

**A G E N D A**  
**GRANT COUNTY PUBLIC UTILITY DISTRICT**  
**30 C Street SW – Commission Meeting Room**  
**Ephrata, Washington**  
**COMMISSION MEETING**  
**Tuesday, January 24, 2023**

An Executive Session may be called at any time for purposes authorized  
by the Open Public Meetings Act

- 9:00 a.m.** Commission Convenes  
Review and Sign Vouchers
- 9:30 a.m.** Reports from staff
- 12:00 Noon** Lunch
- 1:00 p.m.** Safety Briefing  
Pledge of Allegiance  
Attendance  
Public requests to discuss agenda items/non-agenda items  
Correspondence  
Business Meeting

**1. Consent Agenda**

Approval of Vouchers

Meeting minutes of January 10, 2023

**2. Regular Agenda**

9008 – Resolution Amending Rate Schedule No. 17.

**3. Review Items For Next Business Meeting**

Motion authorizing the General Manager/CEO to execute Change Order No. 5 to Contract 230-08881 with Northwest Anthropology, LLC, increasing the not-to-exceed contract amount by \$350,000.00 for a new contract total of \$935,000.00, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 5. (xxxx)

**4. Calendar**

**5. Reports from Staff (if applicable)**

**Adjournment**

# **CONSENT AGENDA**

# Draft – Subject to Commission Review

## REGULAR MEETING OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

January 10, 2023

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 596 502 173# with the following Commissioners present: Nelson Cox, President; Tom Flint, Vice-President; Terry Pyle, Secretary; Larry Schaapman, Commissioner (via Microsoft Teams) and Judy Wilson, Commissioner.

The Commission convened to review vouchers and correspondence.

A round table discussion was held regarding the following topics: ongoing communication update regarding previous inquiry from Grant County Commissioner, Rob Jones, regarding wireless and fiber availability used for irrigation purposes; recent national and regional substation attacks; transformer advance purchases; public outreach occurring with land owners affected by the transmission line build project; update on ham radio request made by Commissioner Flint; reminder of flexible executive team commission meeting attendance; call from customer to Commissioner Wilson regarding delay in new service request that now appears to be in progress; appreciation expressed by Commissioner Pyle to staff for attention given during recent deep dive departmental educational meetings; appreciation noted to Ty Ehrman and Devin Elvin from Commissioner Pyle for going above and beyond in hosting a recent Priest Rapids Dam tour; inquiry from Commissioner Schaapman regarding any direct contacts made from the Grant County Industrial Alliance (GCI); request for follow-up on purchase of vehicles and equipment through the state contract; call from customer regarding frustration with not receiving a call back from customer service; appreciation to crews for keeping electric system in service during recent cold temperatures; and Moss Adams entrance conference scheduled for 11:30 a.m. today.

New employee Kylie Vroman, Lands Specialist, was introduced to the Commission.

Shannon Lowry, Manager of License Compliance and Lands Services, presented the License Compliance and Lands Service Program Report.

Jacob Johnson, Electric Shop Supervisor, presented the Wholesale Fiber Business Report.

Gene Austin, Compliance Program Manager, provided the NERC/WECC R&C Program Report.

Keith Simovic, Moss Adams Partner, and Daniel Roberts, Moss Adams Senior Manager, provided the Moss Adams Entrance Report.

The Commission recessed at 11:50 a.m.

The Commission resumed at 12:00 p.m.

An executive session was announced at 12:00 p.m. to last until 12:50 p.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g) and to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 12:50 p.m. and the regular session resumed.

Honorable Judge Hill administered the Oath of Office to newly elected Commissioners Nelson Cox and Terry Pyle.

Jonathan Toomim, Moses Lake, expressed concerns with proposed Rate Schedule Nos. 17 and 19.

Ryan Reed, Moses Lake, spoke in opposition to the minimum monthly charge included in the proposed amendment to Rate Schedule No. 17. In addition, Mr. Reed requested any rate increase be delayed from February 1 to April 1, 2023.

Malachi Salcido, Ephrata, President of Salcido Group of Companies, requested the Board consider lowering the minimum charge and additional assessment percentage in proposed Rate Schedule No. 17.

Ben Gagnon, representative of Bitfarms, Moses Lake, spoke in support of bitcoin mining.

Correspondence was noted from Malachi Salcido regarding proposed amendments to Rate Schedule No. 17.

Consent agenda motion was made Mrs. Wilson and seconded by Mr. Flint to approve the following consent agenda items:

Payment Number	127409	through	128257	\$91,179,019.62
Payroll Direct Deposit	208406	through	209906	\$5,246,415.79
Payroll Tax and Garnishments	20221214A	through	20221228B	\$2,056,332.08

Meeting minutes of December 13, 2022.

After consideration, the above consent agenda items were approved by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

The Commission recessed at 2:00 p.m.

The Commission resumed at 2:10 p.m.

Paul Dietz, Manager of Enterprise Risk Management, provided the Enterprise Risk Program Report.

There being no further business to discuss, the Commission adjourned at 2:45 p.m. on January 10 and reconvened on Tuesday, January 17 at 8:30 a.m. at Grant PUD’s Main Headquarters Building, 30 C Street SW, Ephrata, Washington for the purpose of holding a workshop and any other business that may come before the Commission with the following Commissioners present: Nelson Cox, Terry Pyle, Judy Wilson, and Larry Schaaapman. A copy of the notice of adjournment was posted to the Grant PUD website.

The Commission recessed at 10:40 a.m.

The Commission resumed at 10:50 a.m.

An executive session was announced at 10:50 a.m. to last until 11:10 a.m. to discuss lease or purchase of real estate if disclosure would increase price with legal counsel present pursuant to RCW 42.30.110(1)(b). The executive session concluded at 11:10 a.m. and the regular session resumed.

An additional executive session was announced at 11:10 a.m. to last until 11:20 a.m. to discuss lease or purchase of real estate if disclosure would increase price with legal counsel present pursuant to RCW 42.30.110(1)(b). The executive session concluded at 11:20 a.m. and the regular session resumed.

An additional executive session was announced at 11:20 a.m. to last until 11:45 a.m. to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 11:45 a.m. and the regular session resumed.

There being no further business to discuss, the January 10 meeting officially adjourned at 11:45 a.m. on January 17, 2023.

\_\_\_\_\_  
Nelson Cox, President

ATTEST:

\_\_\_\_\_  
Terry Pyle, Secretary

\_\_\_\_\_  
Tom Flint, Vice President

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Larry Schaapman, Commissioner

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Judy Wilson, Commissioner

# **REGULAR AGENDA**

RESOLUTION NO. 9008

A RESOLUTION AMENDING RATE SCHEDULE NO. 17

Recitals

1. Pursuant to RCW 54.16.040, Grant PUD is authorized to regulate and control the use, distribution, rates, service, charges, and price of electric energy;
2. The Commission established Rate Schedule No. 17 with the adoption of Resolution 8891 on August 28, 2018;
3. The Commission revised Rate Schedule No. 17 most recently with the adoption of Resolution 8940 on March 10, 2020; and
4. The General Manager and Grant PUD staff recommend amending Grant PUD Rate Schedule No. 17 as set forth in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington that effective February 1, 2023 Rate Schedule No. 17 is hereby effective as set forth in Exhibit A.

BE IT FURTHER RESOLVED that as of February 1, 2023, Resolution No. 8940 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 24<sup>th</sup> day of January, 2023.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

**RATE SCHEDULE NO. 17**  
**EVOLVING INDUSTRY SERVICE**

*Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.*

**AVAILABLE:** To accounts whose load activity and / or industry is classified as an Evolving Industry. If any part of a load is classified as Evolving Industry, all loads measured by that meter are subject to this rate.

**MONTHLY BILLING RATES: Customer's monthly billing will consist of the following charges:**

**17-A:** For retail customers that would otherwise be served as Residential, Rate Schedule 1, and other retail customers with service less than 200 KW Billing Demand.

**EFFECTIVE:** With meter readings after ***February 1, 2023.***

Basic Charge: \$1.04 per day

Energy Charge: \$0.08535 per kWh

Minimum Charge: \$1.04 per day

**17-B:** For retail customers with service of 200KW or greater Billing Demand.

**EFFECTIVE:** With meter readings after ***February 1, 2023.***

Basic Charge: \$1,000.00 per month

Energy Charge: \$0.00389 per kWh

Demand Charge: \$28.18 per kW of Billing Period

Minimum Charge: The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12-month period.

**BILLING DEMAND:** The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.


**TAX ADJUSTMENT:** The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

**SERVICE:** Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.



# MEMORANDUM

November 22, 2022

**TO:** Richard Wallen, General Manager  
**VIA:** Dave Churchman, Chief Customer Officer  
**FROM:** Louis Szablya, Sr. Mgr. Large Power Solutions   
Baxter Gillette, Large Power Solutions Manager  
**Subject:** Rate Schedule No. 17, Evolving Industry Service, 2022 Update

## I. Problem Statement

On August 28, 2018, the Grant PUD Commission approved Resolution No. 8891, A RESOLUTION ESTABLISHING RATE SCHEDULE NO. 17, creating a new customer class for Evolving Industry customers operating within the Grant PUD service territory. The rates were subsequently superseded in Resolution No. 8940 on March 10, 2020.

The Customer Service Policy (CSP) requires that no less than annually Grant PUD will "...assess business conditions and risks that indicate which Industries should be included or excluded from the Evolving Industry Rate Class."

## II. Background

### A. The Process and Committee

The Customer Service Policy update process requires a multidiscipline and multidepartment team to review the Evolving Industry (EI) Class to determine if it is appropriate for a customer's use or industry to move into, or out of the EI Rate Class.

In the Fall of 2022, the RS17 2022 Update Team was formed consisting of six members and two subject matter experts (SMEs), listed below:

Name	Department	Role	Type
Dave Churchman	CCO	Executive Sponsor	Member
Louis Szablya	Large Power Solutions		Member
Julio Aguirre Carmona	Rates and Pricing	Lead	Member
Baxter Gillette	Large Power Solutions	Update Manager	SME
Paul Dietz	Risk Management	Analytics	SME
Cary West	Customer Service		Member
John Mertlich	Finance/Accounting		Member
Jesus Lopez	Engineering		Member

### B. Scope of Update

The RS17 2022 Update includes two specific tasks:

#### 1. Assessment

Assessment of Grant PUD's existing customers to identify any uses or industries that may need to be included as an EI, assess if they should be included, and recommend which uses or industries should be included in the EI Class.

2. Review Rates

Review changes in both electric power markets and the Evolving Industries' markets for changes that have occurred since the prior RS17 Update to refresh the models and recommend any changes to the rates.

**C. The Work**

1. Risk Assessment

The risk assessment process is intended to identify nascent Evolving Industries which may cause volatility in Grant PUD's retail revenues that would adversely impact other customers.

To be deemed Evolving Industry, an industry or energy load activity must have Concentration Risk and either Business Risk or Regulatory Risk.

a) Identification of New Industries or Energy Load Activities

Staff evaluated hydrogen production, electrified fleet transportation, solar panel manufacturing and novel battery materials as potential evolving industries. Staff determined the new technologies did not currently qualify as a new industry on the basis that they either: 1) are not explicitly part of a request for interconnection to Grant PUD's system (hydrogen production and large scale electrified fleet transportation), 2) are not nascent (solar panel manufacturing), or 3) it is not clear that the activity should be split apart from generalized Manufacturing (novel battery materials). In the last case, fragmenting to an individual component of a technology, in this case, silicon anodes for batteries, would reduce the industry classification to a particular company or handful of competitors as opposed to evaluating an industry or even a whole product (e.g. batteries).

b) Concentration Risk

Only those nascent uses or industries that represent 5% or more of Grant PUD's existing and forecasted energy load are considered to have enough volume to require further assessment of the risk of losing retail revenues due to business or regulatory risks.

Staff performed a Concentration Risk calculation (see Attachment A) using the same methodology that was used in previous years. Data Centers, Manufacturing, Utility/Government and Cryptocurrency surpassed the 5% threshold, primarily driven by queue (connection) requests.

c) Business and Regulatory Risk

Staff performed a Porter's Five-Forces analysis on Manufacturing and Cryptocurrency. Manufacturing in the U.S. is not nascent and ~~is~~ has been largely in decline except for the Research & Development and Design sub-sectors.

Cryptocurrency exhibits nascent characteristics in both Business Risk and Regulatory Risk. Transitions to Proof of Stake in lieu of Proof of Work protocols, stablecoin failures, and potential Central Bank Digital Currency (CBDC) competition, as well as persistent market volatility and spot price manipulation are some of the factors that present business risk. Over the last year there has been increasing attention and pressure on international, federal, state, and local fronts to legislate and regulate crypto exchanges, digital assets, including cryptocurrencies, and cryptocurrency mining. Although clearer rules should bring less risk and more certainty in the future, at this point in time the unknown treatment of different digital assets in different jurisdictions presents substantial regulatory risk. The Update Team concurred with the assessment and categorization of cryptocurrency mining as Evolving Industry.

## 2. Rate Target Update

The rate target update is based on the uses and industries in the EI Class, in this case, cryptocurrency mining, bifurcated into Rate Schedule 17-A for monthly loads less than 200 kW, and 17-B for monthly loads equal to and greater than 200 kW.

The rate target update incorporates direct, risk-based and additional assessment elements. Direct costs are baseline costs needed to serve a rate schedule or class. Risk-based costs are potential costs that would be borne by Grant PUD and its other ratepayers arising from atypical attributes of an Evolving Industry that are not addressed in the Cost-of-Service process as Direct Costs. Finally, the additional assessment is a cost adder set by the Commission that has historically been informed by the percentage of retail sales over the cost to serve for other rate schedules.

### a) Direct Costs

Direct costs are baseline costs needed to serve a rate schedule or class, which are best characterized currently by the Cost-of-Service analysis. Included in the Cost of Service are transmission, distribution (including customer-related) and generation costs allocated to serve retail customers. Rate Schedule 17-A uses a blended rate from Rate Schedules 1 (Residential) and 2 (General Service) as estimated in the Cost of Service (\$0.06310 per kWh) because Grant PUD has historically had both residential and commercial sized cryptocurrency customers in the sub-200 kW monthly load range. Rate 17-B uses Rate Schedule 7 Cost of Service (\$0.3158 per kWh), which encompasses the 200 to 5,000 kW load sizes, and represents historically more than 99% of current cryptocurrency loads. This is a change from previous studies that baselined Rate Schedule 17-B with the Rate Schedule 14 (serving 5 to 15 megawatt loads), as it was previously anticipated that the majority of cryptocurrency loads would grow to this size range.

### b) Risk-Based Costs

Risk-based costs are associated with the peculiarities of industries or energy load activities that are not captured in Direct Costs rate element. In the case of cryptocurrency mining, the following ~~risk-based~~risk-based elements were incorporated into the target rate:

#### 1) Transmission Acceleration Adder

The Transmission Acceleration Adder covers investment acceleration costs and risk of subsequent non-arrival or departure of customers. In this study, it was determined that the cryptocurrency queue is not accelerating the transmission build schedule and consequently there is no charge for this cost element in the rate target.

#### 2) Distribution Adder

The Distribution Adder covers potential incremental distribution costs above typical operations captured in the Cost of Service. In previous studies, we used engineering risk estimates based on professional judgement. In this case, we used actual Grant PUD 3-year event experience with cryptocurrency loads and then adjusted the figures for risk. Within the last several years, Grant PUD has had a couple of callouts for protective equipment resets, but has not identified any asset damage or impairment. The total Distribution Adder was figured to be \$0.00001 per kWh in this study. This figure can be adjusted in future rate assessments if Grant PUD experiences a different cost or loss profile.

#### 3) Departure Liquidation Cost Adder

The Departure Liquidation Cost Adder covers the potential costs associated with highly mobile customers leaving, causing Grant PUD to adjust wholesale positions at a financial loss. Damages are characterized as being incurred: 1) when a customer leaves, and 2) when

Grant PUD has to unwind positions in the wholesale market at less than the price at which the position was established. In general, Grant PUD enters wholesale transactions to meet forecasted load based on when the Reasonable Portion from the Power Sales Contract is priced (each November) for the following January to December timeframe. The Departure Liquidation Cost was calculated as a series of at the money put options, the “exercise” of which is contingent on the probabilistic departure of customers. This is a different methodology than in previous annual assessments and may be further refined in the future. The calculation yielded \$0.00329 per kWh for both 17-A and 17-B.

4) State Renewable Compliance Adder

Compliance with Washington’s Energy Independence Act (I-937) renewable portfolio standard requires utilities to meet 15% of its previous two-years’ average electricity usage with “green” power. Since the portfolio requirements are driven by history, Grant PUD cannot liquidate or resell attributes in the event of customer departure. Green attributes are priced above the wholesale price of unspecified energy and if a load departs during a given year, the costs associated with covering green attributes will fall to Grant PUD and eventually, remaining ratepayers.

We calculated the adder using the customer departure monthly probabilities described in the Departure Liquidation Cost Adder section, above, and matched the volumes at risk with the projected market purchase price for the green attributes (Washington Renewable Energy Certificates) per MWh for calendar year 2023. This yielded a \$0.00035 per kWh adder for both Rate Schedules 17-A and 17-B.

c) Additional Assessment

The additional assessment was set at 31% for Rate Schedules 17-A and 17-B, as in previous rate target calculations, memorialized most recently in Resolution 8940. Staff has no basis to recommend a different percentage at this time.

d) Other Supply Costs

Currently Staff is not proposing other additional cost adders at this time. However, other supply costs will cover direct or potential (risk) losses associated with non-wholesale market commitments or exposures that are not currently expressed in the target rate because they have not yet been identified or valued. The State Renewable Compliance Adder is an example of a cost that was incorporated in this target rate calculation, but was not a part of previous calculations.

Likely sources of new supply costs include but are not limited to new resource commitments (e.g. generation, purchase power agreements, and/or wholesale purchases and related marginal integration and delivery costs) and ‘greening’ requirements (e.g. CETA, Climate Commitment Act, Federal Laws and regulations).

e) Proposed Target Rate

The proposed target rate for Rate Schedule 17-A (Figure 1) and 17-B (Figure 2), by element, is as follows:

	As proposed \$/kWh (2022)
RS1 & RS2 Cost to Serve (blended)	\$0.06310
Transmission Acceleration Adder	\$0.00000
Distribution Adder	\$0.00001
Departure Liquidation Cost Adder	\$0.00329
State Renewable Compliance Adder	\$0.00035
Additional Assessment (31%)	\$0.02069
<b>Proposed Target Rate</b>	<b>\$0.08744</b>

Figure 1: Rate Schedule 17-A Proposed Target Rate

	As proposed \$/kWh (2022)
RS7 Cost to Serve	\$0.03158
Transmission Acceleration Adder	\$0.00000
Distribution Adder	\$0.00001
Departure Liquidation Cost Adder	\$0.00329
State Renewable Compliance Adder	\$0.00035
Additional Assessment (31%)	\$0.01092
<b>Proposed Target Rate</b>	<b>\$0.04615</b>

Figure 2: Rate Schedule 17-B Proposed Target Rate

### 3. Rate Calculations

The rate structure for Rate Schedule 17-A includes a basic charge and an energy charge, analogous to the billing components found in Rate Schedules 1 and 2. The rate structure for Rate Schedule 17-B includes a basic charge, a demand charge and an energy charge similar to the billing components found in Rate Schedule 7.

Target rates are translated into billing components by taking a representative load and then balancing the various price per unit for each component until an equivalent cents per kWh breakeven value is found between the target rate and the billing components.

Rate Schedule 17-A used a 30 kW load with a 69.3% load factor as the representative load, which results in an average electric usage of 15,182 kWh per billing period. The basic charge was set equal to the Rate Schedule 2 basic charge of \$31.63 per month and the energy charge was calculated to be \$0.08535 per kWh as can be seen in Figure 3.

Billing Component	Billing Rate	Units	Billing Determinant	Bill
Basic Charge	\$31.63	per month	1	\$31.63

Energy Charge	\$0.08535*	per kWh	15,182	\$1,295.84
			<b>Total Bill</b>	<b>\$1,327.47</b>
*Rounded figure			<b>Effective Rate per kWh</b>	<b>\$0.08744</b>

Figure 3: Proposed Billing Rates for Rate Schedule 17-A

Rate Schedule 17-B used a 2,144 kW monthly load with a 92.85% load factor as the representative load, which results in an average 1,453,242 kWh per billing period. The basic charge of \$1,000 per month and energy charge of \$0.00389 per kWh are unchanged from their current Rate Schedule 17-B rates. The demand charge was calculated to be \$28.18 per kW to breakeven with the proposed target rate of \$0.04615 per kWh as can be seen in Figure 4.

Billing Component	Billing Rate	Units	Billing Determinant	Bill
Basic Charge	\$1,000.00	per month	1	\$1,000.00
Energy Charge	\$0.00389*	per kWh	1,453,242	\$5,653.11
Demand Charge	\$28.18*	per kW	2,144	\$60,407.45
			<b>Total Bill</b>	<b>\$67,407.56</b>
*Rounded figures			<b>Effective Rate per kWh</b>	<b>\$0.04615</b>

Figure 4: Proposed Billing Rates for Rate Schedule 17-B

The proposed billing rates in Figures 3 and 4 can be found in the Exhibit attached to the proposed Commission Resolution filed in this case.

### III. Team Findings and Recommendations

#### A. No new energy load activities and/or industries

The RS17 Update Team has reviewed the study and concurs with the findings that no new energy load activities and/or industries have been identified within Grant PUD's service territory that meet the criteria to be considered an Evolving Industry.

#### B. Cryptocurrency mining industry does currently meet EI criteria

The RS17 Update Team reviewed the Concentration Risk (load and queue) of current EI energy load activities and/or industries and concluded that cryptocurrency mining does currently meet the EI criteria as defined in the CSP.

**C. Revise RS17 rates as proposed in Resolution XXXX**

The RS17 Update Team recommends that the Commission adopt RS17 rates, as currently proposed in the proposed Resolution filed in this case.

**D. Revise Customer Service Policy to extend review periods to no less than biennially instead of no less than annually**

The RS17 Update Team recommends that Evolving Industry review periods be extended to no less than once every two years instead of the current no less than annual review period in the Customer Service policy. This still allows for more frequent inspection of Evolving Industry as needed, but conserves resources in periods of low concern and low analytic value.

**E. Revise Customer Service Policy to change Evolving Industry exit criteria**

The RS17 Update Team recommends the Customer Service Policy remove the Concentration Risk as a factor for an industry to exit Rate Schedule ~~17, and 17 and~~ require that both Business Risk and Regulatory Risk be no longer applicable for an industry to exit Rate Schedule 17. This action prevents industries or energy uses from repeatedly entering and exiting Evolving Industry status on the basis of Concentration Risk while Business and Regulatory Risks are still nascent.

**Attachment A -- 2022 Concentration Assessment**

Industries / Energy Load Activities, July 2021 - June 2022 Loads						
		July 2021 - June 2022 MWa	Queue Request	Total	Percent Concentration	Avg. No. of Service Agreements
Rate 1	Residential	95.7	0.0	95.7	3.6%	39,035
Rate 2	General Service	59.4	0.0	59.4	2.2%	7,200
Rate 3	Irrigation	69.2	0.0	69.2	2.6%	4,871
Rate 6	Street Lights	0.5	0.0	0.5	0.0%	109
Rate 85	Ag Food Process Boiler	0.0	0.0	0.0	0.0%	1
Rate Schedules 7, 14, 15, 16, 17, 94	Aerospace	1.4	2.0	3.4	0.1%	4
	Ag. Processing	39.6	32.5	72.1	2.7%	59
	Ag. Storage	6.4	0.0	6.4	0.2%	12
	Automotive	26.4	1.0	27.4	1.0%	3
	Cannabis	0.9	0.0	0.9	0.0%	6
	Chemical	37.4	0.0	37.4	1.4%	6
	Construction	0.2	0.0	0.2	0.0%	4
	Cryptocurrency	23.9	114.0	137.9	5.2%	20
	Data Center	217.5	648.0	865.5	32.5%	13
	Education	1.8	2.4	4.2	0.2%	14
	Electronics	27.4	0.0	27.4	1.0%	1
	Gas / Fluids	7.4	0.0	7.4	0.3%	3
	Manufacturing	3.9	573.0	576.9	21.7%	6
	Medical / Health	4.9	2.0	6.9	0.3%	6
	Minerals / Metals	6.3	110.0	116.3	4.4%	7
Retail	2.3	3.0	5.3	0.2%	12	
Utility / Government	2.4	541.0	543.4	20.4%	19	
	<b>Total</b>	<b>634.9</b>	<b>2028.9</b>	<b>2663.8</b>	<b>100%</b>	<b>51,411</b>
			<b>Concentration Risk Threshold:</b>	<b>133.2</b>		

**RATE SCHEDULE No. 17**  
**EVOLVING INDUSTRY SERVICE**

*Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.*

**AVAILABLE:** To accounts whose load activity and / or industry is classified as an Evolving Industry. If any part of a load is classified as Evolving Industry, all loads measured by that meter are subject to this rate.

**MONTHLY BILLING RATES:** Customer’s monthly billing will consist of the following charges:

**17-A:** For retail customers that would otherwise be served as Residential, Rate Schedule 1, and other retail customers with service less than 200 KW Billing Demand.

~~**EFFECTIVE:** With meter readings on and after **April 1, 2020**, usage will be prorated to the new rates based on number of days after March 31, 2020.~~

~~Basic Charge: \_\_\_\_\_ \$7.50 per day~~

~~Energy Charge: \_\_\_\_\_ \$0.07559 per kWh~~

~~Minimum Charge: \_\_\_\_\_ \$7.50 per day~~

~~**EFFECTIVE:** With meter readings ~~on and~~ after ~~April 1, 2021~~**February 1, 2023**, usage will be prorated to the new rates based on number of days after March 31, 2021.~~

Basic Charge: \_\_\_\_\_ \$~~10.00~~1.04 per day

Energy Charge: \_\_\_\_\_ \$~~0.09663~~0.08535 per kWh

Minimum Charge: \_\_\_\_\_ \$~~10.00~~1.04 per day

**17-B:** For retail customers with service of 200KW or greater Billing Demand.

~~**EFFECTIVE:** With meter readings on and after **April 1, 2020**, usage will be prorated to the new rates based on number of days after March 31, 2020.~~

~~Basic Charge: \_\_\_\_\_ \$750.00 per month~~

~~Energy Charge: \_\_\_\_\_ \$0.01304 per kWh~~

~~Demand Charge: \_\_\_\_\_ \$19.00 per kW of Billing Period~~



~~Minimum Charge: The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12-month period.~~

**EFFECTIVE:** With meter readings ~~on and after February 1, 2023, April 1, 2021,~~ usage will be prorated to the new rates based on number of days after March 31, 2021.

Basic Charge: \$1,000.00 per month

Energy Charge: \$0.00389 per kWh

Demand Charge: ~~\$30.00~~ 28.18 per kW of Billing Period

Minimum Charge: The Minimum shall be computed as Demand Charge times 75% of the Customer's Maximum Billing Demand during the most recent 12-month period.

**BILLING DEMAND:** The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

**TAX ADJUSTMENT:** The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

**SERVICE:** Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

**RATE SCHEDULE No. 17**  
**EVOLVING INDUSTRY SERVICE**

*Rates shown on the Rate Schedules are set by the Grant PUD Commission and are subject to change at the discretion of the Commission.*

**AVAILABLE:** To accounts whose load activity and / or industry is classified as an Evolving Industry. If any part of a load is classified as Evolving Industry, all loads measured by that meter are subject to this rate.

**MONTHLY BILLING RATES:** Customer’s monthly billing will consist of the following charges:

**17-A:** For retail customers that would otherwise be served as Residential, Rate Schedule 1, and other retail customers with service less than 200 KW Billing Demand.

**EFFECTIVE:** With meter readings after ***February 1, 2023.***

Basic Charge: \$1.04 per day

Energy Charge: \$0.08535 per kWh

Minimum Charge: \$1.04 per day

**17-B:** For retail customers with service of 200KW or greater Billing Demand.

**EFFECTIVE:** With meter readings after ***February 1, 2023.***

Basic Charge: \$1,000.00 per month

Energy Charge: \$0.00389 per kWh

Demand Charge: \$28.18 per kW of Billing Period

Minimum Charge: The Minimum shall be computed as Demand Charge times 75% of the Customer’s Maximum Billing Demand during the most recent 12-month period.

**BILLING DEMAND:** The Billing Demand under this schedule shall be the larger of the following demand factors:

- a. The contract demand, if any, or;
- b. The highest 15-minute demand during the month as determined by demand meter, adjusted up to 95 percent power factor.

**TAX ADJUSTMENT:** The amounts of any tax levied by any city or town, in accordance with RCW 54.28.070 of the Laws of the State of Washington, will be added to the above charges.

**SERVICE:** Service under this Schedule is subject to the terms and conditions in the District's Customer Service Policies, as the same may be amended from time to time.

# For Commission Review – 1/24/2023

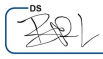
Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO to execute Change Order No. 5 to Contract 230-08881 with Northwest Anthropology, LLC, increasing the not-to-exceed contract amount by \$350,000.00 for a new contract total of \$935,000.00, and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 5.


xxxx

## MEMORANDUM

1/5/2023

**TO:** Rich Wallen, General Manager/Chief Executive Officer

**VIA:** Jeff Grizzel, Chief Operating Officer  
Brett Lenz, Department Manager 

**FROM:** Andrew Murphy, District Representative 

**SUBJECT:** Contract 230-08881, Change Order No. 5

**Purpose:** To request Commission approval of Change Order No. 5 to Contract 230-08881 adding \$350,000 to the contract price.

**Discussion:** Initially this contract was awarded on October 15, 2018. Part of the work under this contract was for environmental and cultural resources compliance necessary prior to initiating construction of the Priest Rapids Right Embankment Improvement Project (PRREIP) which began on October 4, 2021. The purpose of this contract is to comply with the National Environmental Policy Act (NEPA), Section 106 of the National Historic Preservation Act (NHPA) and the Memorandum of Agreement signed and executed for the Priest Rapids Right Embankment Improvement Project. The contractor will continue to provide technical support for the execution of the District's Historic Properties Management Plan (HPMP) and MOA as they relate to monitoring avoidance and effects to Traditional Cultural Properties, cultural resources identification and working with the Wanapum to identify potential mitigation of Project effects on National Register eligible cultural resources including Traditional Cultural Properties for the PRREIP.

If the District does not continue to provide for TCP work during the Right Bank Project, we risk noncompliance with the MOA signed for this project as well as noncompliance with our FERC License. These risks could result in stoppage of the Right Bank project by signatories of the MOA and/or daily fines from FERC of up to \$10,000/day.

**Justification:** Continuation of this contract with a well-established contractor that is familiar to the Wanapum for the duration of the construction phase of the PRREIP allows the District to enlist the cost effective expertise and experience of a consultant familiar with TCP and cultural resource monitoring, identification, mitigation of Project effects on National Register eligible Historic Properties, and communicating with the Wanapum.

By continuing to utilize this consultant the District will save substantial time completing on-site monitoring, developing documents, and hiring long-term staff to fulfill short term needs. Long-term cost savings will be realized by avoiding the need to hire several professional in-house staff, on schedule implementation of treatment plans, continued potential for a successful relationship with the Wanapum, and continued compliance with our FERC license and the MOA signed for the PRREIP.

This CO is being requested as a high priority now because the current contract does not cover the immediate need to continue with TCP monitoring of the Right Bank Project. This CO is partially the result of the PRREIP being prolonged. The cost increase is also because of increased duties around the NEPA

requirement to complete and implement work for a Social Impact Assessment, increased duties related to TCP monitoring, and with our decision to initiate the project at the lowest end of the range of potential cost, adjusting if necessary.

This compliance effort is consistent with similar work other utilities are doing to meet compliance needs. As an example, Chelan PUD recently worked with three tribes, the Washington State Historical Preservation Office, and employed two cultural resources firms to provide front end cultural resources work and up to three cultural resources monitors daily for construction of their new service and operations center.

**Financial Considerations:** This is the least cost option explored. The Cultural Resources Department does not have enough qualified staff to both monitor the PRREIP and complete all other compliance efforts required for the District including FERC License requirements. Adding staff would be a greater long-term expense. This proposed CO is also more cost effective than the potential noncompliance risks identified above and is within the budget for the PRREIP for the current year and next year. The budget contract number is 230-08881, Project ID 102663 out of Cost Center EB5300.

**Change Order History:** See attached change order table.

**Legal Review:** See attached email.

**Recommendation:** To request Commission approval of Change Order No. 5 to Contract 230-08881 adding \$350,000 to the contract price.

CHANGE ORDER  
NO. 5

Pursuant to Section 5, the following changes are hereby incorporated into this Contract:

- A. Description of Change: Increase the Contract Price.
- B. Time of Completion: The completion date shall remain April 30, 2024.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$350,000.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$935,000.00, including changes incorporated by this Change Order.
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2  
of Grant County, Washington

Northwest Anthropology, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Change Order Table

**Contract Title:** Priest Rapids Right Embankment Project TCP Study

Contract No.	230-08881	Award Date:	10/15/2018
Project Manager:	Andrew Murphy	Original Contract Amount:	\$100,000.00
District Representative (If Different):		Original Contract completion:	10/18/2019
Contractor:	Northwest Anthropology	Total CO Cost Change Amt	\$835,000.00

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Increase the Contract Price and extend the Contract completion date	Managing Director	09/19/19	03/31/21	\$160,000.00	\$260,000.00	\$160,000.00
2	Extend the Contract completion date.	Managing Director	03/17/21	05/31/22	\$0.00	\$260,000.00	\$160,000.00
3	Increase the Contract Price and extend the Contract completion date.	Managing Director	01/20/22	01/30/23	\$325,000.00	\$585,000.00	\$485,000.00
4	Extend the Contract completion date.	Executive Mgmt	01/09/23	04/30/24	\$0.00	\$585,000.00	\$485,000.00
5	Increase the Contract Price.	Comm		N/A	\$350,000.00	\$935,000.00	\$835,000.00
<b>Total Change Order Cost Change Amount</b>					<b>835,000.00</b>		