Commission opposes Initiative 732

The Benton PUD Commission has taken a formal position in opposition to Initiative 732, which would increase the state sales and use tax to fund a new method of electricity delivery. The Commission believes that the proposed changes would result in higher costs for consumers, without providing adequate benefits. The Commission recommends that the initiative be defeated.

Where your power comes from

Benton PUD power is nearly 90% carbon free and 81% renewable

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

- Natural Gas: 4.26%
- Coal: 5.86%
- Waste: 0.12%
- Wind: 25.7%
- Other: 0.10%
- Nuclear: 8.11%
- Hydro: 78.60%
- Gas-fired: 4.9%
- Low Income Disabled Discount: 4.9%
- Low Income Senior Discount: 4.9%
- Average Annual Power: 0.0684
- Average Residential Customer: 0.0718
- Average Cost: 0.0526
- Average Monthly Bill: $61.21
- Average Percent Increase: 4.9%
- Average Power Cost: $121
- Average Capital Expenditures: $113
- Average O&M Expenditures: $113
- Average Net Power Supply: 65.4%
- Average Debt Service: 4.3%
- Average Other Revenue: 3.1%
- Average Total Expenditures: 100%
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- Average Total Expenditures: 100%

Your September bill reflects a rate increase

Keeping our rates both affordable and competitive has been a goal of Benton PUD throughout the past seventy years and will remain one of our top priorities in the future. Benton PUD's retail electric rates increased in September 1, 2016. This increase is directly attributed to our net power costs which include the power we buy from BPA as well as the offsets we receive from selling our excess power (power not needed to serve customers) on the wholesale market.

BPA's wholesale rates continue to rise due to the refurbishment of aging hydroelectric and transmission facilities as well as efforts for the protection of fish and wildlife throughout the Columbia and Snake River systems. Another component of our rising power costs is less intuitive. In good water years, both BPA and Benton PUD have sold excess power into the wholesale power market. These revenues have been used to "buy-down" our power costs.

As you can see in the accompanying pie chart, power costs, taxes, and debt service represent over 70% of Benton PUD's planned expenditures. Operations and Maintenance (O&M) and capital expenditures make up the remaining portion. With regard to O&M, we work hard at ensuring that we remain as efficient as possible in providing services to our customers. We benchmark our performance against like utilities and we compare favorably in key industry metrics such as O&M cost per customer and O&M cost per line mile. Additionally, over the last 10 years, as the number of customers that we serve has grown, the number of our employees has decreased. As a result, our customer per employee ratio has increased by over 19% largely due to our use of technology to make us more efficient.

While rising power costs are a concern, Washington state continues to benefit from some of the least expensive energy in the nation. Further, hydroelectric power and nuclear energy form the backbone of Benton PUD's clean energy portfolio, which is nearly 90% carbon-free.

If you have questions, please feel free to contact us.
Since 1946, Benton PUD has provided reliable, low-cost power and related services to our community. Numbers tell the story of how Benton PUD meets the community’s growing needs then and now.

<table>
<thead>
<tr>
<th>Then &amp; Now</th>
<th>1946/47</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton PUD customers</td>
<td>3,240</td>
<td>51,200</td>
</tr>
<tr>
<td>Benton County population</td>
<td>35,000</td>
<td>188,000</td>
</tr>
<tr>
<td>Substations</td>
<td>3</td>
<td>37</td>
</tr>
<tr>
<td>Miles of lines</td>
<td>1,800 miles</td>
<td>1,642 miles</td>
</tr>
<tr>
<td>Number of poles</td>
<td>3,900</td>
<td>24,500</td>
</tr>
<tr>
<td>Kilowatt-hour (kWh) residential rate</td>
<td>2-3 cents</td>
<td>7.18 cents</td>
</tr>
<tr>
<td>Average residential bill</td>
<td>$5</td>
<td>$113</td>
</tr>
<tr>
<td>Annual average kWh used at a home</td>
<td>2,470 kWh</td>
<td>16,200 kWh</td>
</tr>
<tr>
<td>Benton PUD power costs</td>
<td>28% of the budget</td>
<td>61% of the budget</td>
</tr>
<tr>
<td>Taxes paid by Benton PUD</td>
<td>$17,000</td>
<td>$12.2 million</td>
</tr>
<tr>
<td>Primary power resources</td>
<td>Hydro &amp; natural gas</td>
<td>Hydro &amp; nuclear</td>
</tr>
<tr>
<td>Broadband</td>
<td>Unheard of</td>
<td>378 miles of fiber</td>
</tr>
</tbody>
</table>

**Power out? Call 1-888-582-2176**

We love hearing from you on our Facebook and Twitter pages however, these pages are not monitored 24/7. To serve you better, we ask that you report an outage to our outage line and a crew will be dispatched.

To expedite our response to fires and other emergencies outside of our normal business hours, our on-call crews use Benton PUD vehicles after hours. This enables our crews, in conjunction with Benton County Emergency Services and our local first responders, to go straight to the location of the emergency rather than come to Benton PUD first.

**Mark your calendar**

**Senior Day / Sept. 21**

9 am to 1 pm Benton PUD Auditoriums in Kennewick and Prosser. Senior Day provides customers the opportunity to meet with Community Action Connections to discuss our **Low Income discounts** and reapply if needed.

Seniors are invited to stop by for goodie bags, cookies and coffee, and learn more about energy savings, electrical safety, rate information and chat with our energy advisor and customer service representatives.

**SmartHub™ coming in 2017**

For 70 years Benton PUD has been connected to our customers by poles, wires and a monthly bill. Starting early in 2017, we are excited to be offering new services that will allow us to connect “with” you in a whole new way.

We are in the process of upgrading our customer billing system to provide new ways for our customers to connect with us at Benton PUD. In February 2017, we will introduce SmartHub™. This online tool will enable you to track your usage, view your bill, make payments, even receive outage notices, on your cell phone, tablet or computer.

By tracking the energy you use, you’ll gain a better understanding of how your family uses electricity and how you may be able to save energy to reduce your bill. Payments can be made faster and at your convenience to save you time. Text messages will be available to notify you when there is an outage in your area. This upgrade will also provide us tools to be more efficient, lowering our operating costs in the future.

We are excited about the addition of SmartHub™. Helpful information will be made available through videos on our website. We will also have customer meetings where you can learn more about all of the SmartHub™ options. Keep an eye on our newsletter for more information and tips.