



Why We Reject the Bonneville Power Administration Offer

Not in the Best Interests of the People of Clallam County, say PUD Commissioners

Clallam County Public Utility District has not changed its previously stated position as the January 21 deadline for comment passed on the Bonneville Power Administration (BPA) offer to settle a rate compliance dispute.

"We continue to believe that the settlement offered by Bonneville is not in the best interests of the people of Clallam County," said Will Purser, President of the Clallam County PUD Board of Commissioners. "We respect Bonneville's considerable efforts to settle this matter. We hope that the current offer can be used as the basis of an acceptable settlement that more closely complies with statutory directives that are expected of Bonneville."

Origins of Dispute

The dispute originated in October 2000, when BPA arbitrarily negotiated contracts with investor owned utilities (IOUs) that changed the arrangement of the statutorily mandated Residential Exchange Program. This resulted in a dramatic rise in wholesale costs to public utilities.

Clallam County PUD joined several other utilities in litigation in the 9th U.S. Circuit Court of Appeals challenging the IOU agreement because we believed, and we continue to believe, that such a major departure from the statutory directives of the Northwest Power Act does not provide a solid business foundation for Bonneville, its customers, or the region.

Proposed Settlement

"The proposed litigation settlement would offer some short-term relief to Clallam County PUD electric customers, but would leave us exposed to the same unfair treatment and possible rate hikes that necessitated this litigation," explained Will Purser. "PUD staff and the Commissioners carefully weighed these tradeoffs, and we continue to believe that we must reject the offer in favor of our statutory rights. We believe that these rights are fundamental to the continued survival of public power."

Why This Is Important To You

In a September 2003 bill insert and the November *Hotline*, we

KONP Home Show Feb 28-29 Sponsored by PUD

The 22nd KONP Home Show, sponsored by Clallam County PUD, will be held at Port Angeles High School on Saturday, February 28 and Sunday, February 29. There will be over 250 exhibits. Admission is free. The Home Show will be open from 9 a.m. to 5 p.m. on Saturday and 10 a.m. to 4 p.m. on Sunday. Visit the PUD booth to see a display of energy-efficient lighting.



COMMISSIONERS' MEETINGS

The Board of Commissioners, which you elect, normally meets on Mondays at 1:30 p.m. at the Port Angeles office, 2431 East Highway 101.

The meetings are open to the public. For more information call (360) 565-3231 or (800) 542-7859, Ext. 231

PUD MISSION STATEMENT

To provide reliable, efficient, safe, and low-cost utility services in a financially and environmentally responsible manner



Fuel Mix Disclosure

The electric energy Clallam County PUD provided to its customers came from the following resources:

Hydroelectric	84.0%
Nuclear	10.6%
Coal	3.1%
Landfill gas	1.5%
Natural gas	0.5%
Other	0.3%
Total	100%

These statistics are for calendar year 2002.

Services, Programs, & Products

- Budget Payment Plan
- Bill payment by credit card and electronic fund transfer
- Low-income Senior Citizen Discount
- Low-income Disabled Citizen Discount
- Neighborly Assistance Program
- Electric safety demonstrations
- Speakers for clubs and organizations
- Loan program for energy- and water-efficiency improvements
- Manufactured home weatherization program



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discussed that approximately 13% of your electric bill goes to cover the excess cost to private utility customers. That means a total of more than \$100,000 per month from Clallam County PUD's 25,000 electric service customers. BPA accounts for 95% of the electricity used by Clallam County PUD customers; BPA power costs represent more than half of Clallam PUD's annual budget.

As you can see, the bottom line effect of this dispute is significant. That is why we are taking a stand to keep your costs down for the long term.

Next Steps

As a litigant in this dispute, the next step is to confer with the mediator from the 9th U.S. Circuit Court of Appeals. Additionally, Clallam PUD will continue to work with other parties in the lawsuit in the hopes that the dispute can be settled out of court in a way that protects the long-term interests of Clallam PUD customers.

We have set up a special section on our web site with background information and the latest news on the issue. Please refer to the site (www.clallampud.net) and contact us with any questions you may have.

We wish to thank customers who took the time to respond to the September 2003 bill insert about the benefits Bonneville Power Administration gives to customers of investor owned (private) utilities. Over 250 customers wrote or called to say they agreed that this situation is unfair and expressed overwhelming support for the Commissioners' position on this issue.

- Clallam County PUD Commissioners

Power for the Future Student Science Competition Saturday March 20, 2004

The Power for the Future Student Science Competition will be held on Saturday, March 20, 2004, at Stevens Middle School. Students will build a catapult that will propel an object to a set target. The competition is open to public, private, and home school students in grades 4-12.



Students must pre-register. Information, registration forms, and specifications will be available at local schools and PUD offices. For additional information, call the PUD at (360) 565-3249 or (800) 542-7859, Ext. 249.