

Impact of Initiative 937

The passing of I-937 is a very complex situation that many are still trying to fully understand.

One impact of the law is that it mandates utility companies with over 25,000 customers to include at least 15% of their load in renewable energy in their overall portfolio by the year 2020. With our growth rate, Franklin PUD will soon have over 25,000 customers.

Franklin PUD is very much in favor of including green energy in our portfolio as we have been voluntarily doing so since 2001.

The issue with I-937 for our customers is that the low-cost energy generated from our local dams is NOT considered "renewable or green energy." This energy source is the largest percentage in our portfolio.

To comply with I-937, means more energy must come from higher priced alternatives, like wind generation. Buying higher priced energy may affect rates; it is too early to know the full impact.

However, be assured that Franklin PUD will continue to do everything possible to provide our customers with reliable, low-cost energy within the confines of this new law.

2008 Holiday Schedule

Franklin PUD **offices will be closed** in observance of the following holidays:

New Year's Day
Tuesday, January 1

Martin Luther King Day
Monday, January 21

President's Day
Monday, February 18

Newest Proposal for SALMON Recovery



Northwest electricity customers may not know it, but every time they pay their power bill, they contribute to the protection and recovery of endangered salmon. Because of this, Franklin PUD keeps a close watch on the actions taken regarding salmon recovery.

NOAA Fisheries Service recently submitted the latest draft biological opinion (BiOp) to Judge Redden, U.S. District Court. This plan outlines an aggressive and comprehensive series of hydropower system improvements, hatchery reforms and habitat enhancements. The BiOp reflects hundreds of millions of dollars of research over more than a decade to affirm that the actions will not only prevent harm to threatened and endangered salmon, but will ultimately move the species to recovery.

The BiOp is a comprehensive proposal contained more than 70 specific actions in response to direction from Judge Redden that federal actions in the hydropower system should assure survival and provide for recovery of threatened and endangered fish stocks through a collaborative effort among states and tribes. This BiOp is a collaborative plan with input from four states, 13 Indian tribes and the four responsible federal agencies. The plan includes more than \$1.5 billion to be invested on improvements to fish passages at dams, operational changes made to assist fish, habitat restoration and new predation controls.

The good news – breaching the four Lower Snake River dams is NOT a consideration in the plan.

In the spring of 2007, BPA's in-depth analysis of replacement power costs concluded Snake River dam breaching would cost Northwest electricity ratepayers at least \$400 million to \$550 million annually. The multi-purpose dams are operated for power, navigation, flood control and fish.

Approximately 20 percent of Franklin PUD customers' bill is dedicated to fish recovery through Bonneville Power Administration programs. These dollars pay for improvements at dam structures to aid fish passage and survival, barging salmon and operation of the dams dedicated to fish passage rather than power generation. We will continue to monitor and be involved on issues that impact these costs because ultimately it impacts you, our customers.

Mark Your Calendars - April 25-26, 2008 Alternative Energy Expo & Electrathon Race

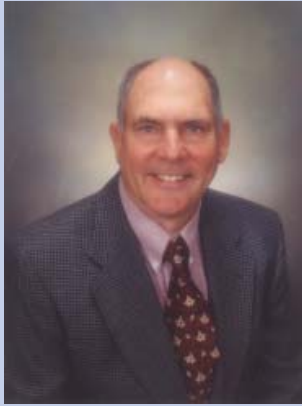
Franklin PUD will once again team up with Columbia Basin College for the 7th Annual Alternative Energy Expo.

Saturday will feature an Electrathon endurance race and many hands-on activities.

For more information about this exciting event call us at **509.546.5944**.



Bill's Blog



Bill Gordon
Commissioner

Last October Laura, her Dad and I went to Paris for nine days. On day four and five we took a train to La Hague on the Northwest coast of France. This is just south of Normandy Beach.

La Hague is the place where Areva has a nuclear reactor used-fuel recycling plant. Areva recycles the used fuel from reactors that generate electricity without generating greenhouse gas. After recycling the fuel, Areva returns the fuel to the customer to be used in their nuclear plant. This could be in Japan, Finland, Germany, France or any other country that wants to recycle its used fuel. This complex was commissioned in 1966 and has been upgraded three times.

The special "casks"-steel envelopes weighing 110 tons that can hold 10 tons of nuclear matter-arrive at the plant on special heavy-duty semi-trailers. Here, the fuel is put into a large indoor pond to cool down. They are usually in a pond, at La Hague or the customer's pond, for a total of 5 years. The metallic fuel rods (a zirconium-iron-pewter alloy) are cut in 35-mm lengths which fall into a tank. Nitric acid dissolves the nuclear matter and the metallic pieces are rinsed and put in a packing unit. The nitric acid solution is then transferred to a chemical separation facility. Here the fission products are separated; and about 4% that is no longer useable is vitrified. This is a similar process that the vitrification plant being built at Hanford will do handling of the "high-level" waste of the Hanford reservation.

If we are going to continue to use nuclear energy to make clean reliable electricity at a reasonable price, we have to solve the waste issue in the United States. This is one solution that has been proven to work in several other countries.

WE WORK FOR YOU

Commissioners:

Bill Gordon, President
Stu Nelson, V. President
Chuck Hall, Secretary

Manager:

Jean Ryckman

Editor:

Diane Turney

Important Numbers to Remember

Customer Service:
(509) 547-5591

Power Outage:
(509) 547-5591

Energy Conservation:
(509) 546-5967

Call Before You Dig:
8-1-1

CONTACTING US?

1411 W. Clark Street
PO Box 2407
Pasco, WA 99302
1-800-638-7701
509-547-5591
www.franklinpud.com

Rates To Remain the Same

Franklin PUD rates are established through our Rate Advisory Committee's recommendation to the Board of Commissioners. The committee is comprised of Franklin PUD staff and customers from the different residential, commercial, industrial and irrigator classes.

Their primary desire was stabilization of rates over time. At the December meeting, the Commissioners voted unanimously in support of the committee's recommendation to maintain the current rates.

CLASS	Basic	Energy	Demand
RESIDENTIAL			
Single Phase	\$11.70	0.0747	
Three Phase	\$20.19	0.0747	
SMALL GENERAL			
Metered	\$23.76	0.0701	
Unmetered	\$23.76	0.0701	
MEDIUM GENERAL			
Meter & Unmetered	\$51.50		\$8.19
Apr-Aug		0.0362	
Sep-March		0.0457	
LARGE GENERAL			
Meter & Unmetered	\$172.29		\$7.78
Apr-Aug		0.0327	
Sep-March		0.0408	
INDUSTRIAL			
Metered	\$430.73		\$7.67
Apr-Aug		0.0322	
Sep-March		0.0405	
SM. IRRIGATION			
Basic HP Fee Mar-Oct	\$0.00		Horsepower \$4.57
Apr-Aug		0.0284	
Sep-March		0.0465	
LG. IRRIGATION			
Metered	\$0.00		\$8.61
Apr-Aug		0.0277	
Fall Sep.-Oct		0.0379	
Nov-Mar		0.0458	