

BPA Raises Wholesale Rates

B O N N E V I L L E
POWER ADMINISTRATION



As expected, the Bonneville Power Administration (BPA) announced it is raising its wholesale electric rates to public utilities, including Clallam County PUD #1 (PUD), by 7.8 percent effective October 1, 2011.

According to BPA, the main costs behind the rate increase are:

- Rehabilitation of the aging federal hydroelectric system, which includes large components such as turbines and cranes that are beyond their planned design life.
- Fuel purchases and repairs at Columbia Generating Station, the region's only nuclear plant. BPA funds the plant and markets its power output.
- Investments to protect Northwest salmon and steelhead as outlined in the biological opinion on federal hydro-power system operation and Columbia Basin Fish Accords agreements with three Northwest states and seven Native American Tribes.

"Now that we know the exact nature of the BPA rate increase, staff will begin to evaluate its impact on the PUD and our customers," explains Doug Nass, PUD General Manager. "Because PUDs are nonprofit organizations, increases in wholesale power rates place them in a difficult position with regard to retail rates."

BPA's wholesale power rate increase was not unexpected and the PUD has been actively communicating with its customers as new data was received. It was in November 2010 that the BPA announced that its anticipated rate increase of 12-20 percent would actually be in the 6-10

percent range. PUD customer newsletters and public speaking engagements have been cautioning of a coming BPA increase as well.

"The PUD has been improving efficiency during the past few years but because we are a nonprofit organization, any BPA increase will have a direct impact on our rates. We were able to delay an increase in 2009 until 2010, but will unfortunately have no choice but to increase rates to cover BPA's rate increase this year" says Nass.

The higher costs associated with renewable energy mandates are also beginning to take their toll. Initiative 937 for example, approved by voters in 2006, requires utilities with over 25,000 customers like the PUD to get 15 percent of their power from considerably more expensive renewable sources by the year 2020, following the step-up requirements of 3 percent in 2012 and 9 percent in 2016. That same initiative requires increased expenditures related to energy conservation efforts too.

As a result of recent activity in Clallam County and elsewhere in the utility industry, it is unfortunately necessary to remind everyone of the following:

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

If the public notices any suspicious activity around PUD facilities they should immediately notify authorities or call 800-542-7859. The public is urged to report any non-utility personnel or vehicles around PUD facilities.

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.

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It's Time to Winterize

With cooler weather just around the corner, the PUD's Utility Services Department – your partners in conservation – developed a quick “Top 10” list of things you can do to prepare your home for the coming winter.

1. **Fire up the Furnace.** At the first hint of cooler weather, start up the furnace to make sure it works. Change the furnace filters at least once a month throughout the winter, and have the furnace inspected annually.
2. **Check out the Chimney.** Have your chimney inspected every year. If you have a wood-burning stove, more than once a year is a good idea. Invest in a protective cap for your chimney to keep foreign objects and rain out, and when the stove is not in use, keep the damper or doors closed.
3. **Inspect the Central Heat and Air.** The ductwork of your system should be insulated and connected well. If you see gaps in the ductwork of your home, contact the PUD and we will send you a list of participating installers in our PTCS duct sealing program.
4. **Prep the Pipes.** Don't give your pipes a chance to freeze. Wrap them with pre-molded sleeves or fiberglass insulation. If you anticipate very low temperatures, consider heating tape to protect your pipes from bursting.
5. **Time for Storm Windows.** Taking down the summer screens and putting up the storm windows is a sure sign that winter is on the horizon. If your windows are drafty, a window insulator kit should work just fine for a temporary fix.
6. **Plan for Safety.** Before you fire up the furnace or light the chimney, put safety first. Replace all batteries in smoke detectors, invest in a carbon monoxide detector, and have your fire extinguishers tested.
7. **Block the Drafts.** Are there drafty areas in your home? With the help of a good breeze and a match, you can find where they are coming from, and seal them accordingly.
8. **Clean the Gutters.** When leaves fall, gutters get clogged. Remove the leaves to allow snow and melting ice to drain properly. While you're at it, check the downspouts to make sure water is drained away from your home's foundation.
9. **Check the Insulation.** Look in your attic—if you can see the ceiling joists, you don't have enough insulation. Make sure you have at least 12 inches of insulation for optimum energy savings.
10. **Reverse the Fan.** It's a little detail that is often overlooked, but that can make a real difference in your heating bills. Simply reverse the direction of your ceiling fan to push warm air downward. You know it's in the correct position when the blades move clockwise.

For additional information on energy or water conservation, visit the PUD website today at www.clallampud.net or give us a call at (360) 452-9771 (toll-free (800) 542-7859).



Yes, the PUD is on Facebook, Twitter and YouTube

It was back in February of this year that the PUD made its presence on three of the most popular social media outlets. Since that time, we have realized good success with those outlets and have found them to be very helpful in our efforts to more effectively communicate with our customers.

We invite you to “Like,” “Follow,” and view or “Subscribe” today. Here's a sampling of what you will find:

- ✓ Conservation tip of the week.
- ✓ PUD related photos
- ✓ Videos
- ✓ Information about PUD employees in the community
- ✓ News
- ✓ And more...



YouTube

- ✓ Energy efficiency videos
- ✓ Ways to save money
- ✓ Rebate information
- ✓ Safety videos
- ✓ Fun videos (such as your PUD in a parade)



- ✓ News
- ✓ Major outage update / information

Help Those in Need Today Through Our Neighborly Assistance Program

Name: _____ Acct. #: _____

Address: _____ Phone: _____

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 \$ _____ for _____ months.
 - Please bill \$ _____ every month until I contact the PUD to cancel.
- I prefer a one-time contribution of \$ _____.

I want my one-time or monthly contribution of: \$ _____ to go to Sequim Community Aid
 \$ _____ to go to Sequim St. Vincent de Paul \$ _____ to go to Olympic Community Action Programs

Signature: _____ Date: _____

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:	0.14%
TOTAL:	100.00%

