

HOTLINE

News From Your Public Power Utility • Summer 2013













Linemen working high above.

Fire District #2 thanks the PUD for its good work.

1988 PUD Line Truck

John, Doug, and Ken work in the dispatch center during an outage.

Inga manages traffic at a PUD worksite.

PUD Employees participate in First Aid training.

PUD Employees at the North Olympic Discovery Marathon



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Clallam County PUD PO Box 1090 Port Angeles, WA 98362

Postal Customer

PRSRT STD U.S. Postage PAID Olympic Mailing Services

PUD Mission: Providing reliable, efficient, safe and low-cost utility services in a financially and environmentally responsible manner.

Dear PUD Customers,

One of the great cornerstones of public power is local control. Here at Clallam PUD we are proud that you, the customer, elect 3 local commissioners to represent you on the Board. However, not everything that impacts the PUD can be controlled locally. We have seen how mandates associated



DOUG NASS

with the Washington Energy Independence Act (formerly known as I-937), fish and wildlife mitigation costs, and other areas have impacted the PUD and your rates. Right now, we are also keeping close tabs on the Columbia River Treaty (CRT) negotiations.

Though we are indirectly involved in the negotiations through Washington PUD Association, the results of the CRT negotiations will have a lasting impact on the Northwest. The CRT is an international agreement between Canada and the United States for the cooperative development and operation of Columbia River Basin water resources to reduce the effect of floods and to increase dependable and usable amounts of hydropower generation.

The PUD currently receives just under 90% of its power from hydroelectric sources – entirely from the Bonneville Power Administration.

The CRT was signed in 1961 and implemented in 1964. After September 15, 2024, Canada and the US each have the option to terminate most of the Treaty provisions by providing a 10-year advance written notice. That is why this is an issue now – the 10-year advance written notice period is 2014.

Because it is an important, yet complicated, issue we have chosen to devote some space in this newsletter to the CRT. I encourage you to review pages 4-5 for information on the CRT and what it might mean for you. Of course, I hope you take a few minutes to read the entire newsletter as there is a lot of good information.

Thank you again for your support of the PUD,



PUD General Manager

Contact PUD

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Your PUD's electricity comes from the following fuel mix:

Hydroelectric:	88.13%
Nuclear:	9.39%
Coal:	1.57%
Natural Gas:	0.63%
Wind:	0.12%
Biomass:	0.08%
Waste:	0.04%
Petroleum:	0.02%
Landfill Gases:	0.01%
Other:	0.01%

Commissioners

Clallam County Public Utility District #1 is directed by a three-member board of commissioners elected by the citizens of the county. Our Board holds public meetings most Mondays at 1:30 p.m. at our Port Angeles office, 2431 East Highway 101. Call (360) 565-3231 or (800) 542-7859, or visit www.clallampud.net, for more information.



Hugh Haffner
President, District #2

Hugh Haffner has been Commissioner since 1994, when he was appointed to a two year term. He represents the 2nd District, which encompasses areas surrounding the City of Port Angeles. Commissioner Haffner has

been working with municipal, state and federal officials to bring fiber optic backbone to the county and researching and developing strategies for a county-wide fiber optic network. With real-time, two-way connections to our power stations and our customers we can regulate power flow and provide better, more economical service.

hughh@clallampud.net • 360-565-3521



Ted Simpson *Vice President, District #3*

Ted Simpson was elected in 1985. He represents the 3rd District, which is the West part of the County. Commissioner Simpson is a proponent for safe, reliable, and affordable utility service for all PUD customers. "Our

current challenge will be to integrate new renewable (Green) resources into our system at an affordable cost, while complying with State and Federal Laws".

teds@clallampud.net • (360) 565-3525



Will Purser
Secretary, District #1

Will Purser has served as District 1 PUD Commissioner since appointment in April 2001. He represents the 1st District, which is the Eastern part of the County. Commissioner Purser recognizes that the issues of energy, water, and waste disposal are critical to

the quality of life of Clallam County residents now and in the future. He also serves on the Energy Northwest Board of Directors' Executive Board. Energy Northwest is a Joint Operating Agency of 28 public utilities operating nuclear, hydroelectric, wind, and solar projects.

wepurser@clallampud.net • 360-565-3512

Public Outreach Continues

By Hugh Haffner, President, PUD Commission

This past June the PUD held a series of public meetings designed to talk about rates. The PUD had actually been out in the public talking about the challenges it faces and how rates might be impacted for over a year, but specifically with regard to this most recent rate increase since September. Whether it was public presentations, conversations on the radio, social media, or



newsletter articles the PUD has been proactive in its communication efforts.

I wanted to take this opportunity to quickly review why rates were increased July 1 and what may happen in the future. The Commission has established a goal of maintaining stable rates, meaning smaller annual versus large infrequent increases, ideally of 3% or less. At the same time, we are working hard to manage our controllable costs, maintain adequate reserves, and continue to provide reliable service.

The Bonneville Power Administration (BPA) has indicated we can expect wholesale rate increases of 10% or more during each of their 2 year rate cycles. BPA wholesale power costs represent about 45% of our total expenditures. Another area where we expect to see costs

Financial Information
Costs

2013

2014

Capital, net 1.2%
Debt 5%
Taxes 6%
Power 4.3%

Operating Costs 35%

continue to increase is with the Energy Independence Act (formerly known as I-937). While the cost of renewable energy mandates will continue to pressure the budget, it's the conservation mandates that will have the greatest impact near term with an anticipated \$2 Million impact in 2014 and 2015.

It is also important for the PUD to maintain and upgrade its system, so capital expenditures and financing will be necessary.

There are a couple of things to keep in mind when considering your utility rates. First, the BPA is still the most affordable option for the PUD. And, electric rates in the Northwest, and specifically Clallam County PUD, are lower than most regions of the country.

Thank you for your support of Clallam County PUD and Public Power, Hugh



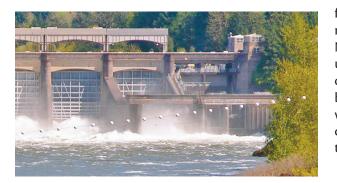


Columbia River Treaty - Why It's Important to You

Clallam County PUD is indirectly involved with the Columbia River Treaty negotiations through its membership in the Washington Public Utility District Association (WPUDA) and is keeping close tabs on the process, specifically through the Columbia River Treaty Power Group. The information provided here has been developed by the Power Group, and permission granted for distribution.

Background

The Columbia River Treaty is an international agreement between Canada and the United States for the cooperative development and operation of Columbia River Basin water resources to reduce the effect of floods and to increase dependable and usable amounts of hydropower generation. It was signed in 1961 and implemented in 1964. After September 15, 2024, Canada and the United States each have the



option to terminate most of the Treaty provisions by providing a 10-year advance written notice.

While the costs and benefits are borne by all Pacific Northwest utility customers, the U.S. Army Corps of Engineers (Corps) and Bonneville Power Administration (BPA) represent the United States as the U.S. Entity and work in concert with the State Department and National Security Council in official Treaty discussions with Canada. The Corps operates federal dams in the Columbia River Basin and BPA markets federal hydropower to regional utilities. Neither BPA nor the Corps represents the interests of utilities that purchase federal hydropower, operators of non-federal hydropower facilities directly affected by the Treaty, or other river users. The Power Group was formed to ensure that Northwest electricity customers would have their interests represented in the Treaty review process.

The earliest the Treaty can be terminated is 2024,



although notice must be given by 2014. The current Treaty flood control operations, which provide significant benefits to the United States, will expire in September 2024. Terms and conditions for ongoing flood control will need to be renegotiated, regardless of whether the Treaty is terminated or not. In addition, U.S. operations of the Columbia River system for fisheries management have significantly reduced the original downstream power benefits of the Treaty. If

the Treaty continues without modification post-2024, U.S. power utilities would remain obligated to deliver Canadian Entitlement, a continuous power and energy delivery to the Canadian government paid for by Northwest electricity customers.



Current Studies

Construction of Columbia River Treaty storage projects, which impound flows destined for the lower reaches of the Columbia River, have allowed for management of downstream flood risk and were intended to optimize the timing of stream flows to

enhance power generation at downstream projects. The Columbia River Treaty has operated for nearly 50 years and has now fulfilled a primary purpose; that is, it raised financing in the United States for construction of the Treaty storage projects in Canada.

There has been substantial analysis of the Treaty conducted by the U.S. Entity and others. As power utilities serving people throughout the Northwest, we are uniquely interested in the future of the Columbia River Treaty.

Based upon an extensive analysis of downstream power benefits by BPA, the remaining benefit of coordinated operations is minimal, while the costs imposed under the existing Treaty protocols is high. BPA has forecasted the Canadian Entitlement payment in 2025 using existing methodologies to be 450 aMW with about 1,300 MW of capacity. Yet, BPA estimates the actual benefits to be 90 aMW and 0 (zero) MW of capacity. This equates to a Canadian Entitlement payment of 45 aMW or a ten-fold decrease in actual value.

Goals of the Columbia River Treaty Power Group

Through the Columbia River Treaty review process, the Power Group wants to ensure a fair and equitable outcome for the estimated 6.4 million Pacific Northwest electric customers we serve. Based on our shared interests, the Power Group supports the following principles:

Downstream Power Benefits

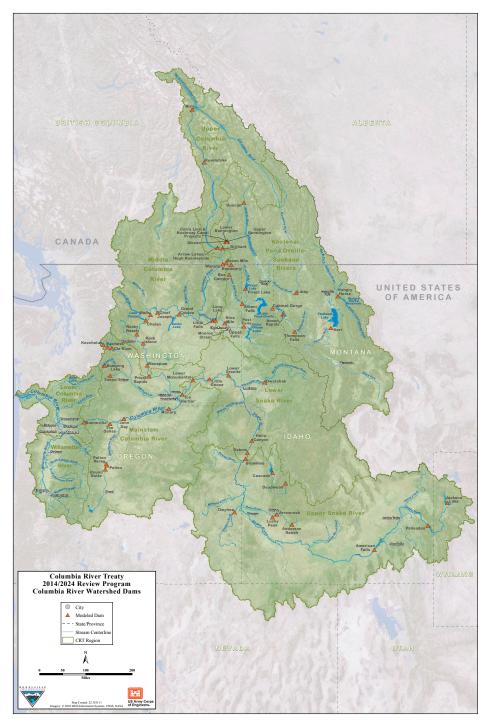
Any payment made to Canada for downstream power benefits should not exceed one-half of the actual incremental power benefit achieved through a coordinated United States/Canada operation as compared to a non-coordinated operation.

Non-Power Benefits

- Consistent with the flood control funding approach employed throughout the United States, any payments for Columbia River flood control should be the responsibility of the taxpayers of the United States.
- Each of the entities providing the Canadian Entitlement return already have robust environmental mitigation plans embedded in their project authorizations and developed in legal forums. Along with the cost of the Entitlement return, this mitigation is funded by utility customers. Therefore, an equitable correction to the Entitlement should not lead to an increased mitigation requirement.

If these principles cannot be met, then the United States has no other option but to provide notification of termination by 2014.

Learn more at: www.crtpowergroup.org





Summer Conservation



By Mattias Jarvegren Utility Services Advisor II

Summer is here and the weather has warmed up. As we all know, it doesn't get comparatively hot around here, and hence the opportunity to save energy from reducing cooling is small. Nonetheless, there are things that you can do to eliminate energy waste in the summer and the summer time is actually a good time to start thinking about and laying the groundwork for making sure that energy isn't wasted year round.

Below are six tips to help you prepare your home for summer and to eliminate energy waste. Always remember that you can call us if you have any questions. Our contact information can be found at the bottom of this article.

1. Turn off, or turn up your thermostat

If you have a heat pump, switch it over to 'cool' and test the system by turning the temperature down. If the air conditioner does not turn on, first check to

make sure no breakers are tripped. If you can't figure out the problem, call your heating and air-conditioning repair person. Calling early may keep you from making an 'emergency' call when the temperatures are high and you really want your air-conditioning system to work now..

Make sure you set your thermostats set point at 78 degrees, or even higher. The warmer that you keep your house, the less energy it takes to keep it that way, in the summertime.

2. Change your furnace filter

This is a piece of advice that's really good year round, and because we tend to not think about our heating and air-conditioning

to remind folks about it whenever I can. This applies to heat pumps, ductless heat pumps and electric furnaces alike. It's important you at least inspect the filter once a month and change them every three months. Remember: this is at minimum – you may need to change them as often as once a month.

system very often (me being the exception of course) I like

Even though they seem simple, your air filters actually have a pretty major effect on not only your indoor air quality but also on the way your furnace operates! Hence, it's important you keep on top of changing your air filters for a number of reasons.

As your filter collects various bits of dust, pet dander, pollen, etc., it

starts to get clogged. Over time, the clog can build up and make it much more difficult for air to pass through. This causes the fan blower to work harder, increasing your energy bill and eventually causing the blower motor to overheat and burn out. If you let it go for too long, your heating and air-conditioning might require an expensive service call. Changing your furnace filters regularly – at least every three months but preferably every month – is the best thing you can do to ensure proper furnace operation all year round.

5. Run the fan

Using a ceiling fan is a small tip that people don't often think of. In our comparatively mild weather it's often not necessary to have air-conditioning. One cheap alternate solution that you can also employ instead of using air-conditioning, even if you do have it, is a ceiling fan.

Running a ceiling fan and creating a gentle cool breeze in the house, costs significantly less than running an air-conditioner.

6. Be a speedy chef

Nothing is more energy efficient for cooking than your microwave. Your microwaves use a lot of energy when operating, but because cooking times are so drastically reduced, using a microwave to prepare a meal will reduce energy use by about two-thirds compared to a conventional oven. Because less heat is generated in the kitchen, you may also eliminate energy waste from unnecessarily having to run the air conditioning because your oven is heating up the kitchen. Some microwave ovens include sophisticated



features to further boost energy efficiency and cooking performance, such as temperature probes, controls to turn off the microwave when food is cooked, and variable power settings. New "rapid-cook" ovens combining microwaves with other cooking technologies— notably halogen lights or

convection—are designed to cut cooking time and improve the quality of foods compared to standard microwave preparation.

As always, keep us mind. You pay for our services. If you are a residential, commercial or industrial customer, know that we are here to offer assistance when looking at eliminating energy waste. Please go to our website, www.clallamPUD.net, send us an email at Utility.Services.Info@ClallamPUD.net or give us a call at either (360) 565-3249 or (800) 542-7859 x249.



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360-452-9771 • www.clallampud.net

Free Showerheads for Residential Customers!

Replace your energy wasting showerheads with free energy saving ones from your PUD.

Residential account holders: stop by your local PUD office to collect free energy saving showerhead(s) while supplies last. Using water wisely is a great way to reduce utility bills and adverse impacts on septic/sewer systems and the environment.

Your PUD recommends the use of energy efficient showerheads with flow rates of 2.0 gallons per minute (gpm) or less. Given a choice between the free 2.0 gpm and 1.75 gpm models we're distributing, we'd strongly encourage you to install the 1.75 gpm model in your most used shower stall for maximum water and energy savings. Reduce energy and water waste, pick up your free showerheads today.



Here are a few Water Conservation tips from our partner at "Water Use It Wisely"

- Avoid planting turf in areas that are hard to water such as steep inclines and isolated strips along sidewalks and driveways.
- Use the garbage disposal sparingly. Compost instead and save gallons every time.
- Minimize evaporation by watering during the early morning hours, when temperatures are cooler and winds are lighter.
- Use a layer of organic mulch around plants to reduce evaporation and save hundreds of gallons of water a year.
- Use a broom instead of a hose to clean your driveway or sidewalk and save 80 gallons of water every time.
- We're more likely to notice leaky faucets indoors, but don't forget to check outdoor faucets, pipes, and hoses for leaks.
- Direct downspouts and other runoff towards shrubs and trees, or collect and use for your garden.
- Make sure you know where your master water shut-off valve is located. This could save gallons of water and damage to your home if a pipe were to burst.
- Remember to weed your lawn and garden regularly. Weeds compete with other plants for nutrients, light, and water.
- Adjust your lawn mower to a higher setting. Longer grass shades root systems and holds soil moisture better than a closely clipped lawn.



Neighbors Helping Neighbors Donate to the Neighborly Assistance Program



By donating a few dollars a month, you can help keep the lights on for a growing number of needy families and seniors. Through our Neighborly Assistance Program, you can bring light and warmth to your Clallam County neighbors through one-time or recurring donations to any or all of the following agencies: Sequim Community Aid,

Sequim St. Vincent de Paul, and Olympic Community Action Programs. It's simple! Just complete the form below, enclose it with your bill payment and/or drop it off at a PUD office. The form is also available online:

www.clallampud.net/customer_service/NeighborlyAssistance.pdf

u	Name:	Acct. No.:	
rar	Address:	Phone No.:	
Program	My choices for participation in the Neighborly As This replaces any previous pledges.	sistance Program are indicated below.	
	☐ I prefer to be billed, beginning with my next statement, as follows:		
tan	Please bill \$ for months		
sis	Please bill \$every month until I contact the PUD to cancel.		
Ą	☐ I prefer a one-time contribution of \$		
rly	I want my one-time or monthly contribution of:	\$ to Sequim Community Aid	
oqu		\$ to Sequim St. Vincent de Paul	
Neighborly Assistance		\$ to go to Olympic Community Action Programs	
Z	Signature:	Date:	

Summer Is Home Energy Audit Time!

Summer is here, and while we're all enjoying the benefits that come along with it, including lower energy bills, this is the perfect time to conduct a home energy audit!

Visit the PUD's YouTube channel to view our "Home Energy Audit" video where you can learn how to conduct your own home audit that can save you money as we head into Fall!



UTILITY VANDALISM AND THEFT = DANGER



Utility facilities contain high voltage systems and are **VERY DANGEROUS**. Keep out of electric substations; pump houses and other utility facilities and buildings, as the equipment carries high voltage. Stay away from any PUD property marked "Danger," "High Voltage," or "Warning".

Tampering with any utility equipment can cause serious injury and may even cause death. Vandalism and theft is costly and could set off extensive power and utility outages.

Trespassing on PUD property and any kind of tampering or vandalism is also a criminal offense. Offenders will be prosecuted to the full extent of the law.

If you see any suspicious activity around PUD facilities, immediately notify authorities or call 800-542-7859. The public is urged to report any non-utility personnel or vehicles around utility facilities.

www.clallampud.net



"Like" the PUD on Facebook

The PUD is becoming more and more active on Facebook and hopes to see you "Like" the page soon.

When you do, you will see photos of PUD Activities, news about the PUD and the industry, and you will receive weekly conservation tips, such as:

- ▲ Insulate and seal ducts in attics, crawl spaces, garages and other unheated areas-potential big energy savings!!
- ▲ Buy surge protector strips for your appliances, so you can turn off several at once, while protecting them from surges.
- ▲ Take advantage of PUD Rebates to help you on the path toward energy savings. There are many options to choose from, including Energy Star Appliances, Duct Sealing, Heat Pumps, Windows, and more.....

Be sure to LIKE the PUD on Facebook at www.facebook.com/ClallamPUD

