

You can count on us

Benton PUD receives national recognition for operational excellence

It's my pleasure to announce Benton PUD's most recent accomplishment. Benton PUD earned a Diamond Reliable Public Power Provider (RP3) designation from the American Public Power Association, the national association representing over 2,000 public power utilities.



The RP3 designation recognizes public power utilities that excel in providing customers reliable and safe electric service and demonstrate best practices in the categories of reliability, safety, system improvement and workforce development. Benton PUD received the Diamond RP3 designation, the highest of three designation levels.

What does that mean to our customers? You can count on us. This designation is a tribute to our employees and the leading-edge procedures and best practices we have put into place to ensure we maintain an efficiently run electric system that is reliable and safe.



This year, only 25 utilities across the nation received the Diamond designation. The application contained over 500 pages of material documenting how Benton PUD meets or exceeds the industry standards for each of the categories.

The RP3 application is peer reviewed and judged by a committee of utility representatives across the nation. It provides a benchmark to measure utility practices against others across the nation.

Congratulations to our employees – because of their dedication, **our customers can count on us.**

Jeff Hall
Benton PUD Commissioner

Hot weather impacts bills

Record high temperatures are already having an impact on bills. We understand high electric bills can be difficult. Please give us a call to discuss payment options available and how we can help.

Here are some ways you can save energy to help reduce your bill:

- Minimize the use of the oven or cooktop. An oven set at 350° will cause air conditioning to work overtime. Barbeque outside or eat cool food such as salads and sandwiches.
- Portable and ceiling fans help make a room feel cooler and enable you set your air conditioner 4 or 5 degrees higher without any discomfort. Turn fans off when you leave the room. Fans cool people and do not lower the room temperature.
- Don't leave windows or doors open any longer than necessary after using them to cool down your home at night (if possible). Remind kids to keep the doors shut.
- Dry clothes and run the dishwasher in the coolest part of the morning or evening. Let the sun dry clothes and towels after a day at a pool.
- Lower your water heater temperature to 120° F to use less hot water for showering. Any water added to the air by showering or boiling water on a stove will increase the use of the air conditioner.

Give our Customer Service Representatives a call at (509) 582-2175 in Kennewick or (509) 786-1841 in Prosser to discuss payment options. For more energy saving tips visit our website at BentonPUD.org

Chad's message

We have a tremendous team of employees with a variety of responsibilities. Linemen, engineers, information technology specialists, accountants, energy efficiency advisors, power managers, customer service representatives – each have special skills and expertise. While the job responsibilities are diverse, they all share the same goal to provide excellent service while at the same time, making sure your utility runs as efficiently and cost effectively as possible.

Even so, power costs increase and at times we have to raise rates. This is not something we take lightly. An extensive cost of service analysis is done annually to ensure increases are kept at a minimum and are allocated to each rate class fairly and appropriately.

As noted in the rate article below, increased wholesale power costs are the primary reason for this increase. In October 2013, the Bonneville Power Administration (BPA) raised its wholesale rates by 5%. At that time, the Commission decided to drawdown our cash and investment reserves in order to avoid a retail rate increase. Now, BPA is proposing another increase of approximately 7% in October 2015. As such, we need to increase our retail rates to begin to close the gap between costs and revenues.

Benton PUD rates compare favorably to most Northwest utilities. For nine straight years our customers' average bills have been below the average and median bills of comparable utilities. There is more information on the website about how we compare to others and our rate setting process which I hope answers customer questions or concerns.

Chad Portman
Benton PUD General Manager

New rates effective September 1

Benton PUD customers will see changes on their bill in September that will reflect a rate increase and changes to the base charge. Benton PUD customers have not had a rate increase for over three years; however financial forecasts show a need for an increase primarily due to rising power costs. On September 1, 2015, an average revenue increase of 3.9% will go into effect with a range of increases by rate class between 1% and 7%.

Power costs have increased significantly since 2012. Because they represent over 60% of Benton PUD's total budget, these costs have a large influence on the retail rates charged to customers. Bonneville Power Administration, the provider of the vast majority of the power serving our customers, increased Benton PUD wholesale rates 5% in 2013 and plans an additional increase in rates of 7% in October 2015. These increases result in the need for Benton PUD to increase revenue by 5.9%; however, cash reserves have been used to absorb increased power costs to date and we will continue to draw down reserves to reduce the current revenue increase to 3.9%.

Renewable energy required by the Energy Independence Act (EIA) also continues to add to power costs. To comply with the EIA in 2015, Benton PUD estimates it will spend \$3.1 million on qualifying renewable energy or equivalent credits not needed to serve load, representing a 2.6% impact on a residential bill. These costs are already included in rates prior to this rate change.

As utilities face increasing regulatory mandates, rising power costs, distributed generation such as solar and evolving customer needs, utilities must reassess how they design their rates to ensure fairness for all customers.

Do you have questions about rates? Visit our website for the complete rate presentation, informational charts and thorough background on rates.



How will my bill change?

Benton PUD is introducing a new rate design to better reflect changes in the electric utility industry. As part of the new rate design, the Residential customer class "Monthly Base Charge" will be replaced with a "Daily System Charge." The Residential customer rate increase will be reflected entirely in the "Daily System Charge" with no rate increase in the energy charge (killo watt-hour).

Benton PUD's current monthly base charge for residential customers is \$11.05. The new Daily System Charge will be \$15.60 for a 30-day month, or \$.52 per day. The increase will be an average of \$4.55 each month for the residential customer class, but will vary depending on the number of days in the month. The median monthly amount today for comparable Northwest utilities is \$17; however, that figure is expected to rise over the next several years.

Another successful local conservation project



Kevin Fischer, Benton PUD Energy Efficiency Advisor, discusses the Agrium project with Jon Berg, Agrium Plant Manager.

Benton PUD and Agrium, a chemical manufacturing plant, collaborated on an energy efficiency project that will save 4,017,903 kilowatt hours of energy annually - enough to power 240 homes. This project achieves tremendous energy savings and meets the conservation mandates as required by Initiative 937 - the Energy Independence Act.

Conservation programs have been an important part of Benton PUD’s business and the cost of these programs has been reflected in the annual budget since 1982. Conservation projects like this help customers save energy today and in turn help Benton PUD delay purchasing more expensive power in the future.

The project was partially funded by Bonneville Power Administration’s Energy Smart Industrial (ESI) program that works with the Northwest’s industrial facilities through their utility, such as Benton PUD, to deliver cost-effective energy savings across a wide variety of industrial markets.

Agrium replaced its compressed air system with a more energy efficient one. The previous system used one 800 horsepower centrifugal air compressor that ran at full capacity and two others operated as back-up. Agrium replaced the inefficient compressors with a new 150 horsepower compressor and a 150 horsepower variable speed compressor as well as performed other overall air system upgrades.

For more information about conservations programs that can be customized for your business or rebates available for home energy efficiency improvements call an Energy Efficiency Advisor at (509) 582-1234.

\$1 a month to Helping Hands helps others and saves you energy

Summer brings hot temperatures and higher electric bills. You can help a neighbor who needs help paying their electric bill by donating to Benton PUD’s Helping Hands Program. Donations are accepted by phone, mail, online at BentonPUD.org or at the Benton PUD offices. Benton PUD offices are located at 2721 W. 10th Avenue in Kennewick and 250 N. Gap Road in Prosser.

Stop by Benton PUD at either location to set up reoccurring monthly donation of \$1 or more or increase your current monthly donation to Helping Hands and you will receive a coupon for a free appetizer at the Texas Roadhouse and a free advance power strip. Power strips are available for a limited time and while supplies last only to Benton PUD customers. Sorry, they cannot be mailed.

Energy consumed by TVs, DVD players, game consoles, external monitors, and printers can add up to nearly 10% of a household's monthly electric bill. People forget to turn off their devices when not in use and many electronics continue to draw power after it’s turned off. Replacing your conventional power strip with an advanced power strip can help reduce the electricity wasted when these devices are idle. The advanced power strips will turn off your electronics that are not in use which will save you energy and money.

Donations are tax deductible and distributed by Community Action Connections (CAC) to Benton PUD customers who meet CAC guidelines.

Thank you for your support.



P. O. Box 6270 Kennewick, WA 99336



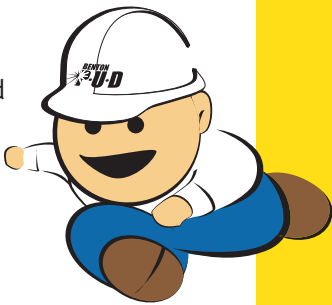
Go ductless and get rebates

Ductless systems are ideal for homes whose primary source of heat is resistance electric, such as electric furnace, baseboard or wall heaters. The system is made up of an indoor unit and outdoor unit connected via refrigeration piping which transfers the heat from the outdoors for heating and from the indoors for cooling.

Benefits of a ductless heating and cooling system -

- Energy efficient - Save 25% to 50% on your heating and cooling bill annually.
- Installation is low-cost and hassle free.
- Distributes warm and cool air more efficiently, making your home more comfortable.
- Some systems offer independent comfort settings for separate areas of the home.

Benton PUD has rebates ranging from \$800-\$1,200 available to customers who upgrade from a resistance electric heating system to a ductless system through one of one of our approved contractors. For more information contact an Energy Efficiency Advisor at (509) 582-1234.



Benton PUD’s Ely Community Solar Project, paid for by the participants, is a 75 kW project comprised of 272 panels manufactured in Washington. When the opportunity to participate was offered to our customers last month, over 400 customers requested nearly three times the units that were available. A random drawing, performed by an independent auditor, was held to select those customers who were offered an opportunity to purchase units of the project.

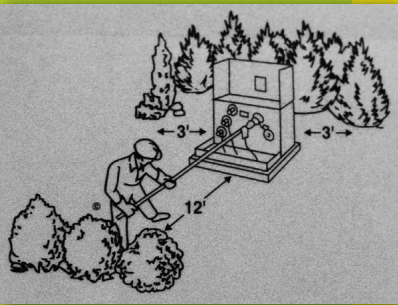


Benton PUD’s Solar Connections website is a resource for information on future community solar projects as well as rooftop solar. Calculators are available to help customers determine the cost effectiveness of either option.

A ribbon cutting ceremony for the Ely Project will be held July 22, 2015 at 10am at the Benton PUD offices in Kennewick.

Give your plants room to grow

Trees, shrubs and other forms of vegetation that grow too close to electrical equipment can cause problems for our crews and may need to be removed to allow crews access. Taking time to remove plantings delays our response time to an outage or other electrical emergency. Please make sure to give your plants and landscaping room to grow. A good rule of thumb is 12-3-3. Make sure to plant them to maintain a **12 foot distance from the front side of any equipment and 3 feet from the other 3 sides when they are full grown.**



Where your power comes from

The Benton PUD Fuel Mix as calculated by the Washington State Department of Commerce:

Biomass	0.12%	Nuclear	8.43%
Coal	5.86%	Waste	0.10%
Hydro	75.21%	Wind	2.40%
Natural Gas	7.80%	Other	0.08%