

Hotline

New Online Payment System Coming in 2017



Knowledge is power, and given today's technology advancements, communicating to customers via multiple channels is not only paramount but expected. We need to quickly and accurately answer questions, but we also need to proactively notify customers of key events, account status changes, and more. Most importantly, we need integrated tools that provide our customers access to your data, so you can review your account details anytime, at your convenience, and communicate with Franklin PUD through channels of your choice.

In early 2017, Franklin PUD is transitioning to the National Information Solutions Cooperative (NISC) utility enterprise software for customer care and billing, accounting, and engineering and operations. Along with these core solutions, we will also use a variety of NISC's fully integrated solutions, like SmartHub® that offer us enhanced customer engagement functionality.

Anyone who currently pays their bill online will have to re-enroll with SmartHub to get their information into our new software.

SmartHub is an online payment system that provides customers with convenient account access and two-way communications online or through mobile devices. Customers can not only view their consumption and billing history, but can also manage payments, and notify Franklin PUD of account and service issues. SmartHub provides our customers with details they need to make smart energy savings and account management decisions.

For example, SmartHub graphically displays historical temperature days against historical consumption over a rolling pre-defined period of time. This type of data empowers

our customers and will hopefully greatly reduce our call volume while increasing our transparency.

SmartHub functionality also includes Messenger. With Messenger, NISC pairs the power of SmartHub's data information with the ability to analyze this data and proactively communicate with customers. Messenger is a cloud-based message delivery system. Through SmartHub, customers have the ability to choose from a variety of communication sources, including e-mail and texting, ensuring that we deliver the right messages through the right channels in a non-invasive way.

Franklin PUD will be able to customize messages to target specific customer groups, as well. For example, we will be able to send texts and/or e-mails to past due or late-paying customers only, reminding them of their due date and providing details on all payment methods available so that service won't be interrupted for nonpayment. Customers will be able to pay their bill anytime via SmartHub.

Customers can communicate with Franklin PUD using these technologies, and we are assured that your information is accurately captured.

So, when asked, "Why is my bill so high?" we can answer the question immediately and direct customers to SmartHub for a graphical representation of their consumption history. If we are asked, "Why is my power turned off?" we can reference our utility's multiple notification attempts via mailed notice and text/e-mail messaging that their bill was past due. If we are asked to send a text when the bill is past due we can provide this service by helping that customer create a Messenger profile that is customized to your specific needs.

Knowledge is power, and having the right technology will allow our customers access to their account information when they want it and how they want it - 24/7.

Celebrate Public Power Week

Public power is a vital part of our 21st century. Franklin PUD is one of more than 2,000 public power utilities that provide electricity to more than 48 million people across the nation.

Knowing our community and its needs helps us keep homes, businesses, and public places powered year-round. We don't just provide electricity and send the bills from remote corporate headquarters. And we don't put the interests of shareholders ahead of our customers. We live and work with our customers and our mission is to serve you.

The power of community is vital to stand up to the challenges that are keeping public power leaders up at night — cyber and

October
2 - 8



physical security, environmental regulations, electricity markets, distributed generation and new technologies, and workforce issues.

Join us as we celebrate Public Power Week, October 2 - 8th.

Working for You

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TREK

Traveling Renewable Energy Kiosk

— A Fresh New Look —



We have a new look to our Traveling Renewable Energy Kiosk - "TREK" - as we call it. This "mobile home" is used as an educational tool for schools, safety fairs and other events. It has a wind turbine, solar panels mounted on top and front, and ductless heat pumps, all in working order to show the challenge and benefits of renewable and baseload energy. We also use TREK to educate the public on generation of hydro, nuclear, solar, and wind power.

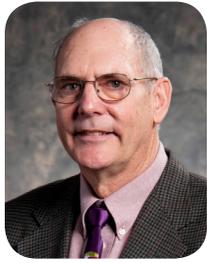
We are partnering with Benton PUD, the City of Richland, Energy Northwest, and Benton REA so all members of the community are able to see the benefits of our locally powered electricity.

Know what's below.
Call **811** before you dig.



Commissioner's Corner

The Fish BiOp - What's Next?



Bill Gordon
2016 Vice President

We have much to be thankful for in the Northwest. Our natural environment is beautiful and our rivers provide food, water, irrigation and recreation. For

generations we have fished and drawn water to grow crops. For the last 70 years or so, we've enjoyed low-cost electricity powered by large dams on the Columbia and Snake rivers. Fortunately, the various stakeholders of our river system, including federal agencies, tribes, NOAA Fisheries (NOAA), and the Bonneville Power Administration (BPA) have been working together to provide some of the most advanced and successful fish passage systems in the world to meet the Endangered Species Act as well as the requirements from the Northwest Power Act.

But the effort has been expensive: more than \$15 billion has been spent to date on dam improvements and operational changes at the dams that enable salmon to travel safely down river, and on habitat improvements that ensure salmon can spawn and sustain future generations. Funding occurs through power costs that local utilities like Franklin PUD pay to BPA and pass along to their customers. For every \$100 you pay toward your monthly

electric bill, about \$15 - \$20 goes towards fish restoration.

These efforts have been successful. Combined with favorable ocean conditions and hatchery efforts, our investments have delivered record adult salmon returns and young salmon surviving their journey to the ocean at rates approaching those in free-flowing rivers without any dams, according to NOAA, the agency responsible for salmon protection.

Unfortunately, some environmental groups, along with the Nez Perce tribe and the state of Oregon continue to litigate over federal dam operations arguing that the federal salmon plan or Biological Opinion (BiOp) fails to do all that's required under the Endangered Species Act. This past May, a U.S. District Court judge ruled in their favor (the environmental groups), ordering more analysis and more evaluation of alternatives including removal of the Snake River dams.

It will take many years to fully understand and sort out the meaning behind the judge's decision. Today, stakeholders to the BiOp are continuing to work together to assess the impact of the ruling and appropriate next steps. We're disappointed that collaboration and investment of this magnitude were found to be insufficient. And we're concerned about the future impact of this decision on Northwest power costs and our customers.

Saving Our Dams

Northwest dams produce nearly 60% of the region's electricity



It's hard to believe that we have to defend the economic and environmental benefits of the dams – but we do. Hydropower is getting squandered away through federal regulations, administrative decisions and court orders. Hydro electricity is the original Northwest renewable resource – it's fueled by water. It produces no carbon emissions making the Northwest carbon footprint half that of other parts of the country.

Northwest dams produce nearly 60% of the region's electricity and 90% of the region's renewable energy. The four dams on the Snake River alone generate enough power to serve one city about the size of Seattle.

The Northwest has some of the lowest electricity rates in the country, thanks to low cost hydro. While regulatory costs placed on hydro are increasing, its base cost of production is significantly less than nuclear, coal, natural gas, wind, and solar. Our

customers expect their electric service will be reliable, and will be there when they need it - and at a price they can afford.

But much has changed since the "Save Our Dams" rally over 15 years ago. When the idea of breaching dams was introduced, there were few, if any, variable renewable resources such as wind connected to the Northwest electric system.

As of today, BPA's system has an additional 4,700 megawatts of wind since 2006. As we diversify electric resources by adding renewables, the hydro system is needed even more than ever to help maintain the reliability of our system. Wind energy will still need to be backed up by a firm resource. That resource would be fueled by natural gas. Removing the dams and firming wind with natural gas resources will cause an increase in the amount of greenhouse gas produced in the Pacific Northwest.

We continue to defend the Biological Opinion in the court system. The comprehensive plan for fish protection, mitigation and enhancement has proven itself over the years. New fish protection technologies have been installed, operations have been modified, and habitat improvements have been made – all adding to the success of fish returns.

Energy vs. Basic Charge

Do you know the difference between an energy kWh (kilowatt hour) charge and the Basic Charge on your monthly electric bill?

Energy Charge – is how much energy you use by turning on your air conditioner, laptops, recharging your cell phones, etc. Anything that is plugged in uses energy.

Basic charge – it's what we also call a "system" charge. We have power lines and power poles that have to be maintained. We have substations with huge gear in them – transformers and wires, and all the other equipment you see in a substation that has to be purchased, maintained, and upgraded. The monthly basic charge costs also include many aspects surrounding the distribution of power such as meters, poles, wires, and other costs that are not affected by the amount of energy a customer uses. These costs are recovered through what Franklin PUD calls the "basic charge".

Outdoor Electrical Safety



We often forget about how powerful and potentially dangerous electricity really is. Franklin PUD makes electrical safety a priority and we ask that you make it a priority as well.

To prevent an electrical accident, follow these safety tips:

» Pay attention to the location of all overhead power lines. Make sure to check for power lines in or near trees before pruning branches. Don't use pruning tools or ladders near power lines. Use the 10-foot rule. Always keep yourself and anything you're handling at least 10 feet away from overhead power lines and never try to remove a branch that is tangled or lying across a power line.

» Call 8-1-1 before you dig when putting in fence posts, planting trees, installing sprinkler systems or excavating for new construction. Coming in contact with underground power lines can be dangerous. Landscape carefully around electrical equipment.

» Please don't attach flyers, signs, or any other items to utility poles. They create a hazard for workers, reduce the life of the pole and are a violation of state law.

