

Public Utility District No. 1 of Franklin County, Washington
Regular Commission Meeting Agenda

June 27, 2023 | Tuesday | 1 P.M.

1411 W. Clark Street & via remote technology | Pasco, WA | www.franklinpud.com

Meetings of the Board of Commissioners are also available to the public via remote technology.
Members of the public may participate by dialing: (888) 475-4499 US Toll-free or 1 (253) 215-8782

A portion of this meeting will be held jointly with Grays Harbor Public Utility District No. 1. Please see the District's website for meeting notices.

Join Zoom Meeting

<https://franklinpud.zoom.us/j/83383782911?pwd=S3VtRnJEb3pqWjFOWkNJZ3lDR1JDdz09>

Meeting ID: 833 8378 2911 Passcode: 727215

- 1) Pledge of Allegiance
 - 2) Public Comment –
Individuals wishing to provide public comment during the meeting (in-person or remotely) will be recognized by the Commission President and be provided opportunity to speak. Written comments can be sent ahead of the meeting and must be received at least two days prior to the meeting to ensure proper distribution to the District's Board of Commissioners. Comments can be emailed to clerkoftheboard@franklinpud.com or mailed to Attention: Clerk of the Board, PO BOX 2407, Pasco, WA, 99302.
 - 3) **Executive Session** as allowed per RCW 42.30.110(1)(b) and (c), to consider the acquisition and/or sale of real estate where public knowledge of such considerations would likely impact pricing.
 - 4) Break
 - 5) Employee Check In – **Amy Valencia, Energy Programs Representative**
 - 6) Commissioner Reports
 - 7) Consent Agenda
 - 8) District Inventory Update Presentation – **Presenter: Victor Fuentes, Engineering Director**
 - 9) Authorizing the General Manager/CEO or his Designee to Execute a Contract for the Purchase of Transmission Steel Poles. **Presenter: Victor Fuentes, Engineering Director**
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2023 Board of Commissioners

Bill Gordon, President ~ Stu Nelson, Vice-President ~ Roger Wright, Secretary

- 10) Authorizing the General Manager/CEO or his Designee to Execute an Interlocal Cooperative Agreement with OMNIA Partners for the Procurement of Goods and Services Through the Use of Cooperative Purchasing Contracts. **Presenter: Steve Ferraro, Operations Director**
- 11) Adopting a Resolution Amending the Risk Management and Trading Operations Procedures and Superseding Resolution 1376. **Presenter: Holly Dohrman, Assistant General Manager**
- 12) Authorizing Revised Language for RCW 54.16.285 Requirements in Various Customer Facing Administrative Documents. **Presenter: Holly Dohrman, Assistant General Manager**
- 13) Claims. **Presenter: Victor Fuentes, Claims Agent / Engineering Director**
- 14) Reports from Management:
 - a. General Manager/CEO
 - b. Assistant General Manager
 - c. Other Members of Management
- 15) Executive Session, If Needed for Franklin PUD
- 16) Schedule for Next Commission Meetings
 - a. July 25, 2023
- 17) Close Meeting – Adjournment

- 10) Authorizing Revised Language for RCW 54.16.285 Requirements in Various Customer Facing Administrative Documents. **Presenter: Holly Dohrman, Assistant General Manager**
- 11) Claims. **Presenter: Victor Fuentes, Claims Agent / Engineering Director**
- 12) Reports from Management:
 - a. General Manager/CEO
 - b. Assistant General Manager
 - c. Other Members of Management
- 13) Executive Session, If Needed
- 14) Schedule for Next Commission Meetings
 - a. July 25, 2023
- 15) Close Meeting – Adjournment

CONSENT AGENDA
Public Utility District No. 1 of Franklin County, Washington
Regular Commission Meeting

1411 W. Clark Street, Pasco, WA
June 27, 2023 | Tuesday | 1 P.M.

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- 1) To approve the minutes of the June 13, 2023, Regular Commission meeting.
 - 2) To approve payment of expenditures for May 2023 amounting to \$8,330,752.22 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO as required by RCW 54.16.100, and expense reimbursement claims certified as required by RCW 42.24.090 and as listed in the attached registers and made available to the Commission for inspection prior to this action as follows:

Expenditure Type:	Amounts:
Direct Deposit Payroll – Umpqua Bank	\$ 477,881.50
Wire Transfers	5,815,612.06
Automated and Refund Vouchers (Checks)	1,128,193.47
Direct Deposits (EFTs)	911,545.50
Voids	(2,480.31)
Total:	\$ 8,330,752.22

- 3) To approve the Write Offs in substantially the amount listed on the June 2023 Write Off Report totaling \$7,036.26.

**THE BOARD OF COMMISSIONERS
OF
PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY, WASHINGTON**

**MINUTES OF THE JUNE 13, 2023
REGULAR COMMISSION MEETING**

The Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington held a regular meeting at 1411 W. Clark St., Pasco, WA, on June 13, 2023, at 1:00 p.m. Remote technology options were provided for the public to participate.

Those who participated from the District via remote technology or in person for all or part of the meeting were Commissioner Bill Gordon, President; Commissioner Stu Nelson, Vice President; Commissioner Roger Wright, Secretary; Scott Rhees, General Manager/CEO; Holly Dohrman, Assistant General Manager; Steve Ferraro, Operations Director; Victor Fuentes, Engineering Director and Rosario Viera, Supervisor of Executive Administration.

Additional staff that participated in person or via remote technology for all or part of the meeting was Shelly Olson, Records Coordinator.

There were no members of the public participating in person, or via remote technology for all or part of the meeting.

OPENING

Commissioner Gordon called the meeting to order at 1:00 p.m. and called on Ms. Viera to lead the Pledge of Allegiance.

PUBLIC COMMENT

Commissioner Gordon called for public comment and there was no public participating in person, via the remote technology option or written public comment provided prior to the meeting.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. Commissioner Nelson moved and Commissioner Wright seconded to approve the Consent Agenda as noted below. The motion passed unanimously.

- 1) To approve the minutes of the May 23, 2023, Regular Commission meeting.

AGENDA ITEM 4, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF STEEL STRUCTURES FOR THE RAILROAD AVENUE SUBSTATION.

Mr. Fuentes introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He reported that in May 2023, the District requested sealed bids from contractors for the purchase of steel structures required for the construction of the Railroad Avenue Substation. Staff received and evaluated one (1) bid:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Monarch Machine & Tool Co. Inc.	\$1,018,612	No

Staff determined that the bid submitted was a responsive bid and within the District's estimate. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to authorize the General Manager/CEO or his designee to execute a contract with Monarch Machine & Tool Co. Inc., the lowest responsive bidder, for the purchase of steel structures in an amount not to exceed \$1,018,612. The motion passed unanimously.

AGENDA ITEM 5, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO UTILIZE SOURCEWELL CONTRACT NO. 062320-ALT FOR THE PURCHASE OF A SERVICE BUCKET TRUCK.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. He noted that the District can utilize the Sourcewell contract to purchase equipment and vehicles and reported that the 2023 Capital Budget includes \$500,000 for the purchase of service vehicles. He noted the timeline to put the vehicle into service once received and reported that the District would need to purchase and install a spotlight on the vehicle. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager/CEO or his designee to utilize the Sourcewell Contract No. 062320-ALT for the purchase of a service bucket truck in an amount not to exceed \$175,560. The motion passed unanimously.

Commissioner Gordon called for staff reports.

GENERAL MANAGER/CEO REPORT

Mr. Rhees reported that staff will hold their reports until the June 27, 2023, regular meeting.

He noted that Commissioner Gordon volunteered to attend the District's entrance conference for the annual audit with the State Auditor.

Commissioner Gordon reported that the Clark Public Utilities Board of Commissioners voted unanimously on an agreement to commit \$200,000 and participate in the feasibility study for a

small nuclear modular reactor. Discussion ensued.

CLOSING OF MEETING - ADJOURNMENT

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 1:11 p.m. The next regular meeting will be on June 27, 2023, at 1:00 p.m. and will be held at the District's Auditorium located at 1411 W. Clark St. Pasco, WA. Remote technology options will be provided for members of the public to participate.

William Gordon, President

Stuart Nelson, Vice President

Roger Wright, Secretary

FRANKLIN COUNTY PUD

Accounts Payable

Checks and Customer Refunds

05/01/2023 To 05/31/2023

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	44073	05/04/2023	CHK	100028	ABADAN	PRINTER MAINTENANCE	302.19
2	44074	05/04/2023	CHK	109927	ARAMARK UNIFORM SERVICES	MATS AND COVERALLS	162.25
3	44075	05/04/2023	CHK	104565	BIG BEND ELECTRIC COOPERATIVE INC	UTILITY SERVICES	120.92
4	44076	05/04/2023	CHK	113216	BOYD'S TREE SERVICE	TREE TRIMMING	5,856.41
5	44077	05/04/2023	CHK	100339	CENTURY LINK	PHONE SERVICES	199.25
6	44078	05/04/2023	CHK	100387	COLUMBIA RURAL ELECTRIC ASSOC	UTILITY SERVICES	50.00
7	44079	05/04/2023	CHK	113369	CORWIN OF PASCO LLC	AUTO PARTS	1,967.15
8	44080	05/04/2023	CHK	113124	D J'S ELECTRICAL INC	DOCK CREW WORK	52,729.97
9	44081	05/04/2023	CHK	114292	DHITTLE & ASSOCIATES INC	PROFESSIONAL SERVICES	600.00
10	44082	05/04/2023	CHK	114077	EMPIRE INNOVATION GROUP LLC	FLEX PLAN	943.95
11	44083	05/04/2023	CHK	100197	FEDEX	FEDEX	7.14
12	44084	05/04/2023	CHK	113327	FERGUSON ENTERPRISES INC	SERVICE CHARGE	3.04
13	44085	05/04/2023	CHK	114335	GMES LLC	OPERATING TOOLS	1,000.84
14	44086	05/04/2023	CHK	111766	GREENRIDGE FARMING INC	ENERGY SERVICES	7,005.00
15	44087	05/04/2023	CHK	114007	GRIGG ENTERPRISES INC	GROUPS MAINTENANCE & SUPPLIES	183.94
16	44088	05/04/2023	CHK	112980	IRRIGATION SPECIALISTS INC	GROUPS MAINTENANCE & SUPPLIES	149.48
17	44089	05/04/2023	CHK	114080	LOOMIS ARMORED US LLC	ARMORED CAR SERVICE	766.00
18	44090	05/04/2023	CHK	100006	LOURDES OCCUPATIONAL HEALTH CENTER	PROFESSIONAL SERVICES	155.00
19	44091	05/04/2023	CHK	113908	MILNE ENTERPRISES INC	GROUPS MAINTENANCE TOOLS & SUPPLIES	62.02
20	44092	05/04/2023	CHK	114307	MILSOFT UTILITY SOLUTIONS INC	SOFTWARE MAINTENANCE	882.09
21	44093	05/04/2023	CHK	114186	ONEBRIDGE BENEFITS INC	FLEX PLAN FEE	50.00
22	44094	05/04/2023	CHK	113197	PEOPLEFACTS	SECURITY MONITORING FEE	18.12
23	44095	05/04/2023	CHK	114178	POWER AND TELEPHONE SUPPLY COMPANY	WAREHOUSE MATERIALS & SUPPLIES	23,984.85
24	44096	05/04/2023	CHK	101875	RAY POLAND & SONS	DISPOSAL	59.40
25	44097	05/04/2023	CHK	113334	RETTIG FORGETTE ILLER BOWERS, LLP	PROFESSIONAL SERVICES	1,741.63
26	44098	05/04/2023	CHK	100195	STAPLES ADVANTAGE	OFFICE SUPPLIES	185.95
27	44099	05/04/2023	CHK	114071	STUART C IRBY CO.	WAREHOUSE MATERIALS & SUPPLIES	4,214.44
28	44100	05/04/2023	CHK	113819	CUSTOMER REFUND	CUSTOMER REFUND	2,480.31

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29	44101	05/04/2023	CHK	100143	TRI CITIES BATTERY INC	OPERATING SUPPLIES	325.65
30	44102	05/04/2023	CHK	112127	US BANK	TRAVEL CARD	1,953.70
31	44103	05/04/2023	CHK	112127	US BANK	PURCHASE CARD	11,083.30
32	44104	05/04/2023	CHK	111471	VERIZON WIRELESS SERVICES LLC	PHONE SERVICES	4,636.69
33	44105	05/04/2023	CHK	111202	WESTERN RENEWABLE ENERGY WREGIS	TRANSFER FEES	5.76
34	44106	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	255.58
35	44107	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	87.13
36	44108	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	81.57
37	44109	05/04/2023	CHK	90003	CUSTOMER REFUND	CUSTOMER REFUND	7,118.28
38	44110	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	81.03
39	44111	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	5.22
40	44112	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	47.36
41	44113	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	51.19
42	44114	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	1,900.00
43	44115	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	798.57
44	44116	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	128.36
45	44117	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	291.02
46	44118	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	187.11
47	44119	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	230.42
48	44120	05/04/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	62.16
49	44121	05/11/2023	CHK	100025	AAW AUTO PARTS	AUTO PARTS	65.02
50	44122	05/11/2023	CHK	100028	ABADAN	PRINTER MAINTENANCE	159.45
51	44123	05/11/2023	CHK	109927	ARAMARK UNIFORM SERVICES	MATS AND COVERALLS	162.25
52	44124	05/11/2023	CHK	113437	ARCHIBALD & COMPANY ARCHITECTS P.S.	PROFESSIONAL SERVICES	310.00
53	44125	05/11/2023	CHK	113887	ASSOCIATION OF CERTIFIED FRAUD EXAMINERS	DUES & MEMBERSHIP	225.00
54	44126	05/11/2023	CHK	100171	BASIN DISPOSAL INC	UTILITY SERVICES	96.27
55	44127	05/11/2023	CHK	100179	BENTON FRANKLIN CAC	HELPING HANDS	758.79
56	44128	05/11/2023	CHK	113216	BOYD'S TREE SERVICE	TREE TRIMMING	8,432.96

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57	44129	05/11/2023	CHK	100515	CED	WAREHOUSE MATERIALS & SUPPLIES	110,133.92
58	44130	05/11/2023	CHK	112936	CENTURY LINK	PHONE SERVICES	337.62
59	44131	05/11/2023	CHK	100354	CITY OF CONNELL	UTILITY SERVICES	90.61
60	44132	05/11/2023	CHK	100354	CITY OF CONNELL	PROFESSIONAL SERVICES	400.00
61	44133	05/11/2023	CHK	100360	CITY OF PASCO	UTILITY SERVICES	132.46
62	44134	05/11/2023	CHK	112903	CITY OF RICHLAND	UTILITY SERVICES	66.27
63	44135	05/11/2023	CHK	113363	COLEMAN OIL COMPANY	GAS & OTHER FUELS	10,571.56
64	44136	05/11/2023	CHK	100346	CONNELL OIL INC	OPERATING SUPPLIES	4,693.92
65	44137	05/11/2023	CHK	113364	DAY WIRELESS SYSTEMS	HARDWARE MAINTENANCE	2,530.32
66	44138	05/11/2023	CHK	105071	DIRECT AUTOMOTIVE	OPERATING SUPPLIES	351.39
67	44139	05/11/2023	CHK	114007	GRIGG ENTERPRISES INC	GROUPS MAINTENANCE & SUPPLIES	42.46
68	44140	05/11/2023	CHK	112980	IRRIGATION SPECIALISTS INC	GROUPS MAINTENANCE & SUPPLIES	203.80
69	44141	05/11/2023	CHK	112949	LUMEN	PHONE SERVICES	48.84
70	44142	05/11/2023	CHK	114124	MOUNTS LOCK & KEY	BUILDING MAINTENANCE & SUPPLIES	100.00
71	44143	05/11/2023	CHK	113438	PITNEY BOWES INC	MAIL MACHINE LEASE	1,300.21
72	44144	05/11/2023	CHK	114022	PURE WATER PARTNERS LLC	WATER COOLER RENTAL	419.27
73	44145	05/11/2023	CHK	100411	RANCH & HOME INC	BUILDING MAINTENANCE & SUPPLIES	17.41
74	44146	05/11/2023	CHK	101875	RAY POLAND & SONS	DISPOSAL	100.98
75	44147	05/11/2023	CHK	113445	RELIABLE EQUIPMENT & SERVICE COMPANY, INC	OPERATING TOOLS	6,707.37
76	44148	05/11/2023	CHK	114317	SAFELITE FULFILLMENT INC	VEHICLE WINDSHIELD REPAIR	376.73
77	44149	05/11/2023	CHK	114281	SIEMENS INDUSTRY INC	OPERATING SUPPLIES	11,608.74
78	44150	05/11/2023	CHK	100195	STAPLES ADVANTAGE	OFFICE SUPPLIES	180.65
79	44151	05/11/2023	CHK	114071	STUART C IRBY CO.	WAREHOUSE MATERIALS & SUPPLIES	54,868.99
80	44152	05/11/2023	CHK	104596	TRI CITIES AREA JOURNAL OF BUSINESS	ADVERTISING	1,403.00
81	44153	05/11/2023	CHK	100290	WA PUBLIC UTILITY DISTRICT ASSOC	DUES & MEMEBERSHIP	9,137.00
82	44154	05/11/2023	CHK	113626	WATER STREET PUBLIC AFFAIRS LLC	CONSULTING SERVICES	3,500.00
83	44155	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	267.79
84	44156	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	188.15

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85	44157	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	101.07
86	44158	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	252.21
87	44159	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	32.15
88	44160	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	73.80
89	44161	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	111.35
90	44162	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	132.91
91	44163	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	6.39
92	44164	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	413.84
93	44165	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	143.37
94	44166	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	140.72
95	44167	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	91.59
96	44168	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	179.85
97	44169	05/11/2023	CHK	90003	CUSTOMER REFUND	CUSTOMER REFUND	350.00
98	44170	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	91.05
99	44171	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	319.18
100	44172	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	30.63
101	44173	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	632.23
102	44174	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	29.53
103	44175	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	52.00
104	44176	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	108.70
105	44177	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	110.27
106	44178	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	23.32
107	44179	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	236.58
108	44180	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	602.80
109	44181	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	66.12
110	44182	05/11/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	154.20
111	44183	05/18/2023	CHK	113774	3AC ENGINEERING PC	PROFESSIONAL SERVICES	1,706.25
112	44184	05/18/2023	CHK	100025	AAW AUTO PARTS	AUTO PARTS	82.85

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113	44185	05/18/2023	CHK	114357	ALASKA RUBBER GROUP INC	OPERATING SUPPLIES	481.96
114	44186	05/18/2023	CHK	109927	ARAMARK UNIFORM SERVICES	MATS AND COVERALLS	162.25
115	44187	05/18/2023	CHK	100171	BASIN DISPOSAL INC	UTILITY SERVICES	1,483.96
116	44188	05/18/2023	CHK	114254	BORDER STATES INDUSTRIES INC	WAREHOUSE MATERIALS & SUPPLIES	35,246.67
117	44189	05/18/2023	CHK	113216	BOYD'S TREE SERVICE	TREE TRIMMING	8,432.96
118	44190	05/18/2023	CHK	100515	CED	WAREHOUSE MATERIALS & SUPPLIES	986.63
119	44191	05/18/2023	CHK	112936	CENTURY LINK	PHONE SERVICES	459.44
120	44192	05/18/2023	CHK	113013	CHIAWANA HIGH SCHOOL	ADVERTISING	1,000.00
121	44193	05/18/2023	CHK	100362	CITY OF PASCO	OCCUPATION/UTILITY TAX	358,707.06
122	44194	05/18/2023	CHK	100360	CITY OF PASCO	UTILITY SERVICES	636.24
123	44195	05/18/2023	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE & SUPPLIES	16,855.37
124	44196	05/18/2023	CHK	100344	CONNELL GRANGE SUPPLY CO INC	OPERATING SUPPLIES	18.40
125	44197	05/18/2023	CHK	101171	DEPARTMENT OF L&I, BOILER PRESSURE	PROFESSIONAL SERVICES	386.90
126	44198	05/18/2023	CHK	114077	EMPIRE INNOVATION GROUP LLC	FLEX PLAN	943.95
127	44199	05/18/2023	CHK	103521	GRAYBAR ELECTRIC INC	BROADBAND MATERIALS & SUPPLIES	3,632.58
128	44200	05/18/2023	CHK	114007	GRIGG ENTERPRISES INC	GROUPS MAINTENANCE & SUPPLIES	65.32
129	44201	05/18/2023	CHK	114249	IRONSIDES CUSTOM GRINDING INC	WOOD GRINDING SERVICES	32.67
130	44202	05/18/2023	CHK	113721	KENNEWICK INDUSTRIAL & ELECTRICAL SUPPLY	BUILDING MAINTENANCE & SUPPLIES	108.42
131	44203	05/18/2023	CHK	113908	MILNE ENTERPRISES INC	OPERATING TOOLS	234.07
132	44204	05/18/2023	CHK	113879	MUSTANG SIGNS LLC	BUILDING MAINTENANCE SUPPLIES & REPAIRS	163.35
133	44205	05/18/2023	CHK	104915	PEND OREILLE PUD	CWPU EXPENSE	130.22
134	44206	05/18/2023	CHK	107520	RAILROAD MANAGEMENT COMPANY	POWER CROSSING PERMIT	689.34
135	44207	05/18/2023	CHK	100411	RANCH & HOME INC	OPERATING SUPPLIES	43.54
136	44208	05/18/2023	CHK	114211	RELATION INSURANCE SERVICES	INSURANCE RENEWAL POLICY	2,455.00
137	44209	05/18/2023	CHK	113445	RELIABLE EQUIPMENT & SERVICE COMPANY, INC	OPERATING TOOLS	1,538.84
138	44210	05/18/2023	CHK	106936	SAGEBRUSH FARMS, INC	ENERGY SERVICES	1,650.00
139	44211	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	125.32
140	44212	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	164.21

FRANKLIN COUNTY PUD

Accounts Payable

Checks and Customer Refunds

05/01/2023 To 05/31/2023

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
141	44213	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	792.31
142	44214	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	124.44
143	44215	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	365.27
144	44216	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	100.27
145	44217	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	285.21
146	44218	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	191.77
147	44219	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	410.05
148	44220	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	831.71
149	44221	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	345.92
150	44222	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	89.06
151	44223	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	113.68
152	44224	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	128.39
153	44225	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	477.08
154	44226	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	2,432.60
155	44227	05/18/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	128.32
156	44228	05/25/2023	CHK	113648	AMERICAN BUILDING & ROOFING, INC	ENERGY SERVICES	702.00
157	44229	05/25/2023	CHK	113744	APOLLO INC	BROADBAND DOORS & ACCESS CONTROLS	49,364.97
158	44230	05/25/2023	CHK	109927	ARAMARK UNIFORM SERVICES	MATS AND COVERALLS	162.25
159	44231	05/25/2023	CHK	114254	BORDER STATES INDUSTRIES INC	WAREHOUSE MATERIALS & SUPPLIES	2,653.06
160	44232	05/25/2023	CHK	113216	BOYD'S TREE SERVICE	TREE TRIMMING	8,318.96
161	44233	05/25/2023	CHK	101285	CITY OF PASCO	ROW PERMIT FEE	10.00
162	44234	05/25/2023	CHK	100360	CITY OF PASCO	UTILITY SERVICES	504.52
163	44235	05/25/2023	CHK	112961	CITY OF RICHLAND	FIBER LEASE	293.49
164	44236	05/25/2023	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE & SUPPLIES	2,809.22
165	44237	05/25/2023	CHK	113369	CORWIN OF PASCO LLC	AUTO PARTS	461.16
166	44238	05/25/2023	CHK	113124	D J'S ELECTRICAL INC	DOCK CREW WORK	99,893.22
167	44239	05/25/2023	CHK	100206	FRANKLIN COUNTY GRAPHIC	ADVERTISING	356.25
168	44240	05/25/2023	CHK	103509	FRANKLIN COUNTY INFO SERVICES	PROFESSIONAL SERVICES	1,545.00

FRANKLIN COUNTY PUD

Accounts Payable

Checks and Customer Refunds

05/01/2023 To 05/31/2023

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
169	44241	05/25/2023	CHK	113706	INTERMOUNTAIN CLEANING SERVICE INC	JANITORIAL SERVICES	3,865.07
170	44242	05/25/2023	CHK	113394	JEREMY O'NIEL	CONSULTING SERVICES	375.00
171	44243	05/25/2023	CHK	100006	LOURDES OCCUPATIONAL HEALTH CENTER	PROFESSIONAL SERVICES	342.00
172	44244	05/25/2023	CHK	113908	MILNE ENTERPRISES INC	GROUPS MAINTENANCE & SUPPLIES	37.02
173	44245	05/25/2023	CHK	100394	OXARC INC	NITROGEN & OTHER GASES	88.21
174	44246	05/25/2023	CHK	114022	PURE WATER PARTNERS LLC	WATER COOLER RENTAL	419.27
175	44247	05/25/2023	CHK	100411	RANCH & HOME INC	GROUPS MAINTENANCE & SUPPLIES	55.46
176	44248	05/25/2023	CHK	101875	RAY POLAND & SONS	DISPOSAL	93.96
177	44249	05/25/2023	CHK	106825	SEBRIS BUSTO JAMES	PROFESSIONAL SERVICES	7,817.50
178	44250	05/25/2023	CHK	112920	TACOMA SCREW PRODUCTS INC	OPERATING TOOLS	294.02
179	44251	05/25/2023	CHK	113870	TOTH AND ASSOCIATES INC	PROFESSIONAL SERVICES	112,861.25
180	44252	05/25/2023	CHK	113672	TRI-CITIES COMMUNITY HEALTH	ENERGY SERVICES	1,320.00
181	44253	05/25/2023	CHK	114099	U.S. PAYMENTS LLC	KIOSK TRANSACTIONS AND FEES	861.31
182	44254	05/25/2023	CHK	112127	US BANK	PURCHASE CARD	10,988.57
183	44255	05/25/2023	CHK	112127	US BANK	TRAVEL CARD	340.39
184	44256	05/25/2023	CHK	100283	UTILITIES UNDERGROUND LOCATION CENTER	LOCATE SERVICES	371.52
185	44257	05/25/2023	CHK	114108	VERIZON CONNECT FLEET USA LLC	FLEET MANAGEMENT SERVICES	1,194.90
186	44258	05/25/2023	CHK	114162	ZAYO GROUP HOLDINGS INC	BROADBAND SERVICES	2,510.12
187	44259	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	17.93
188	44260	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	230.13
189	44261	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	168.64
190	44262	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	180.59
191	44263	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	107.72
192	44264	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	122.14
193	44265	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	226.08
194	44266	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	231.15
195	44267	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	14.43
196	44268	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	47.69

FRANKLIN COUNTY PUD

Accounts Payable

Checks and Customer Refunds

05/01/2023 To 05/31/2023

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
197	44269	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	51.57
198	44270	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	107.01
199	44271	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	128.56
200	44272	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	122.43
201	44273	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	136.52
202	44274	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	151.50
203	44275	05/25/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	113.36
Total for Bank Account - 1 :							<u>1,128,193.47</u>
Grand Total :							<u>1,128,193.47</u>

Accounts Payable

Warrant Register - Direct Deposit

05/01/2023 To 05/31/2023

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	24568	05/05/2023	DD	113886	AMAZON CAPITAL SERVICES INC	OFFICE SUPPLIES	350.93
2	24569	05/05/2023	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	141,839.42
3	24570	05/05/2023	DD	100178	BENTON COUNTY PUD	TREE TRIMMING	3,987.36
4	24571	05/05/2023	DD	114064	CAR WASH PARTNERS INC	VEHICLE WASHES	43.56
5	24572	05/05/2023	DD	113663	DATA HARDWARE DEPOT LP	HARDWARE MAINTENANCE	11,135.07
6	24573	05/05/2023	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	657.48
7	24574	05/05/2023	DD	100229	GRAINGER INC	OPERATING EQUIPMENT & SUPPLIES	1,502.11
8	24575	05/05/2023	DD	113299	HRA VEBA TRUST	VEBA	51,979.40
9	24576	05/05/2023	DD	100245	IBEW LOCAL 77	UNION DUES	6,062.66
10	24577	05/05/2023	DD	113442	ICE TRADE VAULT, LLC	COUNTERPARTY TRADE FEE	375.00
11	24578	05/05/2023	DD	100448	LAWSON PRODUCTS INC	OPERATING SUPPLIES	1,255.93
12	24579	05/05/2023	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	1,227.00
13	24580	05/05/2023	DD	114319	MISSIONSQUARE 106134	DEFERRED COMPENSATION	987.69
14	24581	05/05/2023	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	13,365.33
15	24582	05/05/2023	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	18,226.98
16	24583	05/05/2023	DD	100572	MONARCH MACHINE & TOOL INC	OPERATING SUPPLIES	241.10
17	24584	05/05/2023	DD	113201	NAPA	AUTO PARTS	496.49
18	24585	05/05/2023	DD	1093	STUART J NELSON	TRAVEL REIMBURSEMENT	802.17
19	24586	05/05/2023	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	104,902.52
20	24587	05/05/2023	DD	112792	PASCO TIRE FACTORY INC	VEHICLE TIRES	543.50
21	24588	05/05/2023	DD	113168	PORTLAND GENERAL ELECTRIC COMPANY	COB INTERTIE	12,044.16
22	24589	05/05/2023	DD	100300	PRINCIPAL BANK PCS	INSURANCE PREMIUM	130,378.55
23	24590	05/05/2023	DD	100291	STATE AUDITOR'S OFFICE	AUDIT SERVICES	2,315.60
24	24591	05/05/2023	DD	113684	SUSTAINABLE LIVING CENTER	LOW INCOME CERTIFICATIONS	500.00
25	24592	05/05/2023	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	542.32
26	24593	05/05/2023	DD	100277	UNITED WAY	UNITED WAY	164.34
27	24594	05/05/2023	DD	1113	ROGER G WRIGHT	TRAVEL REIMBURSEMENT	241.10
28	24595	05/12/2023	DD	114180	2001 SIXTH LLC	BROADBAND SERVICES	150.00
29	24596	05/12/2023	DD	113886	AMAZON CAPITAL SERVICES INC	HARDWARE PURCHASE	665.34

Accounts Payable

Warrant Register - Direct Deposit

05/01/2023 To 05/31/2023

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
30	24597	05/12/2023	DD	100178	BENTON COUNTY PUD	TREE TRIMMING	2,760.48
31	24598	05/12/2023	DD	101625	CARLSON SALES INC	METER SHOP MATERIALS & SUPPLIES	9,914.26
32	24599	05/12/2023	DD	102842	ENERGY NORTHWEST	NINE CANYON	128,208.31
33	24600	05/12/2023	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	4,916.84
34	24601	05/12/2023	DD	100229	GRAINGER INC	OPERATING TOOLS	2,130.94
35	24602	05/12/2023	DD	112981	GREEN ENERGY TODAY LLC	ESQUATZEL DAM PROJECT	10,003.15
36	24603	05/12/2023	DD	113201	NAPA	AUTO PARTS	96.69
37	24604	05/12/2023	DD	111368	ONLINE INFORMATION SERVICES INC	UTILITY EXCHANGE REPORT	541.62
38	24605	05/12/2023	DD	114312	RELIANCE STANDARD LIFE INSURANCE CO	INSURANCE PREMIUM	5,748.63
39	24606	05/12/2023	DD	114326	RELIANCE STANDARD LIFE INSURANCE CO /ASO	INSURANCE PREMIUM	107.50
40	24607	05/12/2023	DD	113980	SANCHEZ BROS CONSTRUCTION LLC	ENERGY SERVICES	24,762.60
41	24608	05/12/2023	DD	1087	RICHARD A SARGENT	TRAVEL REIMBURSEMENT	646.05
42	24609	05/12/2023	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	82.55
43	24699	05/19/2023	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	1,192.67
44	24700	05/19/2023	DD	100178	BENTON COUNTY PUD	LEASE FEE 2023 JUMP OFF JOE	2,941.35
45	24701	05/19/2023	DD	113663	DATA HARDWARE DEPOT LP	BROADBAND MATERIALS & SUPPLIES	3,932.80
46	24702	05/19/2023	DD	113109	DESIGNER DECAL INC	OPERATING SUPPLIES	1,056.59
47	24703	05/19/2023	DD	1154	HOLLY DOHRMAN	TRAVEL REIMBURSEMENT	589.25
48	24704	05/19/2023	DD	113299	HRA VEBA TRUST	VEBA	9,555.24
49	24705	05/19/2023	DD	101501	JIM'S PACIFIC GARAGES INC	OPERATING SUPPLIES	794.93
50	24706	05/19/2023	DD	114319	MISSIONSQUARE 106134	DEFERRED COMPENSATION	987.69
51	24707	05/19/2023	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	13,488.96
52	24708	05/19/2023	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	18,445.29
53	24709	05/19/2023	DD	113201	NAPA	AUTO PARTS	1,889.71
54	24710	05/19/2023	DD	113269	NISC	SOFTWARE MAINTENANCE	48,104.83
55	24711	05/19/2023	DD	101318	NORTHWEST OPEN ACCESS NETWORK	FIBER SERVICES	6,854.14
56	24712	05/19/2023	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	4,698.89
57	24713	05/19/2023	DD	1200	SCOTT RHEES	TRAVEL REIMBURSEMENT	424.29
58	24714	05/19/2023	DD	113980	SANCHEZ BROS CONSTRUCTION LLC	ENERGY SERVICES	29,212.86

Accounts Payable

Warrant Register - Direct Deposit

05/01/2023 To 05/31/2023

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
59	24715	05/19/2023	DD	113909	SAP AMERICA INC	SOFTWARE MAINTENANCE	578.26
60	24716	05/19/2023	DD	1032	CHAD W SCHOW	TRAVEL REIMBURSEMENT	964.74
61	24717	05/19/2023	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	115.22
62	24718	05/26/2023	DD	112724	A W REHN & ASSOCIATES	COBRA NOTIFICATION/FLEX FEE	75.00
63	24719	05/26/2023	DD	113886	AMAZON CAPITAL SERVICES INC	SAFETY EQUIPMENT & SUPPLIES	1,415.27
64	24720	05/26/2023	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	3,789.72
65	24721	05/26/2023	DD	114144	COGENT COMMUNICATIONS INC	BROADBAND SERVICES	2,035.63
66	24722	05/26/2023	DD	101890	COLUMBIA INDUSTRIES	SHREDDING SERVICES	218.02
67	24723	05/26/2023	DD	102842	ENERGY NORTHWEST	PACKWOOD	29,221.00
68	24724	05/26/2023	DD	100229	GRAINGER INC	BUILDING MAINTENANCE & SUPPLIES	341.19
69	24725	05/26/2023	DD	113033	HYAS GROUP LLC	CONSULTING	5,000.00
70	24726	05/26/2023	DD	113442	ICE TRADE VAULT, LLC	COUNTERPARTY TRADE FEE	423.00
71	24727	05/26/2023	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	1,152.21
72	24728	05/26/2023	DD	100130	MOON SECURITY SERVICES INC	SECURITY MAINTENANCE	339.02
73	24729	05/26/2023	DD	113201	NAPA	AUTO PARTS	8,359.19
74	24730	05/26/2023	DD	101318	NORTHWEST OPEN ACCESS NETWORK	BUILDING MAINTENANCE	3,967.00
75	24731	05/26/2023	DD	113168	PORTLAND GENERAL ELECTRIC COMPANY	COB INTERTIE	12,044.16
76	24732	05/26/2023	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	345.65
77	24733	05/26/2023	DD	113245	WESTERN UNION FINANCIAL SERVICES INC	WESTERN UNION FEES	89.00
Total for Bank Account - 3 :							911,545.50
Grand Total :							911,545.50

Accounts Payable

Warrant Register - Wires

05/01/2023 To 05/31/2023

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	2174	05/01/2023	WIRE	109978	WA STATE DEPT OF REVENUE	TAX ID #600200226	32,519.63
2	2176	05/02/2023	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	OASI 2022 TAX YEAR ADMIN FEE	50.85
3	2179	05/04/2023	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX	96,219.15
4	2181	05/04/2023	WIRE	100285	WA STATE SUPPORT REGISTRY	SUPPORT WAGE ASSIGNMENT	503.67
5	2183	05/04/2023	WIRE	100521	PUD ADVANCE TRAVEL	PUD ADVANCE TRAVEL	900.00
6	2184	05/15/2023	WIRE	112707	THE ENERGY AUTHORITY	TEA SCHEDULING & CONSULTING	111,684.46
7	2188	05/15/2023	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 2	61,966.05
8	2187	05/18/2023	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	EIM SERVICES BILL	59,312.48
9	2195	05/18/2023	WIRE	100285	WA STATE SUPPORT REGISTRY	SUPPORT WAGE ASSIGNMENT	503.67
10	2196	05/18/2023	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX	95,449.85
11	2186	05/19/2023	WIRE	112715	POWEREX CORP	POWER SUPPLY CONTRACT	1,707,644.07
12	2197	05/23/2023	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 3 WSIB A	60,369.96
13	2185	05/24/2023	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	POWER BILL	3,140,266.00
14	2191	05/25/2023	WIRE	109978	WA STATE DEPT OF REVENUE	APRIL 2023 EXCISE TAX	272,351.57
15	2190	05/30/2023	WIRE	112709	LL&P WIND ENERGY INC	WHITE CREEK WIND	175,870.65
Total for Bank Account - 3 :							5,815,612.06
Grand Total :							5,815,612.06

Franklin PUD - Write Off Report		
	Write Off Report for the Month of:	Jun-23
	Collection Agency:	Armada Corporation
#	Name	Amount
1	BRITNEY M DEAN	\$ 818.58
2	SANTO CAMPUZANO	694.73
3	SANDRA WADE	677.95
4	DANIEL CERVANTES	554.73
5	MATT SAYLER	389.05
6	FELIPE ARIAS BONILLA	353.57
7	JACKIE BROWN	323.11
8	WADE D WATTUM	255.52
9	KATTY'S SALON AND BARBER SHOP	248.23
10	JEROME E WRIGHT	244.60
11	MANUEL A LONGORIA	231.68
12	EVERARDO MARTINEZ	180.78
13	GRISELDA E ROMERO	172.69
14	JAQUELENE TABER	166.78
15	ANTHONY ROBLES	164.61
16	BENJAMIN GUERRERO ROJAS	157.64
17	SAMANTHA I BALDERAS	145.19
18	MARCELO T AVINA	127.06
19	DENNIS K BROWN	126.52
20	CAMERON HENDERSON	120.23
21	JOEL MARTINEZ JR	110.03
22	DANIEL LOPEZ URIBE	107.14
23	MARK MCBRIDE	93.16
24	PAMALA SCHINDEL-RATLIFF	75.52
25	AMANDA MCCULLOUGH	68.84
26	STEVEN CHYNOWETH	62.50
27	NICOLE ALLEN	56.46
28	ELIZIEN ALVAREZ	48.55
29	DEANA MALONE	45.77
30	ISAAC JOHNSON	45.12
31	TALON STEELE	43.81
32	EURIDICE RAMIREZ	42.21
33	MARIELA L CENTENO	34.95
34	ROSA AYALA	31.28
35	CHLOE A SOLAND	17.67
	Total	\$ 7,036.26
	<i>Average amount per account:</i>	<i>\$ 201.04</i>
	<i>Gross bad debts as a percentage to</i>	
	<i>January 2023 monthly sales:</i>	<i>0.10%</i>

AGENDA ITEM 6

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Victor Fuentes
Engineering Director
Date: June 27, 2023

<input checked="" type="checkbox"/>	REPORTING ONLY
<input type="checkbox"/>	FOR DISCUSSION
<input type="checkbox"/>	ACTION REQUIRED

1. **OBJECTIVE:**
District Inventory Update Presentation.
2. **BACKGROUND:**
Staff will provide an inventory update presentation.
3. **SUGGESTED MOTION:**
No motion required, presentation only.

AGENDA ITEM 7

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Victor Fuentes
Engineering Director
Date: June 27, 2023

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ **ACTION REQUIRED**

1. OBJECTIVE:

Authorizing the General Manager/CEO or his Designee to Execute a Contract for the Purchase of Galvanized Steel Transmission Poles.

2. BACKGROUND:

In May 2023, the District requested sealed bids from contractors for the purchase of galvanized steel transmission poles required for the construction of the Railroad Avenue Substation. Staff received four (4) bids:

<u>Bidder:</u>	<u>Total Bid:</u>
MVA Power	\$172,216
Rohn Products	\$319,600
Klute Steel Inc.	\$339,926
Meyer	\$378,288

Staff is in the process of evaluating the bids and will present the information at the meeting.

3. SUGGESTED MOTION:

To be determined.

AGENDA ITEM 8

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Steve Ferraro
Operations Director

Date: June 27, 2023

☐ REPORTING ONLY

☐ FOR DISCUSSION

☒ ACTION REQUIRED

1. OBJECTIVE:

Authorizing the General Manager/CEO or his Designee to Execute an Interlocal Cooperative Agreement with OMNIA Partners for the Procurement of Goods and Services Through the Use of Cooperative Purchasing Contracts.

2. BACKGROUND:

The U.S. Communities Government Purchasing Alliance (U.S. Communities) is a public agency that offers cooperatively contracted products, equipment, and services to government entities. Since becoming members, in 2018 U.S. Communities has changed its name to OMNIA Partners (OMNIA). Membership agreements entered into with U.S. Communities remained valid and continue to be in effect without impact.

There is no charge to continue being a member of OMNIA and there are no required minimum levels of participation. The District is free to use the cooperative purchasing contracts as needed. The District would like to update the Interlocal Agreement to accurately reflect the name change to OMNIA. RCW 39.34 requires the Interlocal Agreement to be authorized by the Commission.

Staff recommends that the Commission authorize the General Manager/CEO or his designee to execute the Interlocal Agreement between the District and OMNIA for the use of the OMNIA cooperative purchasing contracts.

3. SUGGESTED MOTION:

I move to authorize the General Manager/CEO or his designee to execute an Interlocal Agreement with OMNIA for procurement of goods and services through the use of cooperative purchasing contracts.

AGENDA ITEM 9

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Holly Dohrman
Assistant General Manager

Date: June 27, 2023

☐ REPORTING ONLY

☐ FOR DISCUSSION

☒ ACTION REQUIRED

1. OBJECTIVE:

Adopting a Resolution Amending the Policies and Procedures for Risk Management and Trading Operations and Superseding Resolution 1376.

2. BACKGROUND:

The District has been a Slice customer since 2001 and has managed its exposure to wholesale energy commodity market prices under formalized risk management processes. The District and The Energy Authority, Inc.; (TEA) recognize the need to formalize and institute risk management processes and controls related to trading activities. These processes are documented in the District's Policies and Procedures for Risk Management and Trading Operations (Policy #49) that were last amended in September 2022.

The existing Policy #49 need to be amended to remove the now expired Frederickson contract as a power resource. In addition, there is a need to extend approved transactions terms from 36 months beyond the end of a calendar year to 48 months beyond the end of the calendar year and incorporate hedging targets for the District to stabilize long and short term market positions.

The main revisions relates to providing the ability to extend its hedging strategy an additional 12 months to help minimize risk and price movements in the forward market and to set minimum hedge targets. This is due to the unstableness in the forward market and near term price fluctuations. By defining hedge target amounts the District will be stabilizing price fluctuations. Attachment A is redlined to illustrate these changes and other minor administrative changes.

Staff recommends the Commission adopt Resolution 1395, amending the Risk Management and Trading Operations Procedures included as Exhibit A of the Resolution.

3. SUGGESTED MOTION:

I move to adopt Resolution 1395 as presented.

Public Utility District No. 1 of Franklin County, Washington
POLICIES AND PROCEDURES FOR RISK MANAGEMENT AND TRADING OPERATIONS

I. PREAMBLE

Since October 1, 2001, Public Utility District No.1 of Franklin County, Washington (“the District”) has purchased its net requirements wholesale power supply from the Bonneville Power Administration (“BPA”) under a 10-year Slice/Block Power Purchase Agreement that was in effect through September 30, 2011. In December 2008, the District entered into a new Slice/Block Power Purchase Agreement with BPA for the term October 1, 2011 through September 30, 2028. The Slice of the System (“Slice”) product component requires the District to actively participate in wholesale power markets, both spot and forward, in order to shape firm Slice generation to load and to dispose of surplus Slice generation. Unlike a BPA Load Following contract where the quantity of power delivered matches the District’s load in each hour, Slice generation is a function of conditions on the Columbia and Snake River systems and Columbia Generating Station availability, which results in surpluses and deficits of energy compared to the load served by the District.

In addition to its Slice/Block Agreement, the District has augmented its power supply portfolio through the execution of long-term power purchase agreements for ~~baseload natural gas-fired generation (30 MW—Frederickson CCCT)~~, hydro generation (1.3 aMW – Packwood Lake Hydro Project), intermittent renewable energy from two wind projects (10 MW - Nine Canyon and 10 MW - White Creek), and renewable energy from a small hydro project (.7 aMW – Esquatzel). The integration and optimization of these non-federal resources further increases the District’s activity in wholesale power and natural gas markets.

The District and The Energy Authority, Inc. (TEA) recognize the need to formalize and institute risk management processes and controls related to trading activities. To that end, the District and TEA have documented these policies and procedures. The present document speaks directly to the policies and procedures in managing the District’s exposure to wholesale energy commodity market prices.

The policies contained herein are consistent with those approved by the District’s Board of Commissioners (“the Commission”) originally in Resolution No. 884 adopted on August 14, 2001 and subsequently amended by Motion on February 24, 2004, by Resolution 994 on February 22, 2005, by Resolution 1046 on July 25, 2006, by Resolution 1129 on May 26, 2009, by Motion on March 27, 2012, by Resolution 1183 on June 26, 2012, by Resolution 1200 February 26, 2013 on, by Resolution 1205 on August 27, 2013, by Resolution 1230 on February 24, 2015, by Resolution 1251 on April 26, 2016, by Resolution 1262 on September 27, 2016, by Resolution 1320 on May 28, 2019, ~~and~~ by Resolution 1376 on September 27, 2022 and by Resolution 1395 on June 27, 2023.

II. MISSION AND GOAL

The mission statement of the District, adopted by the Commission is as follows:

“To provide safe, reliable, and affordable cost-based power that benefits our customers.”

III. RISK PHILOSOPHY

By purchasing the Slice/Block product ~~and entering into long-term commitments to purchase natural gas-fired generation~~, the District has assumed responsibility for procuring a wholesale power supply to meet the electrical requirements of its Customers rather than rely on BPA to perform this function on its behalf. It is therefore necessary for the District to accept reasonable exposure to power market price volatility in order to maximize the benefits of its power supply portfolio. The District, however, does not engage in

speculative commodity market activities that might provide additional gain. Additionally, the District and TEA recognize the significant financial and operational threat of being physically short of supply.

The District and TEA recognize the inherent supply risk of the Slice product, particularly in forecasting hydro generation levels in the early months of a given water year. Varying percentile levels of historic stream flows (e.g., lowest water level is 1% and highest water level is 99%) have been shown to shift the District's energy net position from having monthly deficits to having significant amounts of surplus power. A balance must be struck between the risk of being short in critical and near-critical water years, with the risk of being long and losing favorable forward sale opportunities in the preponderance of years.

IV. GOALS OF THE RISK MANAGEMENT PROGRAM

The District has set the following goals and objectives for its risk management program:

1. Manage the price and volume risk of its net position consistent with the risk tolerance of the Commission.
2. Manage the credit risk of its receivables and movements in the forward market price (mark-to-market) for power and natural gas.
3. Provide the requisite information to staff given the responsibility for oversight of power management and the risks inherent in it.
4. Allow those staff to proactively represent to the Commission that appropriate diligence is being exercised regarding oversight of power supply activities.

V. ROLES AND RESPONSIBILITIES

A. Board of Commissioners

The Commission reserves to itself the approval of Policy for the District. By their approval of the risk management program, they also undertake the following responsibilities:

1. Understand the nature of the risks encountered in managing the District's resource portfolio, including approving the types of products that can be purchased or sold for the purpose of managing risk. A copy of currently approved transactions is provided in Appendix A.
2. Understand the methods and procedures that will be employed to manage that risk.
3. Approve amendments to these policies and risk limits.
4. Be updated periodically as to their functioning.
5. Delegate the oversight of that functioning to the District Risk Management Committee.
6. Approve all transactions with terms exceeding 12 months in duration, or that have a delivery period that concludes more than ~~36-48~~ months beyond the end of the calendar year into the future from the date the transaction is executed.
7. Delegate approval of all transactions with terms of 12 months or less, and that have a delivery period that concludes within ~~36-48~~ months beyond the end of the calendar

~~year from the date the transaction is executed~~, to the General Manager/Chief Executive Officer(CEO), or their designee, consistent with Resolutions 992 and 993.

B. Risk Management Committee

The Risk Management Committee has primary operational risk oversight for the District and shall meet monthly and prepare and approve meeting minutes. The Risk Management Committee shall be comprised of the following voting members; the District's General Manager/CEO, Assistant General Manager or Energy Services Director, Power Manager, Sr. Power Analyst, and its Treasurer/ Accounting Manager. The Risk Management Committee will ask that other District representatives, be present at a Risk Management Committee meeting as a non-voting member when warranted by the discussion topic. The District's Risk Management Committee will make decisions following the process outlined in Appendix B. TEA's Client Services Manager and representatives from trading and analytics will attend in person or by conference call as non-voting members. As deemed necessary by the Risk Management Committee, other District and TEA staff may also be asked to attend meetings from time-to-time. The Commission has delegated to the Risk Management Committee ongoing maintenance and enforcement of the District's approved policies and procedures for trading and risk management including updating Appendix C. The responsibilities of the Risk Management Committee shall include:

1. Monitor the market price and counterparty risk of the District's individual portfolio to ensure that such risks are within tolerable limits and being managed in a manner consistent with these documented policies and procedures.
2. Receive and review the following risk reports prepared by TEA:
 - Daily risk report showing current and the subsequent four years net power cost marked against current expectations for retail loads, slice generation, and forward prices versus budget
 - Daily report of counterparty credit exposures versus limits
 - Daily report showing the mark to market exposure of forward transactions
3. Review and approve changes to existing and any new risk reports.
4. Approve transactions that are beyond TEA's limits.
5. Understand the risk/reward relationship of proposed hedging transactions to ensure consistency with the District's overall business strategies, risk tolerances, and yearly budget plans.
6. Approve new hedging products to ensure that products are consistent with business and risk management infrastructure.
7. Establish qualitative and quantitative limits for certain hedging products as deemed necessary.
8. Understand and approve methodologies and models used for long- and short-term load and resource forecasting, and market and credit risk measurement.
9. Ensure that independence and segregation of duties exist at TEA.

10. Approve procedural changes associated with maintenance and operation of trading and risk management and recommend policy changes to the District's Commission.
11. Review any new counterparties and approve their credit limits, as recommended by TEA. The Risk Management Committee shall provide oversight regarding credit matters. As required, a review of an individual counterparty credit documentation status will be included annually at a monthly Risk Management Committee meeting.
12. Delegate authority to TEA to execute certain specific transactions without prior approval from District staff where time constraints make it impractical for TEA to communicate with District staff prior to trade execution. TEA is granted specific trade authority as described in Exhibit B to the Resource Management Agreement between the District and TEA.
13. From time to time, and no less than once a year, review these District's Policies and Procedures for suitability.
14. Represent to the Commission the sufficiency of the District's trading and risk infrastructure and its overall compliance with policy and procedures.
15. Approve all Renewable Energy Credit (REC) transactions.

Meeting minutes will be kept (including any electronic votes taken outside of the meeting) and will be retained by the District consistent with the District's document retention policy.

C. District's Risk Management Committee Chair

The District's Power Manager carries the chief responsibility for the establishment and maintenance of risk management within the District and, to that end shall act as chair of the Risk Management Committee. The chair is responsible for the assurance of due diligence in the District's operation and to further strengthen the day-to-day control over risk management activities may delegate specific responsibilities to the District's Treasurer/Accounting Manager who acts as the primary representative of the District in the financial aspects of trading and risk management. The Power Manager will work closely with the District's Assistant General Manager or Energy Resources Director to assure that the following responsibilities are carried out:

1. Review specific risk and trading limits and hedging methodologies, and from time to time recommend changes to the Risk Management Committee.
2. Participate in the Risk Management Committee with the purpose of understanding the District's risk position and the means to mitigate it.
3. Monitor risk reports between Risk Management Committee meetings in conjunction with the District's Assistant General Manager or Energy Resources Director.
4. Ensure that compliance with all policies and limits is maintained; represent that fact to the Commission.

D. District Assistant General Manager or Energy Resources Director

The District's Assistant General Manager or Energy Resources Director shall work closely with the District's Power Manager to establish, implement, and monitor the District's risk management program. The Assistant General Manager or Energy Resources Director will act as the primary

representative of the District in the operational aspects of trading and risk management. In this capacity, either position will work closely with the District's Power Manager and may delegate specific responsibilities to the District's Sr. Power Analyst to assure that the following duties and responsibilities are carried out:

1. Represent the District on Joint Scheduling and Operating Committee and ensure any operating strategies are consistent with the District's risk management program.
2. Review the prompt month and balance of month net position developed by TEA and recommend or approve new transactions as needed.
3. Review specific risk and trading limits and hedging methodologies, and from time to time recommend changes to the Risk Management Committee.
4. Review trade tickets from TEA for transactions that extend beyond the preschedule period.
5. Monitor risk reports between Risk Management Committee meetings in conjunction with The District's Power Manager.

E. TEA Staff

The roles and responsibilities of TEA staff in the District's trading and risk management operations is provided in Exhibit B of the Resource Management Agreement (RMA) between the District and TEA.

VI. RISK MEASURES AND REPORTING

A. Risk Policies

1. The approved scope of market participation by the District is limited to those activities required to capture optimum value from the District's resource portfolio without engaging in speculative trading activity. It is not the intent of this policy to restrain the legitimate application of analysis to the optimization of resources. It is, however, the express intent to prohibit the acquisition of additional exposure to price and volume risk beyond that encountered in the efficient optimization of the District's resource portfolio. In the event questions arise as to whether a transaction is consistent with this intent shall be discussed among the RMC and the rationale will be documented in the RMC meeting minutes.

~~1.~~ Specifically, the District acknowledges that engaging in intra-day and intra-week price arbitrage trading strategies utilizing Slice storage and pondage flexibilities is consistent with this Policy. Environmental attribute arbitrage between years of the compliance period is also recognized as similarly consistent with the Policy.

Given the uncertainty in forecasting Slice generation output, the District recognizes the basic tension between maximizing the value of surplus power through forward power sales and the potential cost of being short of energy and/or capacity if resources perform below expectations due to poor hydroelectric conditions and/or thermal generation unit outages. The District has chosen to balance the risk of being short as a result of selling too much power forward with the risk of not optimizing the value of surplus generation.

The Risk Management Committee has approved the use of TEA's stochastic model (TEA Model) of the District's net power costs under changing Slice generation and market price

scenarios. The District will not sell physically forward surplus Slice book net position beyond the 10th percentile from the TEA Model until it has information about likely water supply conditions for a particular year. The District will not sell financially forward surplus Slice book net position beyond the 10th percentile unless the TEA model demonstrates an increase in the likelihood of lower net power costs. Financial hedging strategies, such as purchase of put options or forward sale with equivalent call option purchased as back-up, can be employed to execute forward sale decisions beyond a 10th percentile level.

Once information about likely water supply conditions are available, generally in December of the prior year, physical or financial forward sales for that water year may be approved by the Risk Management Committee beyond the above levels.

2. Stress-testing scenarios will be devised that subject the net position (load and slice generation) and market price of power to a range of outcomes to determine the impact on the District's projected net power cost. This will typically be performed using the TEA Model. The results of the stress testing will be reported each month at the Risk Management Committee meeting.
3. Net position limits will be observed for the following times and situations:
 - a. Maximum long and short physical positions for **preschedule through delivery**; short and long side imbalance \leq storage capacity.
 - b. Maximum long and short net positions **for the delivery month**: 10% of load short and 15% of load long.
 - c. Maximum long and short net positions **for the front forward month**: 10% of load short and 20% of load long.
 - d. Maximum long and short net positions **for the next two forward months**: 15% of load short and 25% of load long.
 - e. Maximum aggregate long and short net positions **for each forward month 4-12**: 25% of load short and 50% of load long.

Net position limits will be tested for both heavy load hours, and for all hours, in the applicable time period. Net position limits will not apply to light load hour only positions. Net position limits will be tested against the expected Slice generation scenario.

4. Minimum hedge limits will be observed for the following times and situations and will be in place by October 31st:

- a. 60% of expected annual position based on P25 Slice for the upcoming calendar year.
- b. 35% of expected annual position based on P25 Slice for the prompt + one calendar year.
- c. 10% of expected annual position based on P35 Slice for prompt + two calendar years.

- 4.5. Net positions will be calculated separately for the Slice/Purchased Power and Thermal Books. A net position for gas will be maintained in the Thermal book. Net positions for gas will be expressed in both MMBtu's per day or MWh equivalent basis.

~~5.6.~~ All physical forward transactions will be consistent with BPA's 5b9c policy.

~~6.7.~~ Financial derivatives will be used solely for purposes of hedging physical positions.

~~7.8.~~ Physical natural gas purchases will be executed only under the following circumstances:

- a. When necessary to support a forward wholesale power sale, or an expected retail power sale from the District's thermal generation. It should be noted that short-term (i.e., preschedule and real-time) natural gas and power markets frequently have disparate trading horizons, primarily during periods that include weekends, holidays and month-end. To the extent that the District is managing its thermal generation resources with such short-term transactions, it specifically acknowledged there will be occasions when gas purchases will not be matched with power sales for a short period of time due to these mismatched trading periods.
- b. When purchasing physical gas at a daily or monthly index as part of a strategy to manage physical supply requirements.
- c. Natural gas sales will be executed only to dispose of long natural gas positions and will be made as soon as practicable following the determination that the District is in such a long position.

~~9.~~ Environmental attribute transactions are intended to satisfy expected regulatory compliance requirements.

B. Mark-to-Market and Stress Testing of Power Costs

1. TEA will calculate a daily mark to market of the District's net power costs for the current year, and a daily mark-to-market of the District's net power cost for the subsequent four calendar years. The mark-to-market calculations will consist of the following components and treatments:
 - a. The basis of the calculation will be the most likely estimates of load and resources, which will be expressed as averages by month across HLH and LLH.
 - b. The mark~~__to__~~market will utilize Mid-Columbia hub forward power prices and Sumas/Huntingdon and Henry Hub forward prices for natural gas.
 - c. All forward transactions will be marked against "mid-market" (average of bid and offer side of market) forward prices.
 - d. All sources of supply will be included whether the supply is being used to meet load or is being sold in the market.
 - e. ~~Thermal generation will be shown at 100% of its capacity each month, adjusted for expected forced and scheduled outages, any time that the forward market price of~~

~~electricity exceeds the variable cost of generation using forward natural gas prices. This calculation will be done for Frederickson by comparing the weighted average forward market power price during both HLH and LLH versus the variable cost of generation.~~

2. The District and TEA recognize the importance of having an at-risk metric that captures both the price and volumetric (load and Slice) risks that the District faces. The Risk Management Committee will develop and approve hedging strategies that include at-risk metrics.

C. Reports and Frequency of Reporting

1. The forward price curve, currently for Mid-C and Sumas, will be calculated daily and sent to the District.
2. The mark-to-market of the current year net power costs will be calculated daily. The mark-to-market of the subsequent four years net power costs will be calculated daily. Mark-to-market reports will be provided to the District via electronic means.
3. Net position reports, including checking of forward positions against net position limits, will occur whenever there is a significant change in forecasted Slice generation, but at no time will that be less than weekly in frequency.
4. Stress testing of the budget mark-to-market and net position will be presented at the monthly Risk Management Committee meetings.

VII. CREDIT

A. Credit Policy

The District recognizes the potential for significant losses due to events of financial default or the failure to perform regarding contracted takes and deliveries.

The District adheres to the credit policies and credit limits established by TEA. TEA's policy addresses guidelines for setting credit limits and monitors credit exposure on a real time basis on behalf of the District. TEA's management determines the credit quality of the District's counterparties based upon various credit evaluation factors, including collateral requirements under certain circumstances.

As of September 24, 2008, all physical commodity transactions (for hourly and/or daily) for the District are traded by TEA as principal (on behalf of the District) and rely on TEA's credit limits. All forward physical/financial commodity transactions are entered into only with counterparties approved by the District's Risk Management Committee for creditworthiness.

In order to manage that credit risk, the District and TEA have established the following policies:

1. Commodity transactions, both physical and financial, will be entered into only with approved, creditworthy counterparties.
2. Counterparties will be scored using the TEA Credit Scoring Models. TEA will score each counterparty per a specific model. District's credit limits will be scaled from TEA's limits as follows:

- TEA limit greater than \$15 million: \$3 million
- TEA limit \$9 million - \$15 million: \$1.25 million
- TEA limit less than \$15million:
 - TEA limit * (\$1.25 million / \$9 million)

Each new Counterparty Credit Limit or increase to an existing limit will then be taken before the District's Risk Management Committee for approval. Every counterparty will be reassessed at minimum annually.

3. At no time will the District intentionally incur a credit exposure with any counterparty greater than \$3.0 million, with exception to TEA, where the credit exposure cannot exceed \$6.0 million unless due to the must sell operational requirement in #5 below.
4. The status of credit risk will be tracked by counterparty at the agreement level and the information made available in real time to TEA trading and scheduling personnel, and those responsible for risk oversight at both the District and TEA; credit reporting will be on a daily basis.
5. The District shall not intentionally exceed the Counterparty Credit Limit with any counterparty without the approval of the Risk Management Committee; the Risk Management Committee may grant TEA the authority to make short-term exceptions as necessary to accommodate operational requirements. Specifically, violation of Counterparty Credit Limits is permissible in must sell situations (i.e., the District will lose the energy if not sold, such as in a spill situation). Similarly, the Risk Management Committee understands that changes in MTM value can result in credit exposures beyond the assigned credit limit.
6. The District will provide credit intermediation ("sleeving") services for only Benton and Grays Harbor PUDs.
7. The District understands that transacting over the counter (OTC) swaps carries an additional Commodity Futures Trading Commission (CFTC) reporting function. When the District has a swap reporting obligation, the District will report the swap to a CFTC approved Swap Data Repository.

B. Master Agreements and Credit Documentation

1. The District intends to use the Western Systems Power Pool Agreement as the umbrella enabling agreement for physical power transactions. The District recognizes the desirability of having separate credit agreements with counterparties to augment the credit provisions in the standard WSPP agreement.

The District may utilize the Edison Electric Institute trading agreement for physical power transactions. The International Swap Dealers Agreement (ISDA) will be used for all financial transactions. The ISDA Power Annex can also be used for physical power transactions. The North American Energy Standards Board (NAESB) Agreement will be used for Natural Gas Transactions. Separate bi-lateral master trade agreements governing physical natural gas transactions will be negotiated with counterparties as needed.

While Master agreements are the preference of the District, there may be instances of transacting carbon allowances with non-energy firms (e.g. transportation) under the Washington Climate Commitment Act where it may be necessary to execute on a long form confirmation. In the event such activity becomes necessary, approval of the terms and conditions must be given by Counsel or contract experts to ensure adequate protections are in place.

2. The District's Director of Administrative Services will maintain all signed credit agreements with approved counterparties, and a copy of the agreements will be kept at TEA.

C. Credit Reports

1. The TEA Credit Department will publish a daily credit report that is available to the TEA trading and scheduling in real time on demand. This credit report will be based on the same forward prices used for calculating the mark-to-market. It will include the following: the net billed balance, the unbilled receivable and payable balance, the net notional and mark-to-market exposure of physical and financial transactions by counterparty, highlighting in red those that are within 15% of their available credit limit.
2. Until a master netting and setoff agreement is in place with a counterparty, separate credit exposures for each counterparty will be calculated for each master agreement and will be added together to derive the total credit exposures. Negative exposures under one master agreement will not offset a positive exposure under another master agreement.

D. Credit Exceptions

1. District transactions, either physical or financial, are constrained by these credit limits.
2. TEA personnel involved in day-ahead or same-day trading activities (TEA principal transactions) may exceed a counterparty's credit limit if trading with the counterparty is required to balance load and resources and failure to execute the trade would result in a punitive energy imbalance, or other control area operator or transmission charge. The proposed purchase or sale price of power will not be a consideration in choosing to execute a transaction in violation of a credit limit. Credit limits also may be exceeded when failure to sell the energy would result in the District permanently losing the energy (i.e., sell it or spill it). If a TEA Trader executes a trade under one of these circumstances, the Trader involved will write an email outlining the reason for the credit exception and providing an estimate of the dollar amount of the credit exceedance. That memo must be forwarded to the appropriate TEA Trading Director, TEA's Member Service Manager for the District, TEA's Credit Manager, and the District's Power Manager before the close of business or the end of the scheduler's shift.

VIII. OTHER POLICIES

A. Separation of Function

1. A separate line of communication will be established between the District and the external counterparty to a trade for purposes of trade confirmation and any required trade reconciliation.

2. All trade confirmations will be executed by the District's Power Manager or its Sr. Power Analyst. The District can confirm transactions using either a paper or electronic method. For counterparties that electronically confirm with the District, the counterparties will be directed to ICE's eConfirm rather than paper confirming. All paper trade confirmations, from counterparties, will be faxed or emailed to the counterparty or received from the counterparty by either the District's Power Manager, its Sr. Power Analyst or TEA's Risk Control Group. The District's Assistant General Manager, Energy Resources Director or Sr. Power Analyst will forward any confirmations received to the TEA Risk Control Group.
3. TEA's Risk Control Group will forward all trade tickets to the District's Power Manager.
4. TEA's Risk Control Group will review all paper trade confirmations based on the information contained in the trade ticket and advise the District's Power Manager and Sr. Power Analyst of any changes that are required, if any, before executing the confirmation. Additionally, TEA will monitor ICE's eConfirm to ensure all trades loaded are electronically matched. TEA's Financial Trader or Member Service Manager may be consulted if there are any questions or discrepancies between the trade ticket and the confirmation agreement.
5. The District's Power Manager will initiate trade confirmations based on the information contained on the trade ticket when the master trading agreement specifies that the District is responsible for generating the confirmation agreement. TEA's Risk Control Group will prepare a confirmation letter for the District's Power Manager's execution and distribution or an electronic file for upload.
6. The District's accounting department will do all paying and receiving.

IX. BUSINESS PROCEDURES

A. Transactions

1. Transactions will be recorded via recorded telephone lines, recorded instant messages or at recognized Internet trading sites.
2. The individual making the transaction will fill out a standard trade ticket/database entry containing, at minimum, the following information:
 - a. Date of transaction;
 - b. Counterparty;
 - c. Transaction capacity (MW/hour or MMBtu/day);
 - d. Buy or sell;
 - e. Transaction price;
 - f. Delivery point;
 - g. For options, option type, strike and execution instructions;
 - h. For financial swaps, the reference index;
 - i. Starting delivery date and hour;
 - j. Ending delivery date and hour;
 - k. Product type;

- l. Any other date, hour and/or capacity data needed to define a shaped product;
 - m. Broker or electronic trading site and fee, if applicable;
 - n. If the trade is a swap;
 - o. Reporting Counterparty;
 - p. Exemptions if any to clearing.
3. A copy of the trade ticket will be passed to the TEA Risk Control Group and a copy retained by the TEA trader executing the transaction.
 4. In the event that the master trade agreement directs the counterparty to initiate the trade confirmation, and the counterparty is not electronically confirming with the District, the counterparty will be directed to fax or email the confirmation directly to the District's Power Manager or the TEA Risk Control Group.
 5. A TEA Trader will initiate the confirmation process by entering the trade in the appropriate database no later than the end of shift on the day of the trade.

B. Confirmation and Database Entry of Forward Transactions

TEA's Risk Control Group will initiate the confirmation process, when applicable.

1. For transactions longer than the normal preschedule period, the TEA Risk Control Group will fax or transmit electronically, a copy of the trade ticket to the District's Power Manager or Sr. Power Analyst. If the District is responsible for generating a confirmation letter, the TEA Risk Control Group will either (1) create the confirmation letter or (2) include the transaction in the upload file and send to the District's Power Manager or Sr. Power Analyst for execution and distribution.
2. For counterparties that are paper confirming, the District's Power Manager or Sr. Power Analyst will sign and forward the confirmation letter to the counterparty when the District is the counterparty responsible for initiating the confirmation under the terms of the master agreement governing the transaction. The District's Power Manager or Sr. Power Analyst will receive, compare to the trade ticket, sign and return the confirmation to the counterparty, and a copy to TEA's Risk Control Department, when the counterparty is responsible for initiating the confirmation under the terms of the master agreement governing the transaction.
3. For counterparties that are electronically confirming, regardless of which entity is responsible for initiating the confirmation process, the District's Power Manager or Sr. Power Analyst will upload the file created by TEA's Risk Control Department into ICE's eConfirm. Additionally, the District's Power Manager or Sr. Power Analyst will receive, compare to the trade ticket, sign and verify the information in the confirmation file created by TEA's Risk Control Department prior to loading into ICE's eConfirm.
4. Should there be a disagreement between the counterparty and the TEA trade ticket as to any of the terms of the transaction; it will be the responsibility of the TEA Risk Control Group to work with the TEA trader and the counterparty's representative to resolve all differences on that same business day.
5. All paper and electronic confirmation and reconciliation of a forward trade will be accomplished by the end of the second full workday after the trade date, or first delivery, whichever is earlier.

6. All trades executed during the day will be entered into the appropriate database by the end of the shift. When a paper confirmation of the trade is received, the TEA Risk Control will reconcile the confirmation with the transaction in the database. TEA will monitor ICE's eConfirm to ensure all transactions loaded into the platform are fully matched.
7. Confirmations will only be required for trades whose delivery term extends beyond the preschedule period.

C. Book Structure

The District will use a book structure in managing and reporting its risk position. A description of the book structure is provided below.

1. Resources, transactions and positions will be segmented into ~~three~~two distinct risk books:

- a. Slice/Purchased Power

- b. Thermal

- ~~b-c. Environmental Attributes~~

2. The Slice/Purchased Power book will consist of any purchased power resource or transaction that is not (i) dependent on natural gas (or alternate fuels) for purposes of pricing delivered power or (ii) backed by a product or resource that is dependent on natural gas (or alternate fuels) for purposes of pricing delivered power. Such resources include BPA Slice and Block, and any applicable market purchase or sale contracts.

Within the Slice / Purchased Power book, transactions will be further segmented into physical and financial sub-books to ensure that both physical and financial positions can be monitored and evaluated.

3. The Thermal book will consist of all power resources that are (i) dependent on natural gas (or alternate fuels) for purposes of pricing delivered power or (ii) backed by a product or resource that is dependent on natural gas (or alternate fuels) for purposes of pricing delivered power. Such resources include ~~the Frederickson Power Purchase Agreement (or other similar agreements) and~~ owned thermal resources, and any transactions that are related to management of such agreements or resources, including market purchases and sales.

Within the Thermal book, transactions will be further segmented into individual resource sub-books, which will in turn be segmented into power and natural gas (or alternate fuels) sub-books. The power and natural gas sub-books will each be further segmented into physical and financial books to ensure that both physical and financial positions can be monitored and evaluated.

4. The Environmental Attributes book will consist of intangible non-energy attributes associated with electrical power or carbon emissions designed to satisfy regulatory requirements.

D. Forecasting Slice Generation

1. Absent snowpack and runoff information on a particular water year, the District will determine probabilities for monthly Slice generation using the most recently completed BPA ESP study of Slice System generation. All mark-to-market and net position reports will use these probabilities.
2. A range of Slice generation forecasts will be calculated each month using a methodology approved by the Risk Management Committee. Forecasts will be linked to expected and contingency streamflow forecasts prepared by the Northwest River Forecast Center, or other recognized third party experts, and will be selected using long-range weather outlooks, and the inherent uncertainty contained in the long-range forecasts. Changes in forecast methodology are permitted only when there is an ability to correct an identified deficiency in methodology, and/or when the Risk Management Committee believes the change will result in improved forecast accuracy.

E. Database Administration

TEA uses a state of the art Deal Capture (DC) system, integrated with The Optimizer scheduling application system for scheduling and transaction accounting. The District and TEA recognize that as these systems evolve, modifications to processes will be made. The database administration and security provisions outlined below reflect the current development status of The Optimizer. A Database Administrator (DBA) has been designated. That person is charged with database security and maintenance for the transaction databases.

The following safeguards for data security and backup will be installed:

1. Transaction data stored in the system of record will be replicated daily to ensure data redundancy.
2. The DC and The Optimizer databases, as well as the daily schedules, will be backed up at least daily after the close of business.

F. Checkout

Monthly Checkout – TEA's Bilateral Settlement Department will checkout all transactions, both volume and dollar amounts, at the end of the month consistent with normal industry practice. TEA's Bilateral Settlement Department will strive to checkout all transactions within 5 business days of the end of the month. TEA's Bilateral Settlement Department also will perform mid-month checkouts as appropriate.

G. New Counterparty Approval

1. New counterparties for agency transactions will be recommended to the Risk Management Committee by TEA.
2. A justification for the initiation of trading will be required.
3. The Risk Management Committee is responsible for establishing, with the assistance of the TEA Credit Manager, credit limits based on the TEA credit limit and documentation requirements for any new trading partner.

4. A new counterparty will not receive final approval until the Risk Management Committee's approval is obtained. Trading with the counterparty is not allowed during that process, with the exception that real-time purchases can be executed with any counterparty regardless of their prior approval by the Risk Management Committee.

H. New Product or Transaction Type

From time to time, a new transaction type becomes available. If the new product is offered by a new counterparty, the counterparty must first be approved by the Risk Management Committee. Should such new product be considered of advantage to the goals of the District, the process outlined below should be followed:

1. New products will be recommended by TEA and must first be approved by the Risk Management Committee before trade execution.
2. TEA's Risk Manager will provide a justification for the new product stating the value to the District and its credit impact.
3. The Risk Management Committee meeting in monthly or special session, will review that justification and approve the transaction, and approve quantitative and/or qualitative limits on use of the product if deemed desirable.
4. The Risk Management Committee may defer authorization to the Commission.
5. In any case, the Commission should be informed of the new transaction and its justification.

I. Audit

1. After TEA board approval of changes to the TEA Risk policy, TEA staff will provide a verbal summary of these changes to the Risk Management Committee when the changes impact the service that TEA provides to the District. TEA is not required to summarize changes to the TEA Risk Policy appendix to the District. The District can conduct an internal review of TEA's Risk Management Policies and Procedures. The review of TEA's Risk Management Policy and associated policies and procedures will be done at the TEA office under TEA staff supervision.
2. An auditing firm that has a trading and risk management practice will conduct an external audit or review of this Policy as deemed necessary.

Appendix A Approved Transactions

Approved Physical Transactions:

1. Same day purchases and sales of power and natural gas
2. Next day purchases and sales of power and natural gas
3. Forward purchases and sales of power and natural gas. (Transactions longer than 12-months in duration require the District's Commission approval.)
4. Energy exchanges
5. Purchase or sale of capacity or load factoring product (energy deliveries net to zero over a pre-established time period)
6. Purchase of monthly or daily calls and puts
7. ~~Sale of tolling products indexed to performance of Frederickson~~ Washington state compliant carbon allowances.
8. Renewable Energy Credit (REC) Transactions

Approved Financial Transactions:

1. Power and natural gas fixed for floating swaps
2. Natural gas swing swaps
3. Natural gas basis swaps
4. Natural gas index swaps
5. Currency swaps relating to managing US/Canadian exchange rate risk resulting from purchases of natural gas
6. Purchase of monthly put and call options¹
7. Purchase of daily put and call options
8. Purchase of monthly swap options
9. Purchase of dual trigger options that settle based upon a power or natural gas price index and an agreed upon temperature trigger
10. ~~Financial tolling product indexed to performance of Frederickson~~

¹ Settlement of these options should be against applicable Northwest indices. Option exercises automatically at the end of the month if the option is in the money.

Appendix B
Risk Management Committee Decision Making Process

Consensus means that no member holds so strongly to an alternate position that the member cannot allow the decision to be made. There are five levels of agreement/disagreement with a position:

1. I fully agree;
2. I do not view the issue as highly significant, thus I agree through lack of concerns;
3. I have some concerns about the position, but support it as the best wisdom of the group;
4. I have concerns about the position, but support it because I believe my concerns have been heard and considered by the group; or
5. I disagree with the position and believe its implications are so negative that I must protest its acceptance.

Consensus exists when members of the Risk Management Committee hold positions number 1, 2, 3, or 4. When one member of the Risk Management Committee holds position 5, the Risk Management Committee will note a minority dissension to the consensus and reflect that dissension in its decision announcements. Should a greater number of persons dissent, the Risk Management Committee will consider a consensus not to exist and will either drop the issue or ask, "What would be required for the dissenter to agree to the majority position?"

Appendix C

Swap Transaction Representative Selection and Monitoring

Effective Date: January 1, 2013

Type: Mandatory Policy

Applicable Departments: District wide

Purpose:

To ensure the District, a Special Entity under the Dodd-Frank Financial Reform Act, selects a qualified independent representative (“Representative”) to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

Definitions:

Swap Dealer – A swap market participant that acts as a dealer in commodity swaps. The term “Swap Dealer” is further defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg).

Special Entity – A swap transaction counterparty that includes a state agency, city, county, municipality or other political subdivision of a state, or any instrumentality, department, or a corporation of or established by a State or political subdivision of a State. The term “Special Entity” is further defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(C).

Major Swap Participant – A swap market participant that maintains substantial positions in swaps such that the level of swap activity creates substantial counterparty exposure. The term “Major Swap Participant” is further defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh).

Trade Option Exemption – An exemption from most Dodd-Frank swap regulations granted to certain physical commodity options. Recordkeeping and reporting requirements still apply. The requirements for the trade option exemption can be found in 17 C.F.R. 32.3.

End-User Exception – An exception from clearing granted to certain swap transactions used for hedging or mitigating commercial risk. The end-user exception is only available to non-financial entities. The requirements for the exception are outlined in 7 U.S.C. 2(h)(7)(A) and further interpreted in 17 C.F.R. - 50.50

Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term “Swap” is further defined in 7 U.S.C. 1a(47) and further interpreted in 17 C.F.R. 1.3(xxx).

Qualified Independent Representative – a representative required of Special Entities to transact swaps with Swap Dealers or Major Swap Participants. Among other tasks, the representative is required to evaluate fair pricing for the swap transaction, make timely disclosures to the Special Entity and act in the best interest of the Special Entity. An exhaustive list of the requirements for the representative can be found in 17 C.F.R. 23.450(b).

Selection: The District shall endeavor to seek and employ an individual or entity that will voluntarily act as a Representative for all energy commodity swap transactions between the District and any Swap Dealer or Major Swap Participant. The Representative must meet the following qualifications identified in 17 C.F.R. 23.450(b):

- (i) Has sufficient knowledge to evaluate the transaction and risks;
- (ii) Is not subject to a statutory disqualification;
- (iii) Is independent of the Swap Dealer or Major Swap Participant;
- (iv) Undertakes a duty to act in the best interests of the Special Entity it represents;
- (v) Makes appropriate and timely disclosures to the Special Entity;
- (vi) Evaluates, consistent with any guidelines provided by the Special Entity, fair pricing and the appropriateness of the swap; and

- (vii) In the case of a Special Entity as defined in § 23.401(c)(2) or (4), is subject to restrictions on certain political contributions imposed by the Commission, the Securities and Exchange Commission, or a self-regulatory organization subject to the jurisdiction of the Commission or the Securities and Exchange Commission; provided however, that this paragraph (b)(1)(vii) of this section shall not apply if the Representative is an employee of the Special Entity.

The Representative and the District shall enter into a legal agreement that binds the Representative to comply with items (i) through (vii) in this policy.

At no longer than any 12-month interval, the District shall review the performance of the Representative to ensure compliance with items (i) through (vii) in this policy.

Appendix D
Delegation of Authority for Short-Term Power and Natural Gas Transactions

The Commission has delegated approval of all transactions with terms of 12 months or less, and that have a delivery period that concludes within ~~36-48~~ months beyond the end of the calendar year~~from the date the transaction is executed~~, to the General Manager/CEO, or their designee, consistent with Resolutions 992 and 993.

Resolution 992 authorizes the General Manager or his designee to “...Enter into Short Term Power and Natural Gas Sales Contracts Pursuant to Commission Approved Criteria” and Section 5 of the resolution sets out more specific limits on the authority to enter into short term sale contracts.

Resolution 993 authorizes the General Manager or his designee to “...Enter into Short Term Power and Natural Gas Purchase Contracts and establishes guidelines and procedures for such delegation,” and Section 3 of the Resolution sets out more specific limits on the authority to enter into short term purchase contracts.

The Power Manager is designated with the authority to approve short term power and natural gas transactions within the limits specified in Resolutions 992 and 993.

Under this designation, the Power Manager has the authority to unilaterally approve short term transactions within the limits of the referenced resolutions. However, the authority includes a stipulation that the Power Manager should, whenever possible, obtain the approval of a majority of the Risk Management Committee for transactions that extend beyond 65 days.

When the Power Manager approves transactions unilaterally, the Power Manager will document the basis for such transactions by way of a memo to the Risk Management Committee not later than the next Risk Management Committee meeting.

RESOLUTION 1395

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY, WASHINGTON

AMENDING THE POLICIES AND PROCEDURES FOR RISK MANAGEMENT AND TRADING OPERATIONS AND SUPERSEDING RESOLUTION 1376

WHEREAS, Public Utility District No. 1 of Franklin County, Washington (the District) has signed a Block and Slice Power Sales Agreement, Contract No. 09PB-13047, with Bonneville Power Administration (BPA) which necessitates the District buying and selling power from time to time in wholesale power markets; and

WHEREAS, the District's power supply necessitates the District buying and selling power in wholesale markets; and

WHEREAS, the Board of Commissioners (the Commission) approved Resolutions 992 and 993 authorizing the General Manager/CEO or his designee to buy and sell power and natural gas within certain prescribed limits; and

WHEREAS, buying and selling power in wholesale markets introduces financial risk to the District; and

WHEREAS, the Commission adopted Resolution 884 on August 14, 2001, establishing the Risk Management and Trading Policies, and subsequently amended said Risk Management and Trading Policies by Motion on February 24, 2004; by Resolution 994 on February 22, 2005; by Resolution 1046 on July 25, 2006; by Resolution 1129 on May 26, 2009; by Motion on March 27, 2012; by Resolution 1183 on June 26, 2012; by Resolution 1200 on February 26, 2013; by Resolution 1205 on August 27, 2013; by Resolution 1230 on February 24, 2015; by Resolution 1251 on April 26, 2016; and by

Resolution 1262 on September 27, 2016; and by Resolution 1320 on May 28, 2019, and by Resolution 1376 on September 27, 2022, and

WHEREAS, the Policies and Procedures for Risk Management and Trading Operations are reviewed annually by the District's Risk Management Committee; and

WHEREAS, after review and discussion by the Risk Management Committee, staff determined that an amendment was needed:

- to remove the expired Frederickson resource,
- lengthen the terms of approved trade transactions, and
- set hedging targets.

WHEREAS, these changes provide the ability to extend the District's hedging strategy an additional 12 months to help minimize risk, and

WHEREAS, price movements in the forward market can present risk which would be reduced by setting minimum hedge targets, and

WHEREAS, the position title of the General Manager was changed to reflect General Manager, Chief Executive Officer, and

WHEREAS, the Commission recognizes the need to amend the Policies and Procedures for Risk Management and Trading Operations, Administrative Policy 49, to include the fore mentioned items; now therefore

BE IT RESOLVED that the Commission adopts the amended Policies and Procedures for Risk Management and Trading Operations attached hereto as Exhibit A of the resolution.

BE IT FURTHER RESOLVED that Resolution 1376 is superseded.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington at an open public meeting this 27th day of June 2023.

William Gordon, President

Stuart Nelson, Vice President

Roger Wright, Secretary

Public Utility District No. 1 of Franklin County, Washington

POLICIES AND PROCEDURES FOR RISK MANAGEMENT AND TRADING OPERATIONS

I. PREAMBLE

Since October 1, 2001, Public Utility District No.1 of Franklin County, Washington (“the District”) has purchased its net requirements wholesale power supply from the Bonneville Power Administration (“BPA”) under a 10-year Slice/Block Power Purchase Agreement that was in effect through September 30, 2011. In December 2008, the District entered into a new Slice/Block Power Purchase Agreement with BPA for the term October 1, 2011 through September 30, 2028. The Slice of the System (“Slice”) product component requires the District to actively participate in wholesale power markets, both spot and forward, in order to shape firm Slice generation to load and to dispose of surplus Slice generation. Unlike a BPA Load Following contract where the quantity of power delivered matches the District’s load in each hour, Slice generation is a function of conditions on the Columbia and Snake River systems and Columbia Generating Station availability, which results in surpluses and deficits of energy compared to the load served by the District.

In addition to its Slice/Block Agreement, the District has augmented its power supply portfolio through the execution of long-term power purchase agreements for hydro generation (1.3 aMW – Packwood Lake Hydro Project), intermittent renewable energy from two wind projects (10 MW - Nine Canyon and 10 MW - White Creek), and renewable energy from a small hydro project (.7 aMW – Esquatzel). The integration and optimization of these non-federal resources further increases the District’s activity in wholesale power and natural gas markets.

The District and The Energy Authority, Inc. (TEA) recognize the need to formalize and institute risk management processes and controls related to trading activities. To that end, the District and TEA have documented these policies and procedures. The present document speaks directly to the policies and procedures in managing the District’s exposure to wholesale energy commodity market prices.

The policies contained herein are consistent with those approved by the District’s Board of Commissioners (“the Commission”) originally in Resolution No. 884 adopted on August 14, 2001 and subsequently amended by Motion on February 24, 2004, by Resolution 994 on February 22, 2005, by Resolution 1046 on July 25, 2006, by Resolution 1129 on May 26, 2009, by Motion on March 27, 2012, by Resolution 1183 on June 26, 2012, by Resolution 1200 February 26, 2013 on, by Resolution 1205 on August 27, 2013, by Resolution 1230 on February 24, 2015, by Resolution 1251 on April 26, 2016, by Resolution 1262 on September 27, 2016, by Resolution 1320 on May 28, 2019, by Resolution 1376 on September 27, 2022 and by Resolution 1395 on June 27, 2023.

II. MISSION AND GOAL

The mission statement of the District, adopted by the Commission is as follows:

“To provide safe, reliable, and affordable cost-based power that benefits our customers.”

III. RISK PHILOSOPHY

By purchasing the Slice/Block product the District has assumed responsibility for procuring a wholesale power supply to meet the electrical requirements of its Customers rather than rely on BPA to perform this function on its behalf. It is therefore necessary for the District to accept reasonable exposure to power market price volatility in order to maximize the benefits of its power supply portfolio. The District, however, does not engage in speculative commodity market activities that might provide additional gain.

Additionally, the District and TEA recognize the significant financial and operational threat of being physically short of supply.

The District and TEA recognize the inherent supply risk of the Slice product, particularly in forecasting hydro generation levels in the early months of a given water year. Varying percentile levels of historic stream flows (e.g., lowest water level is 1% and highest water level is 99%) have been shown to shift the District's energy net position from having monthly deficits to having significant amounts of surplus power. A balance must be struck between the risk of being short in critical and near-critical water years, with the risk of being long and losing favorable forward sale opportunities in the preponderance of years.

IV. GOALS OF THE RISK MANAGEMENT PROGRAM

The District has set the following goals and objectives for its risk management program:

1. Manage the price and volume risk of its net position consistent with the risk tolerance of the Commission.
2. Manage the credit risk of its receivables and movements in the forward market price (mark-to-market) for power and natural gas.
3. Provide the requisite information to staff given the responsibility for oversight of power management and the risks inherent in it.
4. Allow those staff to proactively represent to the Commission that appropriate diligence is being exercised regarding oversight of power supply activities.

V. ROLES AND RESPONSIBILITIES

A. Board of Commissioners

The Commission reserves to itself the approval of Policy for the District. By their approval of the risk management program, they also undertake the following responsibilities:

1. Understand the nature of the risks encountered in managing the District's resource portfolio, including approving the types of products that can be purchased or sold for the purpose of managing risk. A copy of currently approved transactions is provided in Appendix A.
2. Understand the methods and procedures that will be employed to manage that risk.
3. Approve amendments to these policies and risk limits.
4. Be updated periodically as to their functioning.
5. Delegate the oversight of that functioning to the District Risk Management Committee.
6. Approve all transactions with terms exceeding 12 months in duration, or that have a delivery period that concludes more than 48 months beyond the end of the calendar year.
7. Delegate approval of all transactions with terms of 12 months or less, and that have a delivery period that concludes within 48 months beyond the end of the calendar year, to the General Manager/Chief Executive Officer (CEO), or their designee, consistent with Resolutions 992 and 993.

B. Risk Management Committee

The Risk Management Committee has primary operational risk oversight for the District and shall meet monthly and prepare and approve meeting minutes. The Risk Management Committee shall be comprised of the following voting members; the District's General Manager/CEO, Assistant General Manager or Energy Resources Director, Power Manager, Sr. Power Analyst, and its Treasurer/ Accounting Manager. The Risk Management Committee will ask that other District representatives, be present at a Risk Management Committee meeting as a non-voting member when warranted by the discussion topic. The District's Risk Management Committee will make decisions following the process outlined in Appendix B. TEA's Client Services Manager and representatives from trading and analytics will attend in person or by conference call as non-voting members. As deemed necessary by the Risk Management Committee, other District and TEA staff may also be asked to attend meetings from time-to-time. The Commission has delegated to the Risk Management Committee ongoing maintenance and enforcement of the District's approved policies and procedures for trading and risk management including updating Appendix C. The responsibilities of the Risk Management Committee shall include:

1. Monitor the market price and counterparty risk of the District's individual portfolio to ensure that such risks are within tolerable limits and being managed in a manner consistent with these documented policies and procedures.
2. Receive and review the following risk reports prepared by TEA:
 - Daily risk report showing current and the subsequent four years net power cost marked against current expectations for retail loads, slice generation, and forward prices versus budget
 - Daily report of counterparty credit exposures versus limits
 - Daily report showing the mark to market exposure of forward transactions
3. Review and approve changes to existing and any new risk reports.
4. Approve transactions that are beyond TEA's limits.
5. Understand the risk/reward relationship of proposed hedging transactions to ensure consistency with the District's overall business strategies, risk tolerances, and yearly budget plans.
6. Approve new hedging products to ensure that products are consistent with business and risk management infrastructure.
7. Establish qualitative and quantitative limits for certain hedging products as deemed necessary.
8. Understand and approve methodologies and models used for long- and short-term load and resource forecasting, and market and credit risk measurement.
9. Ensure that independence and segregation of duties exist at TEA.
10. Approve procedural changes associated with maintenance and operation of trading and risk management and recommend policy changes to the District's Commission.

11. Review any new counterparties and approve their credit limits, as recommended by TEA. The Risk Management Committee shall provide oversight regarding credit matters. As required, a review of an individual counterparty credit documentation status will be included annually at a monthly Risk Management Committee meeting.
12. Delegate authority to TEA to execute certain specific transactions without prior approval from District staff where time constraints make it impractical for TEA to communicate with District staff prior to trade execution. TEA is granted specific trade authority as described in Exhibit B to the Resource Management Agreement between the District and TEA.
13. From time to time, and no less than once a year, review these District's Policies and Procedures for suitability.
14. Represent to the Commission the sufficiency of the District's trading and risk infrastructure and its overall compliance with policy and procedures.
15. Approve all Renewable Energy Credit (REC) transactions.

Meeting minutes will be kept (including any electronic votes taken outside of the meeting) and will be retained by the District consistent with the District's document retention policy.

C. District's Risk Management Committee Chair

The District's Power Manager carries the chief responsibility for the establishment and maintenance of risk management within the District and, to that end shall act as chair of the Risk Management Committee. The chair is responsible for the assurance of due diligence in the District's operation and to further strengthen the day-to-day control over risk management activities may delegate specific responsibilities to the District's Treasurer/Accounting Manager who acts as the primary representative of the District in the financial aspects of trading and risk management. The Power Manager will work closely with the District's Assistant General Manager or Energy Resources Director to assure that the following responsibilities are carried out:

1. Review specific risk and trading limits and hedging methodologies, and from time to time recommend changes to the Risk Management Committee.
2. Participate in the Risk Management Committee with the purpose of understanding the District's risk position and the means to mitigate it.
3. Monitor risk reports between Risk Management Committee meetings in conjunction with the District's Assistant General Manager or Energy Resources Director.
4. Ensure that compliance with all policies and limits is maintained; represent that fact to the Commission.

D. District's Assistant General Manager or Energy Resources Director

The District's Assistant General Manager or Energy Resources Director shall work closely with the District's Power Manager to establish, implement, and monitor the District's risk management program. The Assistant General Manager or Energy Resources Director will act as the primary representative of the District in the operational aspects of trading and risk management. In this capacity, either position will work closely with the District's Power Manager and may delegate

specific responsibilities to the District's Sr. Power Analyst to assure that the following duties and responsibilities are carried out:

1. Represent the District on Joint Scheduling and Operating Committee and ensure any operating strategies are consistent with the District's risk management program.
2. Review the prompt month and balance of month net position developed by TEA and recommend or approve new transactions as needed.
3. Review specific risk and trading limits and hedging methodologies, and from time to time recommend changes to the Risk Management Committee.
4. Review trade tickets from TEA for transactions that extend beyond the preschedule period.
5. Monitor risk reports between Risk Management Committee meetings in conjunction with the District's Power Manager.

E. TEA Staff

The roles and responsibilities of TEA staff in the District's trading and risk management operations is provided in Exhibit B of the Resource Management Agreement (RMA) between the District and TEA.

VI. RISK MEASURES AND REPORTING

A. Risk Policies

1. The approved scope of market participation by the District is limited to those activities required to capture optimum value from the District's resource portfolio without engaging in speculative trading activity. It is not the intent of this policy to restrain the legitimate application of analysis to the optimization of resources. It is, however, the express intent to prohibit the acquisition of additional exposure to price and volume risk beyond that encountered in the efficient optimization of the District's resource portfolio. In the event questions arise as to whether a transaction is consistent with this intent shall be discussed among the RMC and the rationale will be documented in the RMC meeting minutes.

Specifically, the District acknowledges that engaging in intra-day and intra-week price arbitrage trading strategies utilizing Slice storage and pondage flexibilities is consistent with this Policy. Environmental attribute arbitrage between years of the compliance period is also recognized as similarly consistent with the Policy.

Given the uncertainty in forecasting Slice generation output, the District recognizes the basic tension between maximizing the value of surplus power through forward power sales and the potential cost of being short of energy and/or capacity if resources perform below expectations due to poor hydroelectric conditions and/or thermal generation unit outages. The District has chosen to balance the risk of being short as a result of selling too much power forward with the risk of not optimizing the value of surplus generation.

The Risk Management Committee has approved the use of TEA's stochastic model (TEA Model) of the District's net power costs under changing Slice generation and market price scenarios. The District will not sell physically forward surplus Slice book net position beyond the 10th percentile from the TEA Model until it has information about likely water supply

conditions for a particular year. The District will not sell financially forward surplus Slice book net position beyond the 10th percentile unless the TEA model demonstrates an increase in the likelihood of lower net power costs. Financial hedging strategies, such as purchase of put options or forward sale with equivalent call option purchased as back-up, can be employed to execute forward sale decisions beyond a 10th percentile level.

Once information about likely water supply conditions are available, generally in December of the prior year, physical or financial forward sales for that water year may be approved by the Risk Management Committee beyond the above levels.

2. Stress-testing scenarios will be devised that subject the net position (load and slice generation) and market price of power to a range of outcomes to determine the impact on the District's projected net power cost. This will typically be performed using the TEA Model. The results of the stress testing will be reported each month at the Risk Management Committee meeting.
3. Net position limits will be observed for the following times and situations:
 - a. Maximum long and short physical positions for **preschedule through delivery**; short and long side imbalance \leq storage capacity.
 - b. Maximum long and short net positions **for the delivery month**: 10% of load short and 15% of load long.
 - c. Maximum long and short net positions **for the front forward month**: 10% of load short and 20% of load long.
 - d. Maximum long and short net positions **for the next two forward months**: 15% of load short and 25% of load long.
 - e. Maximum aggregate long and short net positions **for each forward month 4-12**: 25% of load short and 50% of load long.

Net position limits will be tested for both heavy load hours, and for all hours, in the applicable time period. Net position limits will not apply to light load hour only positions. Net position limits will be tested against the expected Slice generation scenario.

4. Minimum hedge limits will be observed for the following times and situations and will be in place by October 31st:
 - a. 60% of expected annual position based on P25 Slice for the upcoming calendar year.
 - b. 35% of expected annual position based on P25 Slice for the prompt + one calendar year.
 - c. 10% of expected annual position based on P35 Slice for prompt + two calendar years.
5. Net positions will be calculated separately for the Slice/Purchased Power and Thermal Books. A net position for gas will be maintained in the Thermal book. Net positions for gas will be expressed in both MMBtu's per day or MWh equivalent basis.
6. All physical forward transactions will be consistent with BPA's 5b9c policy.

7. Financial derivatives will be used solely for purposes of hedging physical positions.
8. Physical natural gas purchases will be executed only under the following circumstances:
 - a. When necessary to support a forward wholesale power sale, or an expected retail power sale from the District's thermal generation. It should be noted that short-term (i.e., preschedule and real-time) natural gas and power markets frequently have disparate trading horizons, primarily during periods that include weekends, holidays and month-end. To the extent that the District is managing its thermal generation resources with such short-term transactions, it specifically acknowledged there will be occasions when gas purchases will not be matched with power sales for a short period of time due to these mismatched trading periods.
 - b. When purchasing physical gas at a daily or monthly index as part of a strategy to manage physical supply requirements.
 - c. Natural gas sales will be executed only to dispose of long natural gas positions and will be made as soon as practicable following the determination that the District is in such a long position.
9. Environmental attribute transactions are intended to satisfy expected regulatory compliance requirements.

B. Mark-to-Market and Stress Testing of Power Costs

1. TEA will calculate a daily mark to market of the District's net power costs for the current year, and a daily mark-to-market of the District's net power cost for the subsequent four calendar years. The mark-to-market calculations will consist of the following components and treatments:
 - a. The basis of the calculation will be the most likely estimates of load and resources, which will be expressed as averages by month across HLH and LLH.
 - b. The mark-to-market will utilize Mid-Columbia hub forward power prices and Sumas/Huntingdon and Henry Hub forward prices for natural gas.
 - c. All forward transactions will be marked against "mid-market" (average of bid and offer side of market) forward prices.
 - d. All sources of supply will be included whether the supply is being used to meet load or is being sold in the market.
2. The District and TEA recognize the importance of having an at-risk metric that captures both the price and volumetric (load and Slice) risks that the District faces. The Risk Management Committee will develop and approve hedging strategies that include at-risk metrics.

C. Reports and Frequency of Reporting

1. The forward price curve, currently for Mid-C and Sumas, will be calculated daily and sent to the District.
2. The mark-to-market of the current year net power costs will be calculated daily. The mark-to-market of the subsequent four years net power costs will be calculated daily. Mark-to-market reports will be provided to the District via electronic means.
3. Net position reports, including checking of forward positions against net position limits, will occur whenever there is a significant change in forecasted Slice generation, but at no time will that be less than weekly in frequency.
4. Stress testing of the budget mark-to-market and net position will be presented at the monthly Risk Management Committee meetings.

VII. CREDIT

A. Credit Policy

The District recognizes the potential for significant losses due to events of financial default or the failure to perform regarding contracted takes and deliveries.

The District adheres to the credit policies and credit limits established by TEA. TEA's policy addresses guidelines for setting credit limits and monitors credit exposure on a real time basis on behalf of the District. TEA's management determines the credit quality of the District's counterparties based upon various credit evaluation factors, including collateral requirements under certain circumstances.

As of September 24, 2008, all physical commodity transactions (for hourly and/or daily) for the District are traded by TEA as principal (on behalf of the District) and rely on TEA's credit limits. All forward physical/financial commodity transactions are entered into only with counterparties approved by the District's Risk Management Committee for creditworthiness.

In order to manage that credit risk, the District and TEA have established the following policies:

1. Commodity transactions, both physical and financial, will be entered into only with approved, creditworthy counterparties.
2. Counterparties will be scored using the TEA Credit Scoring Models. TEA will score each counterparty per a specific model. District's credit limits will be scaled from TEA's limits as follows:
 - TEA limit greater than \$15 million: \$3 million
 - TEA limit \$9 million - \$15 million: \$1.25 million
 - TEA limit less than \$15million:
 - TEA limit * (\$1.25 million / \$9 million)

Each new Counterparty Credit Limit or increase to an existing limit will then be taken before the District's Risk Management Committee for approval. Every counterparty will be reassessed at minimum annually.

3. At no time will the District intentionally incur a credit exposure with any counterparty greater than \$3.0 million, with exception to TEA, where the credit exposure cannot exceed \$6.0 million unless due to the must sell operational requirement in #5 below.
4. The status of credit risk will be tracked by counterparty at the agreement level and the information made available in real time to TEA trading and scheduling personnel, and those responsible for risk oversight at both the District and TEA; credit reporting will be on a daily basis.
5. The District shall not intentionally exceed the Counterparty Credit Limit with any counterparty without the approval of the Risk Management Committee; the Risk Management Committee may grant TEA the authority to make short-term exceptions as necessary to accommodate operational requirements. Specifically, violation of Counterparty Credit Limits is permissible in must sell situations (i.e., the District will lose the energy if not sold, such as in a spill situation). Similarly, the Risk Management Committee understands that changes in MTM value can result in credit exposures beyond the assigned credit limit.
6. The District will provide credit intermediation (“sleeving”) services for only Benton and Grays Harbor PUDs.
7. The District understands that transacting over the counter (OTC) swaps carries an additional Commodity Futures Trading Commission (CFTC) reporting function. When the District has a swap reporting obligation, the District will report the swap to a CFTC approved Swap Data Repository.

B. Master Agreements and Credit Documentation

1. The District intends to use the Western Systems Power Pool Agreement as the umbrella enabling agreement for physical power transactions. The District recognizes the desirability of having separate credit agreements with counterparties to augment the credit provisions in the standard WSPP agreement.

The District may utilize the Edison Electric Institute trading agreement for physical power transactions. The International Swap Dealers Agreement (ISDA) will be used for all financial transactions. The ISDA Power Annex can also be used for physical power transactions. The North American Energy Standards Board (NAESB) Agreement will be used for Natural Gas Transactions. Separate bi-lateral master trade agreements governing physical natural gas transactions will be negotiated with counterparties as needed.

While Master agreements are the preference of the District, there may be instances of transacting carbon allowances with non-energy firms (e.g. transportation) under the Washington Climate Commitment Act where it may be necessary to execute on a long form confirmation. In the event such activity becomes necessary, approval of the terms and conditions must be given by Counsel or contract experts to ensure adequate protections are in place.

2. The District's will maintain all signed credit agreements with approved counterparties, and a copy of the agreements will be kept at TEA.

C. Credit Reports

1. The TEA Credit Department will publish a daily credit report that is available to the TEA trading and scheduling in real time on demand. This credit report will be based on the same forward prices used for calculating the mark-to-market. It will include the following: the net billed balance, the unbilled receivable and payable balance, the net notional and mark-to-market exposure of physical and financial transactions by counterparty, highlighting in red those that are within 15% of their available credit limit.
2. Until a master netting and setoff agreement is in place with a counterparty, separate credit exposures for each counterparty will be calculated for each master agreement and will be added together to derive the total credit exposures. Negative exposures under one master agreement will not offset a positive exposure under another master agreement.

D. Credit Exceptions

1. District transactions, either physical or financial, are constrained by these credit limits.
2. TEA personnel involved in day-ahead or same-day trading activities (TEA principal transactions) may exceed a counterparty's credit limit if trading with the counterparty is required to balance load and resources and failure to execute the trade would result in a punitive energy imbalance, or other control area operator or transmission charge. The proposed purchase or sale price of power will not be a consideration in choosing to execute a transaction in violation of a credit limit. Credit limits also may be exceeded when failure to sell the energy would result in the District permanently losing the energy (i.e., sell it or spill it). If a TEA Trader executes a trade under one of these circumstances, the Trader involved will write an email outlining the reason for the credit exception and providing an estimate of the dollar amount of the credit exceedance. That memo must be forwarded to the appropriate TEA Trading Director, TEA's Member Service Manager for the District, TEA's Credit Manager, and the District's Power Manager before the close of business or the end of the scheduler's shift.

VIII. OTHER POLICIES

A. Separation of Function

1. A separate line of communication will be established between the District and the external counterparty to a trade for purposes of trade confirmation and any required trade reconciliation.
2. All trade confirmations will be executed by the District's Power Manager or its Sr. Power Analyst. The District can confirm transactions using either a paper or electronic method. For counterparties that electronically confirm with the District, the counterparties will be directed to ICE's eConfirm rather than paper confirming. All paper trade confirmations, from counterparties, will be faxed or emailed to the counterparty or received from the counterparty by either the District's Power Manager, its Sr. Power Analyst or TEA's Risk Control Group. The District's Assistant General Manager, Energy Resources Director or Sr. Power Analyst will forward any confirmations received to the TEA Risk Control Group.
3. TEA's Risk Control Group will forward all trade tickets to the District's Power Manager.

4. TEA's Risk Control Group will review all paper trade confirmations based on the information contained in the trade ticket and advise the District's Power Manager and Sr. Power Analyst of any changes that are required, if any, before executing the confirmation. Additionally, TEA will monitor ICE's eConfirm to ensure all trades loaded are electronically matched. TEA's Financial Trader or Member Service Manager may be consulted if there are any questions or discrepancies between the trade ticket and the confirmation agreement.
5. The District's Power Manager will initiate trade confirmations based on the information contained on the trade ticket when the master trading agreement specifies that the District is responsible for generating the confirmation agreement. TEA's Risk Control Group will prepare a confirmation letter for the District's Power Manager's execution and distribution or an electronic file for upload.
6. The District's accounting department will do all paying and receiving.

IX. BUSINESS PROCEDURES

A. Transactions

1. Transactions will be recorded via recorded telephone lines, recorded instant messages or at recognized Internet trading sites.
2. The individual making the transaction will fill out a standard trade ticket/database entry containing, at minimum, the following information:
 - a. Date of transaction;
 - b. Counterparty;
 - c. Transaction capacity (MW/hour or MMBtu/day);
 - d. Buy or sell;
 - e. Transaction price;
 - f. Delivery point;
 - g. For options, option type, strike and execution instructions;
 - h. For financial swaps, the reference index;
 - i. Starting delivery date and hour;
 - j. Ending delivery date and hour;
 - k. Product type;
 - l. Any other date, hour and/or capacity data needed to define a shaped product;
 - m. Broker or electronic trading site and fee, if applicable;
 - n. If the trade is a swap;
 - o. Reporting Counterparty;
 - p. Exemptions if any to clearing.
3. A copy of the trade ticket will be passed to the TEA Risk Control Group and a copy retained by the TEA trader executing the transaction.
4. In the event that the master trade agreement directs the counterparty to initiate the trade confirmation, and the counterparty is not electronically confirming with the District, the counterparty will be directed to fax or email the confirmation directly to the District's Power Manager or the TEA Risk Control Group.

5. A TEA Trader will initiate the confirmation process by entering the trade in the appropriate database no later than the end of shift on the day of the trade.

B. Confirmation and Database Entry of Forward Transactions

TEA's Risk Control Group will initiate the confirmation process, when applicable.

1. For transactions longer than the normal preschedule period, the TEA Risk Control Group will fax or transmit electronically, a copy of the trade ticket to the District's Power Manager or Sr. Power Analyst. If the District is responsible for generating a confirmation letter, the TEA Risk Control Group will either (1) create the confirmation letter or (2) include the transaction in the upload file and send to the District's Power Manager or Sr. Power Analyst for execution and distribution.
2. For counterparties that are paper confirming, the District's Power Manager or Sr. Power Analyst will sign and forward the confirmation letter to the counterparty when the District is the counterparty responsible for initiating the confirmation under the terms of the master agreement governing the transaction. The District's Power Manager or Sr. Power Analyst will receive, compare to the trade ticket, sign and return the confirmation to the counterparty, and a copy to TEA's Risk Control Department, when the counterparty is responsible for initiating the confirmation under the terms of the master agreement governing the transaction.
3. For counterparties that are electronically confirming, regardless of which entity is responsible for initiating the confirmation process, the District's Power Manager or Sr. Power Analyst will upload the file created by TEA's Risk Control Department into ICE's eConfirm. Additionally, the District's Power Manager or Sr. Power Analyst will receive, compare to the trade ticket, sign and verify the information in the confirmation file created by TEA's Risk Control Department prior to loading into ICE's eConfirm.
4. Should there be a disagreement between the counterparty and the TEA trade ticket as to any of the terms of the transaction; it will be the responsibility of the TEA Risk Control Group to work with the TEA trader and the counterparty's representative to resolve all differences on that same business day.
5. All paper and electronic confirmation and reconciliation of a forward trade will be accomplished by the end of the second full workday after the trade date, or first delivery, whichever is earlier.
6. All trades executed during the day will be entered into the appropriate database by the end of the shift. When a paper confirmation of the trade is received, the TEA Risk Control will reconcile the confirmation with the transaction in the database. TEA will monitor ICE's eConfirm to ensure all transactions loaded into the platform are fully matched.
7. Confirmations will only be required for trades whose delivery term extends beyond the preschedule period.

C. Book Structure

The District will use a book structure in managing and reporting its risk position. A description of the book structure is provided below.

1. Resources, transactions and positions will be segmented into three distinct risk books:
 - a. Slice/Purchased Power
 - b. Thermal
 - c. Environmental Attributes
2. The Slice/Purchased Power book will consist of any purchased power resource or transaction that is not (i) dependent on natural gas (or alternate fuels) for purposes of pricing delivered power or (ii) backed by a product or resource that is dependent on natural gas (or alternate fuels) for purposes of pricing delivered power. Such resources include BPA Slice and Block, and any applicable market purchase or sale contracts.

Within the Slice / Purchased Power book, transactions will be further segmented into physical and financial sub-books to ensure that both physical and financial positions can be monitored and evaluated.

3. The Thermal book will consist of all power resources that are (i) dependent on natural gas (or alternate fuels) for purposes of pricing delivered power or (ii) backed by a product or resource that is dependent on natural gas (or alternate fuels) for purposes of pricing delivered power. Such resources include owned thermal resources, and any transactions that are related to management of such agreements or resources, including market purchases and sales.

Within the Thermal book, transactions will be further segmented into individual resource sub-books, which will in turn be segmented into power and natural gas (or alternate fuels) sub-books. The power and natural gas sub-books will each be further segmented into physical and financial books to ensure that both physical and financial positions can be monitored and evaluated.

4. The Environmental Attributes book will consist of intangible non-energy attributes associated with electrical power or carbon emissions designed to satisfy regulatory requirements.

D. Forecasting Slice Generation

1. Absent snowpack and runoff information on a particular water year, the District will determine probabilities for monthly Slice generation using the most recently completed BPA ESP study of Slice System generation. All mark-to-market and net position reports will use these probabilities.
2. A range of Slice generation forecasts will be calculated each month using a methodology approved by the Risk Management Committee. Forecasts will be linked to expected and contingency streamflow forecasts prepared by the Northwest River Forecast Center, or other recognized third party experts, and will be selected using long-range weather outlooks, and the inherent uncertainty contained in the long-range forecasts. Changes in forecast methodology are permitted only when there is an ability to correct an identified deficiency in methodology, and/or when the Risk Management Committee believes the change will result in improved forecast accuracy.

E. Database Administration

TEA uses a state of the art Deal Capture (DC) system, integrated with The Optimizer scheduling application system for scheduling and transaction accounting. The District and TEA recognize that as these systems evolve, modifications to processes will be made. The database administration and security provisions outlined below reflect the current development status of The Optimizer. A Database Administrator (DBA) has been designated. That person is charged with database security and maintenance for the transaction databases.

The following safeguards for data security and backup will be installed:

1. Transaction data stored in the system of record will be replicated daily to ensure data redundancy.
2. The DC and The Optimizer databases, as well as the daily schedules, will be backed up at least daily after the close of business.

F. Checkout

Monthly Checkout – TEA's Bilateral Settlement Department will checkout all transactions, both volume and dollar amounts, at the end of the month consistent with normal industry practice. TEA's Bilateral Settlement Department will strive to checkout all transactions within 5 business days of the end of the month. TEA's Bilateral Settlement Department also will perform mid-month checkouts as appropriate.

G. New Counterparty Approval

1. New counterparties for agency transactions will be recommended to the Risk Management Committee by TEA.
2. A justification for the initiation of trading will be required.
3. The Risk Management Committee is responsible for establishing, with the assistance of the TEA Credit Manager, credit limits based on the TEA credit limit and documentation requirements for any new trading partner.
4. A new counterparty will not receive final approval until the Risk Management Committee's approval is obtained. Trading with the counterparty is not allowed during that process, with the exception that real-time purchases can be executed with any counterparty regardless of their prior approval by the Risk Management Committee.

H. New Product or Transaction Type

From time to time, a new transaction type becomes available. If the new product is offered by a new counterparty, the counterparty must first be approved by the Risk Management Committee. Should such new product be considered of advantage to the goals of the District, the process outlined below should be followed:

1. New products will be recommended by TEA and must first be approved by the Risk Management Committee before trade execution.
2. TEA's Risk Manager will provide a justification for the new product stating the value to the District and its credit impact.

3. The Risk Management Committee meeting in monthly or special session, will review that justification and approve the transaction, and approve quantitative and/or qualitative limits on use of the product if deemed desirable.
4. The Risk Management Committee may defer authorization to the Commission.
5. In any case, the Commission should be informed of the new transaction and its justification.

I. Audit

1. After TEA board approval of changes to the TEA Risk policy, TEA staff will provide a verbal summary of these changes to the Risk Management Committee when the changes impact the service that TEA provides to the District. TEA is not required to summarize changes to the TEA Risk Policy appendix to the District. The District can conduct an internal review of TEA's Risk Management Policies and Procedures. The review of TEA's Risk Management Policy and associated policies and procedures will be done at the TEA office under TEA staff supervision.
2. An auditing firm that has a trading and risk management practice will conduct an external audit or review of this Policy as deemed necessary.

Appendix A
Approved Transactions

Approved Physical Transactions:

1. Same day purchases and sales of power and natural gas
2. Next day purchases and sales of power and natural gas
3. Forward purchases and sales of power and natural gas. (Transactions longer than 12-months in duration require the District's Commission approval.)
4. Energy exchanges
5. Purchase or sale of capacity or load factoring product (energy deliveries net to zero over a pre-established time period)
6. Purchase of monthly or daily calls and puts
7. Washington state compliant carbon allowances.
8. Renewable Energy Credit (REC) Transactions

Approved Financial Transactions:

1. Power and natural gas fixed for floating swaps
2. Natural gas swing swaps
3. Natural gas basis swaps
4. Natural gas index swaps
5. Currency swaps relating to managing US/Canadian exchange rate risk resulting from purchases of natural gas
6. Purchase of monthly put and call options¹
7. Purchase of daily put and call options
8. Purchase of monthly swap options
9. Purchase of dual trigger options that settle based upon a power or natural gas price index and an agreed upon temperature trigger

¹ Settlement of these options should be against applicable Northwest indices. Option exercises automatically at the end of the month if the option is in the money.

Appendix B
Risk Management Committee Decision Making Process

Consensus means that no member holds so strongly to an alternate position that the member cannot allow the decision to be made. There are five levels of agreement/disagreement with a position:

1. I fully agree;
2. I do not view the issue as highly significant, thus I agree through lack of concerns;
3. I have some concerns about the position, but support it as the best wisdom of the group;
4. I have concerns about the position, but support it because I believe my concerns have been heard and considered by the group; or
5. I disagree with the position and believe its implications are so negative that I must protest its acceptance.

Consensus exists when members of the Risk Management Committee hold positions number 1, 2, 3, or 4. When one member of the Risk Management Committee holds position 5, the Risk Management Committee will note a minority dissension to the consensus and reflect that dissension in its decision announcements. Should a greater number of persons dissent, the Risk Management Committee will consider a consensus not to exist and will either drop the issue or ask, "What would be required for the dissenter to agree to the majority position?"

Appendix C

Swap Transaction Representative Selection and Monitoring

Effective Date: January 1, 2013

Type: Mandatory Policy

Applicable Departments: District wide

Purpose:

To ensure the District, a Special Entity under the Dodd-Frank Financial Reform Act, selects a qualified independent representative (“Representative”) to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

Definitions:

Swap Dealer – A swap market participant that acts as a dealer in commodity swaps. The term “Swap Dealer” is further defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg).

Special Entity – A swap transaction counterparty that includes a state agency, city, county, municipality or other political subdivision of a state, or any instrumentality, department, or a corporation of or established by a State or political subdivision of a State. The term “Special Entity” is further defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(C).

Major Swap Participant – A swap market participant that maintains substantial positions in swaps such that the level of swap activity creates substantial counterparty exposure. The term “Major Swap Participant” is further defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh).

Trade Option Exemption – An exemption from most Dodd-Frank swap regulations granted to certain physical commodity options. Recordkeeping and reporting requirements still apply. The requirements for the trade option exemption can be found in 17 C.F.R. 32.3.

End-User Exception – An exception from clearing granted to certain swap transactions used for hedging or mitigating commercial risk. The end-user exception is only available to non-financial entities. The requirements for the exception are outlined in 7 U.S.C. 2(h)(7)(A) and further interpreted in 17 C.F.R. - 50.50

Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term “Swap” is further defined in 7 U.S.C. 1a(47) and further interpreted in 17 C.F.R. 1.3(xxx).

Qualified Independent Representative – a representative required of Special Entities to transact swaps with Swap Dealers or Major Swap Participants. Among other tasks, the representative is required to evaluate fair pricing for the swap transaction, make timely disclosures to the Special Entity and act in the best interest of the Special Entity. An exhaustive list of the requirements for the representative can be found in 17 C.F.R. 23.450(b).

Selection: The District shall endeavor to seek and employ an individual or entity that will voluntarily act as a Representative for all energy commodity swap transactions between the District and any Swap Dealer or Major Swap Participant. The Representative must meet the following qualifications identified in 17 C.F.R. 23.450(b):

- (i) Has sufficient knowledge to evaluate the transaction and risks;
- (ii) Is not subject to a statutory disqualification;
- (iii) Is independent of the Swap Dealer or Major Swap Participant;
- (iv) Undertakes a duty to act in the best interests of the Special Entity it represents;
- (v) Makes appropriate and timely disclosures to the Special Entity;
- (vi) Evaluates, consistent with any guidelines provided by the Special Entity, fair pricing and the appropriateness of the swap; and

- (vii) In the case of a Special Entity as defined in § 23.401(c)(2) or (4), is subject to restrictions on certain political contributions imposed by the Commission, the Securities and Exchange Commission, or a self-regulatory organization subject to the jurisdiction of the Commission or the Securities and Exchange Commission; provided however, that this paragraph (b)(1)(vii) of this section shall not apply if the Representative is an employee of the Special Entity.

The Representative and the District shall enter into a legal agreement that binds the Representative to comply with items (i) through (vii) in this policy.

At no longer than any 12-month interval, the District shall review the performance of the Representative to ensure compliance with items (i) through (vii) in this policy.

Appendix D

Delegation of Authority for Short-Term Power and Natural Gas Transactions

The Commission has delegated approval of all transactions with terms of 12 months or less, and that have a delivery period that concludes within 48 months beyond the end of the calendar year, to the General Manager/CEO, or their designee, consistent with Resolutions 992 and 993.

Resolution 992 authorizes the General Manager or his designee to "...Enter into Short Term Power and Natural Gas Sales Contracts Pursuant to Commission Approved Criteria" and Section 5 of the resolution sets out more specific limits on the authority to enter into short term sale contracts.

Resolution 993 authorizes the General Manager or his designee to "...Enter into Short Term Power and Natural Gas Purchase Contracts and establishes guidelines and procedures for such delegation," and Section 3 of the Resolution sets out more specific limits on the authority to enter into short term purchase contracts.

The Power Manager is designated with the authority to approve short term power and natural gas transactions within the limits specified in Resolutions 992 and 993.

Under this designation, the Power Manager has the authority to unilaterally approve short term transactions within the limits of the referenced resolutions. However, the authority includes a stipulation that the Power Manager should, whenever possible, obtain the approval of a majority of the Risk Management Committee for transactions that extend beyond 65 days.

When the Power Manager approves transactions unilaterally, the Power Manager will document the basis for such transactions by way of a memo to the Risk Management Committee not later than the next Risk Management Committee meeting.

AGENDA ITEM 10

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Holly Dohrman
Assistant General Manager

Date: June 27, 2023

☐ REPORTING ONLY
☐ FOR DISCUSSION

☒ **ACTION REQUIRED**

1. OBJECTIVE:

Authorizing Revised Language for RCW 54.16.285 Requirements in Various Customer Facing Administrative Documents.

2. BACKGROUND:

The Revised Code of Washington 54.16.285, Limitations on termination of utility service for residential heating was changed in 2023 to include language preventing utility shutoffs for nonpayment during extreme heat events and notes that the utility shall *"Include in any notice that an account is delinquent and that service may be subject to termination, a description of the customer's duties in this section"*. This change is set to take effect on July 23, 2023.

Various customer facing administrative documents such as the Final Bill Notice, Rules and Regulations for Electric Service and information included on the back of the monthly electric service bill will need to be revised to accurately reflect the changes in RCW 54.16.285. Staff will begin the process of revising the language in these documents and will bring any document needing Commission approval, such as the Rules and Regulations for Electric Service to the July 25, 2023 meeting for final approval. Moving forward with the changes today allows the District to meet the July 23, 2023 deadline and have the documents ready for print.

Staff recommends the Commission authorize the General Manager/CEO to revise the language in various customer facing administrative documents to reflect the changes in RCW 54.16.285.

3. SUGGESTED MOTION:

I move to authorize the General Manager/CEO to revise the language in the various customer facing administrative documents to reflect the changes in RCW 54.16.285.



MAY 2023



Executive Summary

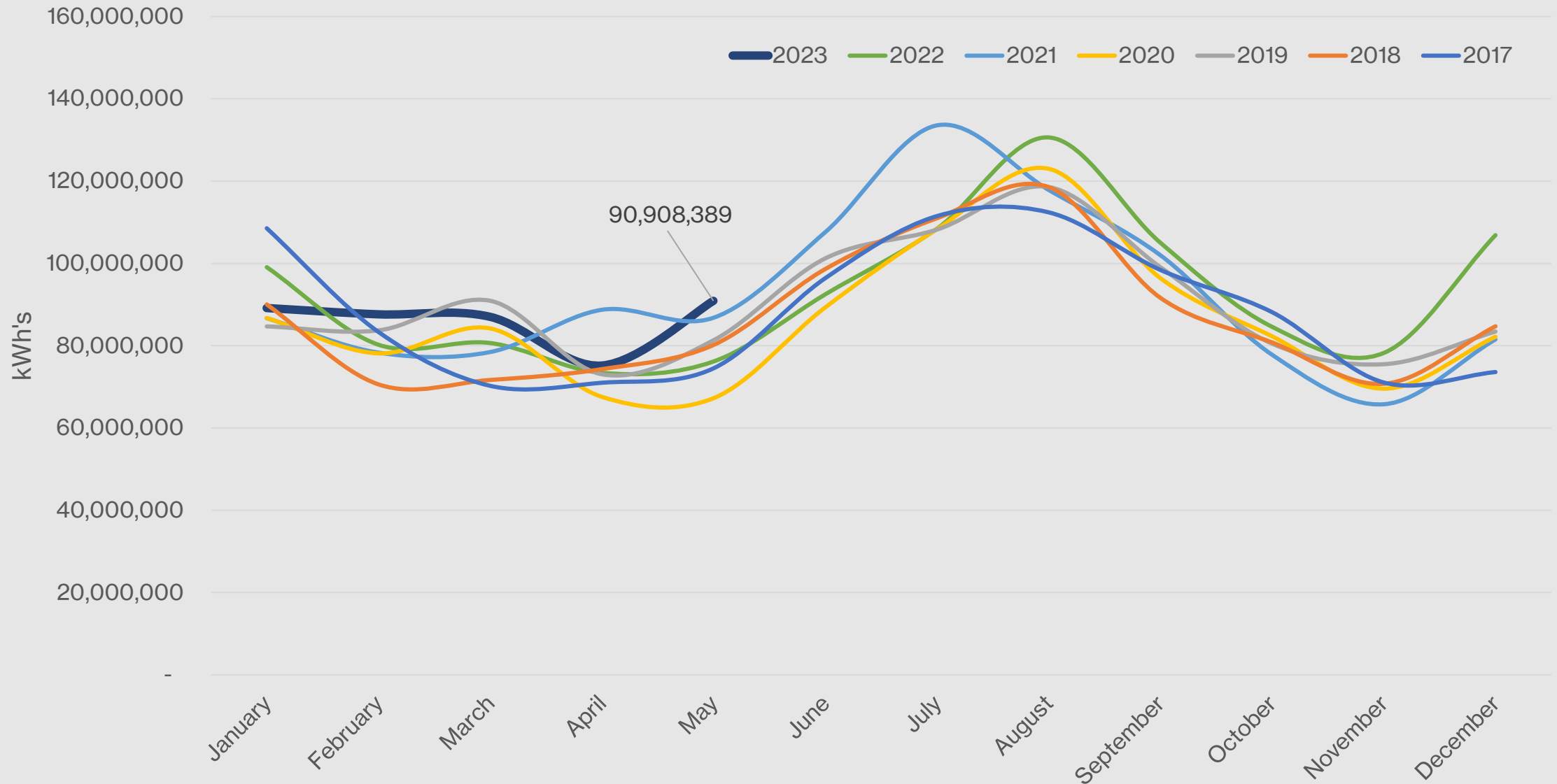
May took a 180 degree turn when spring runoff showed up and was much greater than predicted. The low water conditions of April were quickly flushed away and replaced by exceptional flows that drove pricing down to a point where day ahead was negative. Demand for power was as expected given irrigation and heat beginning to arrive. Columbia Generating Station began its refueling and was not missed nor was the extended outage at Rock Creek Sub to repair design flaws taking out White Creek and surrounding wind farms for most of the month.

Retail Sales of 90,908 MWh's were 19% higher than May 2022.

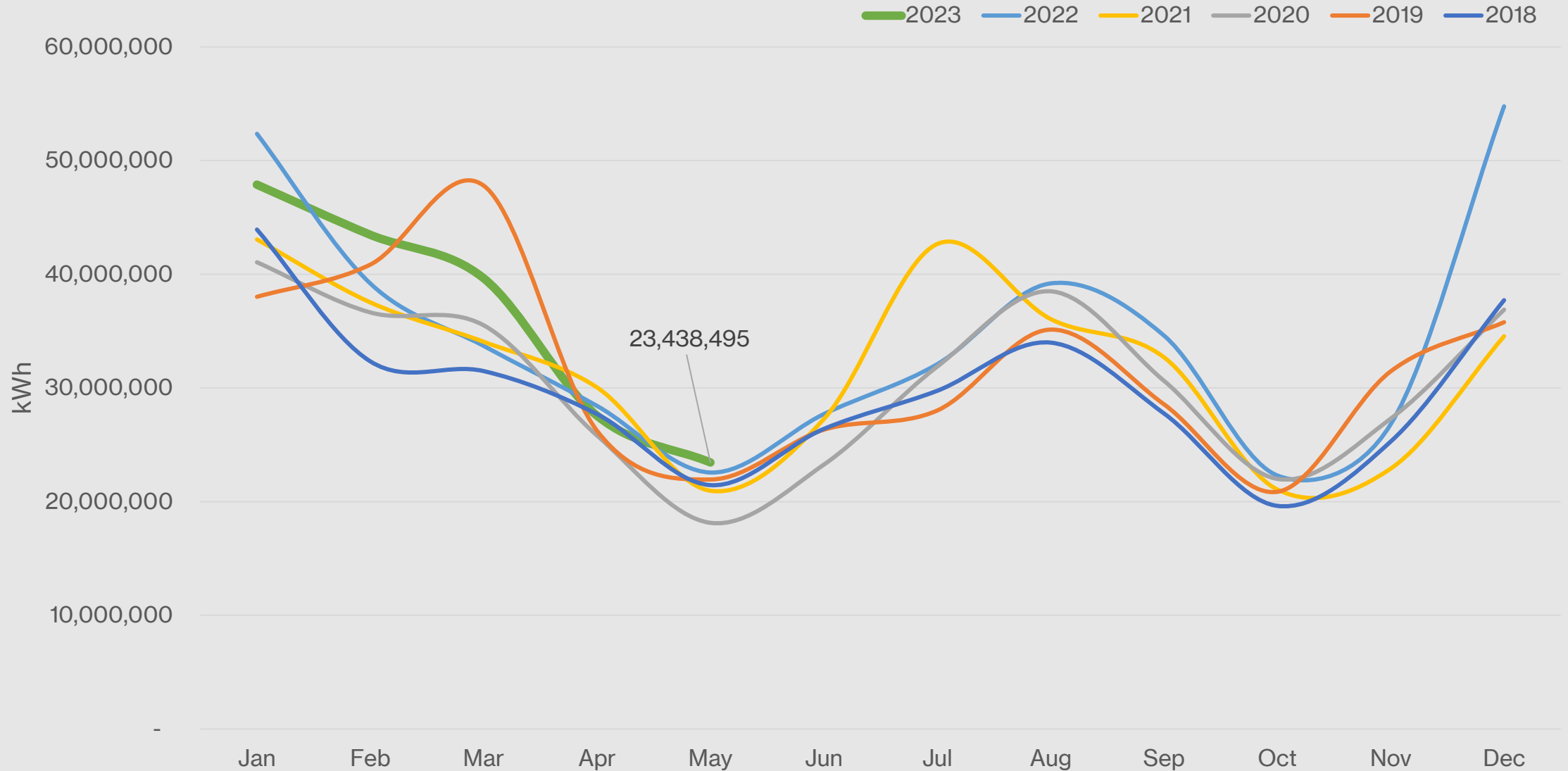
Residential loads were 4% higher than 2022. Industrial loads were the same as 2022 and irrigation loads were 32% higher. General loads were 12% higher than 2022.

Small General was 5% higher, Medium General was 17% higher, and Large General was 12% higher.

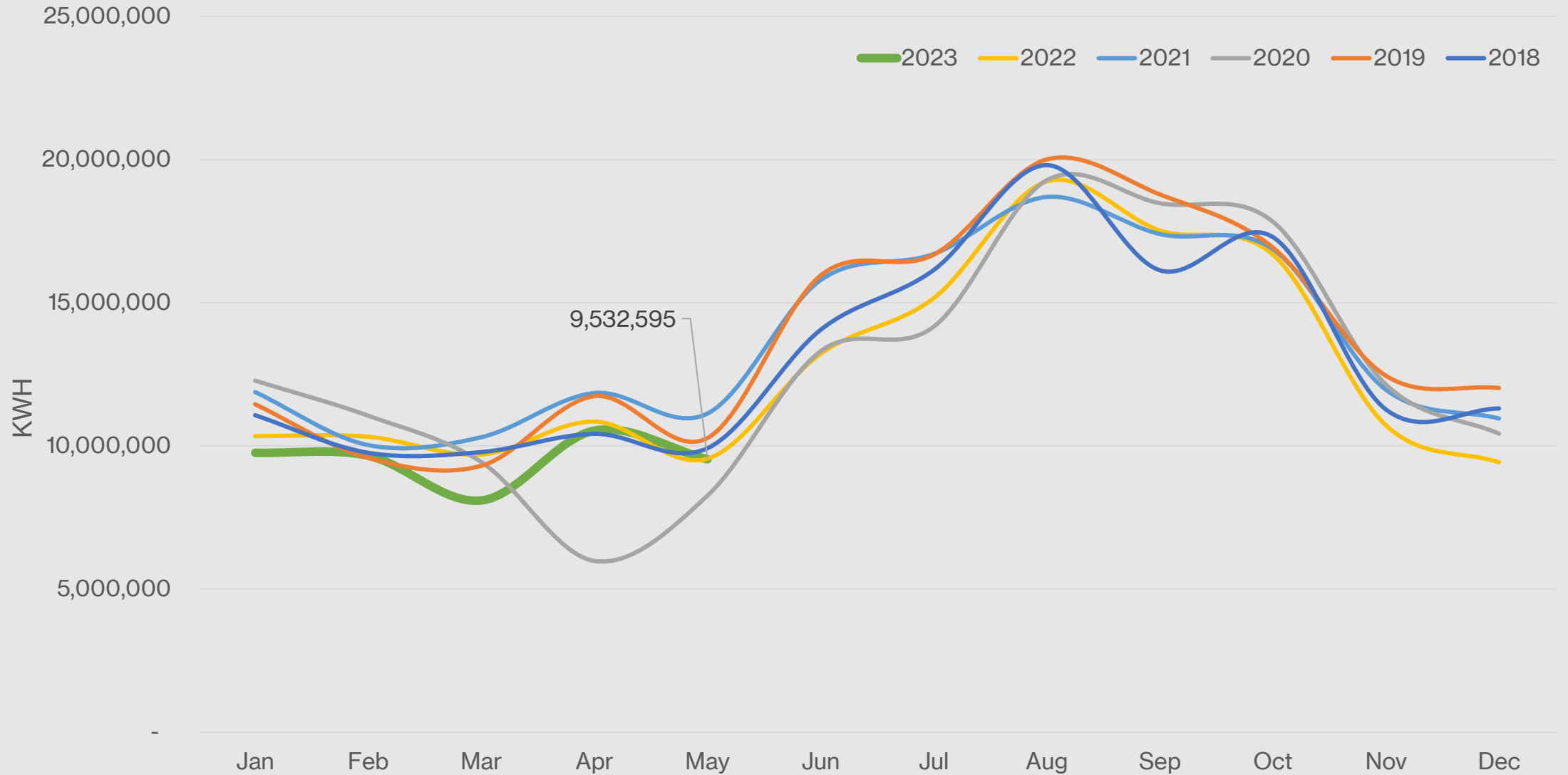
RETAIL LOAD COMPARISON



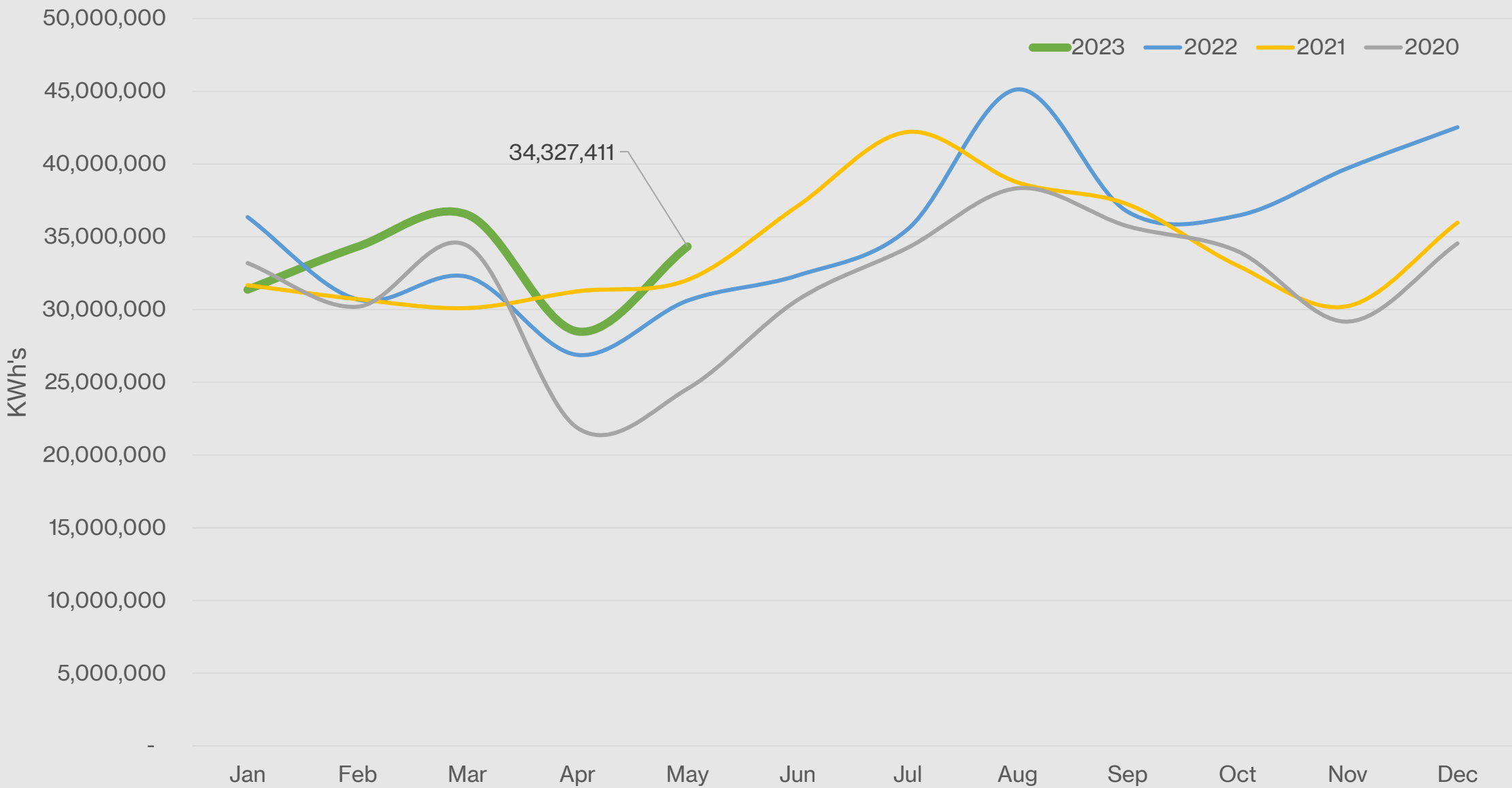
RESIDENTIAL LOADS



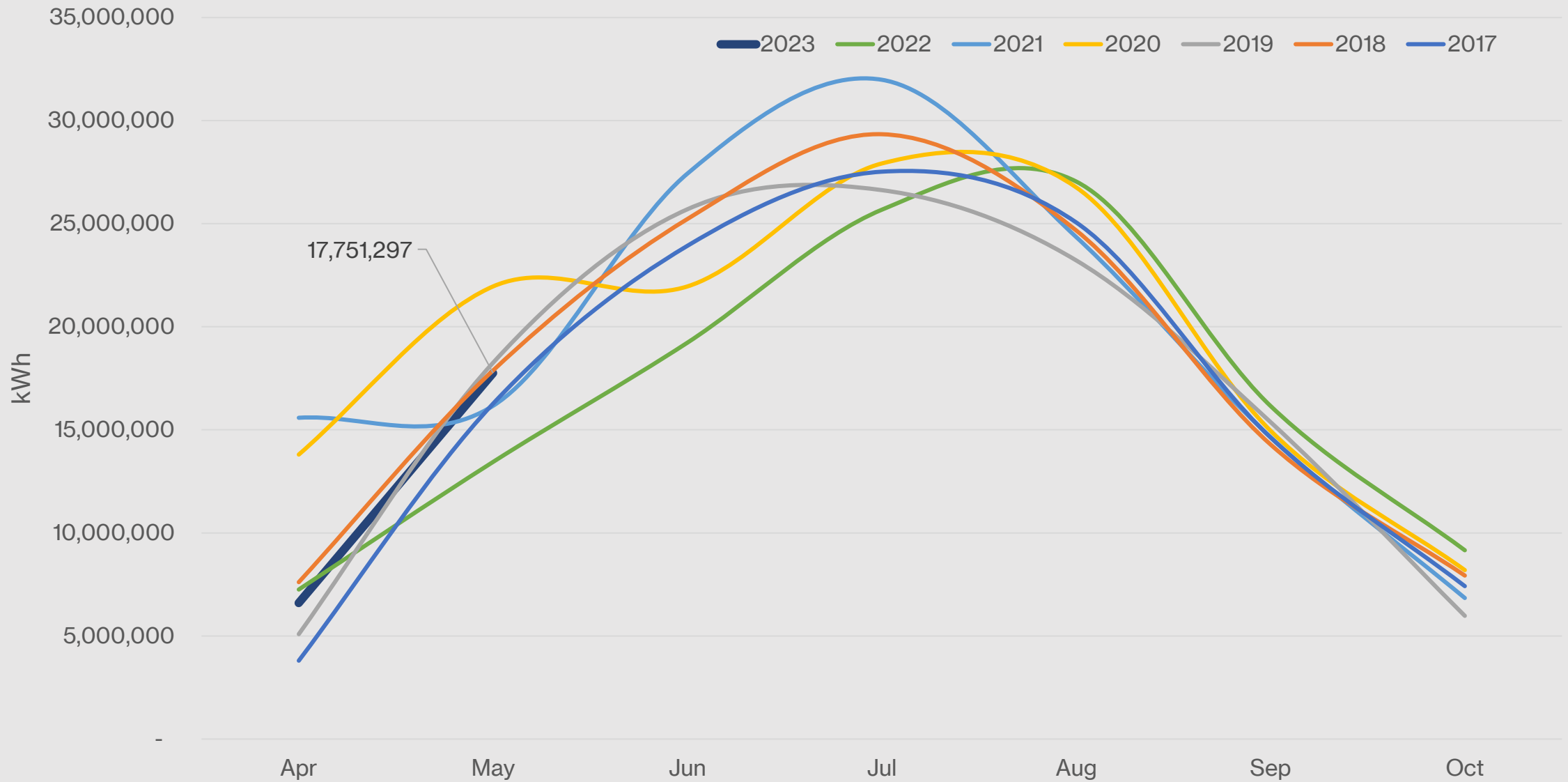
INDUSTRIAL LOADS



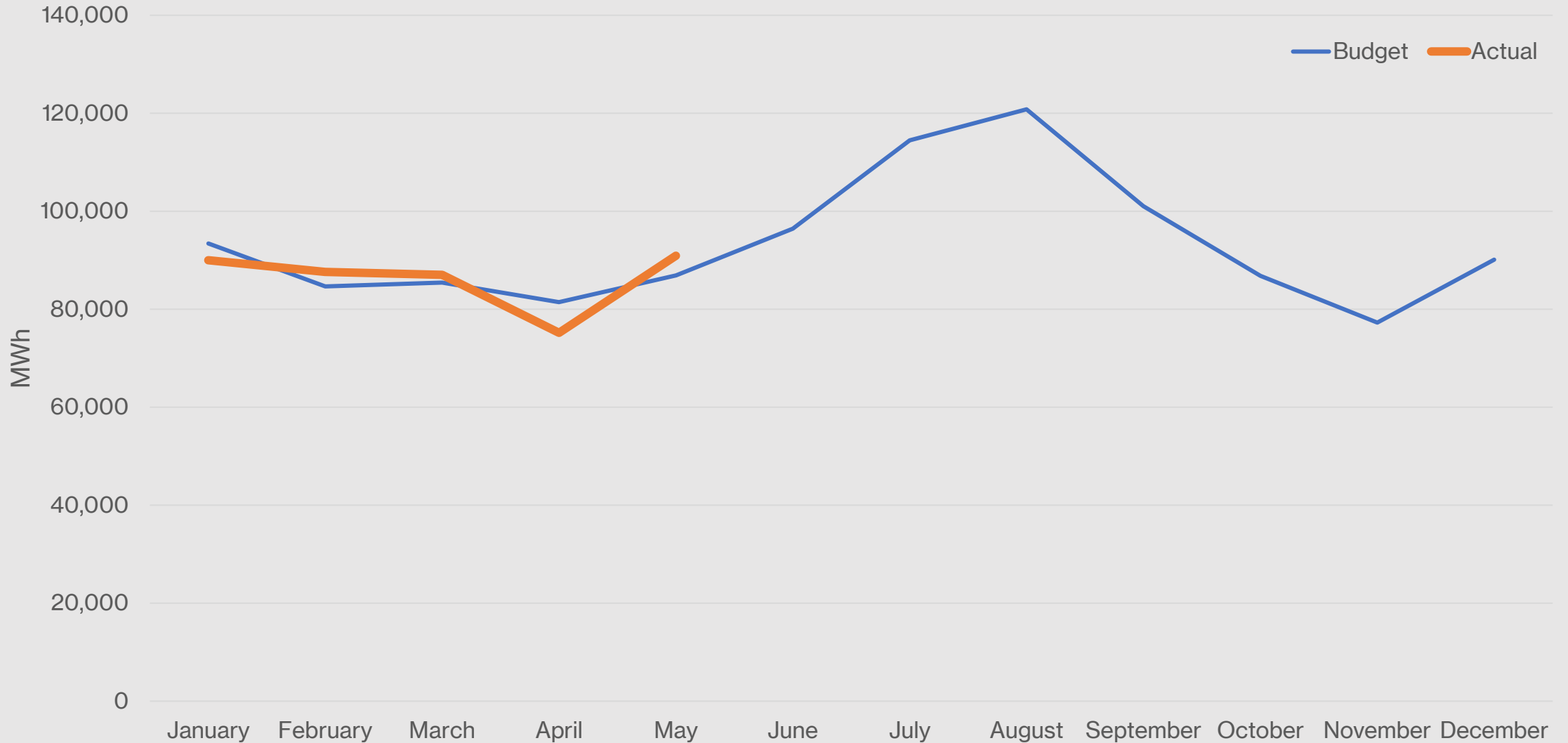
GENERAL LOADS



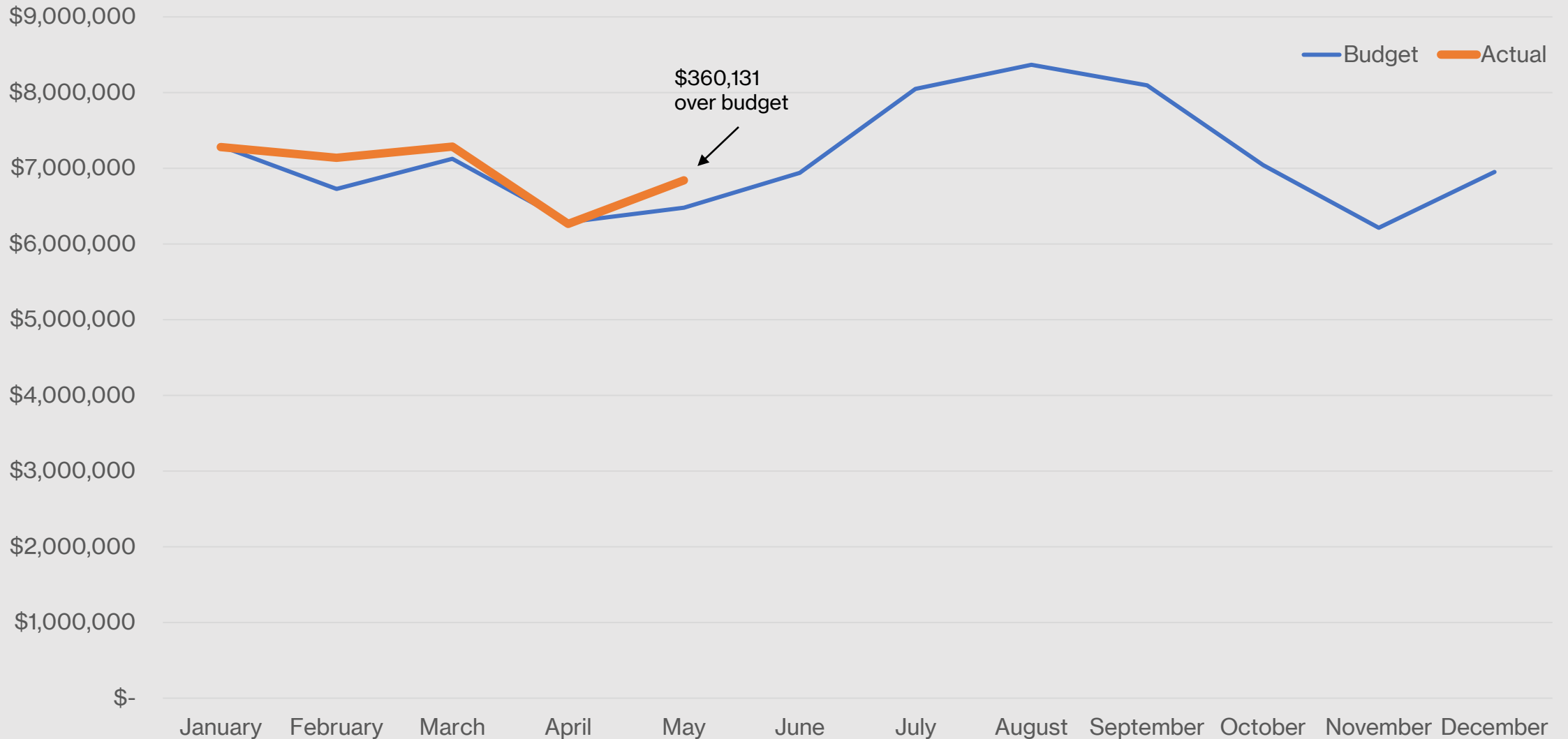
IRRIGATION LOADS



LOADS: Budget vs. Actual



RETAIL ENERGY SALES



POWER

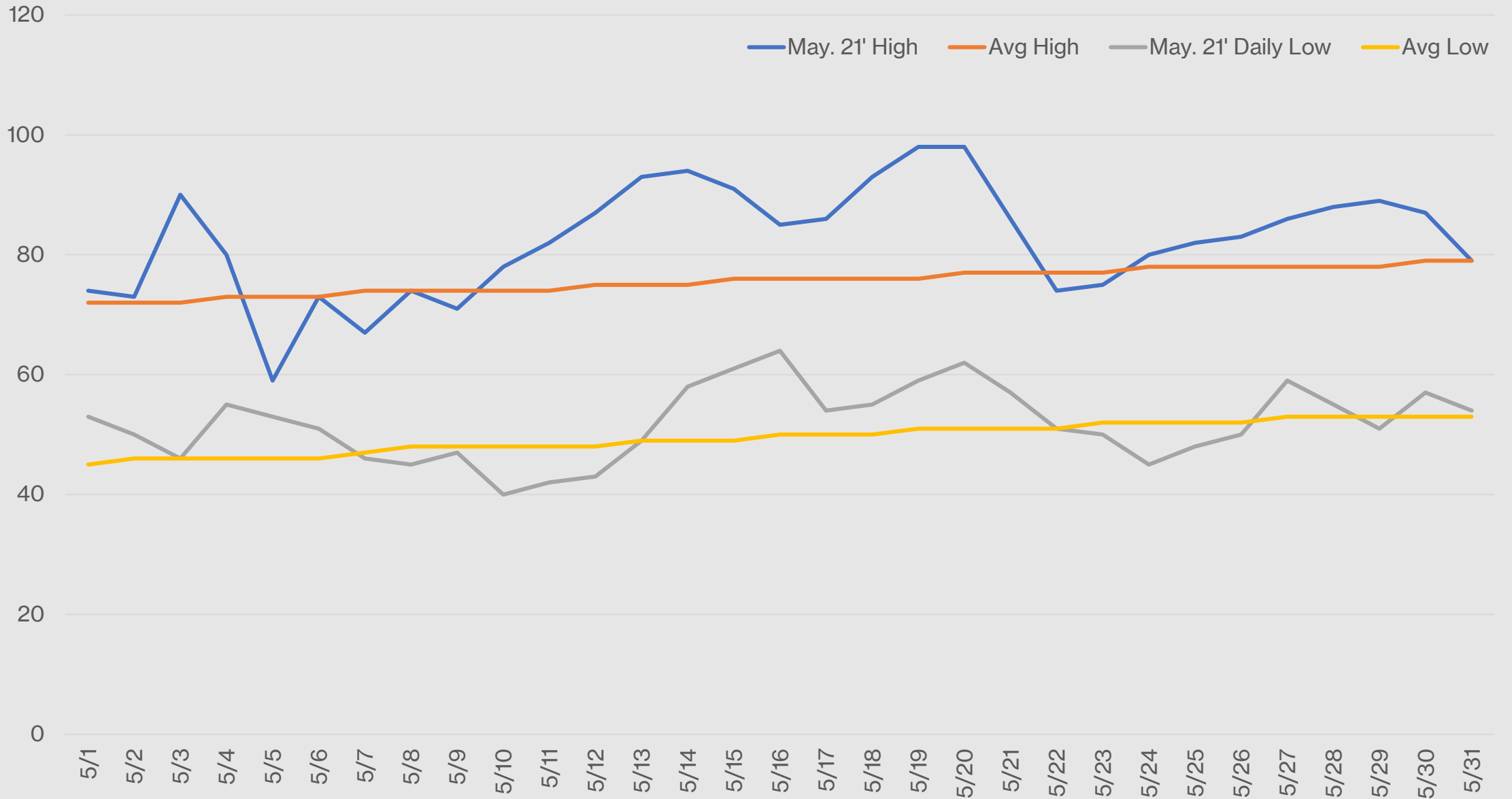


May Overview

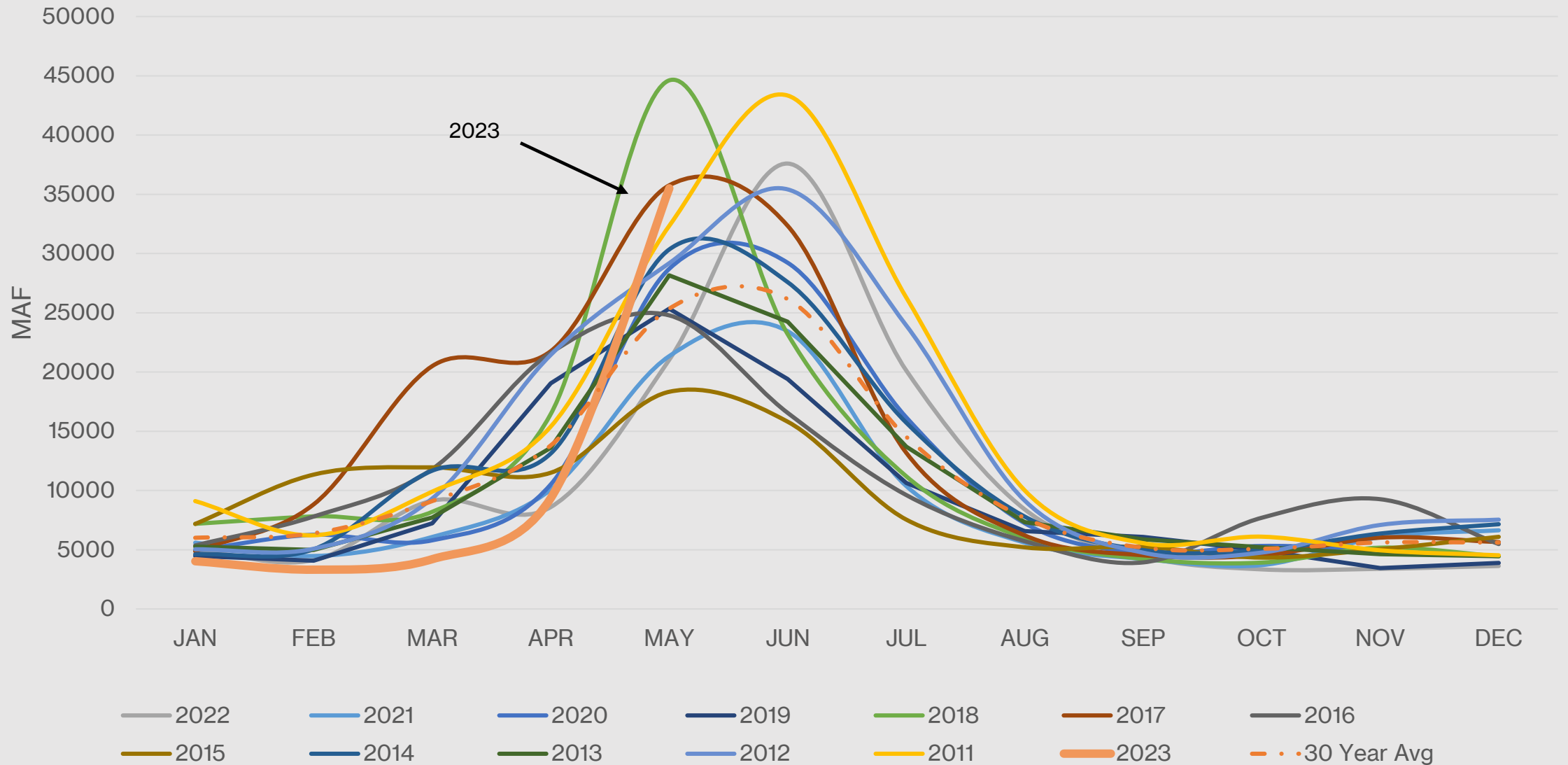
Average Daily Pricing weakened considerably from the late April prices in the \$100's to a low of - \$0.58 on May 21st. This was a result of exceptional supply as runoff turned very strong and rebounded from the low April water conditions. This collapse in pricing sent our swaps negative.

Sales in day ahead and real time were strong in MWh's but weak in pricing. Day ahead high load hour pricing peaked on the May 1st at \$61.78 finishing at \$20.14 with all points above and below covered during the month.

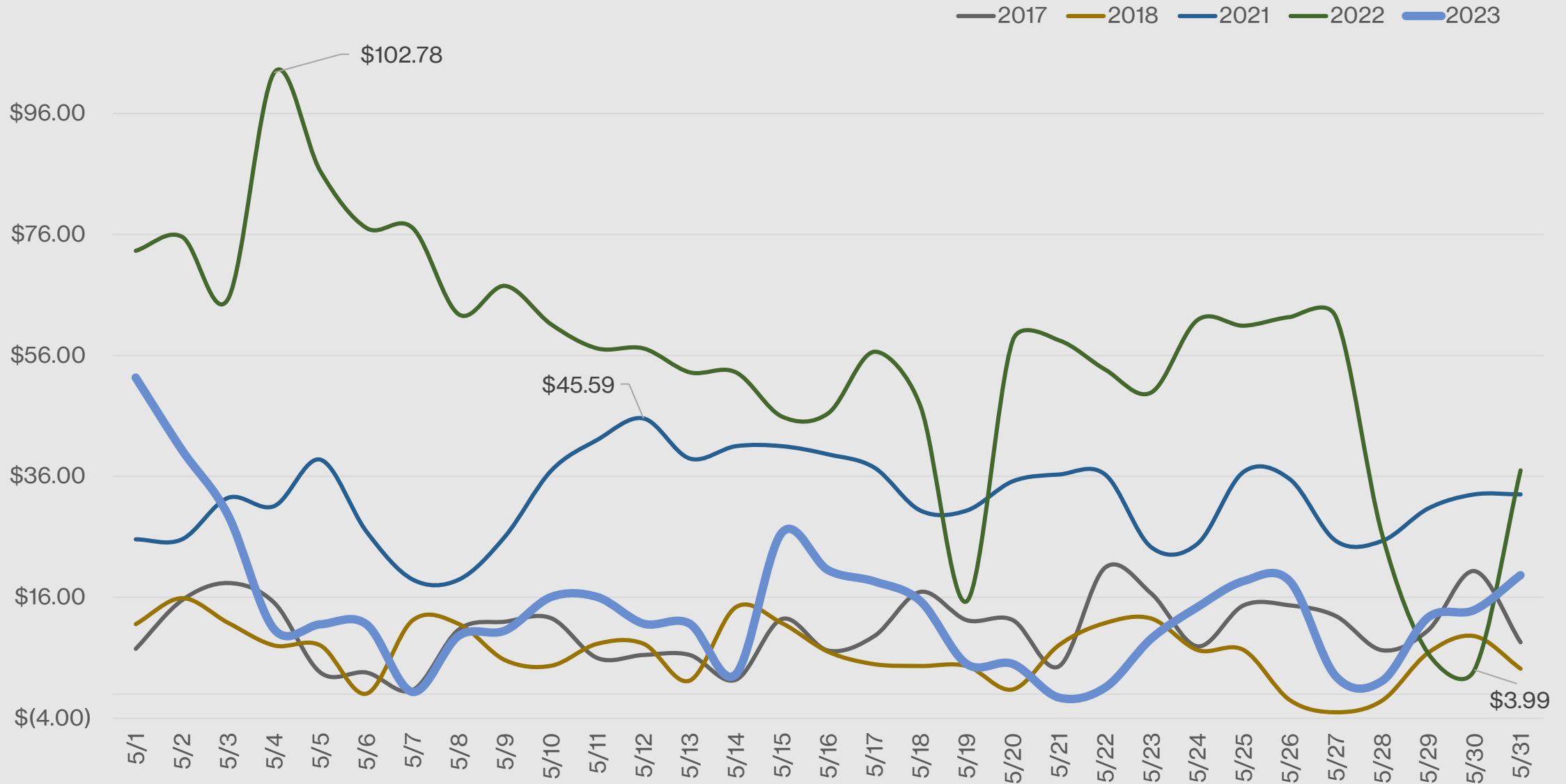
TEMPERATURES



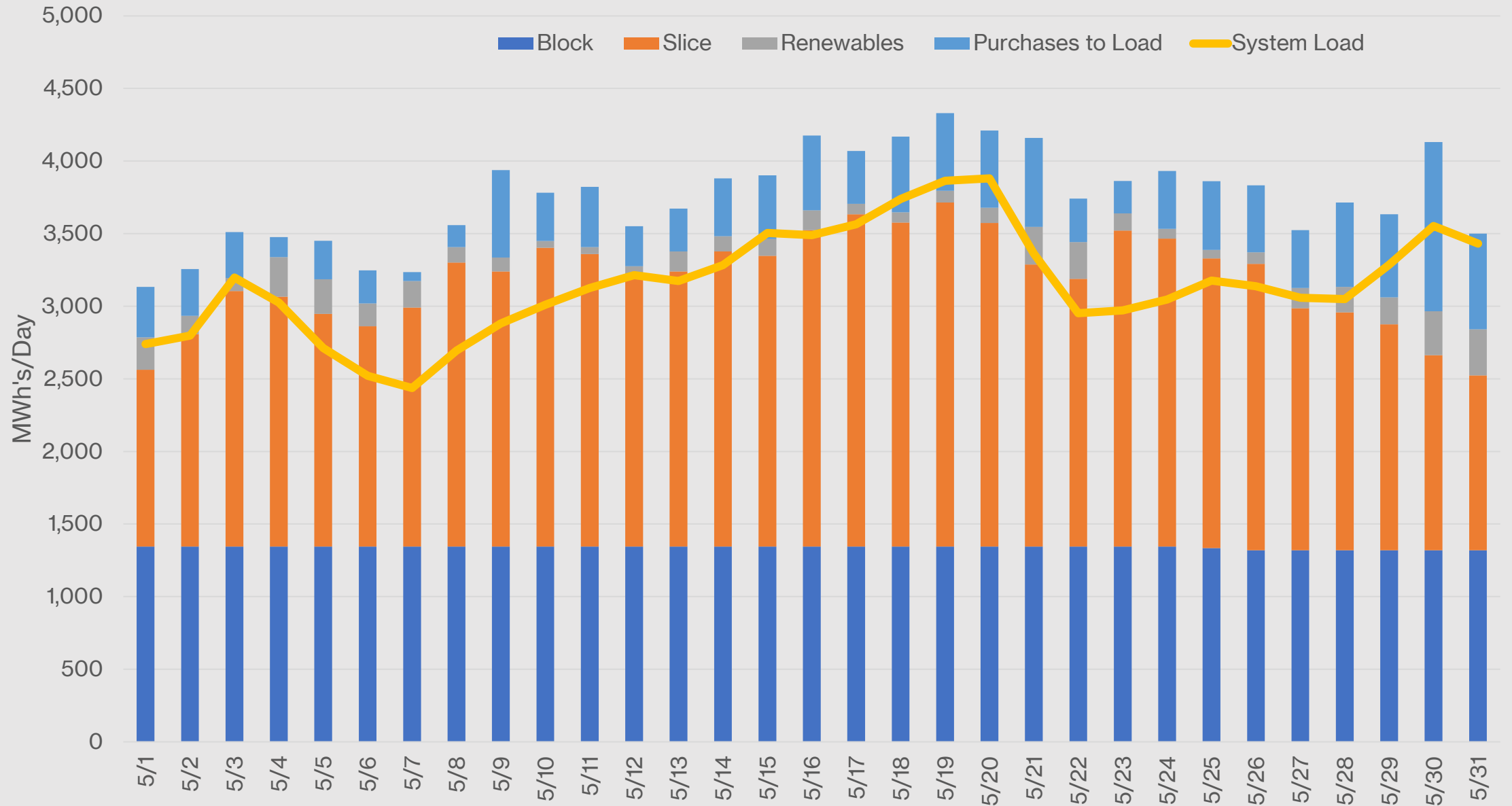
COLUMBIA RIVER RUNOFF



AVERAGE DAILY PRICES: Mid-C

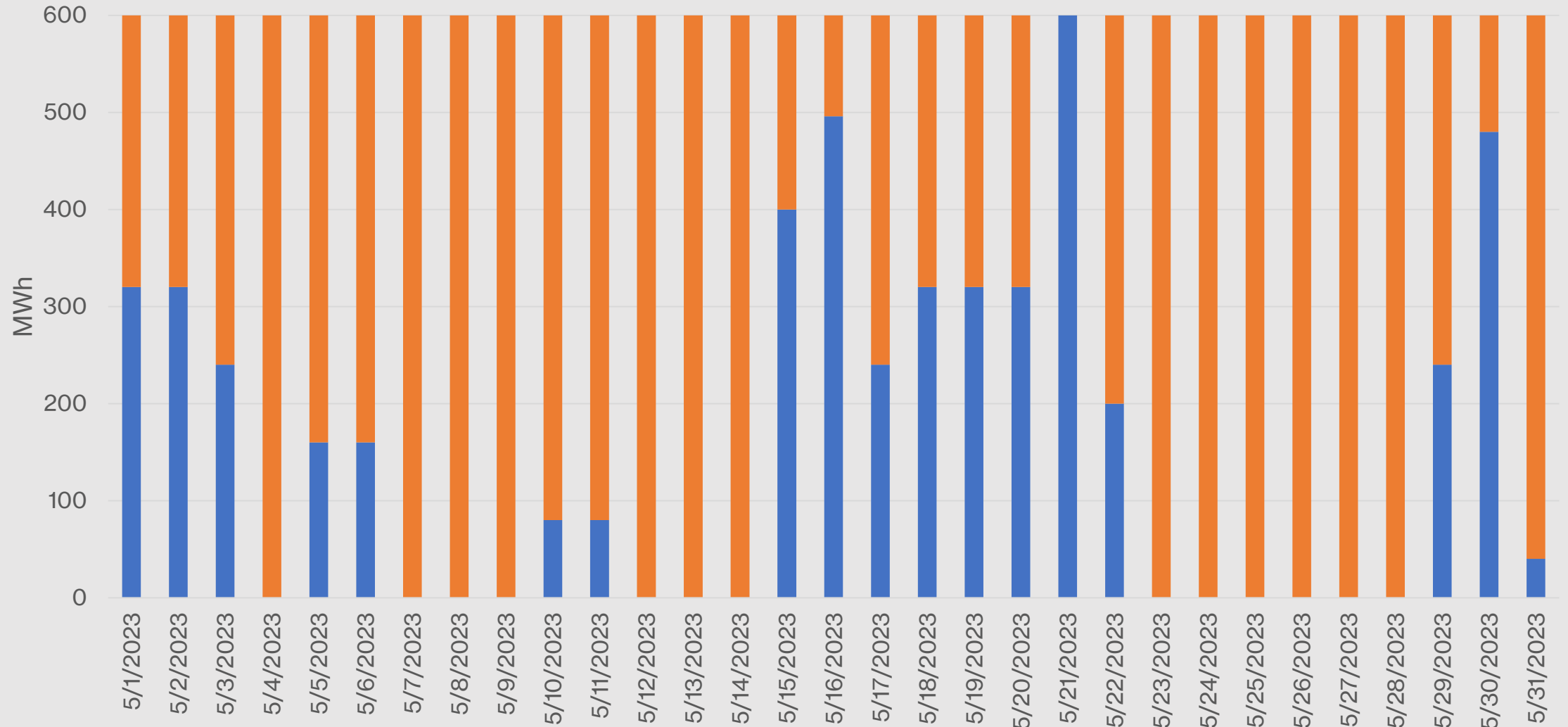


LOAD/RESOURCES BALANCE

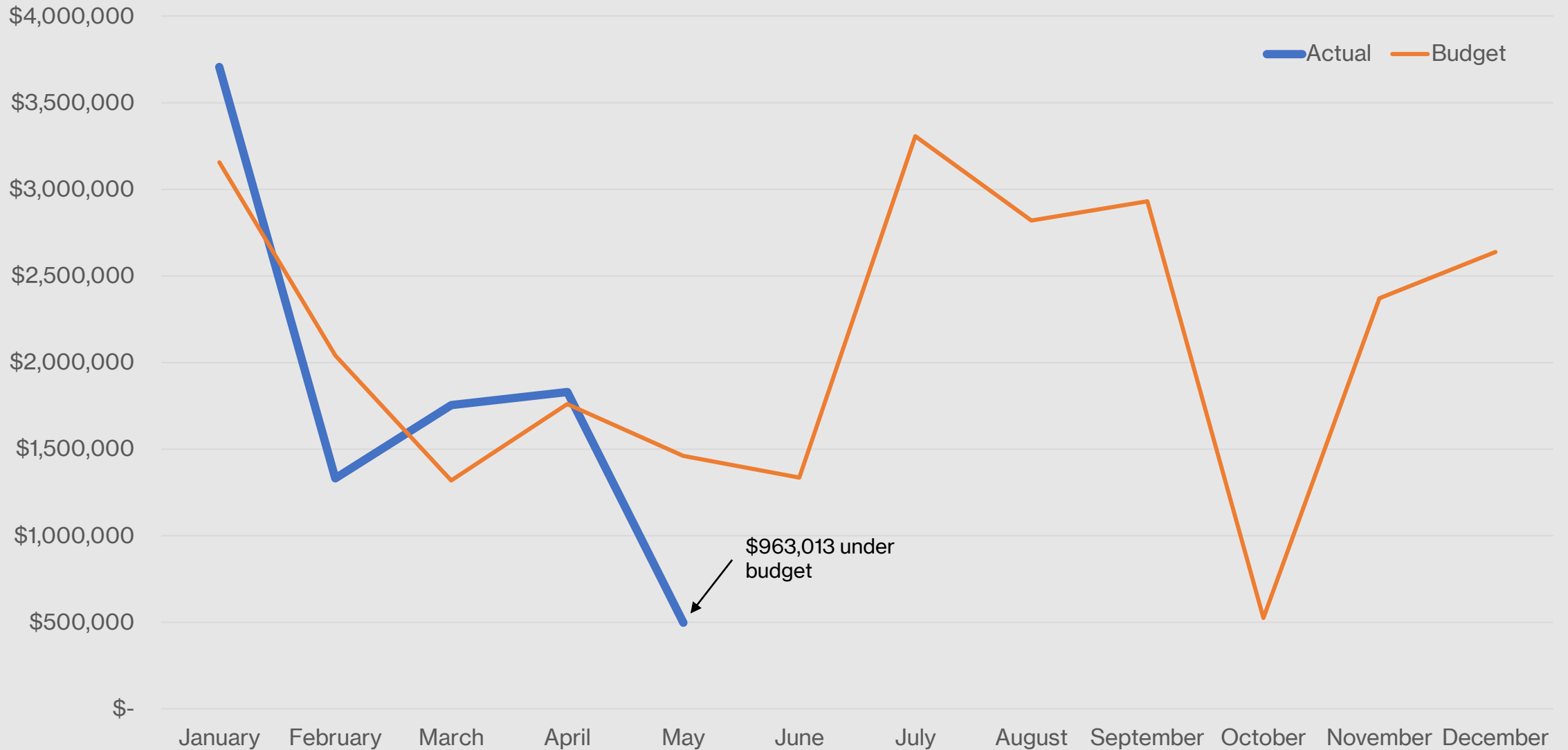


Powerex Deliveries

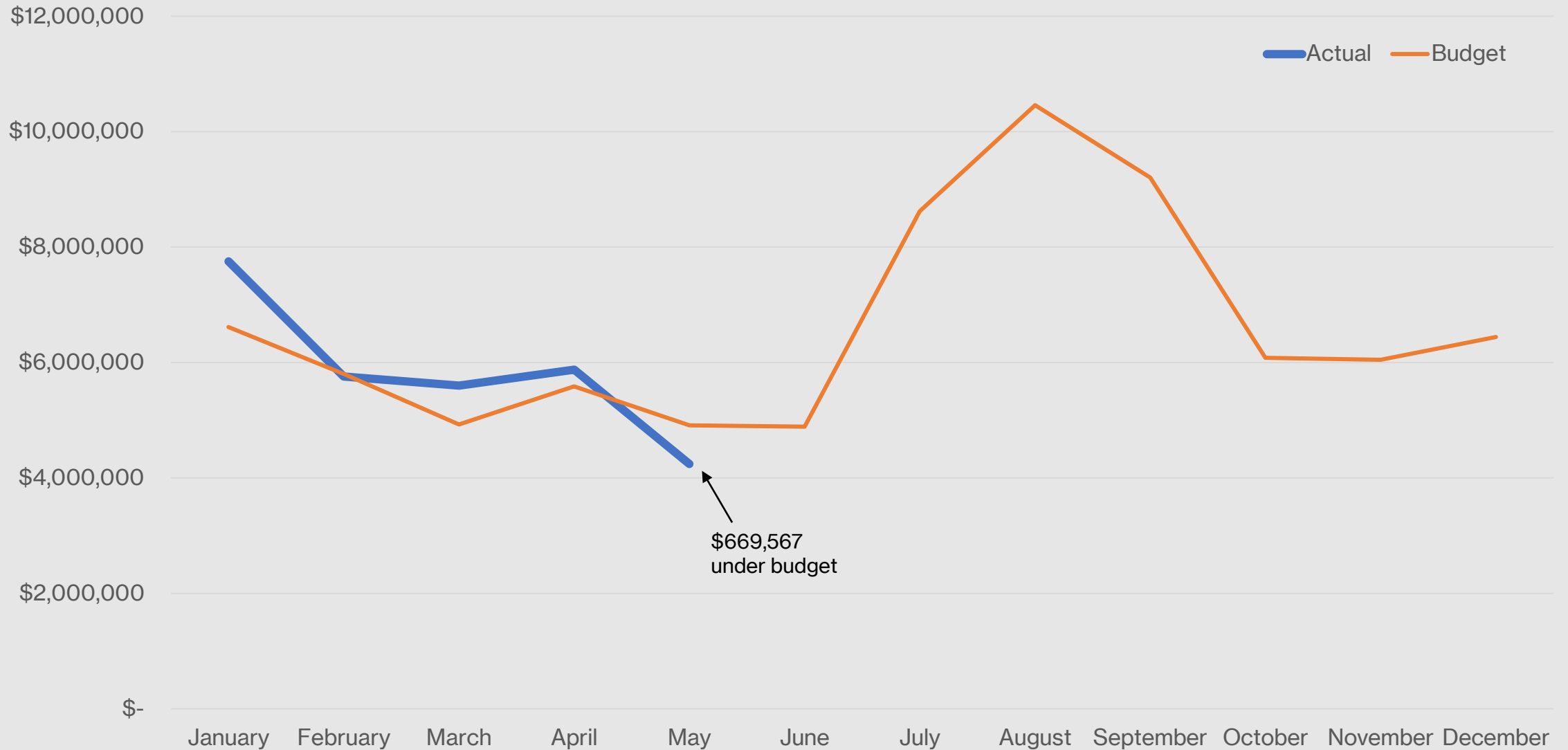
■ To Load ■ To Market



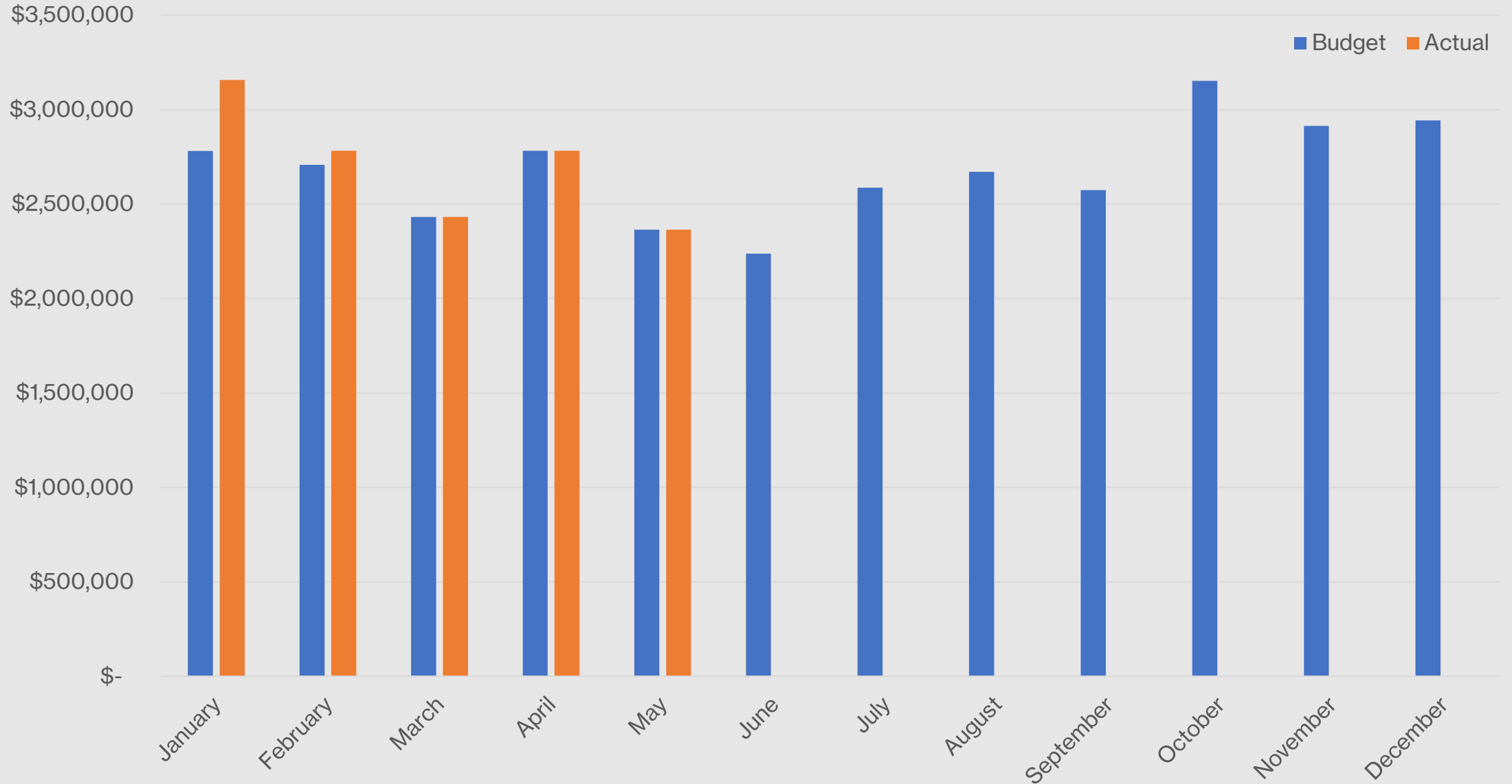
SALES FOR RESALE



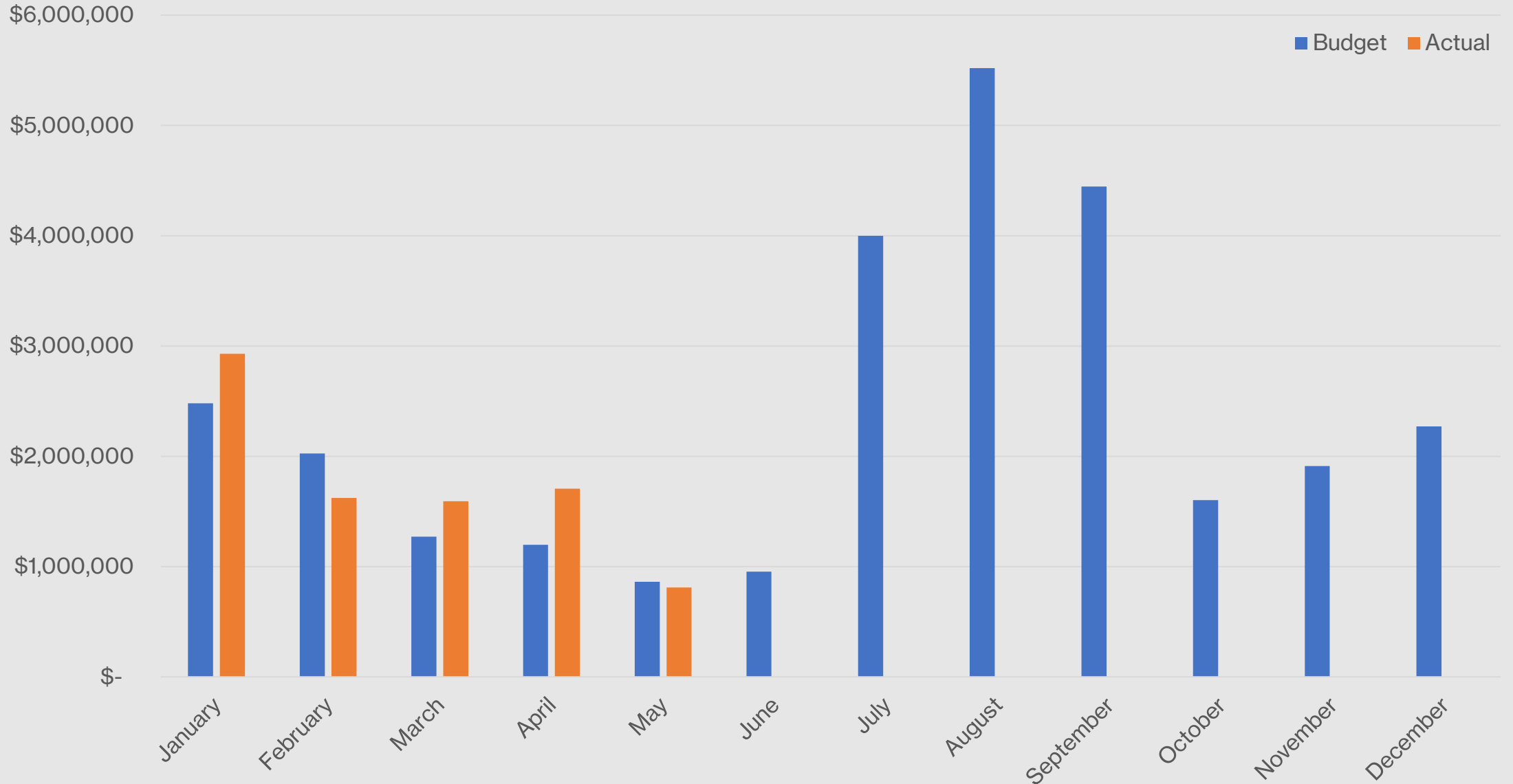
POWER COSTS



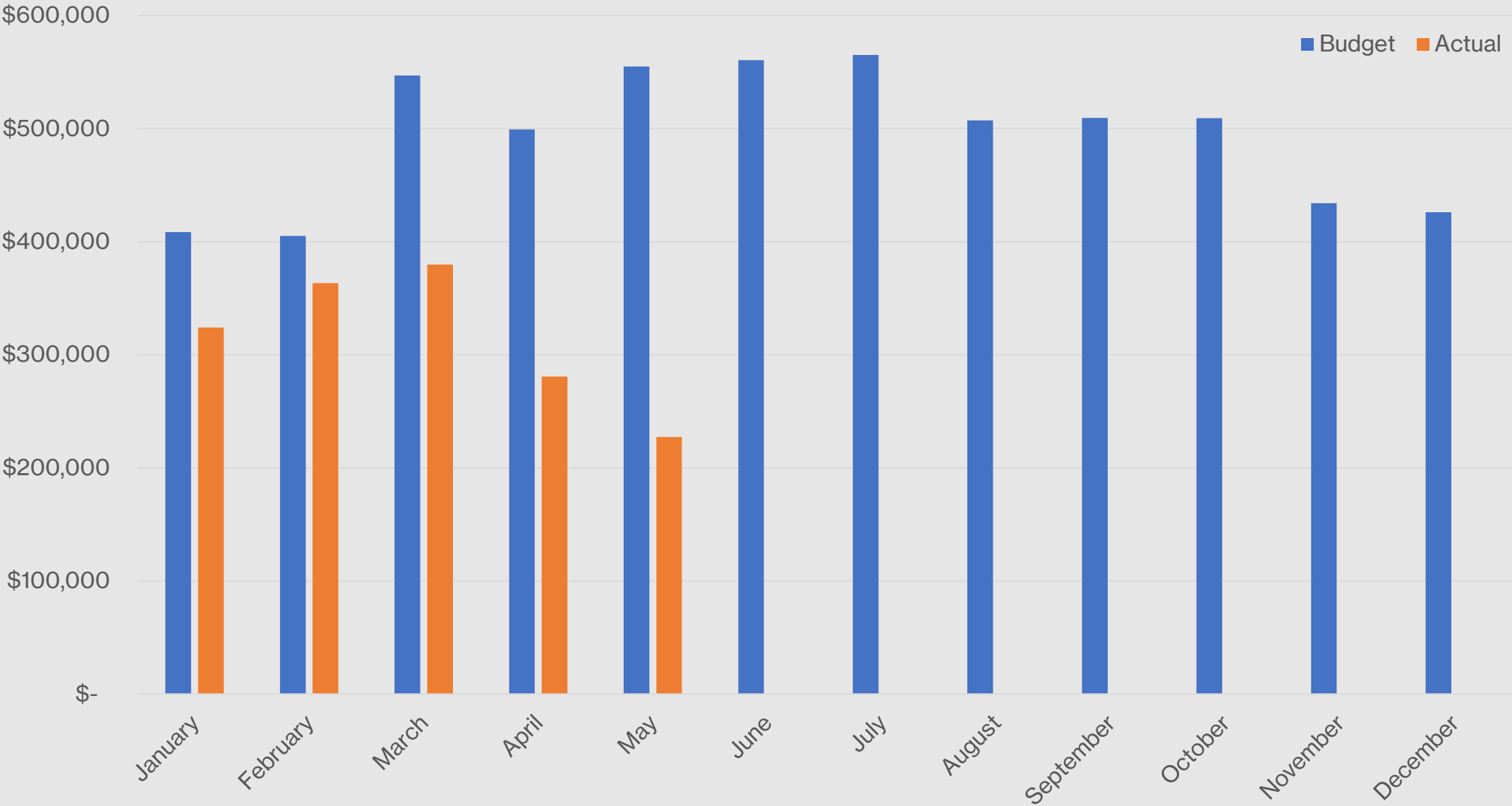
BPA POWER: Budget vs. Actual



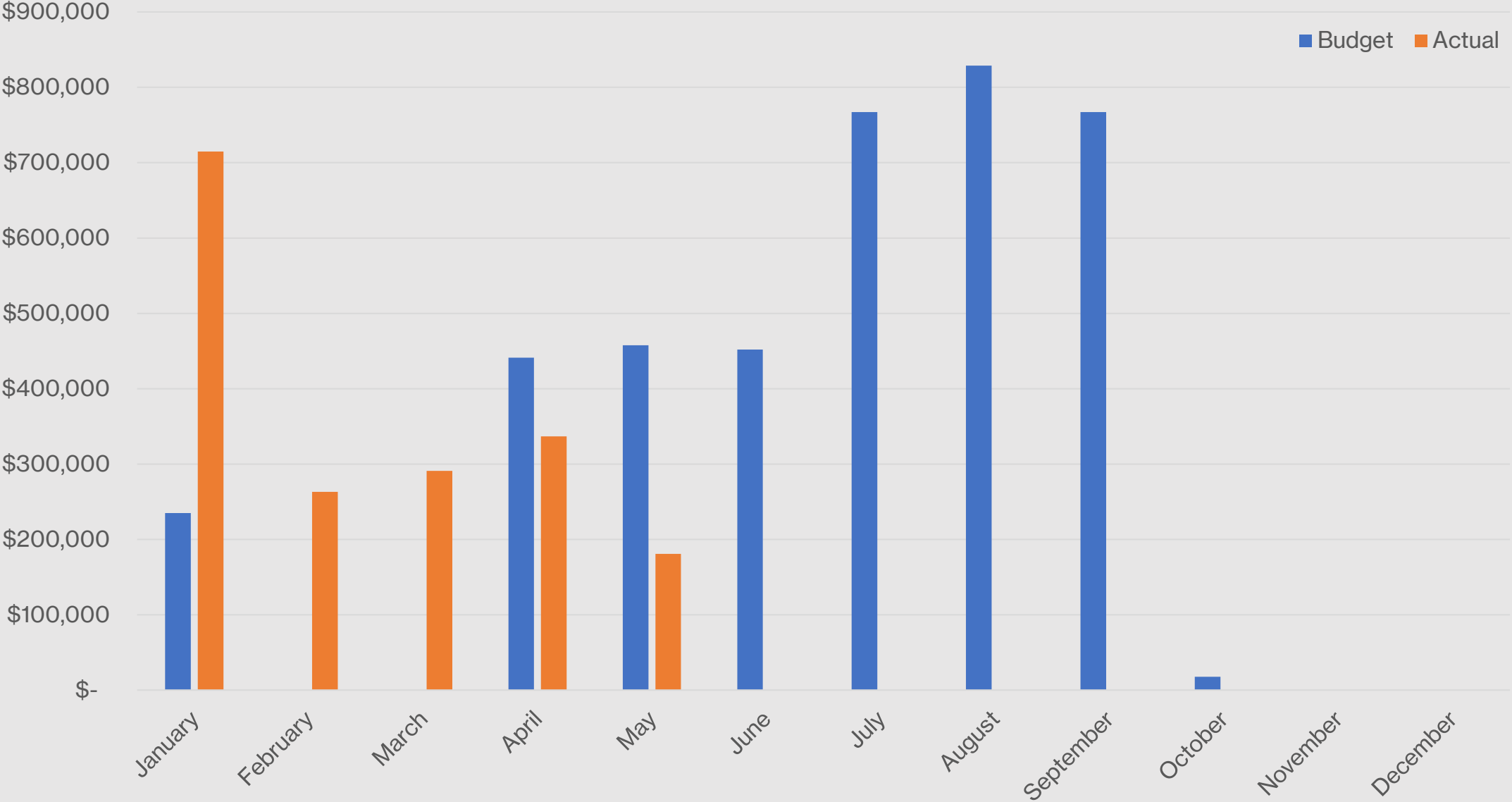
POWEREX: Budget vs. Actual



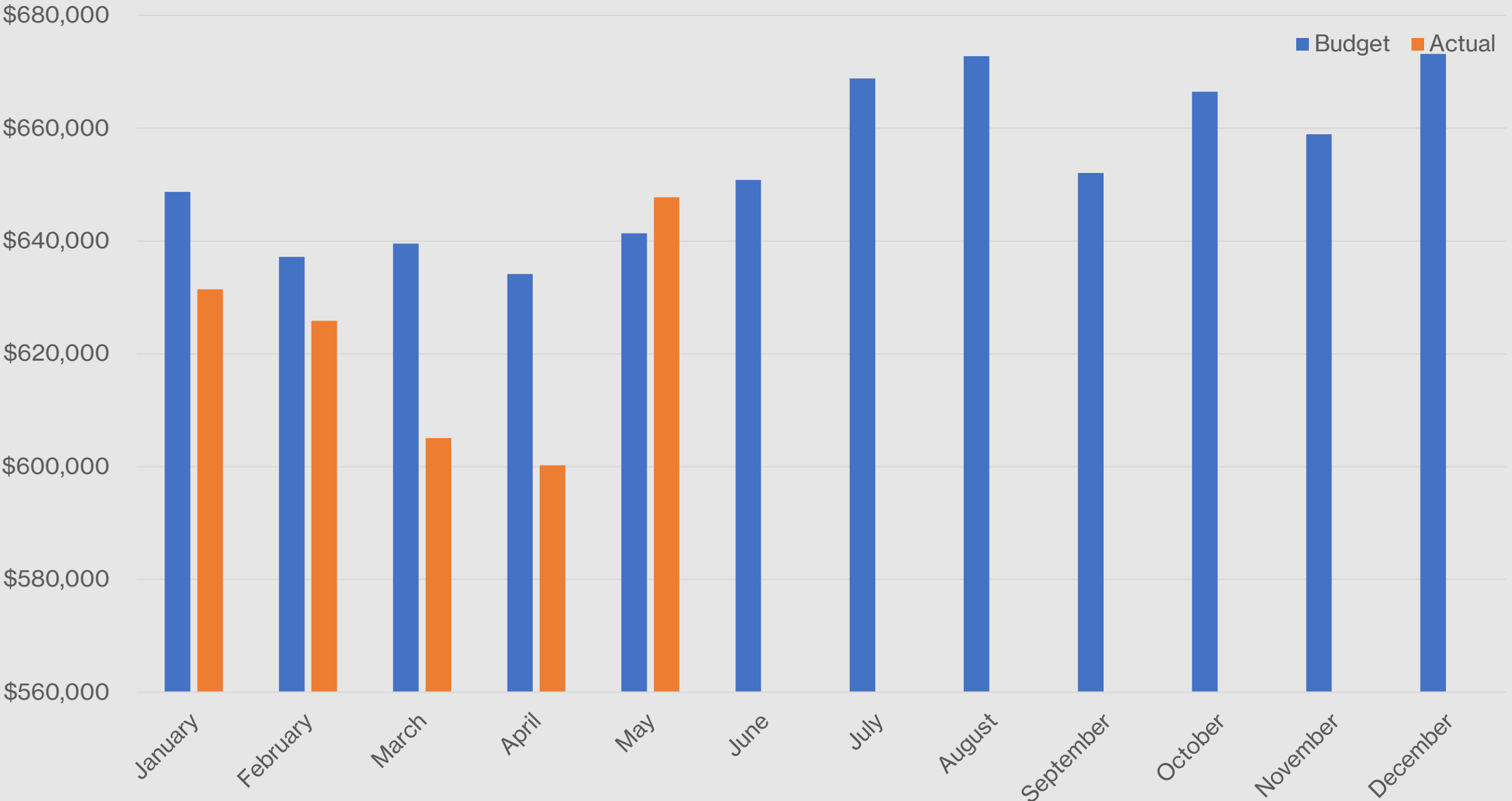
OTHER RESOURCES: Budget vs. Actual



MARKET PURCHASES: Budget vs. Actual



TRANSMISSION & ANCILLARY: Budget vs. Actual



OPERATIONS



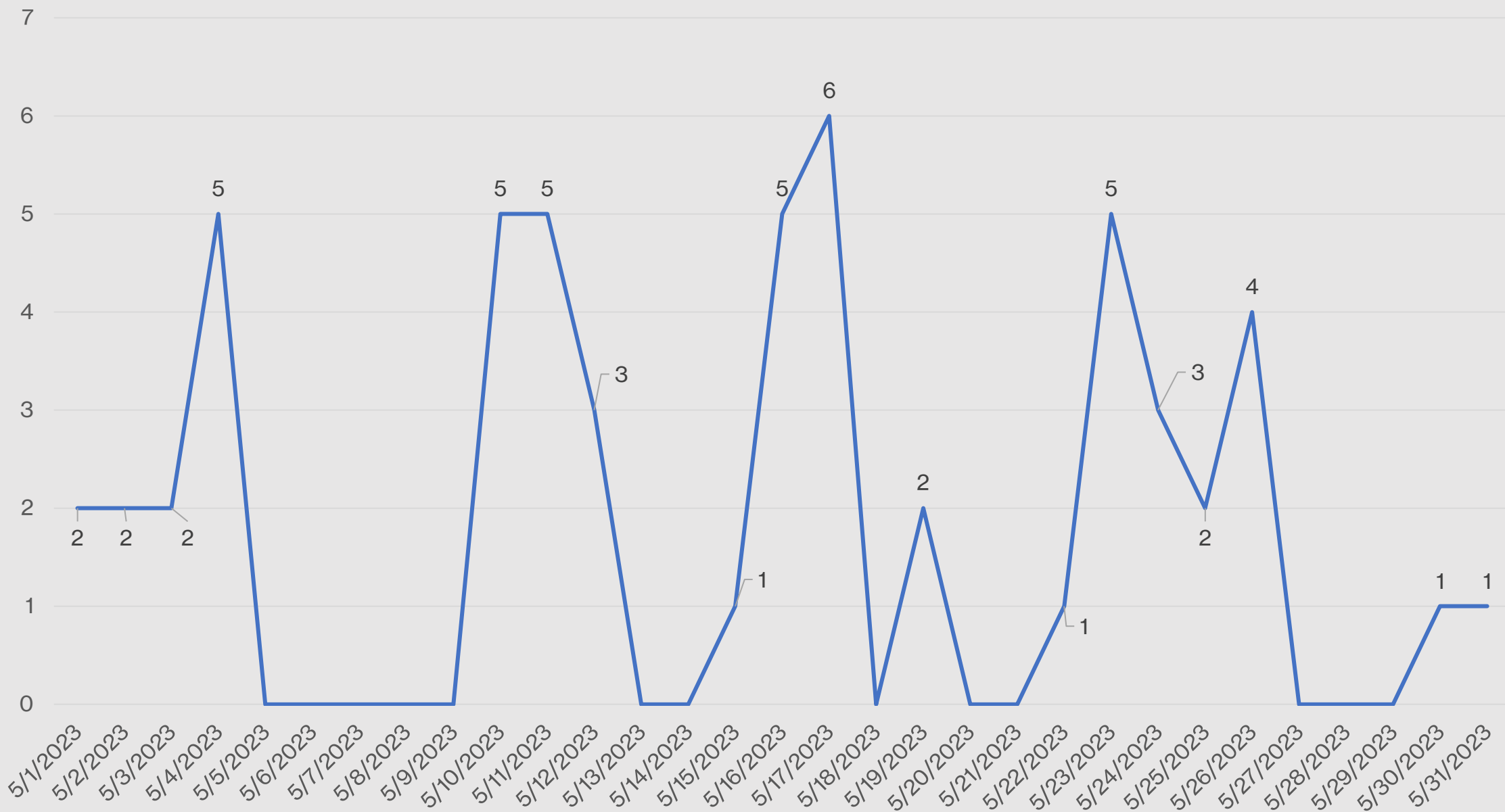
Overview

Smart meter deployment has been focused on commercial accounts. There are 31,611 AMI meters installed or 93.78% of the system. The next installment of meters should arrive at the beginning of June.

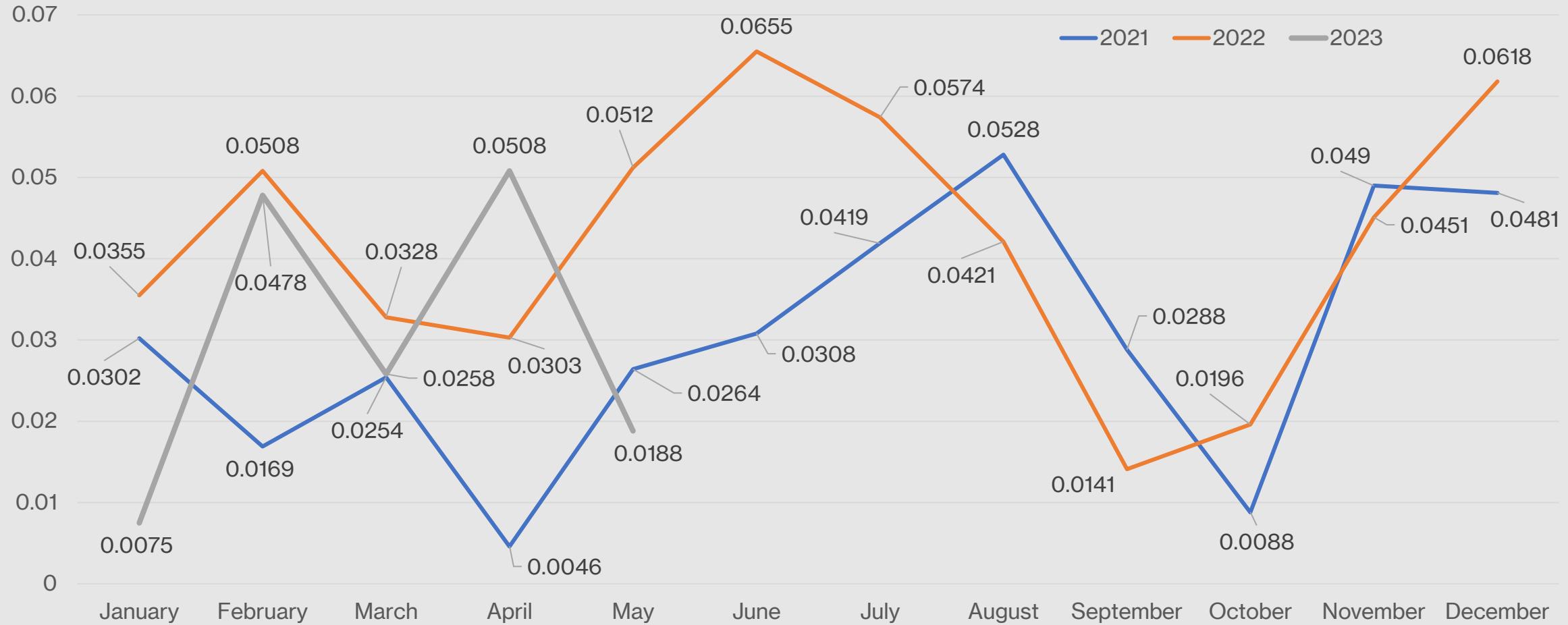
37 outages occurred in May. 16 of the outages were planned.

On May 26th an outage at Ringold substation affected 214 customers. The outage lasted 33 minutes. On May 19th an outage at Ruby Street substation lasted 4 hours affecting 15 customers.

SMART METERS INSTALLED

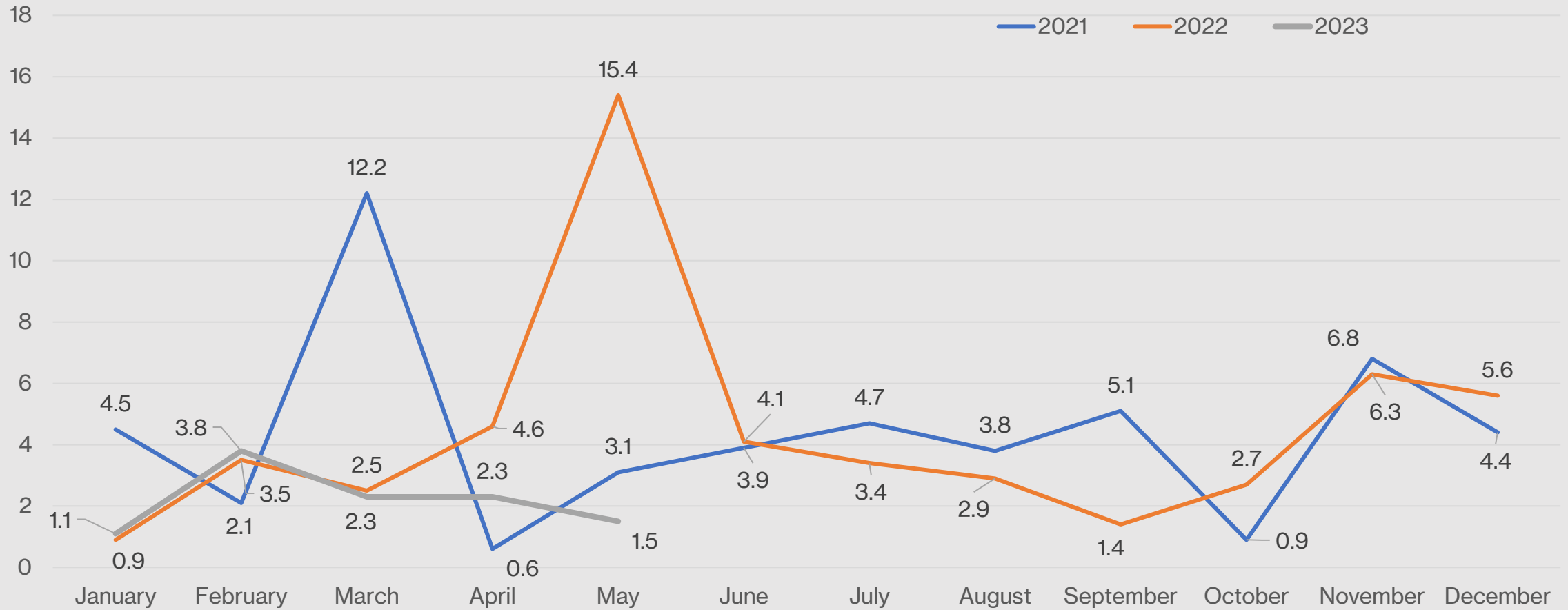


System Average Interruption Frequency Index (SAIFI)



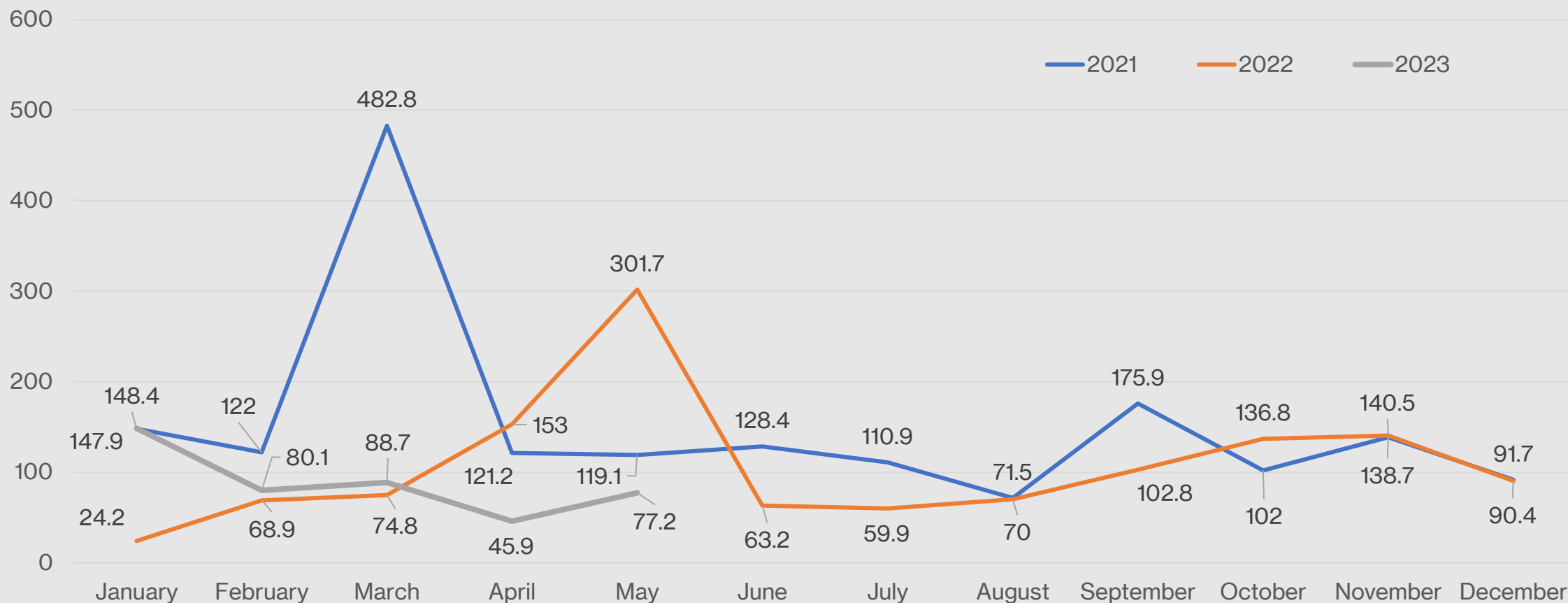
- a. SAIFI describes how often the average customer experiences an interruption.
- b. SAIFI is calculated by dividing the total number of customers interrupted by an outage by the total number of customers in the system.

System Average Interruption Duration Index (SAIDI)



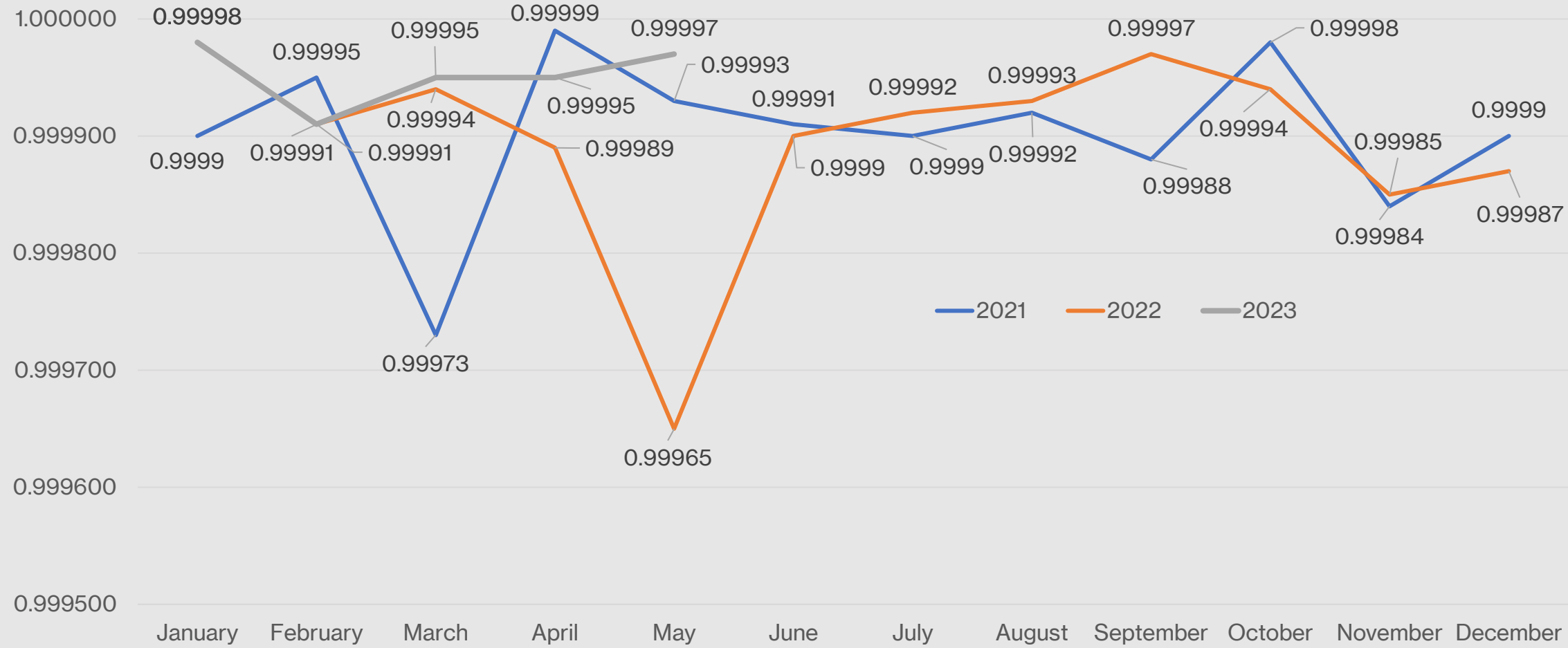
- SAIDI describes the total duration of the average customer interruption.
- SAIDI is calculated by multiplying the average duration of customer interruptions by their total number and then dividing by the total number of customers in the system

Customer Average Interruption Duration Index (CAIDI)



- CAIDI describes the average time required to restore service. Unlike SAIDI & SAIFI, CAIDI includes only customers who actually experienced an interruption.
- CAIDI is calculated as total minutes of customer interruption divided by the total number of customers interrupted.

Average Service Availability Index (ASAI)



a. ASAI is the ratio of the total number of customer hours that service was available during a given time period.

ENGINEERING



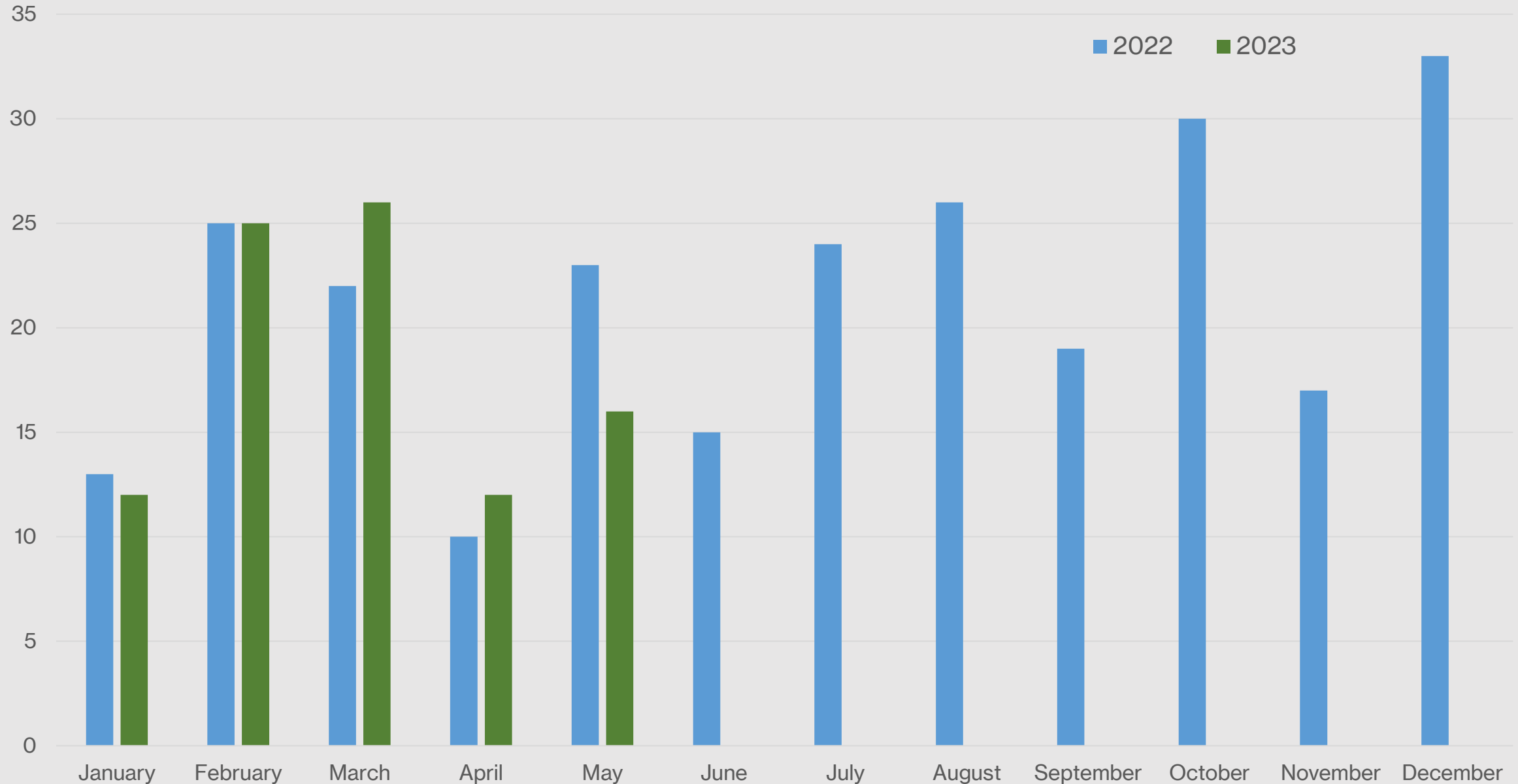
Overview

There were 16 new net metering (solar) interconnections added to the system in May which brings the total capacity of net meter connections on the system up to 6,568 KW. Total active net meter connections on the system are 747 with the average system size being 8.79 KW.

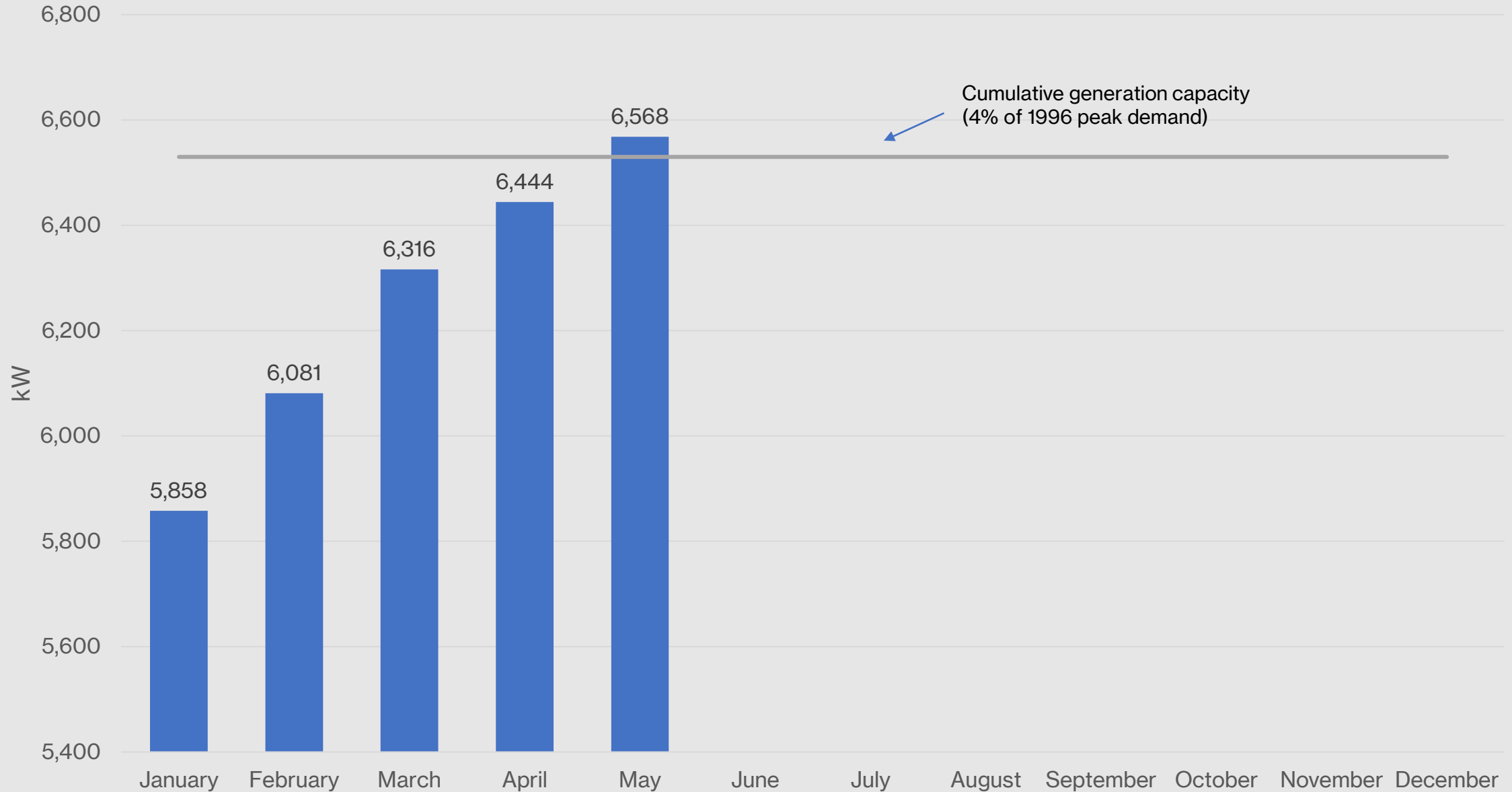
There were 9 SCADA alarms sent out by the system to staff, most of which came from the test system. There was one feeder lockout from Franklin substation on Feeder 7 which was due to equipment failure. There were 712 Operator issued commands sent remotely from the Dispatch center by the on-duty Dispatcher, which avoids having to send crews to the substations saving both time and resources. The abnormal number of alarms stems from the 5-year maintenance at Taylor Flats substation.

There was a total of 7 work orders approved in the month of May with a total material and labor cost estimate of \$97,031.89 which is an average of \$13,861.70 per job. For New Services, there were 25 new residential and 3 commercial services that came online.

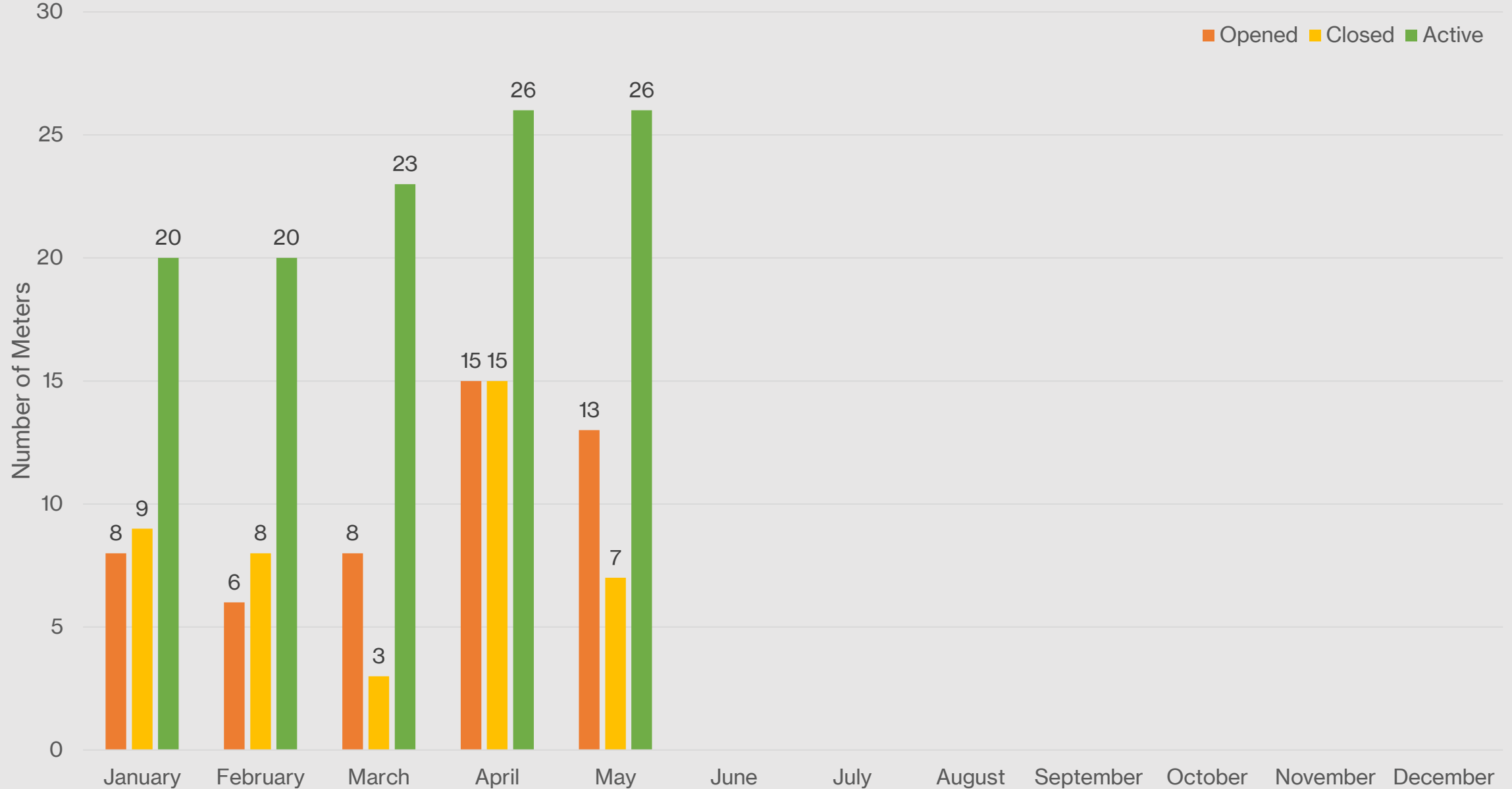
NET METERING INSTALLATIONS



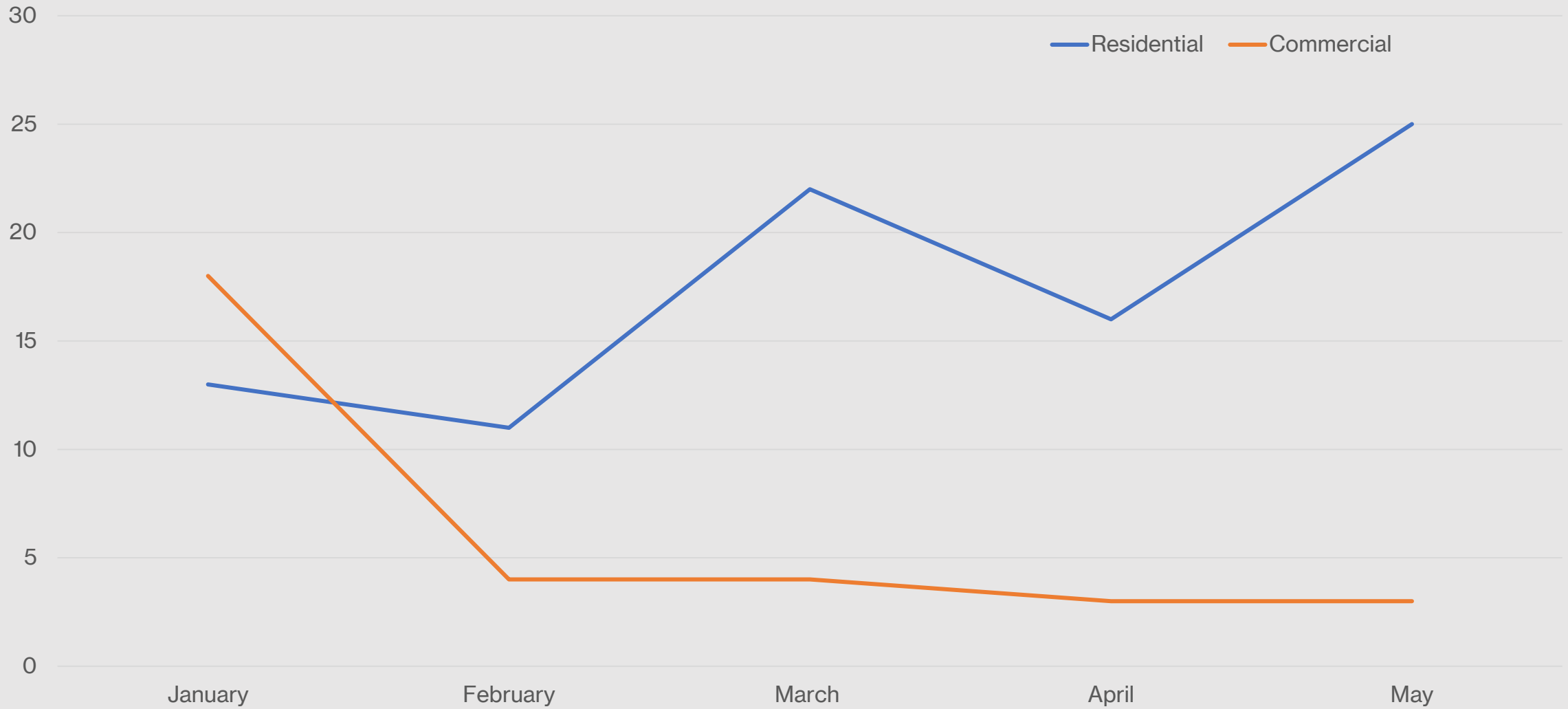
NET METERING CAPACITY INSTALLED



TEMPORARY SERVICE



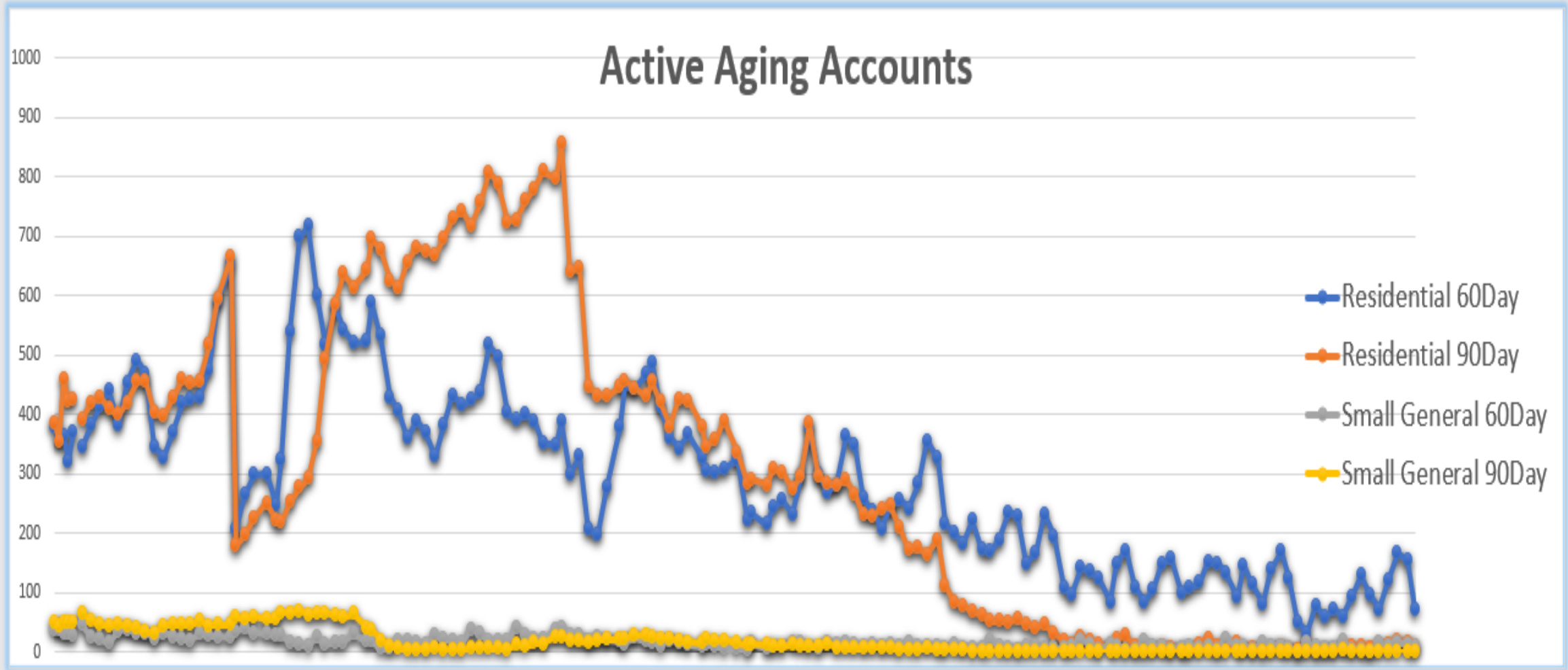
NEW SERVICES



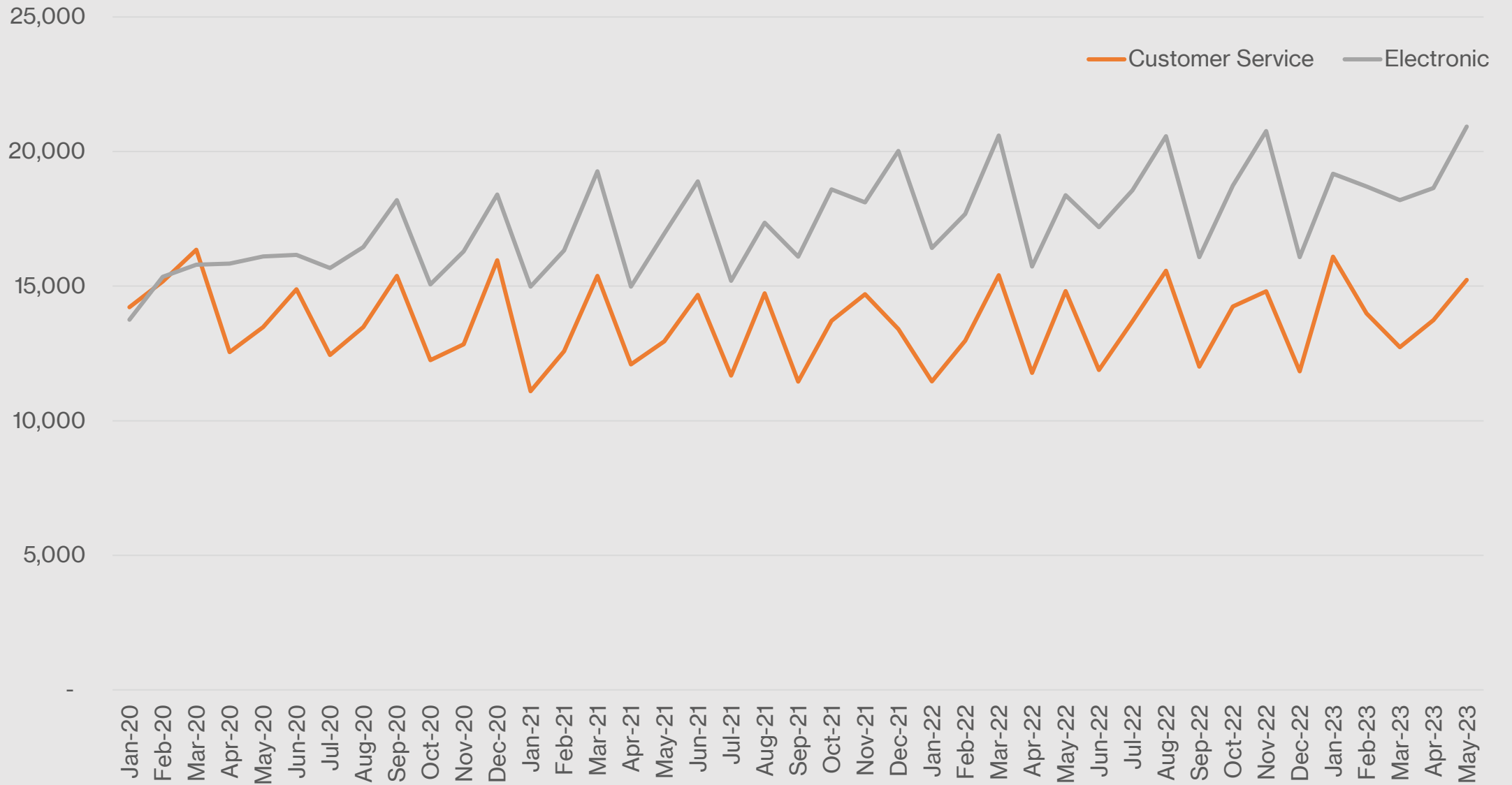
CUSTOMER SERVICE



AGING ACCOUNTS



PAYMENTS



WALK IN TRANSACTIONS

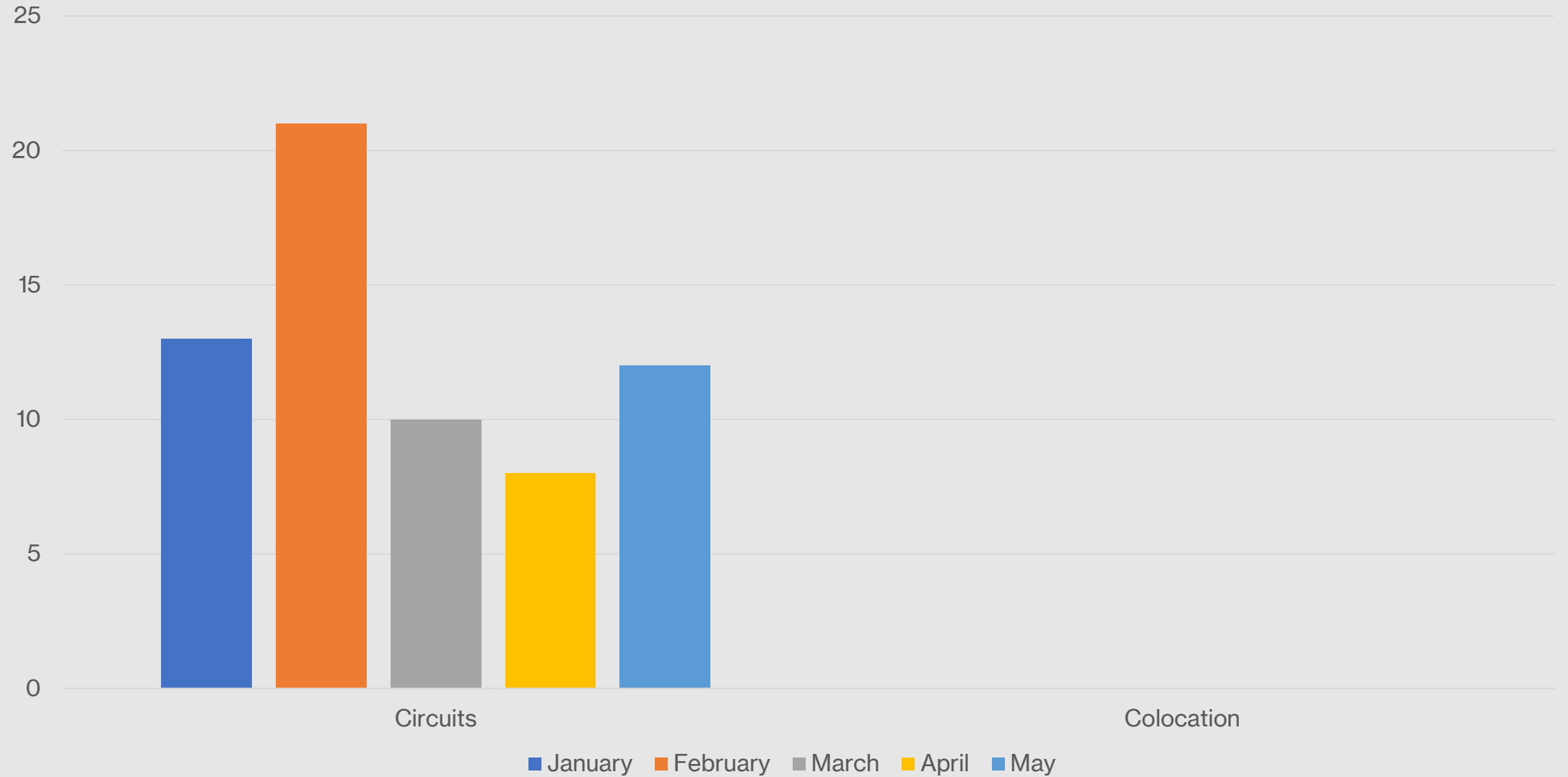
06.27.23 FPUD COMMISSION
MEETING



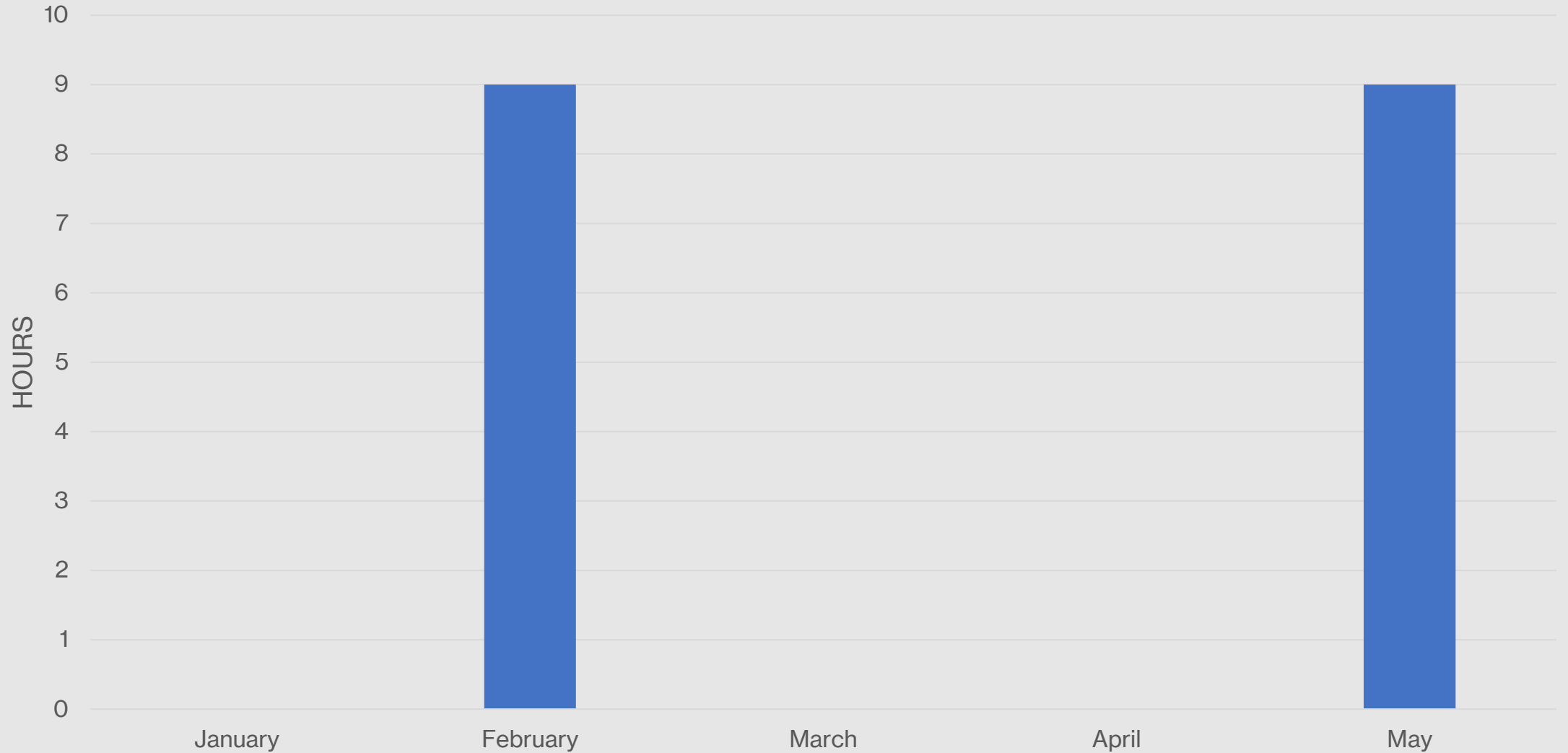
BROADBAND



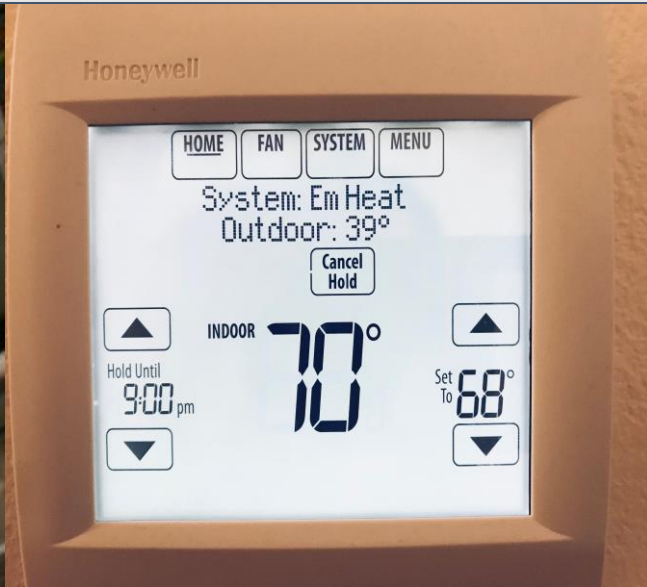
NEW SERVICES



UNPLANNED OUTAGE TIME



ENERGY SERVICES



PAID INCENTIVES

VENDOR	NAME	DATE	DESCRIPTION	AMOUNT
111766	GREENRIDGE FARMING INC	05/04/2023	SPRINKLERS	\$ 7,005.00
113980	SANCHEZ BROS CONSTRUCTION LLC	05/12/2023	INSULATION	\$24,762.60
106936	SAGEBRUSH FARMS INC	05/18/2023	SPRINKLERS	\$ 1,650.00
113980	SANCHEZ BROS CONSTRUCTION LLC	05/19/2023	INSULATION	\$29,212.86
113648	AMERICAN BUILDING & ROOFING INC	05/25/2023	LIGHTING	\$ 702.00
113672	TRI-CITIES COMMUNITY HEALTH	05/25/2023	LIGHTING	\$ 1,320.00
				\$64,652.46

FUTURE PROJECTS – under contract

CONTRACT	INCENTIVE	AMOUNT
#10086	HVAC	\$37,200.00
#10089	LIGHTING	\$1,430.00
#10091	HVAC	\$75,000.00
#10105	OPTIMIZATION	\$23,700.27
#10141	LIGHTING	\$2,129.00
#10142	LIGHTING	\$19,987.00
#10171	LIGHTING	\$20,696.00
#10172	LIGHTING	\$6,182.00
#10179	LIGHTING	\$5,080.00
#10185	LIGHTING	\$86,550.00
#10203	LIGHTING	\$ 5,840.00
#10204	LIGHTING	\$ 880.00
#10211	ROASTER	\$81,294.00
#10212	LIGHTING	\$ 4,840.00
#10216	VFD	\$ 8,400.00
#10219	LIGHTING	\$ 3,395.00
		\$382,603.27

FUTURE PROJECTS – not under contract

INCENTIVE	AMOUNT
VFD	\$15,996.00
HVAC	\$2,000.00
HVAC/REFRIGERATION	\$150,000.00
SEM PROJECT	\$49,657.00
SEM PROJECT	\$34,100.00
SEM PROJECT	\$20,245.00
LIGHTING	\$5,217.00
LIGHTING	\$5,000.00
LIGHTING	\$1,317.00
LIGHTING	\$13,200.00
REFRIGERATION	\$46,021.63
LIGHTING	\$31,282.00
	\$374,035.63

PURCHASING



PURCHASING - Quotes

REQUESTOR	TYPE OF PURCHASE	AWARDED	VENDOR
Engineering	Secondary Termination Cabinet	04/07/2023	Border States
Engineering	Substation Material	04/16/2023	Border States, Irby Electrical, Anixter, General Pacific, Carlson Sales
Warehouse	Stock Material	05/04/2023	Border States, Irby Electrical, Anixter, General Pacific
Engineering	Substation Material	05/16/2023	General Pacific
Engineering	Substation Material	05/17/2023	Victor Insulators

PURCHASING - Bids

REQUESTOR	TYPE OF PURCHASE	AWARDED	VENDOR
Engineering	15kV Substation Breakers	01/12/2023	Anixter, Inc.
Engineering	115kV Substation Breakers	01/12/2023	Carlson Sales
Engineering	Dock Crew	01/25/2023	DJs Electrical
Engineering	115kV Potential Transformers	01/25/2023	Carlson Sales
Engineering	Switchgear	01/25/2023	General Pacific
Engineering	15kV Distribution Breakers	01/26/2023	G&W Electric
Engineering	15kV Metering Cabinet	01/26/2023	General Pacific
Meter Shop	AMI Meters	03/28/2023	Carlson Sales
Engineering	Primary UG Cable	03/28/2023	General Pacific
Engineering	Single Phase Transformers	03/29/2023	General Pacific
Engineering	GOAB Switch	04/27/2023	Royal Switchgear

METRICS AND DASHBOARDS





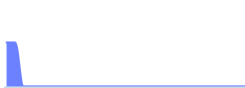
PUBLIC AFFAIRS *(May 13 – June 16, 2023)*

Overall Social Media Performance Summary

Category	Facebook	Twitter	Instagram
Total Followers	2,285	1,053	315
New Followers	0	8	23
Total Impressions	7,570	2,737	2,500
Total Reach	5,148	N/A	1,137
Engagement Rate	5.85%	0.7%	7.04%

National Electrical Safety Month Campaign (May 2023)

Impressions	Engagements	Comments	Av. Eng. Rate
4,991	137	2	3.43%

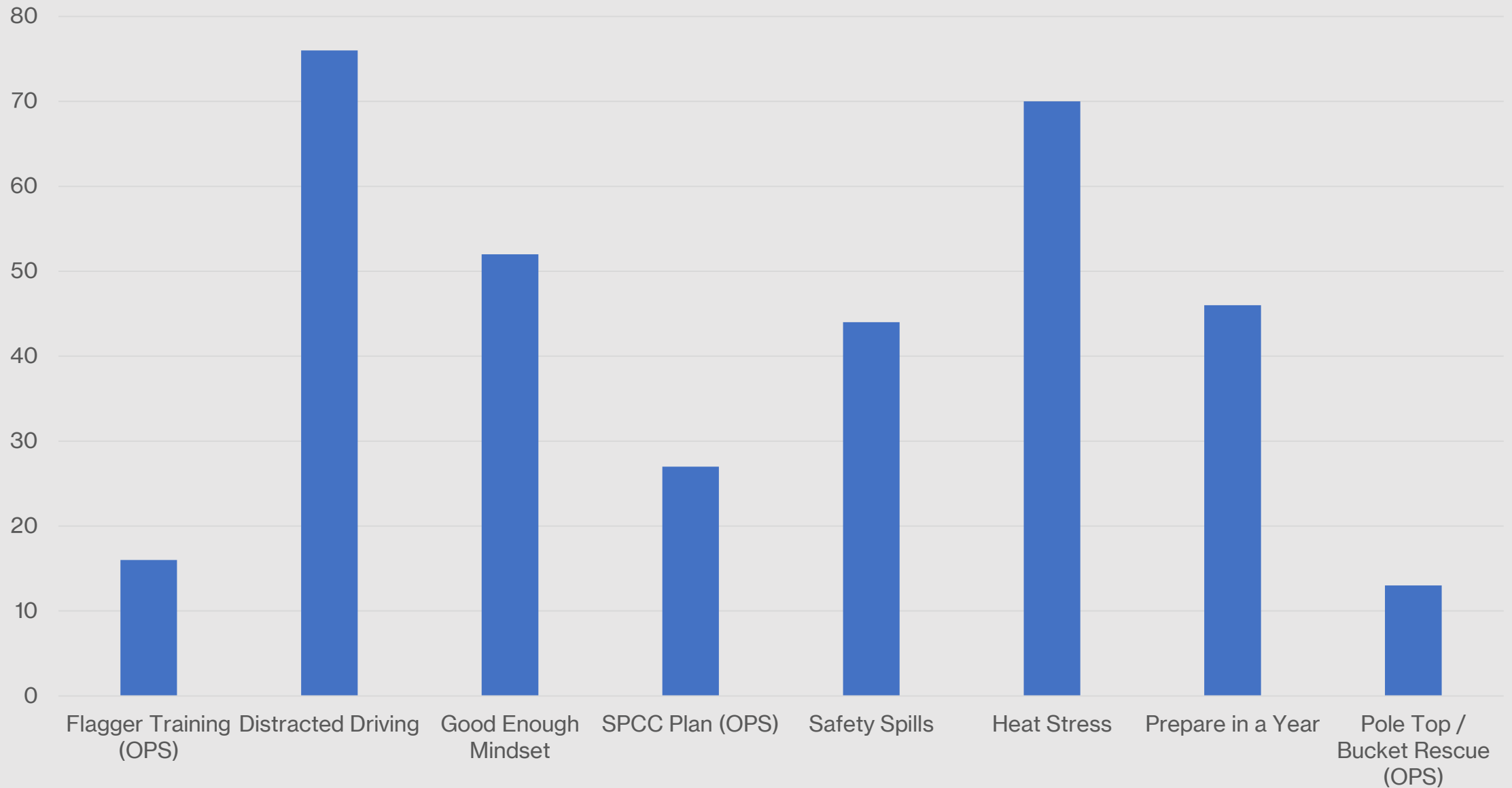
New Followers 30	Post Impressions 4,661	Post Engagements 137	Post Comments 2
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Events We've Participated In:

- May 19 – STEMtastic Expo @ McClintock Elementary
- June 1 – Tour @ Operations w/ Pasco High Students
- June 6 – Safety Trailer Demo @ Kahlotus Schools



SAFETY TRAINING



CYBERSECURITY

May 2023 – Memorial Day Picnic:

Out of 87 emails sent:

- 1 User(s) clicked on a bad link
- 41 Users reported the email as phishing
- Phish-Prone = 1.1%

Previous results

April – Benefits Survey = 0% prone to an attack

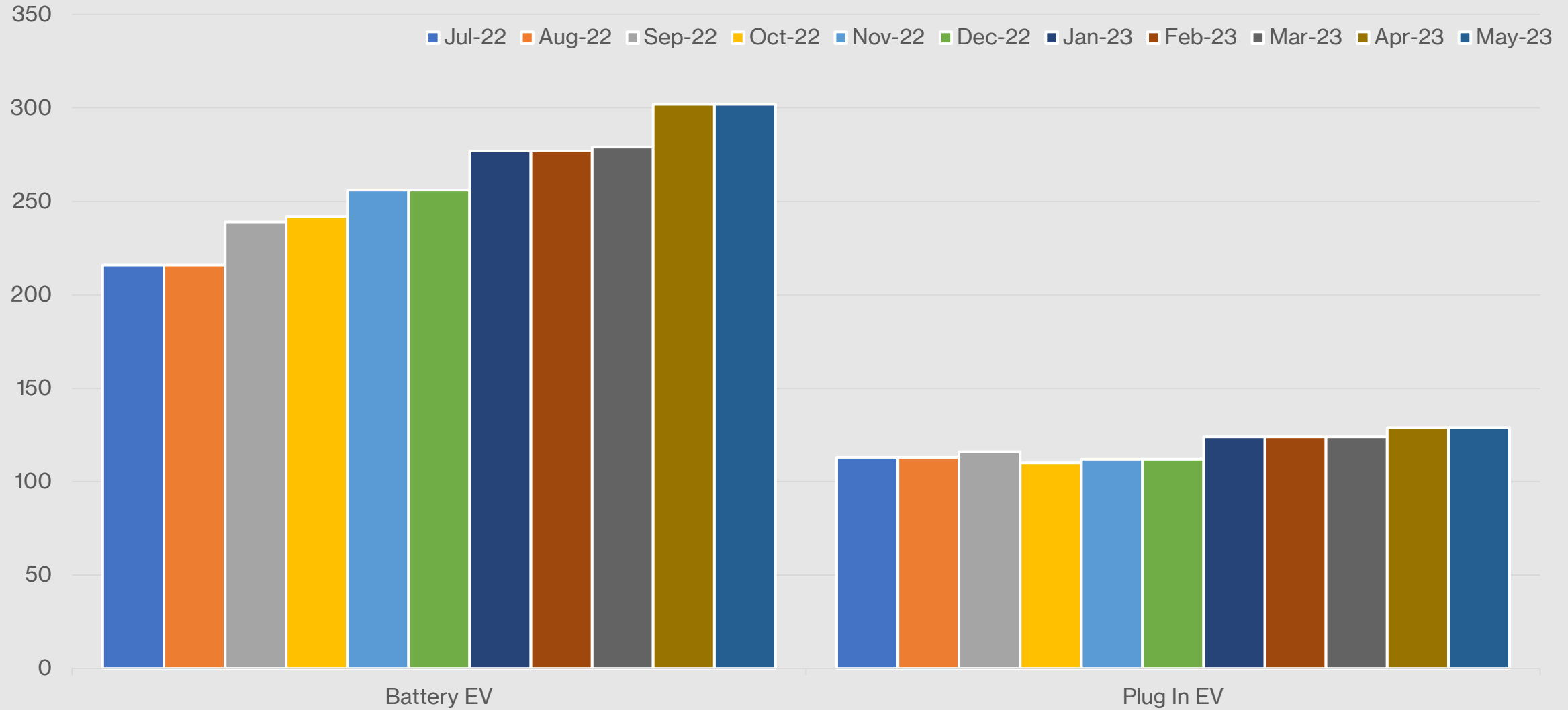
March – Website Error = 0% prone to an attack

February – Changes to Healthcare = 1.1% prone to an attack

January – Facebook Join – 1.1% prone to an attack

ELECTRIC VEHICLES

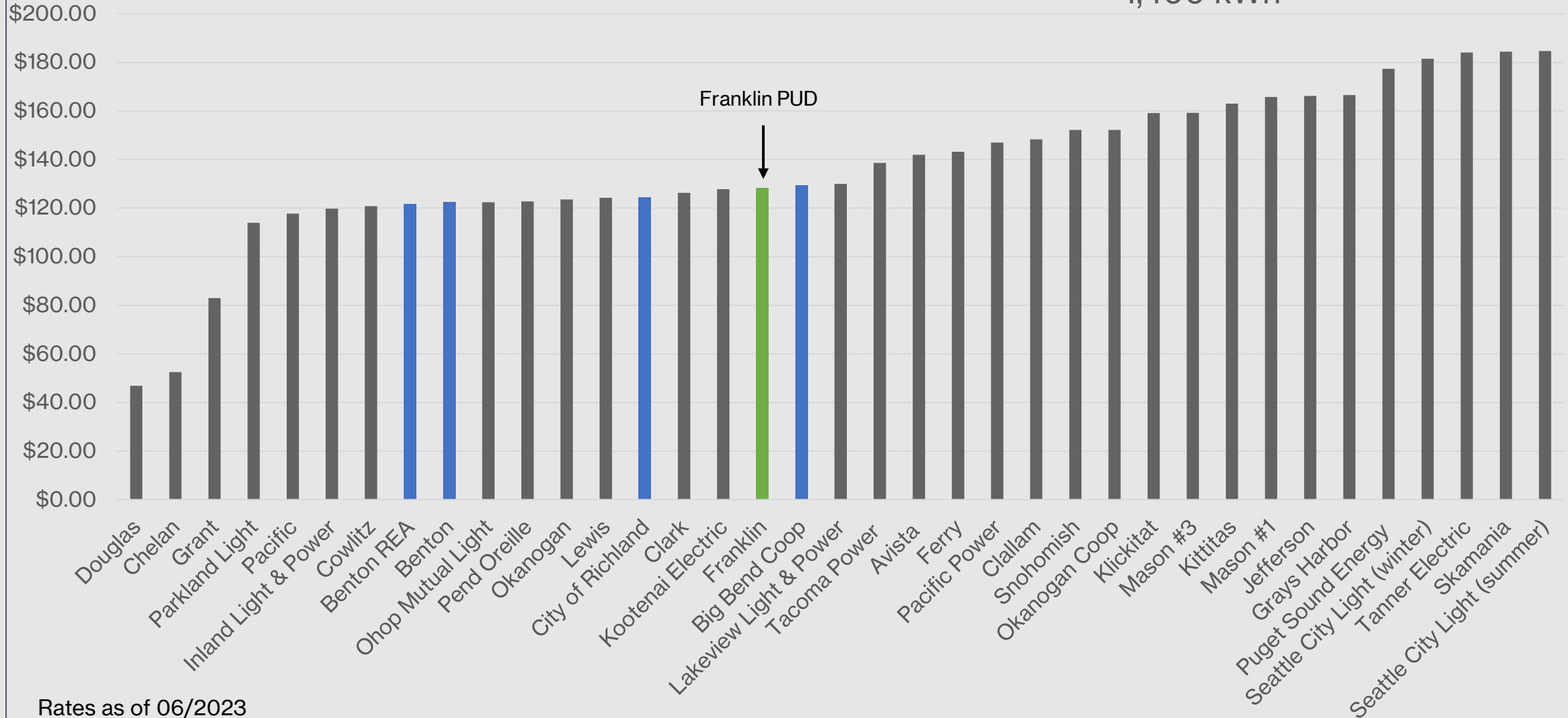
06.27.23 FPUD COMMISSION
MEETING



RESIDENTIAL RATE COMPARISON

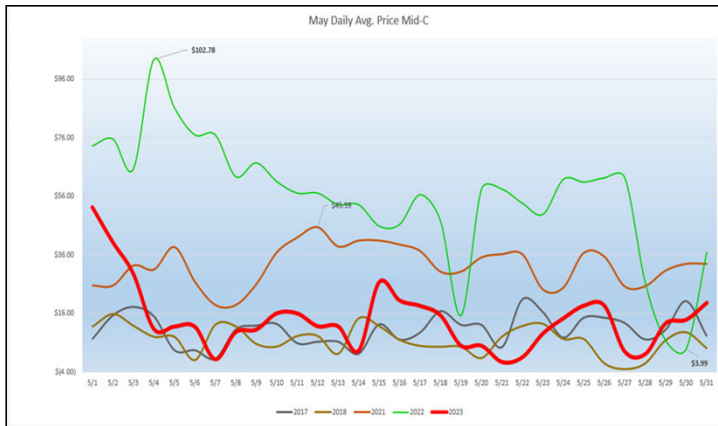
Neighboring utilities are shown in blue.

Total Residential Bill
1,400 kWh

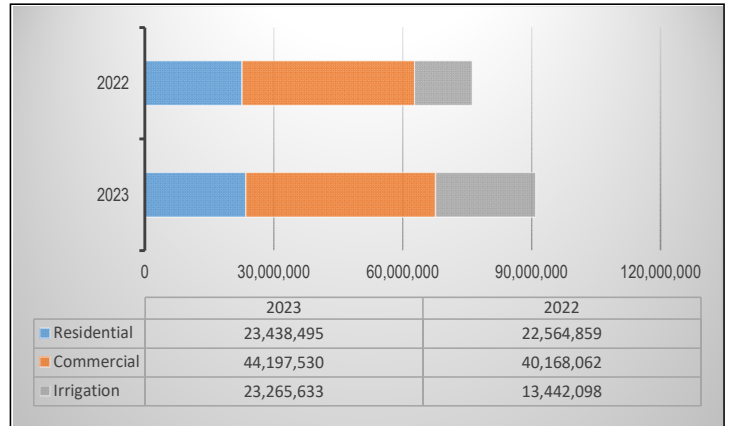


Public Utility District No. 1 of Franklin County
Monthly Financial Highlights
For the Month Ended May 31, 2023

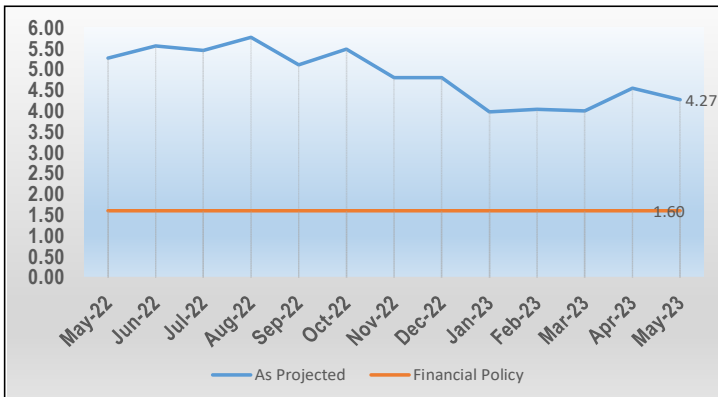
Average Day Ahead Wholesale Power Pricing - Current Month



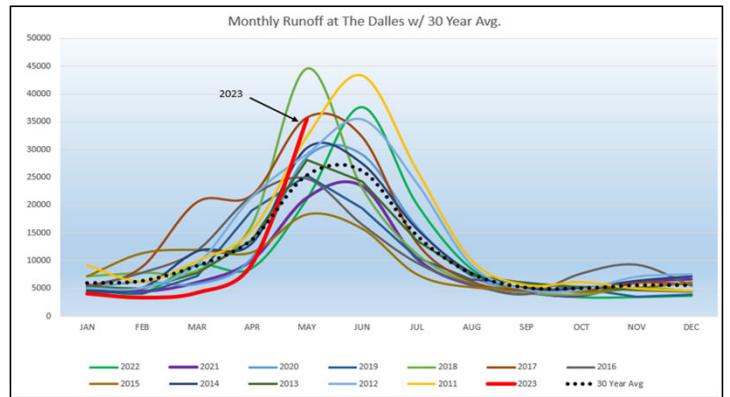
Energy Uses - kWh



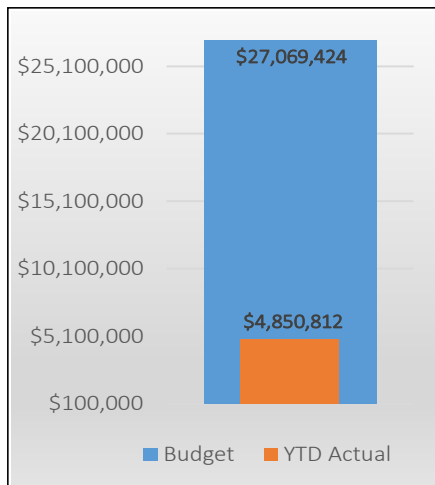
Debt Service Coverage



Runoff at The Dalles



Capital Spending



Labor & Benefits

	Budget	Actual	+/- 10%
Capital	\$188,308	\$109,913	●
Operating	1,022,870	1,035,899	●
Garage & Warehouse	69,118	58,300	●
Total	\$1,280,296	\$1,204,112	

Overtime

YTD May:	Budget*	Actual
Hours	2597	2456
Dollars	\$250,437	\$223,760

*Budget is submitted for annual period, amount shown is prorated for months elapsed

Cash & Investment Balances

	End of Year Forecast		
	Prior Month	Current Month	
Unrestricted Revenue Fund	\$ 37,979,652	\$ 38,625,389	↑
Unrestricted Rate Stabilization	\$ 5,900,000	\$ 5,900,000	●
Restricted Bond Funds	\$ 1,622,221	\$ 1,622,221	●
Restricted Construction Funds	\$ 10,500,000	\$ 10,500,000	●
Restricted Debt Service Reserve	\$ 2,163,204	\$ 2,163,204	●
Restricted Deposit Fund	\$ 1,417,793	\$ 1,417,793	●
Restricted Other	\$ 10,000	\$ 10,000	●

Electric Customer Statistics

As of May 31:	2023	2022	
Electric Residential Meters	28,590	28,343	↑
Electric Commercial Meters	3,821	3,737	↑
Electric Irrigation Meters	905	905	●

Public Utility District No. 1 of Franklin County

Budget Status Report

For the Month Ended May 31, 2023

	May Budget	May Actual	Variance	FY Forecast	FY Budget	Variance
1 Operating Revenues						
2 Retail Energy Sales	\$6,481,123	\$6,841,254	\$360,131	\$86,474,321	\$85,580,329	\$893,992
3 Broadband Sales	194,867	193,809	(1,057)	2,389,738	2,356,220	33,518
4 Transmission Sales	0	565	565	10,129	0	10,129
5 Sales for Resale	1,460,776	497,763	(963,013)	32,462,578	25,666,504	6,796,074
6 Other Operating Revenue	21,458	29,257	7,799	433,891	394,496	39,395
7 Total Operating Revenues	\$8,158,224	\$7,562,648	(\$595,576)	\$121,770,656	\$113,997,549	7,773,107
8						
9 Operating Expenses						
10 Power Supply	4,913,203	4,243,635	(669,567)	84,920,107	79,590,624	5,329,483
11 System Operations & Maintenance	513,453	582,673	69,220	6,828,542	6,525,799	302,743
12 Broadband Operations & Maintenance	77,728	63,136	(14,592)	848,694	845,482	3,212
13 Customer Accounts Expense	178,567	169,137	(9,429)	2,135,139	2,124,886	10,253
14 Administrative & General Expense	950,163	472,662	(477,500)	6,283,093	7,109,592	(826,499)
15 Taxes	411,352	436,376	25,024	5,093,926	4,977,127	116,799
16 Total Operating Expenses	7,044,465	5,967,620	(1,076,845)	106,109,501	101,173,511	4,935,990
17						
18 Operating Income (Loss)	\$1,113,759	\$1,595,028	\$481,269	\$15,661,155	\$12,824,038	\$2,837,117
19						
20 Non Operating Revenue (Expense)						
21 Interest Income	106,500	116,602	10,102	1,585,000	1,253,700	331,300
22 Interest Expense	(158,850)	(158,850)	0	(1,891,935)	(1,891,935)	0
23 Federal Grant Revenue	0	45,407	45,407	45,407	0	45,407
23 Other Non Operating Revenue (Expense)	833	984	151	20,989	10,000	10,989
24 Total Non Operating Revenue (Expense)	(51,516)	4,144	55,660	(240,539)	(628,235)	387,696
25						
26 Capital Contributions	270,832	443,569	172,737	3,493,072	3,249,996	243,076
27						
28 Change in Net Position	\$1,333,074	\$2,042,740	\$709,666	\$18,913,688	\$15,445,799	\$3,467,889
Debt Service Payment (Annual)				\$ 4,869,634	\$ 4,869,634	
Change in Net Position				18,913,688	15,445,799	
Interest Expense				1,891,935	1,891,935	
Net Revenue Available for Debt Service				\$ 20,805,623	\$ 17,337,734	
Debt Service Coverage (DSC)				4.27	3.56	

Public Utility District No. 1 of Franklin County
2023 Capital Budget by Project
Percent of Year Elapsed: 42%

Category	Project Description	Year to Date May 31	2023 Budget	\$ Remaining in Budget	% Spent
Broadband					
	1.23 BROADBAND SYSTEM IMPROVEMENTS & EXPANSION	\$ 68,071	\$ 375,000	\$ 306,929	18.15%
	2.23 BROADBAND CUSTOMER CONNECTS	483,977	570,924	86,947	84.77%
142.23	NEW COLLO FACILITY	129,552	300,000	170,448	43.18%
UB 24	COLO-2 REMODEL/EXPANSION	5,789	-	(5,789)	100.00%
	Total for Broadband	687,389	1,245,924	558,535	55.17%
Building					
	92.23 RTU 8 REPLACEMENT- <i>CARRYOVER</i>		130,000	130,000	0.00%
171.23	SWAMP COOLER FOR WAREHOUSE		7,500	7,500	0.00%
172.23	FAN FOR GARAGE		6,000	6,000	0.00%
173.23	BUILDING REMODEL (GARAGE)		100,000	100,000	0.00%
174.23	NEW READERBOARD		58,000	58,000	0.00%
	Total for Building	-	301,500	301,500	0.00%
Information Handling					
	175.23 UCS BLADES (4)		96,000	96,000	0.00%
	176.23 VOICE ROUTERS (2)		12,000	12,000	0.00%
UB 25	NISC PREPAID METERING IMPLEMENTATION	13,068	-	(13,068)	100.00%
	Total for Information Handling	13,068	108,000	94,932	12.10%
System Construction - New Customers					
	121.23 PURCHASE OF AMI METERS	20,488	300,000	279,512	6.83%
	63.23 PURCHASE OF METERS	21,759	-	(21,759)	100.00%
	64.23 CUSTOMER ADDS TO THE DISTRIBUTION SYSTEM	1,691,824	2,550,000	858,176	66.35%
	65.23 PURCHASE OF TRANSFORMERS	163,885	1,500,000	1,336,115	10.93%
156.23	SUBSTATION TRANSFORMER REIMANN- <i>CARRYOVER</i>		1,400,000	1,400,000	0.00%
157.23	SUBSTATION TRANSFORMER- <i>CARRYOVER</i>		1,400,000	1,400,000	0.00%
106.23	ACQUIRE FUTURE SUBSTATION SITES- <i>CARRYOVER</i>		500,000	500,000	0.00%
	Total for System Construction- New Customers	1,897,956	7,650,000	5,752,044	24.81%
System Construction - Reliability & Overloads					
	67.23 UNDERGROUND CABLE REPLACEMENTS	6,237	600,000	593,763	1.04%
	70.23 SCADA UPGRADES- SUBSTATIONS	14,418	60,000	45,582	24.03%
	72.23 MISCELLANEOUS SYSTEM IMPROVEMENTS	328,597	1,000,000	671,403	32.86%
	73.23 REPLACE OBSOLETE BREAKER RELAYS	539	350,000	349,461	0.15%
103.23	CONVERT OH/UG- CITY OF PASCO	424	475,000	474,576	0.09%
105.23	REPLACE FRANKLIN #1 TRNFMR & DESIGN 12KV	10,133	600,000	589,867	1.69%
130.23	REPLACE 12 KV BUS - FRANKLIN SUB BAY #1- <i>CARRYOVER</i>	803,733	810,000	6,267	99.23%
148.23	VOLTAGE REGULATORS UPGRADES	9,389	300,000	290,611	3.13%
160.23	REFURBISH COURT ST. POWER TRANSFORMER		150,000	150,000	0.00%
161.23	FRANKLIN REBUILD FEEDER GETAWAYS	92,003	300,000	207,997	30.67%
177.23	RAILROAD AVE SUB (REIMANN INDUSTRIAL) TRANSMISSION	50,421	1,000,000	949,579	5.04%
178.23	RAILROAD AVE SUB (REIMANN INDUSTRIAL) SUBSTATION	444,095	7,500,000	7,055,905	5.92%
179.23	RAILROAD AVE SUB (REIMANN INDUSTRIAL) DISTRIBUTION		2,250,000	2,250,000	0.00%
168.23	SUBSTATION SECURITY UPGRADES		500,000	500,000	0.00%
CHP.23	CAR HIT POLES	69,966	-	(69,966)	100.00%
	Total for System Construction- Reliability & Overloads	1,829,955	15,895,000	14,065,045	11.51%
Tools					
	180.23 WECO TEST BOARD		65,000	65,000	0.00%
	181.23 BANTAM PORTABLE TEST BOARD	27,564	42,000	14,436	65.63%
	182.23 DOBLE TRF WITH PRINTER# PH TRANS TURN RATIO FINDER		20,000	20,000	0.00%
UB33	ANDERSON CRIMPER, QD FLIP 6T 230V	10,924	-	(10,924)	100.00%
	Total for Tools	38,488	127,000	88,512	30.31%
Vehicles					
	183.23 SERVICE BUCKETS (2)		500,000	500,000	0.00%
	184.23 DIGGER DERRICK	344,033	480,000	135,967	71.67%
	170.23 BUCKET TRUCK- <i>CARRYOVER</i>		375,000	375,000	0.00%
	185.23 HVAC VEHICLE MACHINE/ VEHICLE LIFTS	7,685	52,000	44,315	14.78%
	186.23 MINI EXCAVATOR		150,000	150,000	0.00%
	187.23 PICKUPS (2)		185,000	185,000	0.00%

Public Utility District No. 1 of Franklin County
 2023 Capital Budget by Project
 Percent of Year Elapsed: 42%

Category	Project Description	Year to Date May 31	2023 Budget	\$ Remaining in Budget	% Spent
	140.23 TEST VAN- CARRYOVER UNBUDGETED	5,085	-	(5,085)	100.00%
	UB35 HYDRAULIC TILT EQUIPMENT TRAILER	27,153	-	(27,153)	100.00%
	Total for Vehicles	383,956	1,742,000	1,358,044	22.04%
Grand Total		\$ 4,850,812	\$ 27,069,424	\$ 22,218,612	17.92%