



CONNECTED

The Newsletter of Cowlitz PUD

Volume 9, No. 9

Adding on or Changing Your Electric Service? Make Sure You Call the PUD.

An August 3 front-page article in The Daily News titled "Power Struggle" detailed how a local resident recently discovered that Cowlitz PUD was billing him for electricity at its Small General Service rate rather than its residential rate.

The PUD's Small General Services rate is applicable to non-residential services like shops, garages and smaller businesses. It is roughly 20 percent higher than the rate for residential customers. The residential rate is only applicable for domestic uses in single-family dwellings with one meter per address.

In the situation addressed by the newspaper story the customer had originally built a garage/shop in 1991, with future plans to construct a residence. The service was correctly assigned a Small General Service rate.

Many customers begin new home construction by first building a shop or garage. As time and finances allow, they continue construction and eventually complete the home.

In this scenario they start out on the PUD's Small General Service rate, as this customer did. Then once the residence is built we will switch it to the lower residential rate. But to do that we must be contacted and informed of the construction activity.

The key is to communicate with the PUD as you proceed with the building process, so we can verify that our electrical facilities (transformer, etc.) are adequate. You also need to inform the Department of Labor and Industries, which will have your electrical work approved by a city or state inspector.

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- A Message from the General Manager

Once we know you are building or making changes to your service, it also alerts us to review your account and make sure you are on the proper rate schedule.

In the situation chronicled by the newspaper article, the electric rate schedule was never adjusted because the PUD was never made aware that the residence was being built. It's a good example how one phone call can potentially save you a lot of money.

Once this situation was brought to our attention by the customer 14 years later, a refund check was written for three years of the rate differential. As stated in The Daily News article, that is the maximum refund a PUD can issue under the statute of limitations set by Washington State law.

Don't Forget to Call the PUD

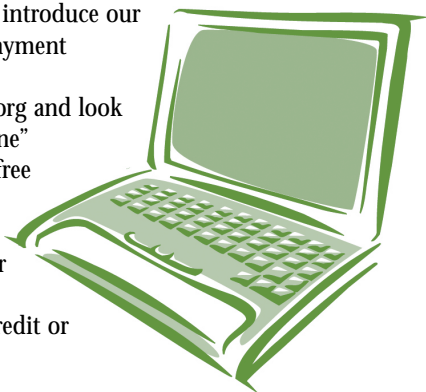
Here are some examples of the kinds of changes we need to know about:

- A change to electric heat from gas, oil, etc.
- Installation of a heat pump
- The building of an addition, shop or garage to your home or business
- An addition of a residence to an existing shop or garage

Cowlitz PUD is here to provide you reliable and safe electrical service at the lowest possible cost. That's our job. To help us do that job right we ask you to keep us informed of your service changes and needs. Please never hesitate to call.

Cowlitz PUD Now Offers Online Payments

We are excited to introduce our new online bill payment option. Just go to www.cowlitzpud.org and look for the "Pay Online" button. This is a free service that offers you the ability to pay your PUD bill via the internet, with a credit or debit card.



This offers great convenience for customers to pay their bill while on vacation, or to save the time it takes to mail in a payment or pay a bill in person. The online service will also provide other information about your account, including your balance and date and amount of your last payment.

The first time customers use the online payment option they will be asked to register their account. You will need your PUD bill to do this, as you will be asked to enter your account number and meter number. You will also establish a password for later access.

It is important to note that this is an account-based online payment system. If you have more than one Cowlitz PUD account, you will need to log on separately to make an inquiry or payment on each account.

We think customers will like this new, convenient bill-paying option. We encourage you to go online and check it out – www.cowlitzpud.org.

Contact Information

Cowlitz PUD - 961 12th Avenue
PO Box 3007 Longview, WA 98632
(360) 423-2210 - Toll free WA (800) 631-1131
website: www.cowlitzpud.org
Email: customercomments@cowlitzpud.org

Sign up Now for the PUD's Low Income Senior Discount Rate

Anyone who believes they qualify for the PUD's Senior Discount Rate is encouraged to apply before December 1, 2006.

We are entering the third year of the program for low-income qualified PUD customers, age 65 and older. Last year 400 PUD customers were enrolled in the program, which provides a 10 or 20 percent electric bill savings.

You must be 65 or older and must have been signed up for service as a Cowlitz PUD residential electric customer for at least the past 12 months. Those customers already enrolled in the SDR program must re-apply during this time period.

- SDR-1 offers a 10 percent rate discount to customers with a gross annual household income of \$13,201 to \$19,800.
- SDR-2 offers a 20 percent rate discount to customers with a gross annual household income of under \$13,200.

To start the application process, contact CAP at (360) 425-3430 to make an appointment to determine if you meet the age and income requirements. You can also contact the PUD at (360) 423-2210 or WA toll free (800) 631-1131 for more details.

We Will be Closed on Columbus Day (Oct. 9)

Cowlitz PUD will be closed for regular business on Monday, October 9. Our employees will still be at work that day, but will be involved in a series of training sessions, much like an in-service day for teachers.

If you would like to pay your bill that day, remember our PUD pay stations will be open. A listing of our pay stations is on back of your PUD bill.

CONNECTED is published by Cowlitz County PUD.
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Buz Ketcham, Vice President; Ned Piper, Secretary
GENERAL MANAGER: Brian Skeahan
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What's Happening

National Solar Tour Comes to Cowlitz County

October 7, 2006

Cowlitz PUD is pleased to be one of the sponsors of the The American Solar Energy Society's 2006 National Solar Tour for Cowlitz and Clark counties. The event takes place Saturday, October 7.



Organized by Solar Washington, this year's tour will feature Green Buildings including solar electric, passive hot water, and energy efficiency technologies installed in homes and buildings that exhibit net metering and off grid systems and ones utilizing resource conservation measures.

In Cowlitz County, the tour is from 11 am to 4 pm and will include the homes of Grant Sawyer and Pat Deschene, 191 Hawks View Rd., Woodland and Norm and Pauline Yonemura, 180 Hawks View Rd. Woodland.

Both homes are modestly sized for maximum efficiency and offer features like:

- Well insulated and air tight thermal envelope
- South facing glazing for passive solar space heating
- Solar shading overhangs or installed window shading devices for summer comfort
- Heat recovery ventilation systems
- Radiant hydronic floor heating systems
- Electric tankless on demand water heater for domestic hot water (DHW) and space heating
- Solar water heating systems: Evacuated Tube for DHW and space heating

For tour information about homes on the Clark/Cowlitz Solar Tour go to www.solarwashington.org and www.cowlitzpud.org. You can also contact Grant Sawyer at Cowlitz PUD at (360) 577-7511 or (503) 799-5472.

As space is available each month in Connected, Cowlitz PUD may offer a brief listing promoting activities (on a first-come, first-served basis) for public, non-profit groups with wide interest in Cowlitz County. Please send your request via email to: whatshappening@cowlitzpud.org.

Commission Activities



This column highlights recent activities of the PUD Board of Commissioners. During its July and August meetings the Board:

- **Approved the adjusted 2007 Low-Income Senior Citizen Discount Rate program** (SDR-1 and SDR-2). The eligible income ranges have been raised to \$13,201-19,800 for SDR-1 and \$13,200 and below for SDR-2.
- **Authorized a resolution approving the District's participation in the Flexible PF Rate Program offered by BPA.** Several other BPA customers in the region have also indicated they will take part in this program, as it will help offer regional rate stability. The program allows BPA to carry less reserves, yet still maintain adequate cash flow and achieve an adequate treasury payment probability.
- **Approved an intergovernmental agreement** between Cowlitz PUD, Clark County and Clark Public Utilities. The agreement provides for Cowlitz PUD customer payments made by mail to be sent directly to the Clark center for bill processing, beginning late this year.
- **Authorized hiring consultant Kennedy-Jenks** to perform a study to evaluate the potential of transferring ownership of the PUD water system to the Beacon Hill Sewer District.

All PUD Board meetings are open to the public and we encourage customers to attend. Upcoming meetings are scheduled for:

Tuesday, September 12
Tuesday, September 26
Tuesday, October 10
Tuesday, October 24

Meetings begin at 2:00 p.m. and are held in the PUD Auditorium, unless otherwise noted.

From the General Manager's Point-of-View...

Summer is in the rearview mirror and we are looking ahead to football, hunting season and the turning colors of fall. But before we totally forget summer let's discuss some recent notable events and how they relate to Cowlitz PUD.



Every summer has a heat wave. This year it was in the third week of July. The major California utilities set records for peak electric system demands. Preliminary numbers statewide showed a peak of 50,269 megawatts (MW).

To put that in perspective, the production capacity of Bonneville Dam or a typical nuclear generating facility is about 1,000 MW. A typical single-unit combined cycle natural gas plant is about 250 MW and a single-unit coal fired plant is around 500 MW.

Rising power demands drive up power prices. The spot market soared to \$400 per megawatt hour, compared to \$50 a week earlier. We know too well from experience that price spikes in California impact prices in the Northwest. (The good news in July was that our Swift 2 hydroelectric project was running, thereby keeping Cowlitz PUD out of the inflated market.)

Reliability also suffers during a heat wave, due to a lack of sufficient power generation and transmission. California has not built enough generating capacity to meet growth. Nor has it built enough high-voltage transmission lines to deliver power to the load centers.

A recent report from the U.S. Department of Energy described the lack of transmission facilities in Southern California as an "unparalleled problem" and in the San Francisco area as a "serious concern".

This summer's heat wave also exposed a second reliability problem in California – old and undersized transformers. It's reported that California utilities have many 60- to 80-year old transformers. The result? Over 2.2 million Pacific Gas and Electric and Southern California Edison customers suffered outages as a result of 2,500 blown substation and distribution transformers.

So basically it was just another California summer with emergency declarations, massive power outages and spiking prices. But could it also happen in the Northwest? The short answer is yes.

The Northwest Power Pool area (which includes British Columbia and Alberta) hit a summer record of 54,602 MW. But unlike California, our peak usage comes in the winter. The all-time winter peak is 58,000 MW, set back in 1998. So it's been awhile since we had a really cold winter. When we do, we could find ourselves just as California did this summer, with more load than anticipated.

The region has transmission problems, too. Until the past several years there has been little high-voltage transmission line construction in the Northwest. The same reports I cited earlier put the Seattle-to-Portland corridor in the same "serious concern" category as San Francisco.

Based on our experiences, the problem is already here. While we have not seen large scale outages due to transmission failures, at times PUD staff has found it increasingly difficult to move power from our wholesale sources to our loads.

How does Cowlitz PUD's own system compare?

We are certainly in better shape than California utilities, thanks to years of outstanding maintenance and planning by our Operations and Engineering departments. But we are facing a lot of work and planning to replace aging equipment, including 830 distribution transformers (out of 20,500) that are 55-years and older.

In addition almost 800 of our wood poles are over 50-years old and 11 of our 14 substation regulators are over 46-years old. Much of our other key equipment, including substation transformers and distribution and transmission breakers, is over 50 years old.

Late in 2005, our Board of Commissioners directed PUD staff to prepare a plan to begin replacing these aging facilities. It's no secret that replacing and updating these facilities comes at a cost.

But we have looked at California and asked ourselves, "Do we want our homes, businesses and industry to be without power as a result of a lack of generation, inadequate transmission, and old unreliable distribution facilities?"

The answer is no, thus we are working to ensure the California scenario does not happen here.

A handwritten signature in dark ink, appearing to read "Brian Skeahan". The signature is fluid and cursive.

Brian Skeahan, General Manager