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WA-18

# Your PUD Update

I wanted to use this edition of Ruralite magazine to update you on how we are doing at your PUD through July 2017.

## Financial Performance

- Due to strong financial performance in the last part of 2016 and in 2017, there was no electric rate increase during 2017.
- Our water and wastewater rates are adjusted on an individual system basis. We own and/or operate 16 waste/wastewater systems. In 2017, one system had a rate increase of 5 percent, six increased 3 percent, three increased 2 percent, five had no rate increases, and the remaining system rate decreased 30 percent. That's right, 30 percent!
- We currently serve 12,685 electric customers, along with 1,191 water customers and 1,218 wastewater customers.
- Year-to-date operations and maintenance expenditures are \$641,000 less than budget.
- Year-to-date total PUD operating revenues were \$1.4 million above budget at \$27.8 million and total operating expenses were \$284,000 less than budget at \$27.8 million.
- Year-to-date capital expenditures were \$1.1 million under budget, although we expect capital expenses to be close to budgeted by year end.
- We expect our total cash position to be \$32 million by year end, which is \$7 million better than originally forecast.
- The Bonneville Power Administration is implementing a 5.5 percent rate increase in our wholesale power and transmissions service costs starting October 1, 2017. This is an increase of \$800,000 in our annual costs to buy power.

## Generation and Transmission Projects

- Year-to-date output from our H.W. Hill landfill gas generation facility was 21.3 average megawatts, which is 2 aMWs above budget. Revenues were \$230,000 above budget, while expenses were \$147,000 below budget.
- Our portion of the White Creek wind generation output was 36,000 MWhs, which was 17 percent below forecast due to low wind speeds so far in 2017. The average wind speed at the site was 13 percent below expected at 6.8 meters per second, versus 7.8.
- Due to a crane failure during construction to replace the main turbine blade, output year-to-date from the White Creek project was 16,210 MWhs, as opposed to the expected 19,699 MWhs. Fortunately, we had excellent insurance that provided payment for the crane damage and made up most of the power that was lost.
- Our transmission business line continues to perform well, providing \$5 million in annual revenues.

Each year, we visit about 20 community meetings to talk about the utility and get your input. I encourage you to participate in your local meetings, support your local service groups and be involved with your local community. I look forward to talking with you all about your utility.

**Jim Smith, General Manager**