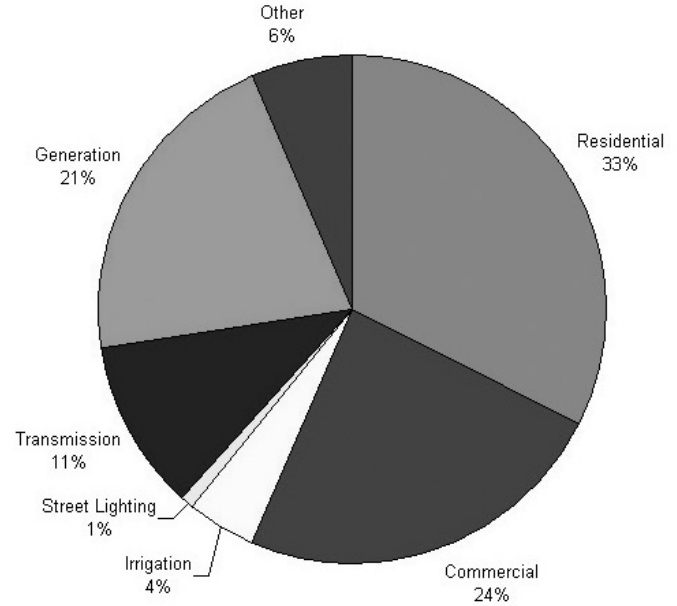
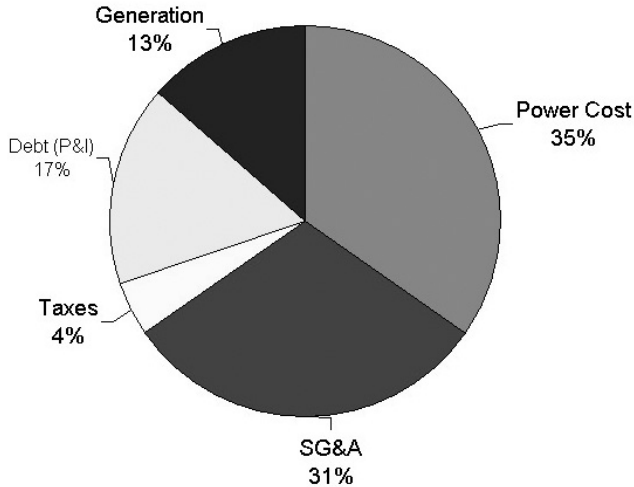


2007 KPUD Budget

Electrical Revenues (2007 Budget)

Electrical Expenses (2007 Budget)



Commissioners Adopt Plan To Hold the Line On Rates

Klickitat PUD Commissioners adopted the 2007 budget at their December 19 meeting, approving proposed \$30 million financial plan. The new budget is consistent with the board's expectations to not increase rates.

Electric

Money collected by rates continues to be the majority of the revenue, at 62 percent, which is split almost equally between residential and commercial services.

The biggest expense to KPUD is the cost of power, which is expected to account for 31 percent of total

expenditures.

The power supply for KPUD's load includes the purchase of power from Bonneville Power Administration and a declared amount of power from KPUD's McNary Dam generation.

Salaries, administrative and general expenses for the 2007 budget are 39 percent of total expenses. These include the support staff at KPUD, operational costs and the cost of maintenance.

KPUD will fully fund its capital projects through rate revenue per policy. These expenditures include exploration of wind projects, line

extensions and replacement of aging plant.

Water/Wastewater

KPUD operates and maintains eight water systems and five wastewater systems, which are managed separately.

Because each system is individually maintained, they are also separately analyzed for individual profitability.

The objective of KPUD is to operate the systems through rate revenues and managed costs, to allow for the pay-off of debt on each system. ■