



CONNECTED

The Newsletter of Cowlitz PUD

Volume 10, No. 7

Every Drop Counts

Cowlitz PUD mailed a flyer in late June to its 3,800 water customers who live in areas in-and-around Longview/Kelso, sharing concerns over the possibility of a water shortage this summer. The flyer also listed some easy ways for customers to reduce water usage in their home or business.

Living in a community surrounded by trees, mountains, and rivers, it might seem far-fetched to consider our water supply ever running low. But that's exactly what Longview, Lexington, and parts of the surrounding area could face this summer...or anytime of the year for that matter.

This newsletter is sent to PUD electric customers, many of whom do not have water service supplied by the City of Longview or PUD. However, we think it is worthwhile to share the Longview-area water situation with all our customers and take the time to stress the importance of using water wisely – no matter where you live in Cowlitz County.

Silt problems in the Cowlitz River

The source for drinking water for Longview and PUD water customers is the Regional Water Treatment Plant (RWTP) located at the Longview-Kelso border. Water from the Cowlitz River is filtered and treated at the RWTP.

There is plenty of water in the Cowlitz River. But as you may have read in The Daily News in June, a large amount of silt washing down from Mt. St. Helens is clogging the RWTP intake facility and that limits access to the river's water supply.

The RWTP can keep up when the demand for water is low in the winter. But in the summer, water demand doubles.

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- White Creek Wind Project
- A Message from the General Manager

Our water supply becomes vulnerable when you couple increased water use with the silt problem, and a 60-year old treatment plant that has experienced filter failures.

What we're doing to help avoid a water emergency

Cowlitz PUD has developed a four-step plan which includes a public information campaign and a water rate surcharge, should a Stage 2 emergency be declared by the City of Longview. The plan is outlined on our website. The City of Longview's four-stage water emergency plan is posted at www.mylongview.com/publicworks/RWTPMain.htm.

The long-term fix is a new City of Longview groundwater supply at the Mint Farm. But the best case scenario for completion of such a plant is three years away. In the meantime, Cowlitz PUD and the City of Longview are asking their water customers to use water wisely at all times, especially during the summer and when we experience hot weather.

Did you know?

If you turn off the water while you brush your teeth, wash your face/hands, or shave, you will save three gallons of water or more per minute. Don't let water run needlessly down the drain and you will save 100's of gallons per month!

EVERY DROP COUNTS!

PUD Meter Readers Need Access



Each weekday morning, the PUD's meter readers and service representatives travel to every corner of Cowlitz County. They know every street, house and yard from Cougar to Ryderwood.

Nearly everyday our meter readers encounter situations that prevent them from reaching a meter on that day's route. Clear access to each meter helps them to stay on schedule, and allows the PUD to send you timely and accurate billings.

Here are some examples of situations that make a meter reader's job difficult, or even dangerous.

- **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.

We appreciate your consideration in keeping PUD meter readers safe and on time.

What's Happening

American Cancer Society's Relay for Life®

Cowlitz/Wahkiakum Counties

August 11-12 (10:00 a.m. to 10:00 a.m.)

Cowlitz County Expo Center (Fairgrounds)



Relay for Life is a fun-filled overnight event designed to celebrate survivorship and raise money to help the American Cancer Society save lives, help those who have been touched by cancer, and empower individuals to fight back against this disease.

Over 60 Cowlitz PUD employees and family members are ready to take part in our local Relay for Life event this summer. Last year PUD employees teamed up to raise \$13,250 for this worthy cause.

The overall goal for the 2007 event is 95 teams and \$200,000. If you would like to participate and/or contribute please call (360) 575-8980.

Your Mental Health Matters!

The caring professionals of **Lower Columbia Mental Health Center** want to increase awareness surrounding mental health issues and decrease the stigma typically associated with mental health.

Research shows that one-in-five adolescents experience an emotional problem and express concern about the problem, but do not seek professional help. A factor that contributes to this statistic is the stigma or personal disgrace one could feel by admitting an emotional problem may exist. Many people with mental health problems fail to seek treatment because of this. In reality, mental illnesses are successfully treated every day.

If you, a family member, or a friend experience an emotional problem and need assistance, **please contact Lower Columbia Mental Health at (360) 423-0203**. They have a full range of doctors and clinical specialists ready to help.

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 or events with wide interest in Cowlitz County. Send your request to: whatshappening@cowlitzpud.org.



White Creek Wind Project Construction Progressing Well

Cowlitz PUD is one of the four public utilities in the state who have initiated the construction of the 205 megawatt White Creek Wind Project in Klickitat County. The first two wind turbines went up in June, and 87 more will follow this year. The project should be complete and producing power in January 2008. The components for the turbines – including towers and blades – are being shipped to the Port of Longview and trucked to the site.

Cowlitz PUD's Fuel Mix

Every year in April, Cowlitz PUD and all other electric utilities in the state report their sources of wholesale electricity to the Washington State Department of Community, Trade and Economic Development (CTED). Then in May, CTED publishes a utility-by-utility fuel mix breakdown. State law calls for utilities to provide this information to customers twice a year.

The chart on the left lists Cowlitz PUD's fuel sources for 2006, while the table on the right lists the breakdown for all utilities in Washington:

Fuel type	PUD mix	Fuel type	State mix
Coal	2.2%	Coal	17.0%
Hydro (Water)	86.8%	Hydro (Water)	69.0%
Nuclear	10.0%	Natural Gas	8.0%
Other*	1.0%	Nuclear	5.0%
		Other*	1.0%
*Includes biomass, natural gas, petroleum and waste incineration.		*Includes biomass, petroleum, waste incineration and wind.	

In June the Cowlitz PUD Board of Commissioners:

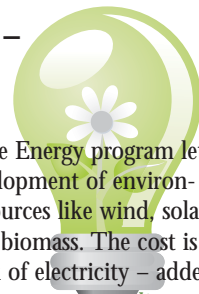
- **Approved a resolution authorizing the General Manager to enact a water conservation plan**, which includes a water rate surcharge if the City of Longview declares a Stage 2 Emergency. (See page one for additional information.)
- **Heard a presentation by representatives of Northwest Renewable, LLC**, which is developing the ethanol production facility at The Mint Farm in Longview.
- **Approved a staff recommendation to award a bid to JH Kelly (Longview)** to construct new substations at The Mint Farm in Longview and the Port of Kalama.
- **Adopted a PUD vehicle replacement policy.**
- **Attended the American Public Power Association annual meeting in San Antonio, TX.**

Upcoming meetings:

- Tuesday, July 24
- Tuesday, August 14
- Tuesday, August 28

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

Invest in Green Power – Just \$2 a Month!



Cowlitz PUD's Renewable Resource Energy program lets customers voluntarily support development of environmentally friendly "Green Power" sources like wind, solar, low-impact hydro, geothermal and biomass. The cost is two dollars per 100 kilowatt hour block of electricity – added to your regular monthly PUD bill. Access www.cowlitzpud.org, go to the Conservation and Renewables pulldown menu and look for Purchase Green Tags to find out more.

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

If you follow Northwest news you know that on May 3 the Ninth Circuit Court of Appeals issued rulings on two cases brought by public power groups (of which Cowlitz PUD is a member), challenging the Residential Exchange payments BPA was making to Investor Owned Utilities (IOUs).



Those rulings favored public power, saying the manner in which BPA had established the amount of these payments was contrary to the Northwest Regional Power Planning and Conservation Act (Regional Act) passed by Congress in 1980. This court ruling is the latest in a 27-year argument in the Pacific Northwest since the passage of the Regional Act.

Some history: Prior to 1980, laws governing the sale of power by Federal power marketing agencies were guided by the “preference clause,” which simply required BPA to sell power at cost-based rates to its “preference” customers. These preference customers were publicly and cooperatively-owned utilities like Cowlitz PUD.

Why did the preference clause exist? When the Columbia and lower Snake River dams were built they were considered public resources, built with public funds. The belief was the benefits of this low-cost power, built on public waterways using public funds, should go to public utilities to sell to their customers on a not-for-profit basis – and not to privately owned IOUs, which would sell it at a profit and benefit stockholders.

By 1980 that philosophical view began to change, as the gap between the cost of federal hydropower and IOU power sources began to widen. Much to the dismay of public power at that time, Congress devised a plan in 1980 (the Regional Act) to provide a greater share of these federal hydro system benefits to the residential and farm customers of the IOUs.

How did they do it? The details were complicated, but the basics were simple: Raise the rates preference customers had

to pay and give that money to the residential customers of the IOUs. Nobody should be surprised that the publics, IOUs and BPA have been fighting about it ever since.

Things got more divisive in 2000 when BPA changed the way it determined the subsidy the publics had to provide the IOU ratepayers. While intended to be a “settlement,” public power did not agree and immediately filed a lawsuit challenging the payments to the IOUs.

The ruling in May was on that 2000 lawsuit and it has led to BPA stopping those payments to the IOUs entirely. As you probably noticed, that has resulted in a huge outcry from the IOUs: Press releases, TV, full-page newspaper ads and direct mailings. Several editorials in The Oregonian took up their cause as well.

So how much money are we talking about? Quite a bit actually. At the time of the ruling the IOUs were receiving about \$323 million annually. That raised the cost of our BPA rates by about one-half cent per kilowatt hour. That’s about 10 percent of a residential electric bill, or about \$90 a year on average in Cowlitz County. For now BPA, has only shut off the payments to the IOUs and has not reduced the rates they charge us.

So if \$323 million is too much, how much is the right amount? You shouldn’t be surprised to learn that there is little agreement on that in the region. What’s imperative is that we get all parties to the table and settle this inside the region. That’s in the best interest of all utility customers – public or private.

It promises to be a long and complicated process, but one our Board, staff and I will actively participate in to make sure our customers’ interests are protected.

A handwritten signature in black ink, appearing to read 'Brian Skeahan'.

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