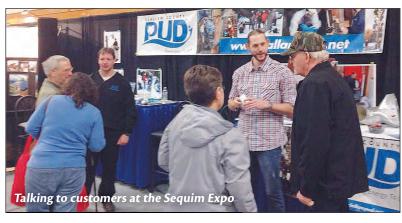


HOTLINE

News From Your Public Power Utility • First Edition 2015













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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.



DOUG NASS

Dear Customers,The latest chapter of a great

Northwest story has just begun

CleanHydro

to unfold in Washington.
This spring, a fresh round of

CleanHydro advertising is telling the story of hydropower dams and the incredible power of the

Northwest's Columbia and Snake rivers to benefit our daily lives.

CleanHydro is a public education effort that reaches seven million residents with TV and print ads that celebrate the multiple benefits of our dams and river system: irrigation for agriculture; flood control for cities; commerce made possible by navigable rivers and a robust port system; and hydropower—the region's most affordable and reliable source of clean, renewable energy.

CleanHydro is coordinated by Northwest River Partners, an alliance that includes publicly and privately owned electric utilities, ports, farming organizations and businesses that advocates for a balanced approach to managing the federal hydropower system on the Columbia and Snake Rivers. We at Clallam PUD are members of Northwest RiverPartners and are proud to be supporting this effort, now in its third year.

From polling done last year, we know that a strong majority of Northwest residents express support for hydropower: 75 percent identify it as a clean, renewable source of energy.

Yet in the past year we've seen an increase in attacks by special interests with an anti-dam agenda. The result is that Northwest hydro and our river system still aren't getting the credit they deserve. This is especially true among people who moved here from other places, and younger generations who aren't being educated about hydropower, who don't always know it benefits the environment and the economy.

Hydropower, in fact, provides nearly 60 percent of the region's energy, 90 percent of its renewable energy and 88 percent of the District's total energy. Hydro doesn't burn any fossil fuels—helping to keep our carbon footprint to about half that of other parts of the country. Hydro is also drawing new, energy-sensitive employers such as Google and BMW to the region, and continues to ensure that traditional industries and small businesses thrive.

These factors demonstrate why it's so important for Clallam PUD to be a part of CleanHydro again this year. I hope you'll join our conversation.

To watch the advertisements and for additional information about the Northwest's hydropower and river system, please visit CleanHydro.com.



Doug Nass, General Manager

Contact PUD

PO Box 1090
Port Angeles, WA 98362
360-452-9771
Toll-free: (800) 542-7859
info@clallampud.net
www.clallampud.net





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

Hydroelectric:	
Nuclear:	10.05%
Coal:	0.92%
Wind:	0.55%
Natural Gas:	0.38%
Biomass:	0.04%
Waste:	0.02%
Petroleum:	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 *Vice 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
Secretary, 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
President, 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

How Do Our Rates Compare?



Have you ever wondered how the residential electric rates of Clallam County PUD compare to those of surrounding utilities?

Of course you have, so let's get right to the meat of this article.

The chart below shows your PUD's **residential electric rates** as well as the rates of surrounding or nearby utilities. The math is fairly simple: we took a "typical size" load of 1500 kilowatt hours of energy use, multiplied it by the energy rate, and added in the basic charge (where applicable). Totals are rounded to the nearest dollar.

Electric Utility	Monthly Bill	
Portland General Electric	\$168	
Puget Sound Energy	gy \$152	
Jefferson PUD	\$152	
Seattle Light	\$146	
Snohomish PUD	\$142	
Grays Harbor PUD	\$141	
Mason PUD #3	\$127	
Clallam County PUD	\$127	
Tacoma Power	\$121	
City of Port Angeles	\$118	

Source: All rate information, including energy charge and basic charge, were derived from the most current information on each utilities web site as of March 11, 2015.

Some of the reasons for disparity in rates include

the high population density of a city like Port Angeles compared to more rural services like Clallam PUD, and the need to satisfy shareholders profit demands (such as for PSE and Puget Sound Energy) compared to public power utility like Clallam PUD.

* It should also be noted that the City of Port Angeles benefits from being classified as a "small utility" and is thus not subject to the renewable energy and energy conservation mandates of the Washington Energy Independence Act.

	Cents / kWh	Year
California	17.08	Dec 2014
National	12.15	Dec 2014
Washington	10.29	Dec 2014
Idaho	9.41	Dec 2014
Oregon	8.22	Dec 2014
Clallam PUD	7.07	April 2015

In this chart, we show what your PUD's April 2015 residential kWh electric rate is compared to that of the national average, Washington's average,



Commissioners work to maintain reasonable rates.

Oregon's average, Idaho's average, and California's average as of December 2014.

Source: U.S. Energy Information Administration's Average Retail Price of Electricity to Ultimate Customers by End-Use Sector. Accessed www.eia.gov March 11, 2015.

The electric utility industry, including your PUD, is facing rate pressure challenges that come as the result of renewable energy mandates, fish and wildlife mitigation mandates, environmental mandates, regulatory mandates, and more. The one thing you can rest assured of is that Clallam County PUD is committed to its mission of providing reliable, efficient, safe and low cost utility services in a financially and environmentally responsible manner.

PAY BY PHONE! 888-402-0663 Pay by phone is a new payment option designed for customers who have no access to web pay because they have no computer, are out of town, or just want to make a quick payment without turning on their computer.

The system is available from anywhere in the US by dialing 888-402-0663. It is also available as menu item 8 via the main PUD

phone number. Payment can be made using the phone keypad, with a VISA, MasterCard or Discover credit or debit card.

Also, if customers want they can stop by any of the office locations to pick up a refrigerator magnet. They include the 888# and the customer's account number, which is needed to access the system.



85 YEARS AGO: Birth of Public Utility Districts

The history of PUDs dates back to 1930 when the voters of the State of Washington passed an initiative allowing for the formation of not-for-profit, community owned public utility districts. While 1930 marks the beginning of the PUD era, the PUD movement began earlier sparked by frustration over access to affordable electricity in rural areas. One organization took action leading the PUD movement; the Washington State Grange.

The PUD movement got its start in the late 1920s. At the time, most rural Washington communities lacked reliable and affordable electric power. Only about 12 percent of farms had electricity. Private utilities were slow to provide service in the rural areas and in areas where electric power was available, rates were high. Frustration led to action and the Washington State Grange began working on a solution.

At the 1927 Grange Convention, a report was adopted to draft an initiative for a PUD law that would allow rural communities to form their own publically owned utilities. In 1928, the Grange considered either going the initiative route or submitting it as a bill in the legislature. The Grange delegates voted to launch the initiative effort due to concerns about private power influence in the legislature. Petitions were circulated in October of 1928. Over 60,000 signatures were gathered before the legislature was filed in the 1929 session. The initiative failed to make it through the



legislature and went on to a statewide vote in the General Election in 1930. The initiative passed with a vote of 152,487 to 130,901 (54% of the vote) and the new PUD law went into effect in 1931.

The law, now known as RCW 54, authorized the establishment of public utility districts to "conserve the water and power resources of the State of Washington for the benefit of the people thereof, and to supply public utility service, including water and electricity for all uses."

In 2000, as access to the Internet became increasingly important, the law was amended to include wholesale broadband telecommunications service.

The first PUD to go into operation was PUD No. 1 of Mason County. Formed in 1934, the PUD began serving Hoodsport and the

surrounding area in 1935.

A second PUD – Mason PUD No. 3 – was formed soon afterwards and now provides electricity to other parts of the county. Mason No. 1 also provides water and sewer services, while Mason No. 3 provides broadband telecommunications. Mason is the only county with two operating PUDs.

In 1934, voters in Benton and Franklin counties approved the first countywide PUDs. However, in 1940 the Skamania County PUD, which received voter approval in 1939, was the first countywide PUD to actually begin operations.

Early efforts to organize public utility districts often faced fierce opposition from privately owned utility companies. But after the state Supreme Court upheld the PUD law in 1936, the Washington State Grange organized an all-out effort to get PUDs on ballots across the state.

Although not all of them were immediately put into operation, the voters created PUDs in nearly two dozen counties over the next eight years, including:

- Clallam (1940)
- Douglas (1935)
- Chelan (1936)
- Cowlitz (1936)
- Ferry (1936)

• Kittitas (1936)

• Lewis (1936)

• Okanogan (1936)

• Pend Oreille (1936)

• Skagit (1936)

• Snohomish (1936)

• Stevens (1936)

• Wahkiakum (1936)

• Whatcom County (1936)

• Pacific (1937)

• Clark (1938)

• Grant (1938)

• Grays Harbor (1938)

• Klickitat (1938)

• Thurston (1938)

• Jefferson (1939)

• Skamania (1939)

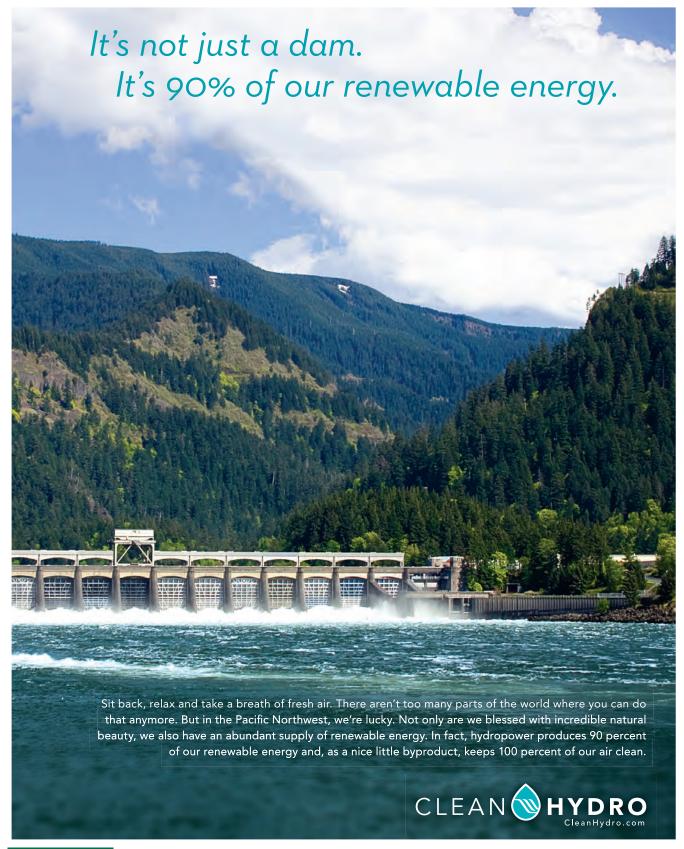
• Kitsap (1940)

The newest PUD is the Asotin County PUD.

Asotin PUD was created in 1984 by voters who were upset with the high cost of water provided by a private utility. After two years of court proceedings, the PUD acquired the Clarkston General Water Supply Co. through condemnation and began operations in April 1987.

While we celebrate the 85th Anniversary of the birth of PUD's this year, we also celebrate the 75th Anniversary of Clallam County PUD, but more on that in future editions....

stay tuned...



Did You Know....

Although we have 90% renewable hydro, Washington State does not count it as "qualified" renewable and therefore it does not count towards our I-937 mandates.

Lighting hazardous waste disposal



By O. Mattias Järvegren Utility Services Advisor II

As of January 1, 2015, Washington State residents will be able to recycle mercury-containing lights at no charge, by dropping them off at authorized Collection Sites throughout Washington State.

All fluorescent and high intensity discharge (HID) lights contain mercury – a potent neurotoxin. When we talk about the hazards

of mercury containing lights it's important to note that these types of lighting technology has been used safely for a very long time, and that you will find them at almost everywhere through our country, and that they account for the great majority of all artificial lighting that we've used since the last century. A single fluorescent light contains a very small amount of mercury and millions of these lights are sold every year in the Washington State alone. Taken together, however, the mercury from fluorescent lights and HIDs has potential to harm human health and the environment if the waste is allowed to accumulate in landfills. Mercury-containing light bulbs are safe through normal use. However, it is very important to keep the mercury contained inside them, and to safely dispose of and to recycle these types of lamps. Note that while low-mercury (or "green") lamps may contain less mercury, they still do contain mercury and should be recycled to protect the environment as well.

To facilitate proper disposal of lighting hazardous waste, the Washington State Department of Ecology has set up a product stewardship program meaning that the producers of mercury containing light technologies will be responsible for reducing the environmental impact of their products. Producers of mercury-containing lights that are sold in Washington State are required to fund *LightRecycle Washington*, a program designed to provide a safe, efficient method for properly recycling the product at the end of its life-cycle.

LightRecycle Washington has coordinated collection sites throughout

the state. There is a Collection Site locator on their website at www.lightrecyclewa.org. You simply go to the web address and use Collection Site locator to find a convenient site near you. Then you drop your unwanted mercury-containing lights off at no charge during regular business hours and the waste will be safely managed until it's ready to be transported to a processor for recycling, in order to reclaim the mercury to be used in

Currently, there are three local facilities that will accept your lighting waste. You can take up to 10 mercury containing lights per day to one of the following locations:

Around Again

your next generation of lights.

22 Gilbert Road, Sequim, WA • 360.683.7862

Around Again

2604 W. 18th Street, Port Angeles, WA • 360.461.2468

Swains General

602 E 1st Street, Port Angles, WA • 360-452.2357

StoreThurman Supply

1807 E. Front Street, Port Angeles, WA • 360.457.8591

As a responsible community member, your public utility district has setup and maintained compact fluorescent lights recycling boxes at our customer service offices for a number of years now, but we're excited to share this update and more permanent solution to dealing with lighting waste. Now go out there and replace your incandescent lamps with CFLs or LEDs.

The conservation staff at Clallam County PUD is always looking for ways to make more programs available, as well as finding the most efficient methods to get those programs out to the most people. More importantly, we want all of Clallam County PUD's customers, residential, commercial and industrial alike; to know that we are here to help you with conservation planning and questions. Please go to our website, www.clallampub.net or call us — (360) 565-3249 or (800) 542-7859 x249.



CLALLAM COUNTY

| D | |

2431 E. Highway 101 • PO Box 1090 • Port Angeles, WA 98362

360-452-9771 • www.clallampud.net

Bringing Energy To Life"



The PUD facilities plan is on schedule and customers

should be seeing significant progress at the Carlsborg

"old Costco" site where the PUD is constructing a new

Administration Headquarters. October 2015 is the scheduled completion of the new facility.



In addition, the old PUD Sequim building was taken down in January. The PUD will retain this property as it holds a substation. Staff and Commissioners are considering a variety of possible uses for the property, perhaps even electric car charging stations.

We look forward to sharing more progress in the future, and we look forward to the increased efficiencies and the "one stop shopping" that the modern facility will create.

Water Conservation Tips

When you give your pet fresh water, don't throw the old water down the drain. Use it to water your trees or shrubs.

- Be a leak detective! Check all hoses, connectors, and faucets regularly for leaks.
- Grab a wrench and fix that leaky faucet. It's simple, inexpensive, and you can save 140 gallons a week.
- At home or while staying in a hotel, reuse your towels.
- Plug the sink instead of running the water to rinse your razor and save up to 300 gallons a month.
- Shorten your shower by a minute or two and you'll save up to 150 gallons per month.
- If you accidentally drop ice cubes, don't throw them in the sink. Drop them in a house plant instead.

For more water conservation tips, visit www.wateruseitwisely.com

Take the
"Water Use It Wisely"
Howe Water Audit: http://
wateruseitwisely.com/100ways-to-conserve/homewater-audit/



BE SAFE THIS SPRING - CALL BEFORE YOU DIG!

Practice safety this Spring!

If you have landscaping or other outdoor projects in mind, remember to Call Before You Dig to have underground power or other utilities located and marked for safety.

It's easy! Simply dial "811" a few days prior to digging and tell the operator about your plans and in a few days they'll send a locator out!

Know what's below.

Call before you dig.



Water Projects

The PUD's Water Department is busy upgrading facilities so it can continue its tradition of quality and reliable service.

One large project is to connect two new wells in the Fairview Water System. These two wells will replace an existing well in the area of the Bluffs Subdivision. The wells

are expected to be operational by April of this year and will allow the District to maximize our existing water right.

In addition, the PUD is developing plans and specifications to upgrade and repaint the existing 200,000 gallon reservoir on Deer Park Road. This project should be completed by August 2015.

Learn more about the PUD's Water and Wastewater Utility at: www.clallampud.net/water-wastewater/



What does it mean when we say you can count on us?

It means we are amongst the best in the nation when it comes to:

- Reliability,
- Safety,
- · Work Force Development, and

www.clallampud.net

· System Improvement.

As a result, we have received a Reliable Public Power Provider—or RP3—designation from the American Public Power Association.

We are proud to serve this community and proud to say you can count on us. For more information, visit PublicPower.org/RP3.





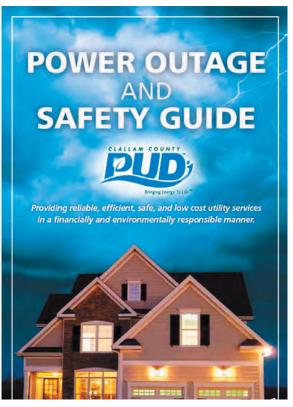
Be sure to LIKE the PUD on Facebook at www.facebook. com/ClallamPUD



Renewable

In the Northwest, hydropower provides 90% of our renewable energy.

eteanhydra ean



Ask for this booklet at our customer offices or when you see our displays at events.

Neighbors Helping NeighborsDonate 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: Olympic Community Action Programs, Sequim Community Aid, and Sequim St. Vincent de Paul. 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

Name:_______ Acct. No.:_______
Address:______ Phone No.:______

My choices for participation in the Neighborly Assistance Program are indicated below. This replaces any previous pledges.

I prefer to be billed, beginning with my next statement, as follows:

Please bill \$______ every months.

Please bill \$______ every month until I contact the PUD to cancel.

I prefer a one-time contribution of \$______ to go to Olympic Community Action Programs

\$______ to Sequim Community Aid

\$______ to Sequim St. Vincent de Paul

Clallam PUD - Your Partner in Conservation



www.clallampud.net/conservation