

## New PUD Rate Structure, Increase Takes Effect April 1

Starting on April 1, Grays Harbor PUD customers will be billed under a new rate structure. The structure was approved by the PUD Board of Commissioners in March along with a three-tenths of a cent increase in residential rates. The new structure eliminates the two tier residential rate in favor of a flat rate of \$0.085 per kilowatt hour. The Board also voted to increase commercial and industrial rates by 4%, but will not change the utility system charge which will remain at \$39 per month.

The elimination of the 0-360 KWH tier will mean all customers who use up to 360 KWHs will see their PUD bills increase by \$11 per month. The increase of the residential rate from \$0.082 to \$0.085 will impact all customer bills by \$0.30 per 100 KWH used.

The utility will continue to monitor other variables through 2017 which may impact budget numbers including load growth and weather factors.

Customers will be prorated for their April power usage. For this reason customers will notice multiple lines on the energy charge of the April bill.

## How Will the Rate Increase Impact Me? Find Out with the Residential Rate Calculator

If you would like to compare how a certain kilowatt usage might impact your monthly bill for both the previous and current residential rate structure, the PUD Residential Rate Calculator helps you make that calculation.

The calculator is located on the Customer Service Page of the Grays Harbor PUD website, ghpud.org. Simply input your kilowatt usage into the window marked "Usage KWH" and push the button marked "Calculate." You will be provided a line-by-line breakdown of your customer bill under the previous rate structure and the structure which took effect on April 1.

	Current	New
Energy Charge	<input type="text"/> Tier 1 <input type="text"/> Tier 2	<input type="text"/>
System Charge	<input type="text"/>	<input type="text"/>
State Tax - Utility	<input type="text"/>	<input type="text"/>
City Tax	<input type="text"/>	<input type="text"/>
State Tax - Privilege	<input type="text"/>	<input type="text"/>
<b>Total</b>	<input type="text"/>	<input type="text"/>
Effective Date	05/01/2016	04/01/2017
Usage kWH	<input type="text" value="1475"/>	
In City Limits	<input checked="" type="checkbox"/>	
	<input type="button" value="Calculate"/>	

## Commission Meeting Dates

Meetings are held in the Nichols Building, 220 Myrtle Street, Hoquiam.

### April 2017

Monday - April 3

Monday - April 17

### May 2017

Monday - May 1

Monday - May 15

**Regular business meetings are scheduled to begin at 4:30 pm.** A one hour workshop (3:30 to 4:30 pm) will precede each business meeting, unless otherwise noted. The public is welcome to attend all commission meetings, special meetings, workshops and public hearings. **Public comment periods are included at the open and close of every meeting.**

Commission meetings may be cancelled and special meetings may be scheduled. Please visit our website ([www.ghpud.org](http://www.ghpud.org)) for updated information.

## ON-LINE BILL PAYMENT

Want to pay your bill on-line? Now you can pay your bill instantly without ever leaving home. Just go to [ghpud.org](http://ghpud.org), click the "Pay Bill/Smart Hub" button on the bottom left hand side of the screen and follow the instructions. If you have any difficulties using the online service, please call Customer Service at 1-800-562-7726 or you may email [customerservice@ghpud.org](mailto:customerservice@ghpud.org).



## Your PUD Bill - “Pass Through” Taxes and Maintenance

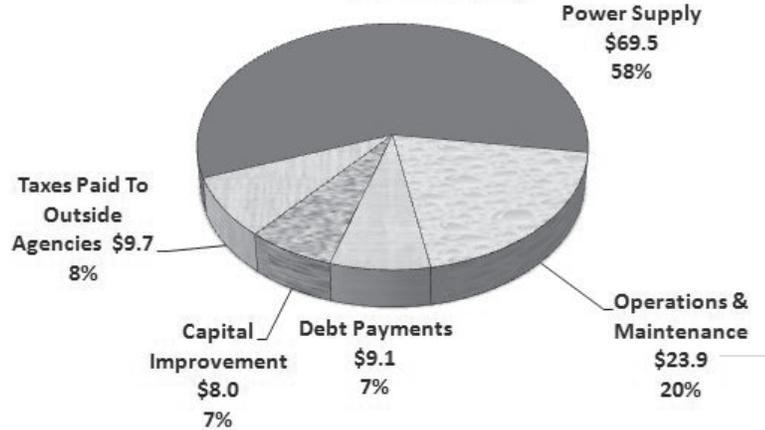
When customers of the Grays Harbor PUD look at their monthly bill, perhaps they wonder what their payments go towards. In the past months, we have made an effort to better inform customers of the payment breakdown. For example, the Power Supply takes up the majority of the budget with 60% of total expenses going to purchase the power you use to heat your home and power your business. The Operations and Maintenance covers the costs of the staff, materials and repairs that keep the PUD system operating at a high level. Think service and reliability.

There are other portions of the PUD bill that are not as well known, but still represent a large piece of a monthly payment.

**Taxes paid to outside agencies** - these taxes make up 8% of a PUD bill and represent \$9.7 million of the annual PUD budget. It may be collected by the PUD, but the PUD does not keep it. These taxes are referred to as “pass through payments” since the PUD passes the revenue on to the taxing authority. They include taxes paid to the State of Washington in the form of Privilege Tax (a tax for the privilege of engaging in the business of distribution and sale of electric energy), Public Utility Tax (a tax on the gross income from operations) and Utility Tax assessed by local cities on gross revenues from the sale of electricity to residents who live within the city’s boundaries.

**Capital improvements** - the capital budget is the yearly list of projects the PUD will tackle to keep the system functioning. This includes pole and equipment replacement, substation work, and work on the telecommunications system. In recent years, the PUD has cut this portion of the budget significantly, from \$12-\$13-million down to the \$8-million approved for 2017. In spite of that cut, system reliability remains strong.

GH PUD 2017 Budgeted Expenses  
(In millions)



## A Safety Reminder: Be Aware of Your Surroundings

The weather may still be cool, but spring has arrived which means soon painters, contractors and homeowners will begin home improvements, gardening and construction projects. The aluminum ladders, man lifts and extendable saws and paint rollers are the tools of the trade for paint, tree trimming and projects, but without the proper care and awareness they can also be a direct line between overhead power lines and the unsuspecting person working on the ground.

Contact with electrical lines can cause serious injury and in some cases can be fatal, so as you head outdoors to work, make sure to note the location of the overhead power line around your home or business. Contractors, paint crews and private homeowners can contact the Grays Harbor PUD Safety Department at 360-538-6248 for information on how you can be safe around power lines. Underground utilities can also pose a threat so be sure to Call Before You Dig for underground locates. Simply call 1-800-424-5555 or call 8-1-1 for the Northwest Utility Notification Center.

Always remember to take the time to know your surroundings before you dive into a home project. It’s a lot easier to call for information than it is to call for emergency assistance.



## Message from the Manager

**PUD General Manger Dave Ward**

When the PUD assembles its budget, the goal first and foremost is to find a balance between revenue and spending that allows the utility to meet its responsibility to the customers: safe and reliable service at the lowest practical cost. You will notice that the word “profit” does not appear. The bottom line for the Grays Harbor PUD is not to make a profit, but the delivery of the services we offer our customers at a cost that covers the expenses.

The decision last month by the PUD Board of Commissioners to increase rates and adopt a new structure for residential customers did not come easily. We know that these are difficult times and the slightest increase to any costs can fall hard on the customers who are also our friends and neighbors. This decision was not driven by hypothetical totals. It was based on the financial reality in which the PUD now finds itself. Rising costs for power, low surplus power sales, and the cost of renewable energy all played a role in the need for a rate increase.

At the end of the day I know that acknowledging those factors does nothing to impact the added burden, but I want you to know that your PUD worked long and hard to find every practical method to limit this increase. Our finance department incorporated all the resources the utility could muster. Our operations, engineering and telecommunications teams cut deep into capital budget requests to identify and prioritize those most important to the PUD’s mission. Our staff cut spending and annual budgets so as to allow their operations to continue at a high level while at a lower cost.

In the end, the rate which was presented to and approved by our commissioners was that lowest practical cost. It allows the utility to operate while not jeopardizing service, safety and reliability. It’s very important to me that those three areas are met. The poles, wire and equipment that make up a reliable power system must be maintained, the services we supply must be delivered safely and you, our customers must be served in the professional manner you expect and deserve. This is the basis of what we do as a utility and I cannot in good conscience threaten them by making further cuts to spending.

For all the negativity that exists whenever rates are discussed, I am optimistic that better times are ahead. While the cost for power is likely to continue to rise, the costly long-term contracts the PUD is operating under will expire in the next five years. This means we will be able to create new contracts that meet our needs, not contracts for surplus power we are forced to sell at a loss.

The PUD is also working closely with other utilities to control costs through legislation at the state and federal level. Our leaders in Washington DC and Olympia are being made aware of the impacts of actions taken on the floors of the House and Senate. While there is still much to do I feel great progress has been made in this area in the past year.

In the end, I want you to know that your PUD is aware of the impacts our decisions have on our customers. They are not undertaken lightly and are only considered after being examined by multiple sets of eyes looking for any benefit or solution that may lessen that impact. We are here to serve you and thank you for the trust you have placed in us to provide you with the very best services possible.



## Grays Harbor Board President Carries the PUD Message in Washington DC

In addition to voting on PUD business, resolutions and budgets, a largely unseen yet highly important role of the Grays Harbor PUD Board of Commissioners is to represent the utility's interests to other elected officials.

In March, PUD Commission President Arie Callaghan had that opportunity at the American Public Power Association Legislative Rally in Washington DC. In addition to being a voting member of the APPA Legislative and Resolutions Committee, Callaghan was one of the Washington Public Utility District Association leaders in meetings with members of the state's congressional delegation. In meetings with Senators Maria Cantwell and Patty Murray and Representatives Derek Kilmer and Denny Heck, Callaghan urged support for issues like tax free bonds for utility construction projects, a swift resolution to the Columbia River Treaty debate, access to federal lands for vegetation management and keeping the costs from the Bonneville Power Administration at a competitive level. All of these issues are important parts of the PUD's mission of safe, affordable and reliable utility services.

In addition to meeting with Federal lawmakers, PUD commissioners also carry the PUD standard into meetings in Olympia with members of the Coastal Caucus and the House and Senate committee's dealing with state energy policy. These meetings and the relationships they help cultivate are the keys to building support for the policies that will benefit the Grays Harbor PUD and its customers.



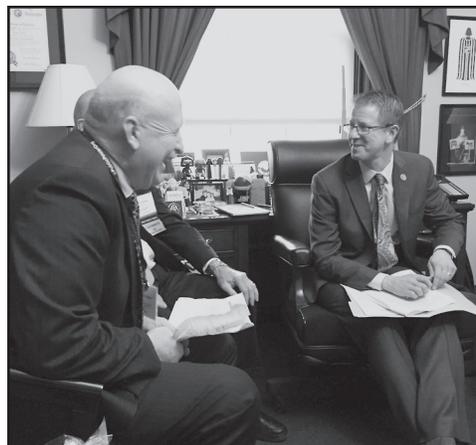
Commissioner Arie Callaghan (head of table) speaks with Sen. Maria Cantwell (far right).



Commissioner Callaghan listens to a report from Sen. Patty Murray.



Commissioner Callaghan is greeted by Rep. Denny Heck.



Commissioner Callaghan shares a laugh with Rep. Derek Kilmer.

**ENERGY**, an informational newsletter, is published monthly for families and businesses energized by Grays Harbor PUD.

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