

May 12, 2022



Dear \_\_\_\_\_:

As you may be aware, the electric utility industry is facing unprecedented multi-year nationwide supply chain issues with a wide variety of electric distribution equipment, most significantly distribution transformers. Large orders for pad-mounted transformers placed more than a year ago and originally quoted with an 9-month lead time continue to have their delivery dates pushed further out. We are awaiting large orders of transformers with original delivery scheduled in January and March, but with delivery now thrice postponed until at least July. We have no confidence we will receive these transformers in the near future. Recently quoted transformers are priced three to four times the quotes received last year and lead times are 14-18 months, with no guarantee of meeting quoted price or delivery.

The PUD fully understands this transformer shortage is having a very detrimental impact on the local construction and building industry, as well as the economy more generally. For more than a year we have taken every action available to us to mitigate the transformer shortage, but we are now completely out of such pad-mounted transformers with no prospect of a timely remedy. If permitted by jurisdiction and authorized by a requesting customer, we do offer to install a pole and overhead transformer at locations originally intended for pad-mounted transformers. But at some point we expect to exhaust even our current supply of overhead transformers.

What this means is that under the current circumstances we are no longer accepting requests or payments for construction associated with new service that requires new pad-mounted transformer(s). The PUD will provide budgetary estimates for future work, but will not accept payments for such work to proceed until we are reasonably confident to have the transformer(s) available to complete the work. We are sorry to convey such unfortunate news, but want you to be fully aware of the situation, and will update you as more information becomes available.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Purvis", is written over a horizontal blue line.

John Purvis, P.E.  
Assistant General Manager