

2010 Financial Forecast

KPUD Budget Holds the Line

Klickitat PUD commissioners adopted the 2010 budget at their December 22, 2009, meeting.

The new, nearly \$52 million budget is consistent with the board's expectation to stabilize current retail rates through the development of revenue-producing lines of business other than the traditional distribution system.

Electric revenue from rates is now 41 percent of total revenue compared with a year ago, when it was 48 percent.

The split of rate revenue between residential and commercial services is at 21 percent for residential and 20 percent for

commercial and other services, down 3 percent and 2 percent, respectively, from last year.

The two largest expenses for KPUD are the cost of power at 32 percent and debt service at 18 percent. Debt service has grown due to borrowing for the expansion of the H.W. Hill landfill gas facility, which is a revenue-producing project.

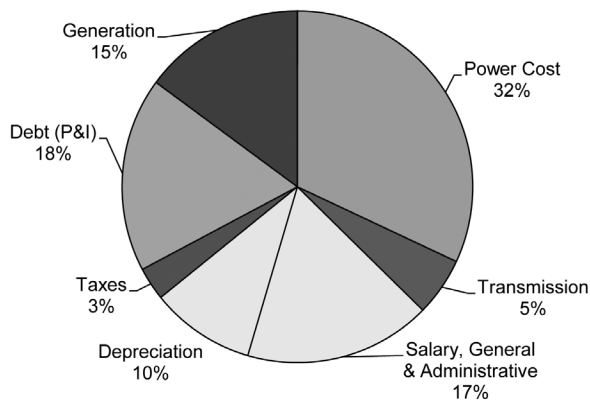
The power supply for KPUD's load includes the purchase of power from the Bonneville Power Administration and a declared amount of power from the McNary Dam hydro generation project

jointly owned by KPUD and Northern Wasco PUD in The Dalles.

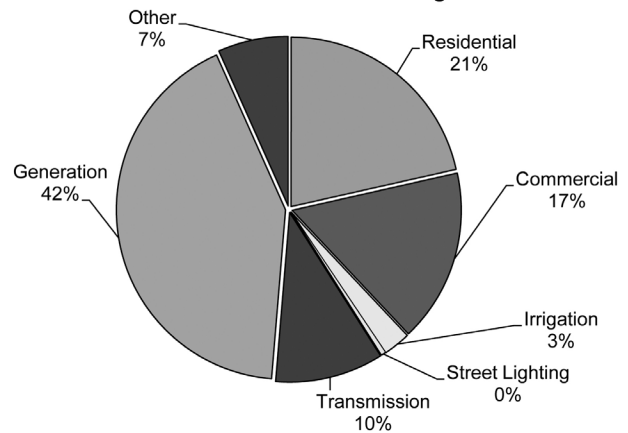
Salaries, administrative and general expenses for the 2010 budget are 17 percent of total expenses. These comprise the support staff, operation and the cost of maintenance.

KPUD operates and maintains eight water systems and five wastewater systems, all managed separately and analyzed separately for profitability. The objective is to operate these systems through rate revenues and managed costs to allow for debt pay-off of each system. ■

Electrical Expense Budget



Electrical Revenue Budget



2010 Electrical Expense Budget		
Description	Dollar Amount	Percent
Power Cost	\$16,488,835	32.0
Transmission	2,764,232	5.4
Salary, General and Administrative	8,881,079	17.2
Depreciation	4,970,980	9.6
Taxes	1,566,636	3.0
Debt (P&I)	9,211,483	17.9
Generation	7,682,714	14.9
Total	\$51,565,959	100.0 %

2010 Electrical Revenue Budget		
Description	Dollar Amount	Percent
Residential	\$11,105,495	21.5
Commercial	8,525,685	16.5
Irrigation	1,346,714	2.6
Street Lighting	224,508	0.4
Transmission	5,335,953	10.3
Generation	21,711,747	42.0
Other	3,463,549	6.7
Total	\$51,713,651	100.0 %