

## **JPUD CONTINUES ON ITS ROAD TO BECOMING AN ELECTRICAL UTILITY**

PORT HADLOCK, Wash. (Feb, 2011) – Jefferson County Public Utility District No. 1 (JPUD) continues to move towards owning and operating the electrical facilities in Eastern Jefferson County.

Earlier this month the Washington Utilities and Transportation Commission adopted an agreement, which states that the transfer of Puget Sound Energy's electrical infrastructure to the PUD is exempt from a state law that requires approval by the commission for most transfers,

For the past three months the PUD has been in the process of preparing its loan application to the USDA Rural Utility Service. The PUD earlier was qualified by the RUS to receive a loan, but now must provide the supporting documents to determine the amount and timing of the loan. PUD consultants are working with PSE staff to fully evaluate the electric utility system; to obtain all necessary documents; conduct environmental reviews, develop financial viability models and economic projections; and develop the operational/ transition plan. The PUD has also been developing secondary financial sources for supplementary and interim financing purposes.

The already signed power sales agreement with the Bonneville Power Administration (BPA) qualifies JPUD for the federal agency's lowest power rates, known as Tier 1 starting on June 30, 2013 and has the PUD receiving power from BPA no later than March 31, 2013. This is the last anticipated date for the PUD to be entirely owning and operating the electrical utility.

The PUD does not expect to start hiring for the new utility until 2012-2013. Until that time, PSE will continue to operate, maintain and improve the system, as necessary, with price adjustments to reflect value changes.

In 2008 Jefferson County voters authorized the PUD, which operates water and sewer utilities, to start an electric utility. JPUD decided not to acquire the local electric utility through condemnation after PSE agreed to a negotiated settlement which was signed in June of 2010.

For further updates and contact information visit the PUD website, [www.jeffpud.org](http://www.jeffpud.org).

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