

# CONNECTED

The Newsletter of Cowlitz PUD

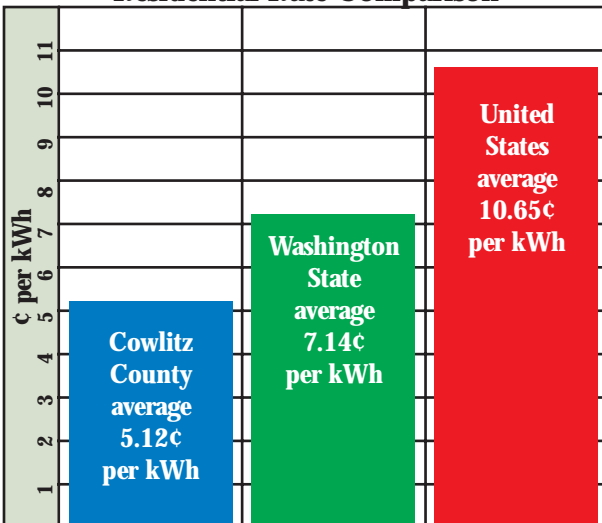
Volume 11, No. 1

## 2008 Budget Reflects Stable Electric Rates

When Cowlitz PUD's Board of Commissioners unanimously approved the 2008 electric system operating budget in December, the best news was that the new budget called for no rate change. That means Cowlitz PUD's rates for 2008 will remain the same as they were dating back to October 1, 2003. And it's worth noting that the long-range rate forecast projects that electric rates should remain stable through 2009.

Cowlitz PUD's 5.12¢ per kilowatt hour (kWh) residential rate continues to be much lower than what most customers pay in the region and the nation. The average rate for all residential users in Washington is 7.14¢, or 39 percent higher than in Cowlitz County. The average residential electric rate in the United States is 10.65¢ per kWh, or more than double Cowlitz PUD's rate.

**Residential Rate Comparison**



### Inside This Issue:

- Automated Metering Update
- PUD Employees Collect 2-1/2 Tons of Food
- A Message From the General Manager

### Budget Review

The 2008 PUD electric system budget shows total expenditures at \$237.1 million, which includes \$165.4 million for wholesale power costs, or about 70 percent of total expenditures. Labor costs are \$14.9 million or 6.3 percent.

Capital improvement costs are budgeted at \$25.5 million – which in part will fund completion of two new substations, installation of 11,000 automated meters as part of the PUD's Advanced Metering Infrastructure project, and replacement of over 20 miles of aging underground power lines.

The plan also budgets for the first year of a seven-year plan to standardize the PUD's transmission grid at 115 kilovolts and construction of a transmission network system to increase reliability and to better accommodate future customer electrical demands.

“We consider it the PUD's responsibility to build a system that will meet the future needs of our children and grandchildren,” Board president Buz Ketcham said. “Two years ago the PUD Board directed staff to develop an aggressive plan to rebuild and upgrade Cowlitz County's electric system. The 2008 capital plan will allow us to continue on that path.”

The PUD budget also reflects net revenue of \$2.6 million from projected sales of electricity from the new White Creek Wind Project, which is now in service in Klickitat County, WA. Cowlitz PUD will sell its share of White Creek power until 2012, when the state's new renewable power standards take effect. The PUD is purchasing 46 percent of the White Creek power output for the next 20 years.

## 120°F Hot Water: A Lower Water Temperature Reduces Scalding Risk and Your Electric Bill

If you have an electric water heater set at 150°F and you decide to turn it down to 120°F, you'll save \$100 a year on your electric bill. And the lower the setting, the safer you will be from a scalding accident.



Washington State law (RCW 19.27A.060) requires new water heaters sold in the state (for residential use) to be pre-set at 120°F and requires Cowlitz PUD to notify customers annually that:

- State law recommends their water heaters should be set no higher than 120°F (or the minimum setting on a water heater which cannot be set as low as that temperature) to prevent severe burns and reduce excessive energy consumption; and,
- That the thermostat of an individual water heater furnished in a residential unit leased or rented in this state to new tenants shall be set no higher than 120°F (or the minimum setting on a water heater which cannot be set as low as that temperature) pursuant to Chapter 19.27 RCW.

### TO CHECK AND ADJUST:

- Run hot water at the faucet nearest your water heater.
- Measure the water temperature with a cooking thermometer. If it's above 120°F, consider turning it down.
- You will need a flat-tip screwdriver and possibly a Phillips screwdriver. We also suggest using gloves, as you will be working around insulation.
- **TURN OFF THE ELECTRICITY TO YOUR TANK PRIOR TO MAKING ANY ADJUSTMENTS.** This is done by switching off the appropriate breaker at your electric panel.
- Remove the thermostat access panel(s) and cover(s). Do not remove the plastic protectors covering the thermostats.
- Using a flat tip screwdriver, rotate the adjusting knobs to the desired setting.
- Replace the covers and access panels, and turn on the electrical supply.

This chart shows how lowering the temperature will benefit you from a safety and energy efficiency standpoint.

Water Temp.	Serious Burns Occur	Electric Cost*
150°F	LESS THAN 2 SECONDS	\$341
140°F	Less than 5 seconds	\$306
130°F	About 30 seconds	\$270
120°F	OVER 5 MINUTES	\$241

\*The annual estimated electric cost is based on usage for an average family of four, at the Jan. 2008 residential rate

## PUD Employee's Food Drive Supports Help Warehouse

*Cowlitz PUD employees were excited to deliver 5,002 pounds of food and household supplies to the CAP Help Warehouse on January 2. The food was collected during December as part of a contest between Cowlitz PUD employees.*

*PUD Community Affairs Assistant Treana Storie came up with the food drive plan which split up all 160 PUD employees into a five-team competition. Team captains Annie Harrison, Lora Provolt, Michelle Drew, Christy Ross and Sheri Kilde were great motivational leaders and organized many food and fundraising activities to maximize the effort.*

*We thank all PUD employees, retired employees, family and friends for helping make the first annual PUD Winter Food Drive a big success. We look forward to doing it again in 2008.*



## What's Happening

**The Columbia Theatre for the Performing Arts and Missoula Children's Theatre present *Jack and the Beanstalk*, Saturday, February 2 at 7:00 p.m.**



Auditions for children K-12 are January 28 from 4:00 to 6:00 p.m. For more information call the Columbia Theatre at 360.423.1011 or go to [www.columbiatheatre.com](http://www.columbiatheatre.com).

The event is sponsored by Cowlitz PUD and Wilcox & Flegel. Cowlitz PUD uses this opportunity to share an electrical safety message with the children in the play and the hundreds attending it.

*As space is available in Connected, Cowlitz PUD offers the What's Happening column to provide public, non-profit groups with wide interest in Cowlitz County an avenue to promote their activities (on a first-come, first-served basis). Please send your request via email to: [whathappening@cowlitzpud.org](mailto:whathappening@cowlitzpud.org).*

### YOU CAN PAY YOUR PUD BILL ONLINE

[www.cowlitzpud.org](http://www.cowlitzpud.org)  
Debit or credit card (Visa/MasterCard)

## Automated Metering - *Have a Question about AMI? Just Ask!*

We are publishing a monthly article in this space on the five-year Advanced Metering Infrastructure (AMI) project. This is a big project which will affect every PUD customer, so we think it is important to share as much information as possible.

By 2011, every customer will have a new electric meter that communicates on a real-time basis with computers in the PUD office, via a signal over power lines. It will allow us to read your meter automatically from the PUD office. One day you'll be able to monitor your electric usage online and set your monthly billing date.

In November and December we published newsletter articles that addressed a customer question about security measures and provided updates on how the installation and testing of the first 1,500 meters went. Those articles are

## Commission Activities



### December Board highlights:

- **Met in a workshop with District 18 and 19 legislators** to discuss energy issues and potential legislation for the 2008 state session.
- **Adopted the 2008 electric budget and water budget.** The water budget was jointly developed as required under the interlocal agreement with Beacon Hill Sewer District and the PUD.
- **Approved acceptance of work by contractor JH Kelly** for civil construction work at the Mint Farm substation.
- **Approved the final change order and acceptance of work with contractor VA Tech** for Swift No. 2 powerhouse repairs.

### Upcoming PUD Board meetings:

Tuesday, January 22  
Tuesday, February 12

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.

available on our website via the link to our newsletter under "In the News."

One recent question from a customer asked the name of the company that makes the new automated power meters. In our answer we explained that Cannon Technologies is the company that provides us with the technology to communicate with the meters. The meters themselves come from multiple companies. They all meet industry standards and are equipped with Cannon electronics. More information is available at <http://www.cannontech.com/>.

If you have a question about automated metering, please email it to us at [customercomments@cowlitzpud.org](mailto:customercomments@cowlitzpud.org) and type "Automated Metering" in the subject line. We'll reply by email to answer your question and might even feature it as a future newsletter topic.

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

When we publish our annual budget the first question we're asked is: "Are rates going up?" As you read on page one, I'm glad to report the answer is "no."



While I understand why most people's first question is about rates, there are two other questions worth asking:

- "Is the PUD properly maintaining the over \$350 million in physical assets we have invested in?"
- "Is the PUD making the investments needed to provide a safe, reliable and adequate supply of electricity for the future?"

I am happy to answer "yes" to both those questions.

After becoming PUD general manager in 2005 I noted in my first newsletter article that, as a member of the Baby Boom generation, my generation had benefited from the infrastructure built in the decades following World War II. The best example here at the PUD was the decision by my predecessors to build the Swift No. 2 hydroelectric project in the 1950's and to enter into long-term agreements with Grant PUD to purchase power from its mid-Columbia dams. Those decisions contributed significantly to the comparatively low rates Cowlitz PUD customers have enjoyed over the years.

We have also benefited for years from a strong electric transmission and distribution system that has helped encourage businesses and industry and their associated jobs to come to Cowlitz County. But technical needs are changing and our electrical system is aging. So in the same fashion as our predecessors, today's PUD Commissioners and I feel a strong obligation to leave future generations with an electric system that will serve their needs.

Since 2005 the Board has twice approved aggressive system improvement plans to meet ever-increasing demands. We're constructing substations, rebuilding transmission lines at

higher, more efficient voltages, and installing an advanced electronic metering system. And of course the rebuilt Swift hydro project and just-completed White Creek Wind Project will help meet power supply needs.

This raises the question: "How can you afford to make these improvements without raising rates?" There are two answers. First, we have seen strong load growth and more customers the past several years, thereby increasing PUD revenues. Secondly, I think we have borrowed wisely.

Most electric system infrastructure has a useful life of 30 years or more. So it's not fair to ask today's customers to pay up-front for the total cost of facilities that will still be benefiting customers in 2040 and beyond. Just as most people borrow money to buy homes over time, we borrow part of the cost to rebuild the electric system that will serve our customers for many years.

The availability of low interest rates has made it the right time to invest in electrical infrastructure. Our Board has adopted conservative financial management policies that balance the interests of today's customer with those of tomorrow. We want to ensure that future generations will have an adequate electrical infrastructure – without inheriting too much debt. It seems to be working well so far, as evidenced by rate stability.

Before I sign off I would like to thank our customers for the kind comments we have received after the storms of November and December. While we were probably a little lucky with the weather as compared to some of our neighbors, the fewer number and shorter duration of power outages are a credit to the hard working men and women at the PUD. I know they appreciate the thanks we have received from you.

Best wishes for a Happy New Year.

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

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