

## Rates, Rates, Rates

### Rate Pressures

At Clallam County PUD we understand the importance of providing the most affordable rates possible. In fact, our mission is very specific about this: "Providing reliable, efficient, safe and low cost utility services in a financially and environmentally responsible manner." Let's be honest too, nobody likes rate increases and we certainly don't like them here at the PUD. Remember, most of the PUD employees, not to mention the Commissioners, are also customers of the PUD.

Unfortunately, there have been many changes to the electric utility industry over the past several years and these changes have resulted in increased rate pressures. Let's take an honest look at some of the rate pressures:

### Wholesale Power

The PUD receives the bulk of its power from Bonneville Power Administration (BPA), primarily from the low-cost hydro system. In 2009 BPA increased the wholesale rate to the PUD by 4.95%, and did so again in October of 2010. We were fortunate that the initial BPA increase could be deferred until 2010, but it simply is not fiscally responsible to continually absorb increases. **There are already indications that BPA will raise wholesale rates again in 2011 – perhaps even in the double digit range.** Due to supply and demand issues, the BPA has restructured how utilities like the PUD receive their power too, so the PUD may be forced to go outside of BPA for future power supply related to growth or to pay BPA a higher ("Tier 2") rate.

### Renewable Energy

Due to State of Washington legislation (I-937), the PUD is required to purchase renewable energy – and per regulations, hydro power is not counted as renewable energy. Renewables are generally three to four

times more costly than the clean low cost hydro power we receive most of our power from. As the state requirements for adding renewable energy to our portfolio increase over the next several years, so will the costs.



### Operations/Maintenance/Technology

The simple fact of the matter is that it costs money to operate a utility and those costs continue to rise. Whether it's the cost of copper wire or the costs of tree trimming programs, the basic necessities of maintaining and developing a reliable system are realizing increased costs. There are also recent regulatory requirements from the Federal Energy Regulatory Commission (FERC) that are mandating efforts and increasing costs to ensure system and grid reliability. Couple that with the pressure to implement new technology designed to increase electric efficiency and it's easy to see how costs can compound.

*Utilities throughout the region, including the PUD, will continue to face increased rate pressures, but we at the PUD will also continue to work to improve efficiencies and implement cost saving measures, while providing the level of service our customers have come to expect.*

**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 our Port Angeles office, 2431 East Highway 101. Call (360) 565-3231 or (800) 542-7859 for more information.

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

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### Contact the PUD

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# Leaving for the Winter? Close Your Home Properly

There are many residents on the Peninsula that have the opportunity to leave for the cooler winter months and enjoy a warmer climate. Yet, when it comes time to leave for the cactus of Arizona or the palm trees of some tropical destination, there's a little more to it than simply locking the front door and heading south. If a home is improperly closed, there are a multitude of issues that one can come back to, including busted pipes, mold, and more. Proper closing of the home is important, and here are some simple tips you can follow:



1. Maintain heat in the home. A programmable thermostat is the best way to maintain the greatest energy efficiency and heat. Depending on the source of information, the recommended thermostat setting is anywhere from 40-50 degrees Fahrenheit. The goal is to protect from freezing pipes and minimize humidity.
  2. Tend to your water system. However, it is important to note that individual water systems vary greatly, so it is probably best to consult a plumber the first time you close your home. Ideally, water will be drained from all pipes and perhaps a nontoxic antifreeze will be necessary as well.
  3. Clean all appliances and unplug those that do not require continuous operation.
  4. Minimize the humidity level. It may be necessary to turn the heat on for a few days prior to closing the house. A properly insulated home, well maintained plumbing, properly sealed doors and windows, and moisture reducing efforts in crawl spaces and attics is important to help prevent mold and other issues associated with high moisture levels.
- a. Mold only requires relative humidity levels from 65-99% at the surface on which they grow. Maintaining relative humidity below 50% inhibits mold and mildew growth, dust mite infestations, and bacteria.

These are just a few of the steps you can take to make certain you return to a well-kept home.

## It Pays to Go Paperless!

Did you know the PUD offers the option of paperless billing? That's right, instead of receiving your PUD bill in the mail each month you can receive it electronically. It's the same bill with the same information, but it saves time, money, and helps the environment.



Just imagine how much paper is used each month to mail 30,000 PUD customers their bill. Imagine the postage required to mail those bills. Imagine the postage required to mail those bills with payment back to the PUD. Now, imagine receiving 30,000 bills back each month and the cost of processing those. Then of course, there is the cost to the customer of writing a check and paying for return postage.

What do the costs look like? Excluding processing and some labor, the cost to the PUD for paper billing is over \$150,000 per year. The cost to customers, at 44 cents per bill for return postage is over \$150,000 per year as well.

As the PUD faces the ever increasing rate pressures, programs like paperless billing and online bill pay can do much to improve efficiencies and cut costs while at the same time providing an important benefit to the customers. With the PUD's convenient paperless billing option, along with its easy to use online bill pay option, not only will you (the customer) and the PUD save time and money, but it is beneficial to the environment as well.

Visit [www.clallampud.net](http://www.clallampud.net) or contact your local office today to learn more and to take advantage of these important programs.

## LED Decorative Light Strings

If all decorative light strings sold in America this year were ENERGY STAR® qualified, we would save over 2 billion kilowatt-hours per year — that's enough energy to supply every PUD customer in Clallam County for three years!

### The Many Benefits of ENERGY STAR® LED Decorative Light Strings:

- Typically use 90% - 95% less energy than traditional incandescent strands.
- Can last up to 10 times longer than traditional incandescent strands.
- Are cool to the touch, reducing the risk of fire.
- Do not have moving parts, filaments or glass, so they are much more durable and shock-resistant than other light strings.
- Are available in a variety of colors, shapes and lengths.
- Come with a three-year warranty, meaning fewer light string replacements.
- Are independently tested to meet strict lifetime and electrical requirements.
- Products labeled for outdoor use are subjected to weathering tests.
- Some models deliver features such as dimming or color shifting.

### What is an LED?

Light emitting diodes, or LEDs, are small light sources that are illuminated by the movement of electrons through a semiconductor material. LEDs are exceptionally energy efficient when producing individual colors. For example, the amount of electricity consumed by just one 5-Watt incandescent bulb could power over 50 LEDs.



## Fuel Mix

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

|                |                |
|----------------|----------------|
| Biomass:       | 0.29%          |
| Coal:          | 4.88%          |
| Hydroelectric: | 83.89%         |
| Landfill Gas:  | 0.01%          |
| Natural Gas::  | 1.93%          |
| Nuclear:       | 8.86%          |
| Other:         | <u>0.14%</u>   |
| <b>TOTAL:</b>  | <b>100.00%</b> |