

Hotline

Rate Action Likely September 1st

Commission to Vote at July 28 Board Meeting

Franklin PUD staff and our Rate Advisory Committee (RAC) members actively review our financial information to remain fiscally responsible while maintaining the lowest rates possible for customers.

In April 2015, the RAC met and reviewed the full Cost of Service Analysis (COSA) completed by staff and Franklin PUD's rate consultant, FCS Group. The RAC assessed the revenue requirements, COSA, rate design, and various rate action scenarios.

The RAC discussed at length six possible options for meeting Franklin PUD revenue requirements. There was consensus around the premises that: 1) each rate class should cover its own costs; and 2) rates should only increase as required and not be based on long-term projections. They also listened carefully to concerns expressed by committee members of potentially devastating impacts to low-income customers, especially those with fixed incomes. After careful consideration, the Committee agreed to make the following recommendations to the Franklin PUD Board of Commissioners:

- 1) Small irrigation rates should be adjusted to more closely reflect their actual cost of service.
- 2) Increase small irrigation revenue rates by 10% and revenue rates for all other rate classes by 2.62%, for an average of 3% beginning September 1, 2015.
- 3) Potentially increase rates to all customer classes by 5% in May 2016, with the understanding the Committee will meet prior to implementation of any rate action



to determine whether or not to recommend deferment or a lower percentage increase.

4) The residential basic charge should be raised to more closely reflect actual cost of service. The \$34.00 basic charge was the option approved by the majority of the RAC members. They, as well as Franklin PUD staff, believe this option will have the least negative impact on low- and fixed-income customers while meeting the goal of collecting actual cost of service.

By the time you read this, Franklin PUD will have held several public rate hearings including one in Connell and two in Pasco to communicate this information to our customers on a proposed rate action. Franklin PUD and the RAC members believe the recommended rate action is the best option to remain fiscally responsible while maintaining the lowest rates possible for our customers.

We always welcome comments from the public and these can be sent to Franklin PUD, PO Box 2407, Pasco WA 99302 or e-mailed to generalmanager@franklinpud.com. The Board of Commissioners will vote on a rate action at the 1:00 p.m., July 28, 2015 regular meeting. The public is invited to attend.

Community Solar

Are You Interested in Participating?

At the May Commission meeting, staff presented to the Board of Commissioners the concept of Franklin PUD building a community solar project for our customers. Several options were discussed and the Board asked for more information before moving forward.

We would like to inform our customers on community solar and ask for your interest in participating in such a project. Instead of putting solar on your own home, community solar lets many people come together to build one large solar array. We are considering building a "solar carport" located at our administration building back parking lot. We would sell "blocks" of the project to our customers – with the cost per unit and amount of units still to be determined. But typical community solar projects range anywhere from \$100 to \$250 per block, and the number of blocks depends on the size of the project.

Community solar provides an easy and affordable way to participate in a solar energy project. Payback comes in two forms. First, participants would receive a proportionate credit on their electricity bill for solar power produced by the project for about 20 years (the life of the solar participant contract). Second, participants would receive a Washington State production incentive payment of \$1.08 per kilowatt hour through June 2020. Paybacks on an initial investment



could be as little as three to five years, depending on variables associated with the project. This community solar project would provide Franklin PUD customers another solar option for those who may not own property or have an appropriate location for a rooftop solar installation.

If approved by the Board of Commissioners, we will create a community solar web page where we will be accepting e-mails from those who wish to purchase blocks in our community solar project. Customers who do not have access to the internet may call Franklin PUD for enrollment assistance. We will notify all customers well in advance through a postcard and on our website of the upcoming project if approved by the Board. Because there will be a limited number of units available, an independently audited random drawing will be held to provide customers an equal opportunity to participate. Stay tuned for more information.



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Working for You

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Nelson on ENW Participants Review Board

Stu Nelson, President of the 2015 Board of Commissioners for Franklin PUD, has also been named to the nine-member Participants Review Board (PRB) of the Columbia Generating Station at Energy Northwest for a one-year term. The Board also elected Nelson secretary. The PRB reviews the nuclear power plant's annual budget, fuel management plans, nuclear construction and purchases of more than \$500,000.

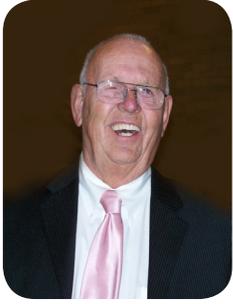


Scarano New Auditor

Franklin PUD recently hired Victor Scarano as the new Auditor/Director of Administrative Services. Scarano will be responsible for Franklin PUD's accounting functions, including the annual budget, compliance with all applicable accounting standards, and internal auditing. The position provides oversight and supervision to Information Technology and Broadband Operations, Customer Service, and the Meter Reading departments.

Scarano has a Master of Business Administration from the University of Alaska and has worked in accounting and finance for 19 years with 14 of those years being in a leadership role. Prior to relocating to the Tri-Cities, Scarano held the position of Vice President and Chief Financial Officer of an Alaskan based company where he was responsible for administrative operations and overall financial responsibility.

Commissioner's Corner



NWPPA - Pleasure to Serve

Stu Nelson
2015 President

I just completed a 6-year term on the Board of Directors for the Northwest Public Power Association (NWPPA). It was an

honor and a privilege to serve in this capacity for an organization that represents the goals and founding principles of public power.

NWPPA is a not-for-profit trade association founded in 1940 with over 145 public/people's utility districts, electric cooperatives, municipalities in the western United States, and a Crown corporation in Canada. Collectively, NWPPA's member utilities serve close to 5 million homes and employ some 20,000 people. NWPPA also has a membership of about 300 Associate Members across the region who are allied with the electric utility industry.

NWPPA represents its consumer-owned utility members on federal policy issues.

On the federal regulation front, each year the membership passes resolutions which become NWPPA's position on energy issues affecting NWPPA members and our nation. These resolutions communicate members' positions to legislators and other stakeholder and interest groups. NWPPA monitors national and regional policy initiatives throughout the West that might affect consumer-owned utilities.

Additionally, NWPPA provides over 250 educational opportunities annually, including training workshops, conferences, roundtables, and forums throughout its membership area.

Franklin PUD depends on NWPPA's communication to legislators and its members' to be timely, informative, and value-added.

I would like to thank Anita Decker, CEO, and all the staff at NWPPA for their commitment, dedication, and hard work representing Franklin PUD in legislative matters.

Make Your Voice Heard for our Dams

The Pacific NW Waterway Association (PNWA) has created a new website, www.snakeriverdams.com to highlight the considerable value these key parts of the river system provide for the region and the nation. Franklin PUD is a member of PNWA and encourages our customers to visit the website and view the new Snake River Dams fact sheet along with a letter of support visitors can sign.

Despite the success in the courtroom and the completion of the long-awaited dredging of the Snake River, wealthy dam breaching advocates from outside our region continue to target our infrastructure. Patagonia Sortswear Company recently purchased a two-page ad in the Spokesman-Review, asking Senators Murray and Cantwell to send a message to President Obama to breach our dams and remove navigation and hydropower from this part of the river system.



PNWA has provided information to our Northwest Congressional delegation to ensure that our decision makers have accurate information, rather than rhetoric, about the value of the dams, the commitment federal agencies and many others to fish passage and the environment have, and the successes which are now being celebrated. To learn more and show your support visit www.snakeriverdams.com.



I-Pad Sweepstakes Continues

In an ongoing effort to maximize cost efficiencies and make it easier for customers

to pay their electric bill online, we have teamed up with Invoice Cloud, our third party payment provider, to run a sweepstakes this summer to win an iPad mini.

Enter by enrolling in 1) Auto-Pay or 2) signing up to go paperless. When you do one of these two things for the first time between 6/1/15 and 8/31/15, you'll be entered in the sweepstakes. The maximum number of entries per customer account is two. Invoice Cloud will draw the winning name for the

Sweepstakes. Internet entry must be made by the customer account holder at Franklin PUD's payment portal (www.franklinpud.com/make-a-payment) or under Pay/View Your Bill Online when you register online.

One lucky customer will win the iPad mini. Save on postage, paper, and worry by using Franklin PUD's safe and secure service to pay your bill automatically each month through your checking account, or a debit or credit card. The paperless option sends your bill directly to your e-mail inbox.

Besides saving customers' time and money, paperless billing reduces the PUD's cost of mailing.



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Ice Harbor Dam - 10th Anniversary Fish Weir Installation Celebration

During July 2015, the Corp of Engineers, NW RiverPartners, Pacific NW Waterways, BPA and other local organizations are hosting a celebration at Ice Harbor Dam to commemorate 10 years since the first fish weirs were installed at that dam, showing how fish and dams can co-exist.



Don't Be Fooled by Phone Scams



Franklin PUD continues to warn customers of possible telephone scams. There have been a number of recent examples where customers have been targeted by callers claiming they work for Franklin PUD and the customer is past due on their electric bill. Scammers ask for personal credit card information to avoid disconnection. Franklin PUD customers should be cautious of unsolicited calls requesting personal information and should **never** provide their social security number, credit card number or banking information to a caller unless that customer initiated the contact with the PUD.

In addition, we have received reports that some scammers are going door to door to collect on past due bills. If customers are unsure whether a call is actually from Franklin PUD, they should hang up and call Franklin PUD Customer Service at (509) 547-5591.



The Western Union office at Fiesta Foods, Yoke's, or Atomic Foods in Pasco will now accept your Franklin PUD payment at no charge to you.

Fuel Mix Disclosure

Generation Type	% of Total Generation	
	WA State	Actual
Biomass	0.05%	
Coal	1.21%	
Hydro	86.88%	77.78%
Market Purchases		6.22%
Natural Gas	1.43%	3.56%
Nuclear	9.97%	8.88%
Petroleum	0.01%	
Waste	0.02%	
Wind	0.43%	3.53%
Other		0.03%
Total	100%	100%

Source: WA State Dept. of Commerce Utility Fuel Mix Report for 2014 for WA State. Franklin PUD's actual generation is also shown for 2014.

