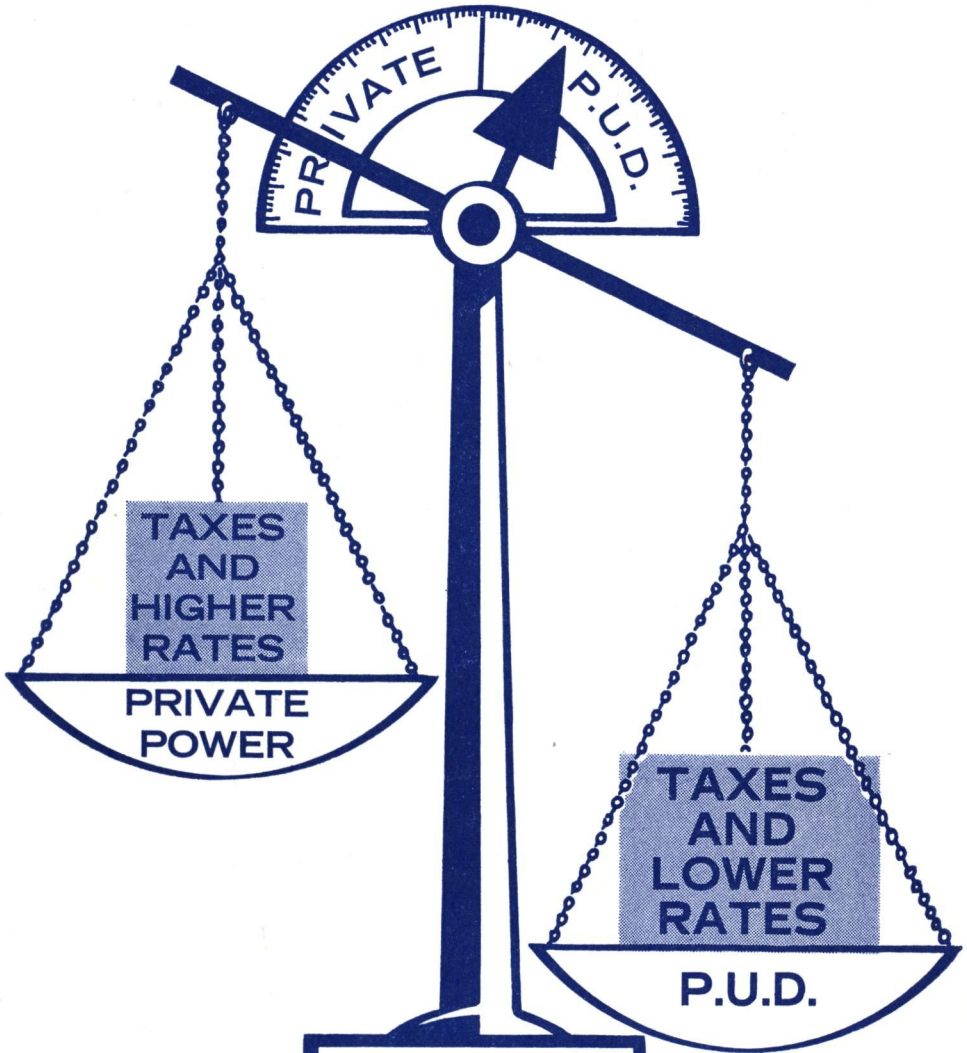


SUPPORT TO SCHOOLS CITIES AND COUNTIES



FINDING:

In comparable electric utility service areas, schools, cities and the County received greater benefits from P.U.D. taxes and lower P.U.D. rates, than they would have received from private power company taxes and higher private power rates.

1966 TAX AND RATE STUDY — P.U.D. ELECTRIC SERVICE AREAS

District	Actual Electric Bills (1)	Recomputed Bills (2)	Savings from PUD Rates (3)	Actual PUD Taxes (4)	Total Benefits from PUD Service (5)	Estimated Property Tax (6)	Extra Benefits from PUD Service (7)
Benton	\$110,660	\$161,848	\$ 51,188	\$ 57,439	\$108,627*	\$ 83,839	\$ 24,788
Clark	356,410	516,200	159,790	163,832	323,622	246,435	77,187
Cowlitz	175,724	366,896	191,172	128,851	320,023	146,821	173,202
Franklin	161,276	221,904	60,628	36,746	97,374*	80,968	16,406
Grays Harbor	156,790	344,665	187,875	85,981	273,856	153,031	120,825
Lewis	94,644	171,559	76,915	40,492	117,407	69,384	48,023
Mason No. 3	19,563	50,110	30,547	25,851	56,398	37,309	19,089
Okanogan	98,255	124,860	26,605	38,539	65,144	62,514	2,630
Snohomish	735,316	1,304,978	569,661	258,600	828,262*	636,598	191,664

*Does not include special city taxes paid by the PUD and absorbed in rates. This amounted to: Benton PUD, \$50,044; Franklin PUD, \$3,219, and Snohomish PUD, \$84,828.

(1) Actual PUD electric bills for schools, cities and the County.

(2) These same PUD electric bills, recomputed, using the adjacent or comparable private power company rates.

(3) Savings to the tax-supported entities as a result of PUD electric service with lower PUD rates.

(4) Actual PUD direct taxes, paid in place of a property tax, and received by schools, cities and the County.

(5) Total benefits to the tax-supported entities from PUD lower rates and PUD taxes.

(6) Estimated property taxes which would have been paid under private power company service.
(Computed using a formula furnished by the Washington State Tax Commission.)

(7) Extra benefits which the schools, cities and County receive as a result of PUD electric service with lower PUD rates, as compared to private power service.

Outline of Study

This special study on electric rates and utility taxes was made in PUD service areas which are comparable to service areas of private power companies in Washington. Purpose of the study was to establish, evaluate and compare the benefits which come to tax-supported entities, such as schools, cities and the County from PUD service and PUD taxes.

To do this, actual electric bills for the tax-supported entities in each PUD service area were listed. These bills were then individually recomputed, using the rates of the adjacent or comparable private power company. These figures demonstrate that the tax-supported entities were receiving considerable savings from lower PUD electric rates.

Direct taxes paid by the PUDs to such groups were compiled from reports submitted to the Washington State Tax Commission. These taxes paid were added to the tabulated savings to schools, cities and the County — showing the total benefits from PUD service. These total benefits were then compared to an estimated property tax which would have been paid if the private power company had been serving the tax-supported bodies. The estimated property taxes were computed using a formula furnished by the Research Division of the Washington State Tax Commission.

The result? Substantial extra benefits to tax-supported entities such as schools, cities and the County come from PUD lower rates and PUD tax payments.

A dollar saved by a school, city or County on its electric bill is just as valuable as a dollar received from a utility for tax support.

Public Utility Districts, unlike the private power companies, have not emphasized high tax payments, which only mean higher electric rates. The PUDs support a fair level of tax payments, at the same time, striving for the lowest possible rates with the best possible service.

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