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PUD Commissioners Approves Budget / Rate Increase

Carlsborg, WA – February 1, 2018 – PUD #1 of Clallam County (PUD) Commissioners voted to approve the 2018 Budget during the January 29, 2018, Commission Meeting. As part of that budget approval, Commissioners approved a staff recommended 4.8% average increase in retail electric utility rates and an average 7% retail rate increase for water and sewer customers, the latter of which was approved with the 2017 budget for 3 consecutive years. The approved electric retail rate increase will be effective on all bills rendered on or after April 1, 2018, which includes all usage since the customer's prior bill. The water and sewer retail rate increases are effective on all bills rendered on or after February 1, 2018, which includes all usage since the customer's prior bill.

Electric Rate Increase

"This electric rate increase is consistent with the Strategic Plan Objectives of maintaining stable rates and financial responsibility to our customers," says Doug Nass, PUD General Manager. "Although rate increases are not popular, they are necessary given the challenges to these Objectives. Even with these challenges, we are fortunate to have amongst the lowest electric utility rates in the state and country."

Electric Rate Pressures

For Clallam PUD, these challenges include minimal load growth due to weather, conservation, and development-related factors, as well as increasing power costs. The Bonneville Power Administration wholesale rate increased by 5.4 % to the PUD effective October 1, 2017 and there is an anticipated additional increase of 2% in April of 2018 due to the increase in spill over the Snake River dams. In addition there are the added costs of meeting the mandates of Washington's Energy Independence Act (formerly known as I-937), personnel costs that include healthcare and retirement obligations, and planning for capital improvements and infrastructure replacement.

Water and Wastewater Rate Pressures

The PUD's Water and Sewer Systems face challenges related to aging infrastructure, limitations on capital financing, and regulatory mandates.

"By planning for incremental rate increases over three consecutive years, we achieve that rate stability while allowing us to maintain our system the water quality our customers have come to expect while planning for future infrastructure replacement and growth." says Doug Nass.

Total Customers in each utility: Electric, 30,000; Water, 5000; Sewer, 60

For additional information on the PUD, visit www.clallampud.net.

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