

**PUBLIC UTILITY DISTRICT NO.1
OF
JEFFERSON COUNTY**

RESOLUTION NO. 2024-026

A Resolution of the Board of Commissioners of Public Utility District (PUD) No. 1 of Jefferson County, Washington, establishing capacity fees and charges for electric services provided by the PUD.

WHEREAS, the PUD must set and collect rates and charges for electric energy services, facilities, and commodities sold, furnished, or supplied by the PUD; and

WHEREAS, the Board of Commissioners must establish rates and charges that are fair, nondiscriminatory, and adequate to provide revenues sufficient to develop and maintain services for its customers; and

WHEREAS, the Board of Commissioners retained FCS Group to evaluate options for capacity fees for new electricity customers and redevelopment in order to establish equity between current existing customers of the PUD and new customers and redevelopment in order to fairly allocate long term costs of the PUD: and

WHEREAS, capacity fees are a one-time charge imposed on new development or re-development to recover a proportionate share of PUD's capital investment and to be paid at the permitting stage of development or redevelopment; and

WHEREAS, FCS Group presented its study, findings and recommendations to the Board of Commissioners on July 18, 2023 with follow up findings and recommendations on March 5, 2024 among other presentations; and

WHEREAS, the Board of Commissioners finds that capacity fees ensure that new customers or developers pay their fair share of the cost of the PUD's system capacity needed to serve growth. By establishing capacity fees, the PUD seeks to fairly allocate the costs of funding infrastructure upgrades between its existing and new customers, and prevent existing customers from shouldering the entire cost;

WHEREAS, the Board of Commissioners finds capacity charges also provide an additional source of funding for system capital costs as growth occurs, and these capacity charges will help the PUD finance the construction, maintenance, and improvement of infrastructure necessary to meet the increased demand resulting from new development or redevelopment. The capacity charges will offset certain costs associated with new PUD infrastructure work. The capacity charge does not replace new construction charges or LUD assessment fees; and

WHEREAS, the Board of Commissioners also seeks to establish a low income capacity

charge for electric service consistent with RCW 54.24.080 and RCW 74.38.070, where the low-income capacity fee shall be applicable to properties purchased by low income persons from organizations exempt from tax under 501 (c)(3) of the federal internal revenue code as amended prior to July 23, 1995, and the low-income capacity fees shall be consistent with current low-income policies approved by the Board of Commissioners.

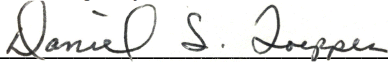
WHEREAS, the capacity charge shall increase by ten percent (10%) each year on January 1, unless the Board of Commissioners determines a different rate through the PUD's budget process.


NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County as follows:

1. The foregoing findings and recitals are incorporated herein by this reference.
2. Based upon the studies conducted by FCS and recommendations from the PUD staff, the maximum capacity charge for electricity at the PUD is \$112/kVA which equals a total of \$5,376 for a 200-amp electric panel. The Board of Commissioners hereby establishes a new capacity charge for electricity to be set at forty percent (40%) of the maximum charge of \$5,376 , equaling \$2,150 for a 200-amp panel, at \$44.80 per kVA. The capacity fee shall be applied to newly developed and redeveloped properties in the PUD's service territory consistent with the rate schedule in Exhibit 1, attached and incorporated herein by this reference.
3. The Board of Commissioners further adopts a low-income capacity fee for electric service applicable to property purchased by qualified low-income persons from organizations exempt from tax under 501 (c)(3) of the federal internal revenue code as amended prior to July 23, 1995. The low-income capacity fee for electric service shall be set at twenty percent (20%) of the capacity charges per kVA as established in Section 2 above.
4. The capacity fee charged to any joint governmental projects shall be subject to individual case basis agreements and may include in-kind contributions to offset the fee.
5. The capacity fees for electric services shall take effect on February 3, 2025, and the PUD staff is directed to amend all necessary rate schedules to include the electric service capacity fee, and the twenty percent (20%) low-income discount for electric service, as reflected in Exhibit 1. Annually, the capacity fees shall increase by ten percent (10%) on January 1 of each year, unless the Board of Commissioners establishes a different rate through the PUD's budget process.

ADOPTED at a regular meeting of the Board of Commissioners of Public Utility District No. 1 of Jefferson County, this 10th day of December, 2024.

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Jeff Randall
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Jeff Randall, President

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Ken Collins, Secretary