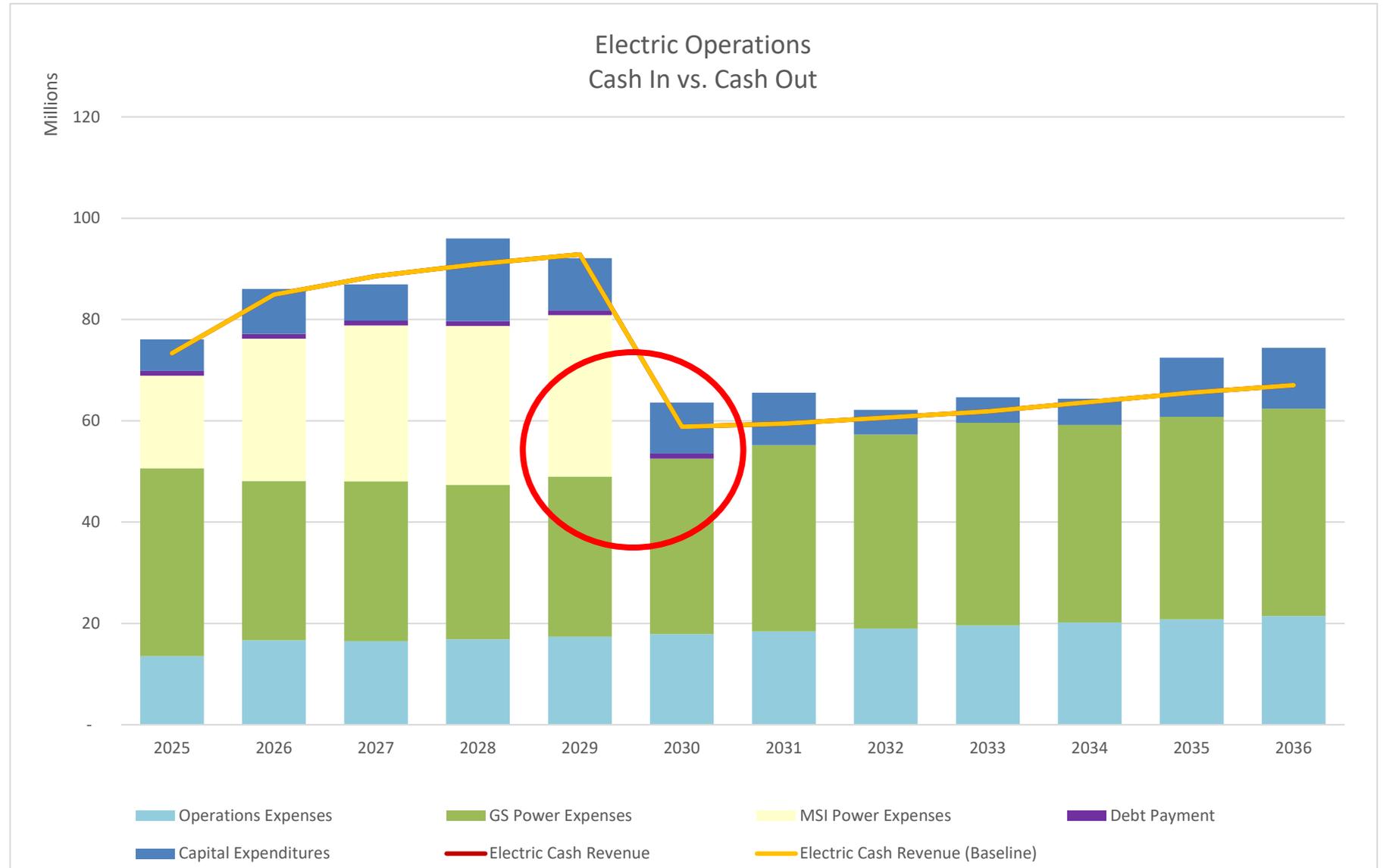
- A 2.5% increase to revenue is needed each year just to cover the inflationary cost increase to operating costs.
- This doesn't include capital costs, which also increase with inflation.
- Power Supply costs also increase annually per contract.



# Revenue Forecast

We anticipate power costs increasing substantially in 2030 and need to plan for that now.

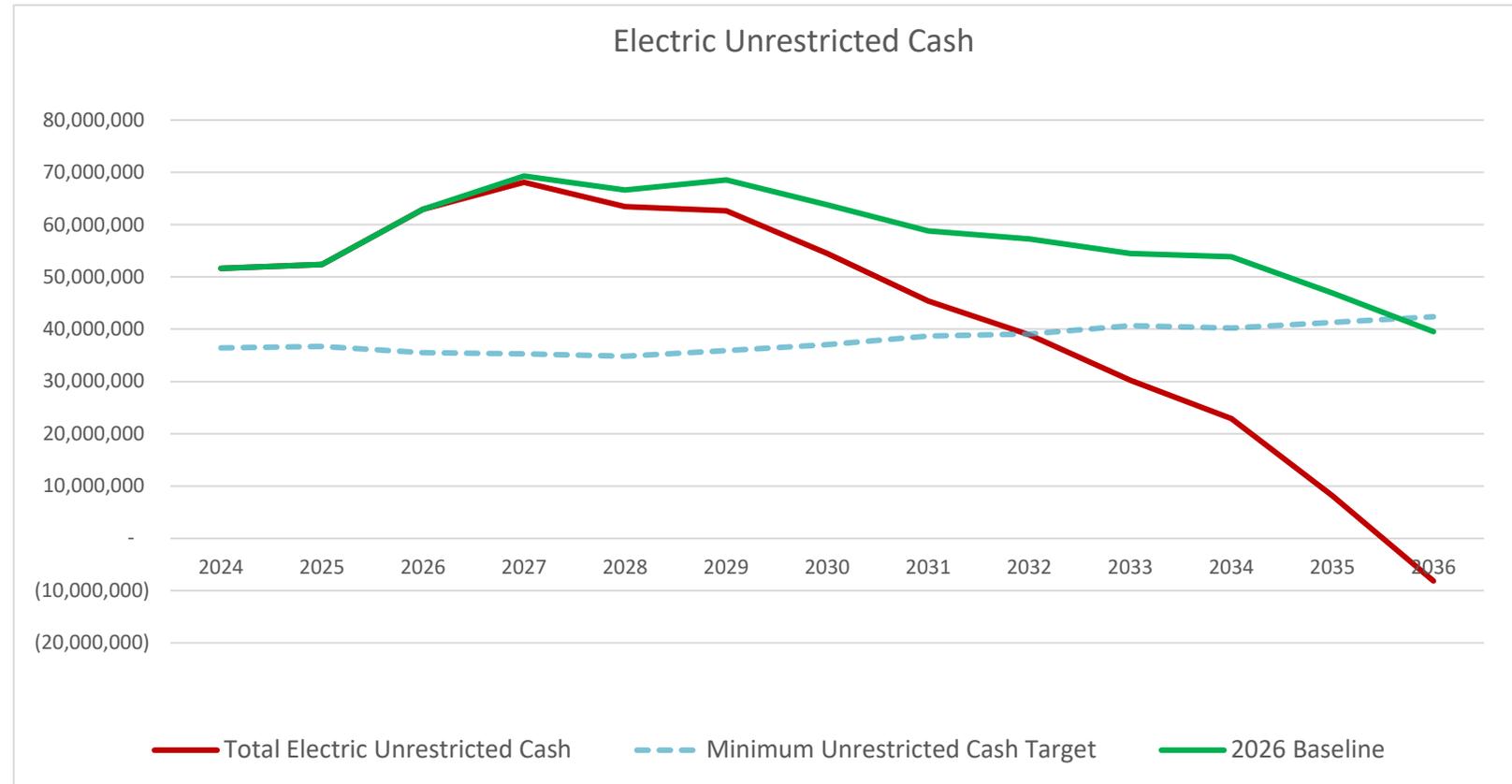
- Our forecasted projections have power costs increasing in 2030.
- By increasing rates by small amounts now, we avoid large increases later.



# Cash Forecast

We will be using cash for large capital projects to improve the reliability of our system.

- We anticipate spending \$45 million over the next 10 years for substations.
- We have aging infrastructure that needs to be maintained.



# Revenue Adjustment

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## Staff Recommendation:

Revenue Adjustment	Projected Change to Revenue	Monthly Impact to Average* Customer
3%	\$635,000	+\$3.92/month

*\*The average consumption for residential customers is ~1,500 kWh per month.*

# Electric Rates Summary

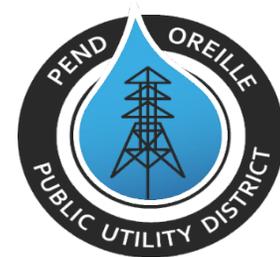


Customer Class	Current Rate (\$ / kWh)	Proposed Rate (\$ / kWh)
Residential – Single Phase	\$0.0660	\$0.0687
Residential – Single Phase Secondary Meter		
Commercial – Single Phase		
Irrigation		
Residential – Three Phase	\$0.0575	\$0.0598
Commercial – Three Phase		
Industrial	\$0.0422	\$0.0438



# Electric System Policy Updates

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# Reconnect Fee

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Type	Fee
Field Service Reconnection Fee	\$275
Remote Service Reconnection Fee	\$30

Customers requesting a reconnection of service shall be responsible for paying all applicable Service Availability Charges that would have been incurred during the months the service was disconnected, not to exceed 12-months.

# Irrigation Account Billing



## Current

- Meters read each October
- Account is billed once per year
- Service Availability Charge \$252/year

## Proposed

- Meters report reads daily
- Account is billed monthly
- Service Availability Charge \$21/month



# Line Extension Fees

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# CNS Extension Fees



## Application Fee

### Current Fees

<u>Application Fee</u>	
Standard Class	\$250

### Proposed Fees

<u>Application Fee</u>	
Standard Class	\$250
Subdivisions	\$500 + \$50/lot
Multi-Dwelling	\$250 + \$50/meter



# Electric Extension Fees

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**Application Fee**

**Transformer Contribution Fee**

**Secondary Service Connection Fees**

**Secondary Service Extension Fees**

**Primary Service Connection Fees**

**Primary Service Extension Fees**

**Additional Services**



## Application Fee

## Transformer Contribution Fee

### Current Fees

#### Application Fee

Residential, Commercial, Irrigation, Area Light	\$250
Subdivisions	\$500 + \$50/lot
Multi-Dwelling	\$250 + \$50/meter
Standard Industrial	\$5,000
Large Industrial <10,000 kW	\$10,000
Large Industrial >10,000 kW	\$25,000
Generation Interconnection	
Facility Size 0-25 kW	\$250
Facility Size 26 - 100 kW	\$500
Facility Size 101 - 500 kW	\$1,000
Facility Size 501 - 2,000 kW	\$5,000
Facility Size 2,001 - 10,000 kW	\$10,000
Facility Size > 10,000 kW	\$25,000

#### Transformer Contribution Fees

Single Phase ≤400 amp - OH 15 kVa	\$1,600
Single Phase ≤400 amp - OH 25 kVa	\$2,000
Single Phase ≤400 amp - OH 37.5 kVA	\$2,200
Single Phase ≤400 amp - OH 50 kVA	\$2,500
Single Phase ≤400 amp - UG 25 kVa	\$5,000
Single Phase ≤400 amp - UG 37.5 kVA	\$6,000
Single Phase ≤400 amp - UG 50 kVA	\$6,000
Single Phase > 400 amp	Cost
Three Phase	Cost

Transformer Contribution Fee will be one-half the prices listed above for use of previously installed existing transformers.



# Secondary Service Connection Fees

## Current Fees

<u>Secondary Service Connection Fees</u>	<u>Fee</u>
Single Phase <=400 amp	\$2,800
Single Phase 401-800 amp	\$4,600
Three Phase <=800 amp	\$5,900
Potential Transformer (PT) Service Adder	\$1,000
Meter Fee - Single Phase	\$175
Meter Fee - Single Phase 400 & 600 amp	\$350
Meter Fee - Three Phase	\$485

## Proposed Fees

<u>Secondary Service Connection Fees</u>	<u>Fee</u>
Single Phase 200 & 400 amp	\$3,000
Single Phase 600 & 800 amp	\$5,100
Three Phase <=800 amp	\$6,400
Potential Transformer (PT) Service Adder	\$1,000
Meter Fee - Single Phase 200 amp	\$175
Meter Fee - Single Phase 400 & 600 amp	\$350
Meter Fee - Three Phase	\$485



# Secondary Service Extension Fees

## Current Fees

<u>Extension Fees - Secondary</u>	<u>0 - 75'</u>	<u>76 - 150'</u>
OH Single Phase 0 - 600 Amp	\$75	\$150
	\$150	\$300
OH Single Phase 601 - 800 Amp	\$300	\$600
UG Single Phase 0 - 200 Amp	\$450	\$900
UG Single Phase 201 - 400 Amp	\$675	\$1,350
UG Single Phase 401 - 600 Amp	\$1,125	\$2,250
UG Single Phase 601 - 800 Amp	\$1,350	\$2,700
OH Three Phase 0 - 200 Amp	\$225	\$450
OH Three Phase 201 - 400 Amp	\$525	\$1,050
OH Three Phase 401 - 600 Amp	\$975	\$1,950
OH Three Phase 601 - 800 Amp	\$975	\$1,950
UG Three Phase 0 - 200 Amp	\$525	\$1,050
UG Three Phase 201 - 400 Amp	\$825	\$1,650
UG Three Phase 401 - 800 Amp	\$1,125	\$2,250
UG Three Phase 800 Amp	\$1,650	\$3,300

## Proposed Fees

<u>Extension Fees - Secondary</u>	<u>0 - 75'</u>	<u>76 - 150'</u>
OH Single Phase 200 Amp	\$75	\$150
OH Single Phase 400 & 600 Amp	\$150	\$300
OH Single Phase 800 Amp	\$300	\$600
UG Single Phase 200 Amp	\$375	\$750
UG Single Phase 400 Amp	\$600	\$1,200
UG Single Phase 600 Amp	\$900	\$1,800
UG Single Phase 800 Amp	\$1,200	\$2,400
OH Three Phase 200 Amp	\$225	\$450
OH Three Phase 400 Amp	\$600	\$1,200
OH Three Phase 600 Amp	\$1,200	\$2,400
OH Three Phase 800 Amp	\$1,200	\$2,400
UG Three Phase 200 Amp	\$450	\$900
UG Three Phase 400 Amp	\$900	\$1,800
UG Three Phase 600 Amp	\$900	\$1,800
UG Three Phase 800 Amp	\$1,800	\$3,600



# Primary Service Connection & Extension Fees

## Current Fees

<u>Primary Service Connection Fees</u>	<u>Fee</u>
OH Single Phase	\$2,200
UG Single Phase	\$2,200
OH Three Phase	\$2,200
UG Three Phase	\$4,500

<u>Extension Fees - Primary</u>	<u>Fee</u>
OH Single Phase (per span)	\$2,600
UG Single Phase (per foot)	\$6.00
OH Three Phase (per span)	\$3,000
UG Three Phase (per foot)	\$18.00

## Proposed Fees

<u>Primary Service Connection Fees</u>	<u>Fee</u>
OH Single Phase	\$2,400
UG Single Phase	\$2,300
OH Three Phase	\$2,400
UG Three Phase	\$4,900

<u>Extension Fees - Primary</u>	<u>Fee</u>
OH Single Phase (per span)	\$2,500
UG Single Phase (per foot)	\$3.50
OH Three Phase (per span)	\$2,800
UG Three Phase (per foot)	\$16.00



# Additional Services

## Current Fees

<u>Additional Services</u>	<u>Fee</u>
Inline OH Pole Inset	\$4,000
Switch Cabinet Single-Phase (UG J Box Inset)	\$3,100
Switch Cabinet 3-Phase (UG J Box Inset)	\$4,800
State Road Crossing Permit	\$1,400
Flagging (per hour)	\$105
Bore (each)	\$5,500
Rock Holes (each)	\$1,600
Riser Fee - 2"	\$500
Secondary Pole Set (First pole)	\$2,400
Secondary Pole Set (per pole, after one)	\$1,600
Additional Easement Required (each)	\$310
Temporary Meter Fee	\$500

## Proposed Fees

<u>Additional Services</u>	<u>Fee</u>
Inline OH Pole Inset	\$4,200
Switch Cabinet Single-Phase (UG J Box Inset)	\$3,000
Switch Cabinet 3-Phase (UG J Box Inset)	\$4,600
State Road Crossing Permit	\$1,400
Flagging (per hour)	\$115
Bore (each)	\$5,600
Rock Holes (each)	\$1,600
Riser Fee - 2"	\$500
Secondary Pole Set (First pole)	\$2,500
Secondary Pole Set (per pole, after one)	\$1,600
Additional Easement Required (each)	\$310
Temporary Meter Fee	\$550
2" Conduit (per foot)	\$2



# Community Network System Rates

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# Premium Class Services

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## Current

- Fixed Rate schedule

## Proposed

- By negotiated contract only

# Next Steps

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- Consider staff and public comment
- Adoption is scheduled for March 17<sup>th</sup>
- Effective April 1<sup>st</sup>

# Public Feedback

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## Comments and/or Questions?

- Board of Directors:

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Curt Knapp	509-671-1111	<a href="mailto:cknapp@popud.org">cknapp@popud.org</a>
Troy Moody	509-991-1327	<a href="mailto:tmoody@popud.org">tmoody@popud.org</a>

- District Staff:                   509-447-3137 [information@popud.org](mailto:information@popud.org)

April Owen, Director of Finance

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Sarah Holderman, Director of Customer Services

