

PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY  
MINUTES OF A WORK SESSION OF  
THE BOARD OF COMMISSIONERS  
OCTOBER 25, 2004

A work session of the Board of Commissioners of Public Utility District No. 1 of Clallam County was held at the Port Angeles Office, 2431 East Highway 101, on the above date commencing at 9 a.m. The purpose of the work session was to discuss long line extensions to remote sites.

Commissioners present were: W.E. Purser, President; Hugh Haffner, Vice President; and Hugh E. Simpson, Jr., Secretary.

Staff present were: Dennis Bickford, General Manager; Shelley Burgett, Treasurer/Controller; Jim Hoare, Engineering Representative; and Carol Biss, Executive Assistant.

Others present were:

Engineering Representative Hoare distributed maps showing electric service to several remote sites and provided information on the installation costs, the estimated replacement costs, and average annual consumption for some of the sites. Commissioner Haffner said that historically, public utility districts have wanted to offer postage-stamp rates, which is a throwback to rural electrification. In those days, when a line was extended into an area, growth followed, and the utility was able to recover its costs. The sites noted on the map are places where growth will not occur; for example, land belonging to the Department of Natural Resources or National Park. He asked if it is fair to the ratepayers to pay the cost of line replacements for services at these sites. Commissioner Simpson provided background information on several of the services identified on the map, and said that most of the initial installations, including Cheeka Peak, were paid for by the agencies requesting service, and that the question now is how to recover replacement costs. In the case of the service at Cheeka Peak, the line is failing after more than 20 years, and the estimated replacement cost is \$527,635. Mr. Hoare said that two customers receive service from the line to Cheeka Peak: the University of Washington and the Federal Aviation Administration. Commissioners and staff discussed how to define service at these kinds of sites and also discussed issues pertaining to recovering replacement costs. Staff will continue to research this matter, and bring a proposal to the Commissioners for their consideration.

The work session adjourned at 10:28 a.m.