



Public Utility District No. 1 of Klickitat County

**75 Years of Service
1938-2013**

December 17, 2021

Dear Customer:

At this time KPUD has a limited number of pad mount transformers for use on residential underground power line installations. Transformers are being allocated based on the completion of all of the criteria set forth in the quote letter that was sent to you for payment. Once you have completed all the required criteria, you will be placed in an installation queue which will determine who receives the transformers we have in stock as well as how we allocate transformers as we receive them from our Distributors. Please work with your Staking Engineer to ensure you are meeting all of your criteria and keeping KPUD updated on your job progress.

KPUD has been working closely with our suppliers over the past year to ensure an adequate stock of materials to cover demand and we have done well so far. However, with lead times continuing to increase, we cannot guarantee we will have the materials necessary to complete every job on our customers desired time frame. KPUD generally stocks enough materials for an average years' worth of work. However, KPUD has seen an unprecedented demand for new customer electric installations in 2020 and 2021, with demand increasing well over 100% this year.

Increased demand coupled with global materials shortages has also increased delivery lead times and prices for many common materials in 2021. We are seeing lead times go from a normal of 2 or 3 months to as much as one-year or more on some materials. As demand has increased and supplies have decreased, prices for many materials have jumped 50 to 100% over what they were the last time they were ordered.

These issues are not unique to KPUD. Every electric utility we have interacted with is having the same material shortage issues, as has the housing construction market in general.

KPUD believes that every customer job is important, and ask for your patience and understanding as we work with our suppliers to respond to this situation.

Sincerely,

Mark Garner
Engineering Supervisor