

RESOLUTION NO. 898

A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR APPROVAL OF A LED LIGHTING PROMOTION

BACKGROUND: The Kittitas County Public Utility District No. 1 desires to promote the "LED Street and Yard Light Service" offered by the District under rate schedules 6004 and 6005. The unmetered lights installed in these rate classes remain PUD assets and are maintained by the District for a monthly flat fee. The program promotes high quality "dark-sky compliant" lighting and improves public safety and protection of property. The program is expected to reduce excess LED lights in District inventory and improve annual revenue.

WHEREAS, the PUD currently has excess LED light fixtures in the District warehouse. The program is offered to current PUD customers, on a "first come, first serve" basis while excess inventory supplies last; and

WHEREAS, customers interested will be asked to complete an application for street lighting service and provide contribution in aid of construction in accordance with the line extension policy for actual costs minus the District contribution to the project. All remaining costs for specific installs are the responsibility of the applicant receiving the lighting service; and


WHEREAS, the District will contribute \$400 toward the install of a 40 watt LED light (rate schedule 6004) and \$500 toward the install of a 70 watt LED light (rate schedule 6005). The contribution is roughly equal to the installed cost of the light fixture; and

WHEREAS, customers will be required to sign a three year guaranteed revenue agreement for the security lighting to receive the promotion. If a customer terminates service before the end of the 3 year term. The District will invoice the balance left on the contract; and

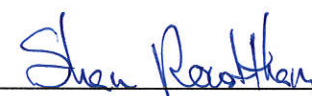
NOW, THEREFORE, BE IT RESOLVED that the Commissioners of Kittitas County Public Utility District No. 1 approve the General Manager and District staff to promote customer participation in the LED Street and Yard Light Service in rate schedules 6004 and 6005 through the program outlined herein.

IN WITNESS WHEREOF, the undersigned, being all the members of the Board of Commissioners of Kittitas County Public Utility District No. 1 have executed this Resolution of the Board of Commissioners on this 26th day of April, 2016.

Attest:



Roger Sparks, President



Shan Rowbotham, Vice-President



Paul Rogers, Secretary

Resolution 898 - Business Case for LED Light Promotion

	40W	70W
Payback Target (yrs)	3.0	3.0
Number of lights in inventory	14	17
Minimum stock level	2	2
Quantity overstocked	12	15
Average historical cost	\$249.62	\$285.97
Stores allocation 65%	\$162.25	\$185.88
Issued cost	\$411.87	\$471.85
Possible reduced inventory value	\$2,995.44	\$4,289.55
	\$7,284.99	

PUD Contribution	\$400.00	\$500.00
Max Contribution	\$4,800.00	\$7,500.00
	\$12,300.00	

Average Installation

Application Fee	\$ 75.00	\$ 75.00
Labor	\$ 43.42	\$ 43.42
transportation	\$ 15.00	\$ 15.00
Material	\$ 411.87	\$ 471.85
Overhead and payroll benefits	\$ 37.76	\$ 37.76
15% Contingency	\$ 76.21	\$ 85.20
Total Install Costs	\$ 578.08	\$ 647.06
Customer Install Costs with PUD Contribution	\$ 178.08	\$ 147.06

Monthly LED Light Rate (6004, 6005)	\$ 12.01	\$ 14.83
Annual revenue per light	\$ 144.12	\$ 177.96
Estimated kwh annually per light	174	305
Average wholesale power cost per kwh	\$ 0.035	\$ 0.035
Estimated annual expense per light	\$ 6.09	\$ 10.68
Annual net revenue per light	\$ 138.03	\$ 167.29
Total possible new revenue	\$ 1,656.36	\$ 2,509.28
	\$4,165.64	

Years to payback	2.9	3.0
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👍👍👍 Meets payback target

👎👎👎 Does not meet payback target