

**THOMAS A. O'CONNELL**  
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August 1, 2018

Chelan County PUD Commissioners

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Re: August 6<sup>th</sup> Public Hearing

Dear Commissioners:

My name is Thomas O'Connell, I am 25 years old, and was born and raised in Wenatchee. I'm writing you today in regards to the proposed rate structure increase for High Density Load accounts within the county. I run a very small HDL location for cryptocurrency (mostly ethereum, no bitcoin) at my home north of Leavenworth.

Last summer, upon being informed of the PUD's HDL policies, I temporarily shut down my operation to come into compliance and obtain approval for my location for use. My dad, longtime Wenatchee attorney Tom O'Connell at the Davis, Arneil Law Firm, taught me from an early age to do things the correct way, and that is what I did in this case. After working with Lyle Moore, the rest of the staff, and with my own electrician, we upgraded the transformer and wiring from the transformer to the structure, along with finalizing the account fees. This involved considerable expense. I complied every step of the way with what I was asked to do with the intention of being able to work out of this location for the next few years at least. My location is approved for under 30kw of HDL load. Because my residential use is on the same meter, I am only able to draw 15kw of constant power or I will exceed my 30kw of HDL load. As a result, I have a very small operation that I cannot expand.

With the price down turn in the cryptocurrency market, many sections of the global mining community have been forced to shut down due to operating costs. There are not many locations in the US where it is possible to earn a living mining unless you expand to a large scale operation. With my very small system drawing about 15kw of constant power, I am able to earn enough to cover my system's power bill, my increased residential bill (due to being on the same

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demand meter as the computers), and cover my basic utilities, bills, food, the usual monthly expenses, with not very much left over. Mining has given me the ability to work for myself in a field I love (advanced computer tech) that I never thought I would be in, instead of working retail or seasonal work like I had done up till summer 2017. Under the proposed rate structure (7 cents to 10 cents per kilowatt hour), and without the PUD giving any consideration to the size of the operation, I would not earn enough to cover my cost of living.

As a lifelong resident, I certainly understand the PUD's concern with individuals from other states and countries wanting to move in and set up operations that could draw more power than all the citizens of Wenatchee combined. I also understand the concern with individuals operating illegal mining operations. But there seems to be no exception being made for local residents with small operations who have already spent substantial money to comply with the PUD's HDL requirements.

In the proposed fee structure for HDL accounts, the conversation always revolves around megawatts, or multiple hundreds of kilowatts, never on a sub 50kw level (unless talking about non compliant home operations). So I do not understand how my very small approved operation gets wrapped in with locations using 10, 50, or even a 100 times the amount of power I am using.

It also makes no sense why small operations would be charged more per kilowatt hour than large scale operations. I would ask you to consider separating the micro operations that are in full compliance with HDL policies when discussing the rate structure. Mining is providing local jobs with the majority of the earnings being spent in the county. A large rate increase for a comparably small amount of power draw will be the end of my ability to operate in Chelan County, and I don't want to be forced to relocate my life and work out of the area away from my home.

Thank you for your time.

Very truly yours,



Thomas A. O'Connell

cc: Steve Wright, General Manager  
Erik Wahlquist, General Counsel