

I'm very proud of "OUR" PUD. In the past ten years or so, many accomplishments have been made. I think the outreach to the public for input has been terrific, and I think acceptance of the goal, "The Best for The Most for The Longest", is something that is hugely significant, and something that they follow as they are making important decisions.

I personally strongly favor the 3% annual increase in our very low electric rates for a number of reasons.

1. We have had no increase for eight years and yet labor costs have increased annually, and significant outlays have been required to keep the dams up to date, and also just repairs to cover normal wear and tear, means that actually we have had a significant **rate decrease** during the past eight years (almost 20%). I think it makes sense to keep the change in rates at least reflecting inflation.
2. Also at 3% per year it will take about 6 years to just get back to our last rate increase **effective rate** **level when adjusted for inflation.**
3. Small annual increases avoid the **risk** ~~rate~~ of bigger increases in the future. For example, if we adjusted just for inflation just since the last increase we'd have perhaps a 22% increase.
4. They are recognizing and will be giving attention to those who are less fortunate and cannot afford such moderate increases.

And finally, I'm very concerned about how having the rates at their present level, with no increases for, I believe, ~~eight years~~ that government agencies might look at us and argue that because we are using the Columbia River there should be significant additional taxes or fees charged.

Hence, in closing, I fully support this 3% annual increase. This is how we avoid big increases at various times in the future and to me is a very logical step in managing our huge, wonderful asset.

Bart O'Leary
2/3/2020