



2027 Preliminary Budget
October 19, 2026

Public Utility District #1 of Ferry County

2027 Budget

October 19, 2026

Budget Summary - This first draft of the 2027 Unapproved Budget reflects just a slight increase over the 2026 Approved Budget (when removing 2026 budgeted OCED grant funding). The 2027 budget totals \$10.93M, a 1.5% increase from last year's budget of \$10.76M. In February of 2026, a rate increase was put into effect, along with an enhanced late payment fee schedule. No rate increase is factored into this version of the 2027 budget. As a result of the rate increase, 2026 actual YTD revenue is higher than 2025 actual YTD revenue by over \$500K, despite significantly lower KWH consumption. The 2026 budget was spread evenly over the entire year instead of allocated on a monthly basis, making a budget to actual comparison not feasible. There are no G&O funds scheduled to be used to supplement the 2027 budget.

The cost of purchased power from the Bonneville Power Administration (BPA) will continue to be one of the largest uses of operating funds for the District, estimated at \$4.1M for 2027. The BPA expense as a percentage of electricity sales revenue is budgeted in 2027 at 41.09%. The 2026 budget used 44.69%, while 2026 actual YTD is substantially lower at 37.79%.

Labor and benefit costs are also a sizable portion of the uses reflected in the budget at \$4.35M. The District budget supports 22.5 FTE employees in 2027. Health insurance costs to the District are estimated to increase year-over-year by 25%. The labor dollars and benefits are allocated within each operating budget category based on work trends over the most recent years.

The 2027 budget provides adequate funding for capital expenditures to provide reliable service and maintain adequate material levels.

The Methodology - The District's annual budgeting is based on a methodology often used by municipal agencies, zero-based budgeting. It begins with the assumption that all items for the budget begin with a zero base. In other words, there are no "carry-overs" from prior years. Each budget item is analyzed by reviewing historical trends and adjusting for future expectations for the ensuing year. In effect, the annual budget is "built from the ground up."

Sources of Funds

Energy Sales and Miscellaneous Revenues

Budgeted funds reflect an increase from the 2026 budget of 6.5% (excluding OCED grant funding that was budgeted in 2026), with large power and industrial sources showing the highest increase. Residential energy sales for 2027 are budgeted at a lower amount than the 2026 budget. Weather in 2026 appears to be a key factor in decreased KWH consumption for residential customers, as the 2026 forecast KWH is down by 6% compared to the average consumption in the prior three years. Miscellaneous revenues are virtually stagnant from the previous year's budget.

DOE – OCED Grant - The District was awarded a federal grant by the U.S. Department of Energy's (DOE) Office of Clean Energy Demonstrations (OCED) in the amount of \$5,000,000. The grant funding is for Energy Improvements in Rural or Remote Areas – Grid Access and Resiliency for Unserved Rural and Indigenous People. The District's goal is to extend grid access to over 100 full-time residential households within our service territory that currently lack grid power and rely on sources such as diesel generators. To support this extension, the project consists of an upgrade to the District's Strassburg Substation to increase its service capacity and resilience. The anticipated duration of the project is five years. No funds are budgeted in 2027 for this project, as substantial funds have already been spent, and the next milestone is targeted for 2028.

Uses of Funds

Operating Budget - Operating costs for 2027 are estimated to increase from the previous year's budget by 1.1%. The largest factor for the increased costs is salary, wages, and related payroll (primarily health care) expenses. There is the addition of two new full-time staff members to the accounting department for the entire year, with one scheduled to depart part way through 2027. The budget includes a slight decrease in the cost of power purchased from BPA to align with actual costs more closely seen through Q3 2026. Additionally, there are rising costs for services and supplies.

Financing - The Budget does not include monies for financing activities, as the District does not currently have any long-term debt service. The 2027 budget does not anticipate any new debt requirements.

Capital Budget - The Capital expenditures for 2027 plan for the replacement of aging poles, the purchase of overhead and underground conductors, transformers, regulators, reclosers, and meters, along with other needed materials during day-to-day maintenance and operations as well as for new construction projects. General plant maintenance is a continual need at the district shop and office consisting of painting, fencing, and building repairs. No additional fleet vehicles are scheduled for purchase in 2027.

The significant expenditures for this year include:

- \$80K for power poles
- \$75K for overhead conductor and underground cable
- \$100K for transformers, regulators, and reclosers
- \$75K for recloser upgrades
- \$20K for AMI meters and gateways
- \$25K for substation / equipment upgrades.
- \$100K to build a three-mile-long access trail to power lines at 10-Mile
- \$40K for general building maintenance
- \$725K for other unspecified capitalized labor and materials

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Operating Budget Sources	2026 Budget	2027 Budget	% Change	\$ Change
ENERGY SALES-RESIDENTIAL	\$ 4,378,200	\$ 4,190,800	-4.28%	\$ (187,400)
ENERGY SALES-RESIDENTIAL REPUBLIC	860,600	798,200	-7.25%	(62,400)
ENERGY SALES-RESIDENTIAL SEASONAL	-	-	0.00%	-
ENERGY SALES-IRRIGATION	86,300	98,000	13.56%	11,700
ENERGY SALES-COMMERCIAL	712,800	659,000	-7.55%	(53,800)
COMMERCIAL-REPUBLIC	557,700	605,100	8.50%	47,400
LARGE POWER	404,700	996,400	146.21%	591,700
LARGE POWER-REPUBLIC	432,200	412,200	-4.63%	(20,000)
ENERGY SALES-INDUSTRIAL	1,944,100	2,272,800	16.91%	328,700
INDUSTRIAL 115 Kv	-	-	0.00%	-
ENERGY SALES-PUBLIC STREET LIGHTING REPUBLIC	3,600	4,100	13.89%	500
FORFEITED DISCOUNTS-LATE PAYMENT CHGS	6,900	44,800	549.28%	37,900
MISCELLANEOUS SERVICE REVENUES	24,400	23,800	-2.46%	(600)
SERVICE REVENUES-NEW CONNECTS	2,200	1,900	-13.64%	(300)
CLIMATE COMMITMENT ACT ALLOWANCE FUND	271,100	226,648	-16.40%	(44,452)
RENT-ELECTRIC PROPERTY	95,700	112,200	17.24%	16,500
OTHER ELECTRIC REVENUE	26,100	27,600	5.75%	1,500
INTEREST & DIVIDEND INCOME	181,400	180,000	-0.77%	(1,400)
MISC NON-OPERATING INCOME	275,000	275,000	0.00%	-
DOE-OCED ENERGY IMPROVEMENTS RURAL AREAS GRANT	1,337,000	-	-100.00%	(1,337,000)
NON-REVENUE FUNDS TO BE UTILIZED - G&O FUNDS	500,000	-	-100.00%	(500,000)
Total Sources	\$ 12,100,000	\$ 10,928,548	-9.68%	\$ (1,171,452)

Operating Budget Uses	2026 Budget	2027 Budget	% Change	\$ Change
Purchased Power				
COST OF PURCHASED POWER - BPA	4,192,100	4,123,932	-1.63%	(68,168)
Distribution Operations and Maintenance				
MAINT OF STATION EQUIPMENT - TRANSMISSION	6,300	2,500	-60.32%	(3,800)
MAINT OF OVERHEAD LINES-TRANSMISSION	1,400	-	-100.00%	(1,400)
SUPERVISION AND ENGINEERING-OPERATIONS	339,800	272,600	-19.78%	(67,200)
STATION EXPENSES-OPERATIONS	1,100	900	-18.18%	(200)
OVERHEAD LINE EXPENSE-OPERATIONS	300	300	0.00%	-
UNDERGROUND LINE EXPENSE-OPERATIONS	18,900	10,600	-43.92%	(8,300)
METER EXPENSE-OPERATIONS	250,200	113,300	-54.72%	(136,900)
IRRIGATION PUMP CONNECTS & DISCONNECTS	-	-	0.00%	-
MISCELLANEOUS DISTRIBUTION EXPENSE-OPERATIONS	390,700	269,600	-31.00%	(121,100)
RENT AND LEASE EXPENSE	900	4,600	411.11%	3,700
SUPERVISION AND ENGINEERING-MAINTENANCE	-	-	0.00%	-
SOLAR-MAINTENANCE	2,400	5,900	145.83%	3,500
STATION EQUIPMENT-MAINTENANCE	23,200	23,400	0.86%	200
OVERHEAD LINE EXPENSE-MAINTENANCE	540,300	685,700	26.91%	145,400
POLE TESTING-MAINTENANCE	80,000	40,100	-49.88%	(39,900)
CHEMICAL VEGETATION TREATMENT-MAINTENANCE	3,700	3,700	0.00%	-
BRUSH CLEARING-MAINTENANCE	-	40,000	0.00%	40,000
OUTAGE OH LINE EXPENSE - MAINTENANCE	102,400	103,100	0.68%	700
TREE TRIMMING - MAINTENANCE	482,800	546,100	13.11%	63,300
UNDERGROUND LINE EXPENSE-MAINTENANCE	6,700	15,000	123.88%	8,300
OUTAGE UG LINE EXPENSE - MAINTENANCE	3,300	2,000	-39.39%	(1,300)
LINE TRANSFORMERS-MAINTENANCE	500	500	0.00%	-

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PCB PROGRAM - MAINTENANCE	500	500	0.00%	-
STREET LIGHTING-MAINTENANCE	-	-	0.00%	-
METERS-MAINTENANCE	11,400	2,400	-78.95%	(9,000)
YARD LIGHTS-MAINTENANCE	5,200	2,100	-59.62%	(3,100)
Total Distribution Operations and Maintenance	2,272,000	2,144,900	-5.59%	(127,100)

Customer Service

SUPERVISION CONSUMER ACCOUNTING	-	-	0.00%	-
METER READING EXPENSE	141,300	83,000	-41.26%	(58,300)
CONSUMER RECORDS AND COLLECTION EXPENSE	681,900	517,300	-24.14%	(164,600)
CONSUMER ENERGY BURDEN ASSISTANCE	50,000	50,000	0.00%	-
CREDIT CARD EXPENSE	52,200	57,000	9.20%	4,800
UNCOLLECTIBLE ACCOUNTS EXPENSE	15,000	15,000	0.00%	-
ENERGY CONSERVATION EXPENSE	900	-	-100.00%	(900)
SOLAR-GRANT	-	-	0.00%	-
MODULAR HOMES & BUILDINGS-ENERGY STAR	-	-	0.00%	-
HOT WATER TANKS - ENERGY STAR	-	-	0.00%	-
APPLIANCE & WINDOWS-ENERGY STAR	-	-	0.00%	-
WATERWISE-STEAM GENERATION-SOLAR EDUCATION	-	-	0.00%	-
LIGHTING RETROFITS	-	-	0.00%	-
CONSERVATION ADMINISTRATION	10,300	7,300	-29.13%	(3,000)
INFORMATION AND INSTRUCTION ADVERTISING	-	-	0.00%	-
MISC CUSTOMER SERVICE AND INFORMATION EXPENSE	7,100	7,400	4.23%	300
ECONOMIC DEVELOPMENT	-	-	0.00%	-
Total Customer Service	958,700	737,000	-23.13%	(221,700)

General and Administrative

ADMINISTRATIVE AND GENERAL SALARIES	838,300	1,091,500	30.20%	253,200
OFFICE SUPPLIES AND EXPENSE	87,700	81,700	-6.84%	(6,000)
OUTSIDE SERVICES EMPLOYED	97,400	89,800	-7.80%	(7,600)
PROPERTY INSURANCE EXPENSE	37,500	42,000	12.00%	4,500
INJURIES AND DAMAGES	149,300	187,100	25.32%	37,800
EMPLOYEE PENSIONS AND BENEFITS	13,900	14,100	1.44%	200
STATE AUDIT EXPENSE	10,000	84,600	746.00%	74,600
DUPLICATE CHARGES PUD ELECTRIC USAGE-CREDIT	(11,500)	(10,800)	-6.09%	700
GENERAL ADVERTISING EXPENSE	7,000	6,600	-5.71%	(400)
MISCELLANEOUS GENERAL EXPENSE	4,300	55,200	1183.72%	50,900
COMMISSIONERS EXPENSE	306,700	345,300	12.59%	38,600
Total General and Administrative	1,540,600	1,987,100	28.98%	446,500

Industry Memberships

MISCELLANEOUS-INDUSTRY FEES	200	200	0.00%	-
CWPU-INDUSTRY FEES	10,200	11,300	10.78%	1,100
NWPPA-INDUSTRY FEES	4,700	4,700	0.00%	-
NWW&H-INDUSTRY FEES	-	-	0.00%	-
PPC-INDUSTRY FEES	4,500	4,500	0.00%	-
TEDD-INDUSTRY FEES	1,500	1,500	0.00%	-
WPUDA-INDUSTRY FEES	12,600	12,600	0.00%	-
NRU-INDUSTRY FEES	10,000	11,100	11.00%	1,100
Total Industry Memberships	43,700	45,900	5.03%	2,200

General Maintenance

MAINTENANCE OF GENERAL PLANT	47,600	63,100	32.56%	15,500
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Total General Maintenance	47,600	63,100	32.56%	15,500
Taxes				
TAXES-STATE PUD PRIVILEGE	194,400	208,800	7.41%	14,400
TAXES-STATE UNEMPLOYMENT	1,800	1,800	0.00%	-
TAXES-STATE BUSINESS & OCCUPATION TAX	800	800	0.00%	-
TAXES-STATE UTILITY TAX	333,600	375,900	12.68%	42,300
LEASEHOLD TAX	-	-	0.00%	-
Total Taxes	530,600	587,300	10.69%	56,700
Interest Expense				
Interest on Debt Services	-	-	0.00%	-
Total Uses	\$ 9,585,300	\$ 9,689,232	1.08%	\$ 103,932
Net Operating Budget	\$ 2,514,700	\$ 1,239,316		

	2026	2027		
	Budget	Budget	% Change	\$ Change
Capital Expenditures				
Poles	80,000	80,000	0.00%	-
OH Conductor & URD Cable	150,000	75,000	-50.00%	(75,000)
Transformers, Padmount	125,000	75,000	-40.00%	(50,000)
Transformers, Line	25,000	25,000	0.00%	-
Substation/Equipment Upgrades	25,000	25,000	0.00%	-
Regulator/Recloser Upgrades	150,000	75,000	-50.00%	(75,000)
AMI Meters - Meter Gateways	20,000	20,000	0.00%	-
10 Mile Access Trail	100,000	100,000	0.00%	-
Non-Itemized Capital Materials	100,000	100,000	0.00%	-
Capitalized Labor	292,700	470,500	60.74%	177,800
Capital OH Expenses & Minor Materials	-	153,816	0.00%	153,816
Equipment - Fleet Budget	70,000	-	-100.00%	(70,000)
Building Maintenance	-	-	0.00%	-
Shop	13,333	20,000	50.00%	6,667
Main Office	13,333	20,000	50.00%	6,667
Engineering Office	13,333	-	-100.00%	(13,333)
Office Equipment				
Mapping/Engineering Equipment	-	-	0.00%	-
Computer Replacements/Servers/Software Upgrades	-	-	0.00%	-
Website Upgrade	-	-	0.00%	-
Phone System Upgrade	-	-	0.00%	-
Total Capital Purchases, Additions, and Replacements	1,177,700	1,239,316	5.23%	61,616
DOE-OCED Energy Improvements in Rural Areas Grant				-
Distribution Materials/Supplies	470,000	-	-100.00%	(470,000)
Substation Equipment-Transformer/Regulators/Reclosers	867,000	-	-100.00%	(867,000)
Total Grant Uses	1,337,000	-	-100.00%	(1,337,000)
Net Capital Purchases, Additions, and Replacements	\$ 2,514,700	\$ 1,239,316	-50.72%	\$ (1,275,384)
TOTAL BUDGET	\$ 12,100,000	\$ 10,928,548	-9.68%	\$ (1,171,452)
NET TOTAL BUDGET	-	-	-	-