

POWER AND WATER NEWS

RATE INCREASE

Mason County PUD No. 1 electric rates are increasing by 6.013% due to overall increased costs.

The rate increase was passed by resolution at the Commissioners regular board meeting on September 9, 2008. The PUD's last rate increase of 4.5% was March 30, 2004.

The District is working hard to hold rates down. We have not passed along rate increases for the past five years when our wholesale power company Bonneville Power Administration (BPA) has raised our whole sale rates by 35%.

Much of our infrastructure is in need of significant repair. These repairs are critical to maintain our high level of service and to improve our reliability.

Many of PUD 1 customers have requested that we break out our state taxes on the electric bill. A separate line item has been added showing what % of taxes are included in your bill.

A copy of the rate hearing minutes is available on the PUD website at masonpud1.org, or for answers to any questions, please contact us during regular business hours, Monday thru Friday: 8:00 a.m. to 5:00 p.m.

CANAL COMFORT FUND ENERGY ASSISTANCE

We are coming up on the heating season again and would like our customers to know that there is help available in paying electric bills to those who qualify. We have a Canal Comfort Fund that customers donate to all year long that helps our qualified electric customers with their bill payments once each year from October 1st to March 31st.

If you are in need of assistance, please contact...

Community Action Council

Mason County
360-426-9726

Jefferson County
360-385-2571

If you have questions about making a donation to this fund contact the Mason County PUD #1 office toll free at 1-800-544-4223.



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MASON COUNTY PUD # 1

N. 21971 HWY 101
Shelton, WA 98584

COMMISSIONERS

Karl Denison, District 1
898-2618

Ron Gold, District 2
426-9540

Jack Janda, District 3
877-5867

MANAGER

Steven N. Taylor
877-5249

WATER | WINDOWS | DOORS

- Insulate hot and cold water pipes if exposed beneath your home. This helps keep cold pipes from freezing and hot pipes hot.
- Turn your water heater off when you're on vacation.
- Weather strip doors and windows to prevent drafts.

HEATING

- Clean furnace filters monthly to assure efficient air flow.
- Close chimney dampers. Warm air rises up and out open chimneys at an alarming rate.
- Keep heating vents unobstructed to allow warm air to circulate.
- Check heat ducts for leaks. Seal any leaks with foil-back tape.

APPLIANCES

- Maintain your refrigerator and freezer at the right temperature. Set the refrigerator between 38° F and 42° F. Set the freezer between 0° F and 5° F.
- Clean condenser coils on refrigerators at least twice a year.
- Use microwaves instead of an oven or range for most cooking.
- Resource-efficient clothes washers (front load use about 60% less energy).

ENERGY SAVING TIPS

Some simple steps you can take to cut your energy consumption. They'll trim your power bill. They'll keep the air pure, rivers running, and the Northwest slightly better than anywhere else on earth.

LIGHTING

- Switch to compact fluorescent bulbs in the light fixtures used the most. Compact fluorescents use about 1/4 the energy and can last 10 times as long.
- Use outdoor motion detectors and timers instead of leaving outdoor lights on all night.
- For top outdoor security, use high-pressure sodium bulbs on a timer or light sensor.

COOLING

- Clean or replace air conditioner filters monthly.
- Maintain 78° F. For every degree you lower the temperature, the energy costs rise by 6%.
- Plant deciduous shade trees for natural cooling. These absorb the radiant heat before it hits the roof. It helps clean the air too.
- Try using a ceiling fan instead of air conditioning.

COMMISSIONER'S CORNER

Loss of Local Control

A major contributor is the loss of control and accountability at the local level.

Washington State Public Utilities already use over 80% renewable energy.

Cap and trade will be a cash cow, a hidden tax on you the rate payer.

I will continue to fight to oppose all laws and regulations that put undue burden on you the rate payer.

As I type this memo, I'm watching my life's savings for retirement quickly vaporize. Why did this happen - I think a major contributor is the loss of control and accountability at the local level. No one was minding the store while someone far away was regulating and guaranteeing mortgages. This, in my opinion, allowed for the triangulation of politics, fraud and greed - a perfect storm.

In the utility industry I see a similar track being laid by lawmakers. In my opinion, it will lead to a similar train wreck if left unchecked. Lawmakers have passed and hope to pass more new mandates that will take away your utility's local decision making authority. Some of the most costly for you the rate payer, are renewable portfolio standards and cap and trade.

Renewable portfolio standards require utilities to increase renewable energy use over time - a good intension. The problem, Washington State Public Utilities already use over 80% renewable energy - hydropower. Hydropower, ironically isn't considered renewable under Washington State law. What sense does it make to replace dependable hydropower for undependable wind or solar power while compromising the dependability of the grid? Don't get me wrong, we need all types of power, but we don't need artificially imposed mandates.

Even more frightening is the Western Climate Initiative. WCI is a collaboration of seven U.S. governors and four Canadian Premiers. Together, they hope to reduce greenhouse gas emissions with a market based cap and trade system. Certainly, they have good intensions, but their proposals are flawed. They don't understand the complexities of the utility industry. Meeting current load growth, a power generation deficit, transmission capacity needs, public opposition, a not in my backyard mentality and the dramatically increased cost of materials - will be challenging enough. Adding cap and trade on top of renewable portfolio standards, will break the ratepayers little bank.

Cap and Trade will allow speculators to manipulate the carbon market and drive up power costs because carbon reduction technologies take time to develop. We recently saw what speculators did to oil markets. Do we really want to repeat the pain in the utilities industry?

You might be asking, why good intending lawmakers want to impose this. For one, cap and trade will be a cash cow, a hidden tax on you the rate payer. More money for state coffers and the utility industry gets the blame for high electricity prices. As your commissioner, I will continue to fight to oppose all laws and regulations that put undue burden on you, the rate payer. Common sense must prevail. I hope you agree.

Sincerely, Karl Denison
Mason PUD Commissioner, District 1

MANAGER'S LETTER



To our Jefferson County customers:

In the weeks ahead you will be hearing about a ballot proposition to give the Jefferson County PUD the authority to become an electric utility. While all Jefferson County voters will be eligible to vote on the proposition, we want to make clear that the outcome will not affect your electric service, which is now provided by Mason County PUD No. 1.

Mason County PUD No. 1 provides electric service to about 5,000 customers, including a few hundred households like yours in the Brinnon area of Jefferson County. We will continue to be your electric utility regardless of how you vote this fall.

If the proposition passes, the Jefferson PUD, which now provides water and sewer services around Port Townsend, will decide whether to get into the business of providing electricity in areas of the county now served by Puget Sound Energy, but that will not affect the service you receive from Mason County PUD No. 1.

If the proposition fails, PSE will continue to provide electricity to those areas of Jefferson County it now serves. But, again, that will not affect the service you receive from Mason PUD No. 1.

We understand this could be confusing, which is why we are taking this opportunity to clear up any misunderstanding. Mason PUD No. 1 is pleased to provide electric service to Jefferson County residents in the Brinnon area and we look forward to being your electric utility for many years to come.

Please call a customer service representative if you have any questions.

NEW BILLING DATA

Many electric customers have requested that taxes be separated from the kWh charge on the electric bill.

The PUD has separated the tax from the kWh charge. You will notice separate line items for taxes in the total amount of 6.013% of total electric charges on your bill. The taxes include a privilege tax (in lieu of property tax), and a state public utility tax.

The bar graph has also been changed to show the average kWh per day usage. At the bottom of the graph you will see each month of the year, the amount of days in the billing period for each month, and the kWh usage per day in each month.

If you have any questions about either of these items, please call customer service at 360-877-5249 or 800-544-4223.

SURGE PROTECTION

Whole House Surge Suppressors may help alleviate spikes in your service due to power outages. Mason County PUD No. 1 will install the Whole House Surge Suppressor following a consultation meeting between the customer and the District.

The District has installed approximately 46 Whole House Surge Suppressors on customer's meters to date. Interested customers may call the Director of Operations to discuss details.

