



FOR IMMEDIATE RELEASE

### **Jefferson County PUD enters into agreements with PT Paper Company**

PORT HADLOCK, Wash. (March 25, 2011) – The Jefferson PUD Board unanimously agreed to authorize its General Manager, Jim Parker, to execute two agreements with PT Paper today. These agreements are not effective until the PUD begins electric service for Jefferson County, but do pave the way for the PUD to provide power to PT Paper.

“This is important day for Jefferson County,” said Ken McMillen, a retired Navy pilot and president of the PUD Board of Commissioners. “While much work remains between the Bonneville Power Administration (BPA) and PT Paper before the PUD can serve the entire PT Paper load we have taken the first steps toward providing service to the mill.

“We will stand ready to serve a key employer in Jefferson County,” added Commissioner Wayne King.

The first contract is for service to PT Paper’s Old Corrugated Container facility. BPA has already included the additional power required to serve the OCC load in the PUD’s allocation of BPA “Tier 1” power, which is BPA’s least expensive power. The PUD has agreed to provide electric service to the OCC facility at rates that will fully recover all of JPUD’s costs, but which both parties expect will be lower than what PT Paper could purchase from any other supplier.

The second contract under consideration is for service to the remainder of the mill. While the PUD and PT Paper have agreed to use of cost-based rates and similar terms as with the contract for the OCC load, the PUD will not be required to start service to the mill unless BPA provides the PUD with additional power to serve the entire mill at Tier 1 rates. Due to limitations placed by BPA policies on service to larger facilities such as the mill, and limitations on the Tier 1 power available to the PUD once it starts serving Jefferson County customers, it may turn out that service under this contract will not happen.

“We want to send the message that the PUD is ready to serve PT Paper, stated Commissioner Barney Burke and added that, “the PUD understands that BPA and PT Paper must come to terms on whether BPA will allow just that possibility to happen.”

### **Jefferson County PUD**

Public Utility District No. 1 of Jefferson County was formed in 1939 and is one of 28 PUDs in Washington. Of those 28, 23 are in the electric business. The Jefferson County PUD will be number 24.

Jefferson PUD currently serves more than 3,500 water and/or sewer customers throughout East Jefferson County and may play a role in plans to bring broadband Internet service to rural communities there. Headquartered in Port Hadlock, it has nine employees and an annual budget of about \$2 million.

Last July, Jefferson PUD and Puget Sound Energy (PSE) reached an agreement for the PUD to purchase PSE’s Jefferson County electric utility facilities. The PUD plans to begin operating the system on or before July 2013.

The PUD has a board of three elected commissioners who serve six-year terms. PUD Commissioner Dana Roberts, who had championed public power, died unexpectedly in November 2009. McMillen and King appointed Burke to complete Roberts’ term.