



CONNECTED

The Newsletter of Cowlitz PUD

Volume 12, No. 2

White Creek Revenue Tops \$5 Million

Cowlitz PUD customers will benefit from strong winds and strong power sales during the first 14 months of operation at the White Creek Wind Project in Klickitat County.

The PUD gets 46 percent of the White Creek output. We don't need that power today, but will in 2012 to meet load growth and state renewable power requirements. So in the interim we're selling the valuable renewable resource into the market. The net margin between the revenue realized from market sales and the PUD's costs for White Creek power was \$5.3 million from late 2007 through the end of 2008.

We joined three other Washington consumer-owned utilities in 2006 to develop the 205 megawatt project. Once construction was initiated it was sold to an investment group that utilized Federal Production Tax Credits. The PUD has a 20-year contract to purchase 46 percent of White Creek power and has an option to purchase that share of the project in 10 years.

This innovative strategy helped keep the energy output costs of White Creek much lower than a more traditionally financed power project. Bottom line, this wind project is a great deal for the customer-owners of Cowlitz PUD.

On another front, we have also benefited from a Federal Court decision that ruled BPA over-collected \$336 million to fund the Residential Exchange Program (REP) in the region. The REP is used to distribute NW hydro benefits to



residential and small farm customers of investor-owned utilities (IOUs) like Portland General Electric.

Rate Stabilization Fund Established

BPA is now returning those funds and Cowlitz PUD's share of that return was \$21.8 million in 2008. Of that total \$19.4 million has been returned via a refund to large industrial customers and by a billing credit last spring to all other customers.

The rest of the monies returned in 2008 by BPA will be added to a Rate Stabilization Fund. Our Board voted in January to establish the \$7.7 million fund, which is the total of the White Creek net revenue (\$5.3 million) and the additional BPA monies (\$2.4 million).

This will provide a rainy day fund as we enter an uncertain future with BPA – particularly as a result of a new BPA contract starting in 2011 and the prospect for a BPA rate increase later this fall. After six years of rate stability, BPA has said its wholesale rates may rise as much as 15 percent in October. BPA power costs represent about half of the total PUD budget, so that would impact local rates.

As for the new BPA contract in 2011, it may bring slightly lower, but more volatile rates. We know our customers appreciate rate stability, so it makes sense to put money away now when we can. We will keep you posted on the BPA regional rate process and how it could affect local rates later this year.

Inside This Issue:

- January Board Report
- Automated Metering Update
- Help Ensure Meter Reading Accuracy

By Assisting the Meter Reader You Help Ensure Your PUD Bill is Accurate

Cowlitz PUD continues to make progress toward installing a new automated electric meter at each business and residence in Cowlitz County, but it won't be complete until 2011. Until that time, we will continue to send meter readers just like we have since the 1940s.

Each day PUD meter readers travel to every corner of Cowlitz County. They know every street, house and yard from Cougar to Ryderwood. Nearly everyday they encounter situations that prevent them from reaching a meter, including:

✓ **Meters behind a locked door or gate:** Please leave your gate open when your meter is due for reading or call the PUD and make arrangements to provide us with a key. All customer keys are stored securely in a vault in our office and only leave the vault on the day your meter is to be read.

✓ **Obstacles blocking the path to a meter:** Shrubbery, vehicles, sports and lawn equipment, or any item stacked or stored near your meter can present a problem. We appreciate a clear path.

✓ **Dogs in the yard and not on a leash:** A family dog left outside to protect your property, considers a meter reader to be an intruder. When your meter is due to be read, please have your dog on a leash or inside the house or garage.

You can determine future meter reading dates by referring to the current and previous "read dates" on the enclosed bill. Meters are read every 26-34 days. Clear access to each meter helps us stay on schedule, and provides for a more timely and accurate billing. We appreciate the help.

January Slides Cause Power Outages



The floods and heavy rain that hit Cowlitz County in early January kept PUD crews busy responding to power outages and damaged facilities. The photo above shows a large slide that blocked the west end of Pacific Way west of Longview. As you can see the slide knocked down a PUD pole and power lines and caused 500 customers to lose power. All of us at the PUD thank the work of the Cowlitz County Department of Emergency Management for overseeing a team approach to emergency response by all local agencies.

Go Green! Sign Up Online Today!

You can support the development of environmentally friendly "Green Power" sources like wind, solar, low-impact hydro, geo-thermal and biomass. The cost is as low as \$40 a year and may be tax deductible. To learn all the details:

1. Log on to www.cowlitzpud.org
2. Go to the **Conservation and Renewables** menu
3. Click on **Purchase Green Tags**



CUSTOMER INFORMATION AVAILABLE

Cowlitz PUD's Annual Customer Report and information about electric rates, customer policies and a fuel mix report is available on request or can be accessed on our website.

You Can Help Cut Crime



Crime Stoppers of Cowlitz County offers cash rewards of up to \$1,000 for information leading to the arrest and filing of charges on any serious crime. This includes theft of electricity or utility wire and other materials.

Crime Stoppers offers a unique crime fighting tool by creating a partnership between the media, citizens, businesses and all of the law enforcement agencies in Cowlitz County.

We encourage you to get involved and help fight crime in our community. It's as simple as calling (888) 577-1206 to blow the whistle on a criminal. If you witness someone stealing or tampering with PUD lines, call 911 immediately.

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

Commission Activities



January 2009 highlights:

- **Elected Commissioner Ned Piper as Board President for 2009-2010.** Commissioner Mark McCrady will serve as vice-president and Commissioner Buz Ketcham will serve as secretary.
- **Approved a resolution to establish a rate stabilization fund,** utilizing net margins from power sales in 2008 from the White Creek Wind Project and net proceeds from the 2008 BPA Residential Exchange settlement.
- **Joined Commissioners from 27 other Washington PUDs in Olympia** to meet with legislators to discuss issues related to climate change, renewable resources and other interests of PUD customers.

Upcoming PUD Board meetings:

- Tuesday, February 24
- Tuesday, March 10
- Tuesday, March 24

These public meetings are held in the PUD Auditorium, 961 12th Avenue in Longview at 2:00 p.m. Please check our website for up-to-the-minute Board agendas, meeting dates and times.

Automated Metering - *The Word is Spreading*

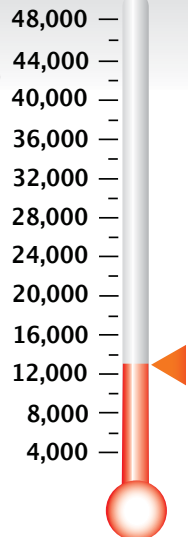
Cowlitz PUD conducted a random customer survey in December and found that 60 percent of our customers are aware of our Automated Metering Infrastructure (AMI) project. Since only about 13,000 of our 48,000 customers (27 percent) have had a new automated meter installed, we are glad to know that the word is getting around that the PUD has launched the project, which will be completed by 2011.

In the same survey customers told us they look forward to many of the features an automated metering system will bring. The most popular feature in the survey is the future option to pay a reduced rate for electricity used in off-peak hours, for instance by doing laundry overnight. Those

surveyed also said they look forward to being able to monitor their electric usage via the internet.

When we are finished in 2011 every PUD customer will have a new automated meter with a digital readout that will communicate on a real-time basis with computers in the PUD office via a signal over power lines. Meters will be read automatically from the PUD office. We will continue to send meter readers as the project continues.

If you have a question about automated metering, please email it to us at customercomments@cowlitzpud.org and type "Automated Metering" in the subject line. You can also send your question to us at 961 12th Avenue, Longview, WA 98632. Please write "Automated Metering" next to the address.



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

When you choose a utility career you soon learn that you aren't necessarily getting a normal job or career. For many of our Cowlitz PUD employees it can be a lifestyle choice.



In today's society, people want and need electricity with as few interruptions as possible. Utility employees know this and have an extraordinary commitment to minimizing the frequency of service interruptions and restoring power as quickly as is safely possible when the lights go out.

Normal working hours represent less than one-fourth of the hours in a week, so the odds are high that most power outages will occur after hours. PUD employees accept this and know they may be called to work at any time, even when it interferes with their personal lives. They sign on knowing our customers come first – a commitment that was readily apparent earlier this winter. For the record, I was proud, but not surprised, at the response of our employees when their dedication was put to the latest test.

Things started out better than we planned in December. We had just a few power outages over the first few days of snowfall in mid-December. But Christmas Eve and Christmas Day were another story. Heavier snow came on top of the significant amount that had already fallen, particularly at the higher elevations. And it came at the worst possible time.

As the situation worsened and power outage reports began coming in, the call went out to many of our employees. Just like you, they all had Christmas plans, but those we asked to come answered the call. In fact, we had people who came in without even being asked. They helped work the phones and manage the outage. Their personal circumstances were such that they felt that they could come in, allowing their co-workers whose circumstances were different to stay home.

Responding to a holiday outage requires personal sacrifice. We have many employees with young children, which makes Christmas morning particularly special. However, they also know an outage on Christmas is an inconvenience to our customers, so they put their plans aside and reported for duty.

All kinds of employees helped in the effort – union, non-union and senior management – along with field crews, engineers and office workers. Many began working not long after midnight Christmas morning and worked most of the day. And for many it was not the first, nor did it turn out to be the last long day. The flooding that came next presented a whole new set of challenges, barely giving us time to catch our breath.

I would be remiss if I only mentioned our PUD employees. Employees of the cities, county, law enforcement, diking districts and state all faced serious challenges from these weather events. Having lived in a number of different places I have witnessed first hand how people respond to these types of emergencies. While I know that there were undoubtedly situations that frustrated some residents, I sincerely believe that Cowlitz County residents were well served by our public employees. In particular the level of communication and cooperation among the various entities was very good.

In closing, I'd just like to say thanks to all the public servants in our County that worked many long and hard hours, in whatever jobs they had through the snow, the floods and the gloom of night. I also want to thank our PUD customers who were patient as we worked to get the lights back on and the dozens of you who took a moment to thank our crews in the field or send us nice cards and letters. It's a pleasure to serve you.

A handwritten signature in black ink, appearing to read 'Brian Skeahan'. The signature is fluid and cursive, written over a white background.

Brian Skeahan
General Manager

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

CONNECTED is published by Cowlitz County PUD.
COMMISSIONERS: Buz Ketcham, Ned Piper,
and Mark McCrady
GENERAL MANAGER: Brian Skeahan
EDITOR: Dave Andrew