

## Looking Inside Power Costs

Utility costs fall into two major categories: the cost of electricity itself, and the costs of delivering it over power lines and through substations along with the associated personnel and administrative costs. At the PUD, our power bill accounted for approximately 56 percent of 2009's operating costs.

Unfortunately, power supply costs are likely to keep climbing. The cost trend for additional sources of electricity indicates only increases in the foreseeable future. This is driven mostly by supply and demand. The demand for electricity will continue to grow while new supplies are limited and every new power plant is more expensive than those built in the past.

The Northwest has long enjoyed the benefits of the federal hydroelectric system, but its operating costs are increasing. For example, fish and wildlife programs have grown to make up about one-third of the Bonneville Power Administration's budget. With no new dams being built, there's less low-cost hydroelectricity to go around. Other sources are continually added to bridge the gap. Unfortunately they cost more than hydro, some surprisingly so (*see chart*).

A recent telephone survey of PUD customers showed less than 40 percent of our customers understand that new renewable energy power plants using wind and solar cost more than traditional sources. Although renewable sources use free fuel, their construction requires new, more expensive materials and the plants often are in remote locations and require new transmission lines.

More importantly, they produce power intermittently that grid operators can't turn off and on. Backup sources have to be kept at the ready – whether they be new gas-fired power plants or water held back in reservoirs to be sent through turbines when the wind stops or the sun doesn't shine. This all adds up to more expensive kilowatt-hours, and state law requires our utility to

purchase increasingly greater amounts of renewable energy throughout the decade.

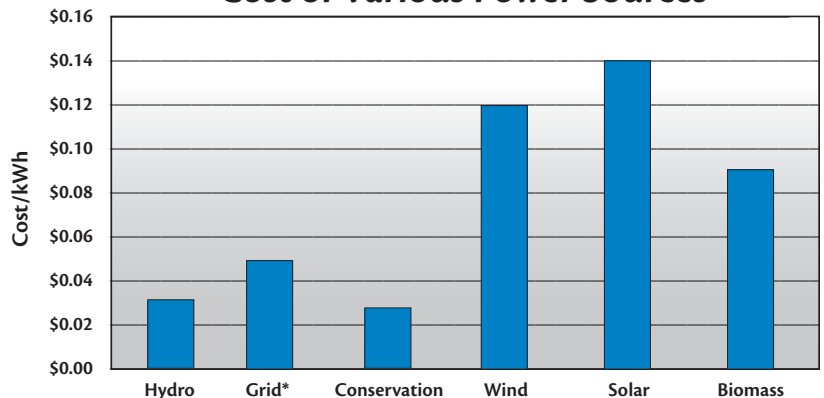
### What About Rates?

Last October, the cost of the PUD's BPA-provided power increased 4.95 percent. At that time, the PUD's commissioners determined that efficient fiscal management made it unnecessary to increase rates. However, BPA will implement another 4.95 percent increase this fall. And the Northwest is experiencing the fifth-worst water year of the past 70 years, reducing hydroelectricity production on the BPA system and raising the possibility of another increase. It's too soon to say what this means for your rates, but it's important to understand that major costs keep going up.

### Conservation More Important Than Ever

The main way we can control costs is aggressive energy conservation. The cheapest kilowatt is the one never produced. Our chart shows conservation costs well below other energy sources. Visit the Conservation section of [www.clallampud.net](http://www.clallampud.net) to learn more about our programs.

Cost of Various Power Sources



\*Electricity obtained from regional market

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

### PUD Commissioners

Our Board holds public meetings most Mondays at 1:30 p.m. at the Port Angeles office, 2431 East Highway 101.

Call (360) 565-3231 or (800) 542-7859 for more information.

**Will Purser • Hugh Haffner • Ted Simpson**

General Manager: Doug Nass

### Contact the PUD

P. O. Box 1090 • Port Angeles, WA 98362

(360) 452-9771 • Toll-free: (800) 542-7859

[info@clallampud.net](mailto:info@clallampud.net) • [www.clallampud.net](http://www.clallampud.net)



Printed on recycled paper (30% post-consumer waste) using soy-based inks

# Sign Up Now For Online Bill Pay

*It's safe, secure and convenient. You can do it in your pajamas and slippers, whether you're ready to turn in or still enjoying your morning coffee.*

It's our newly launched online bill payment service and it lets you pay your PUD utility bills when you want, without using a stamp, writing a check or standing in line. Along with the convenience, the service gives you control over your accounts. And the increased efficiency helps keep PUD costs down.

To enroll, go to our eService Center at [www.clallampud.net](http://www.clallampud.net). Have your credit or debit card and a recent PUD bill ready for the signup process. If you are currently on our Recurring Credit Card Payment program, you will need to sign up for the new program to ensure uninterrupted payment service. Your credit card information remains secure and accessible only to you.

Customers without home computers can log on from any public PC connected to the internet, knowing your transaction will be safe and secure due to state-of-the-art security. If you need assistance, please call one of our customer service representatives at 800.542.7859 or 360.452.9771.

Along with paying your bill online, consider our other convenient billing services including Auto Pay using automatic electronic fund transfers from your bank account, paperless billing, and 12-month statement history review.



## Summertime, When Streams Run Low

This can be an ironic time of year in our wet part of the world. Despite generous amounts of annual rainfall, the northern Olympic Peninsula can see some water supplies stretched pretty thin as summer peaks and winds down.

We count on the buildup of winter snow in the mountains and gradual melting as the weather warms to replenish our rivers, streams and aquifers. The cycle becomes strained during dry summers when water usage increases and stream flows dwindle.

The hydrological cycle plays a big part in how the PUD manages its water operations with a dedication to efficiency and responsible stewardship. To promote these values among our customers, the PUD is giving customers a limited number of free, high-efficiency showerheads. See our **Cool Conservation Tip** for details!



PUD customers can obtain high-efficiency showerheads, free! Save energy, water and money.

### Cool Conservation Tip:

If you have an electric water heater, stop by your local PUD office to pick up a free energy-saving showerhead (or two!) while supplies last! Save an average of 3,700 gallons and 475 kilowatt-hours annually per installed showerhead. Bring in your PUD bill and fill out a coupon to collect your showerheads.

- Limit two (2) showerheads per household – a maximum of one hand-held model.
- Account holder signature required at pickup.
- Household must use electric water heater.

## Thanks For Your Feedback!

Late last year about 550 PUD customers gave their time to participate in our customer satisfaction survey. Your answers gave us valuable information to help us plan and communicate in ways important to you.

We are always looking to be more efficient. This includes striking a good balance between our actions and your expectations. The survey results show we are doing very well in many areas of customer service. They also told us we need to keep you better informed on issues – such as the power cost discussion in our cover article. We also need to promote more heavily how we can help you save money and energy through our many conservation programs.

Some of what we learned was expected, some surprising. All of it is important. Review the survey at [www.clallampud.net](http://www.clallampud.net) in the About section and see for yourself.

## Watts Green Your Personal Investment in Clean Power

Renewable energy developments face economic obstacles because they are usually more costly than traditional sources (see page 1). You can take individual action and promote renewable energy development by participating in our Watts Green program. As a Watts Green customer, you are investing in clean, renewable energy provided by the H.W. Hill Landfill Gas Power Plant at Roosevelt, Wash.

The project was awarded a 2000 Governor's Pollution Prevention Award in part because landfill gas is the only renewable energy source that actually removes air pollution. When you become a Watts Green customer you are helping protect the environment by making a financial commitment to supporting your PUD's renewable energy development efforts. To participate in our Watts Green program, talk to one of our customer service representatives at your local PUD office.