



CONNECTED

The Newsletter of Cowlitz PUD

Volume 12, No. 11

Building for the Future

Cowlitz PUD is now two years into an eight-year plan to overhaul the electric system and to install systems that will provide the enhanced services our customers want and need. As we've said before, we're building a system today that will serve our children and grandchildren tomorrow.

The PUD's Operation Center on Industrial Way in Longview is growing with the addition of a new Technical Services center. The 18,000 square foot building will house our transformer and system protection/communications departments and meter shop. It replaces a building built in 1948, which is too small to handle the office, storage and work space needs.

The Technical Services building is being constructed to Leadership in Energy and Environmental Design (LEED) "Silver" standards, meaning it will be "green" and very energy efficient. Along with the building, our storage yard is being expanded and greater security measures installed.

It's an opportune time to build, as construction costs remain lower than in years past. Total project cost is \$3.5 million, about 15 percent under earlier cost expectations. The lowest responsive bidder, Team Construction of Vancouver, is the general contractor.

All told in 2009 the PUD will invest about \$25 million on capital improvements, including:

- Rebuilding the Olive Way substation and 30th and Washington Way substation in Longview, necessary to lift the voltage from 69 to 115 kilovolts (kV). Total cost is about \$4 million for the two projects.

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- Building the Beaver Bay substation at Swift No. 2 east of Woodland. This will allow us to serve customers from Ariel to Cougar from both the east and the west, greatly enhancing system reliability in an area hard hit by power outages in the past. Along with a major overhaul of the overhead lines in the area, this is about a \$3.5 million system improvement.

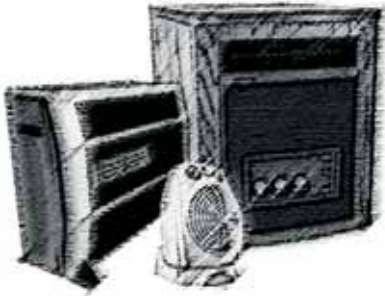
Note: JH Kelly of Longview was the general contractor on all three substation construction projects.

- Installation of 24,000 new digital meters as part of the Automated Metering Infrastructure project. This year we'll invest \$2.5 million into new meters and the installation of fiber optic lines to many of our substations.
- Replacement of 33 miles of underground lines in attempt to stay ahead of cable failures in older lines. The PUD has 1,200 miles of underground distribution lines.
- Launching of "Project Focus" to replace existing computer hardware and software with a Cayenta enterprise system. The new system will be completed in 2011 and will integrate our customer service and financial systems, and work hand-in-hand with automated metering to provide customers new products and choices.

Next year will bring more work and improvements that will be finalized in the 2010 capital budget process. We'll report those plans in January.

Shopping for a Portable Electric Heater? Be a Smart Buyer!

These tips will help you save money and energy, while staying comfortable and safe.



- Most electric space heaters are 1,500 watts, and all 1,500-watt electric heaters produce the same amount of heat.
 - All electric space heaters are 100% efficient, because all of the heat produced is released into the room.
 - Any 1,500-watt portable electric heater will cost about 7.7 cents an hour to operate (at the PUD's current residential rate).
 - An electric space heater can help you feel more comfortable, but it won't save money unless you turn down your central heating system and use the heater in just one room.
- **Important:** You can purchase an effective, lightweight, safe, 1,500-watt electric heater for under \$40 at many local stores.
 - **Most Important:** Follow the safety rules listed by Underwriters Laboratories at <http://www.ul.com/global/eng/pages/search/>. Enter "space heater safety" in the search bar.

Cowlitz PUD's Fuel Mix

Here's a breakdown of the fuel sources Cowlitz PUD used to serve you in 2008:

Fuel type	PUD mix
Coal	3.4%
Hydroelectric (Water)	84.1%
Nuclear	10.9%
Other*	1.6%

* Includes biomass, landfill gas, natural gas, petroleum and waste incineration.

About 91 percent of the electricity provided to you by Cowlitz PUD is purchased from the Bonneville Power Administration. Other wholesale sources of electricity include our own Swift No. 2 hydro project and mid-Columbia River dams owned by Grant PUD.

Cowlitz PUD has rights to 46 percent of the electricity produced at the White Creek Wind project, which we are now selling to other utilities. We will begin using the White Creek power in 2012, to meet future load growth and new renewable resource requirements.

Power Outage Updates Now Online

With the growing popularity of iPhones, Blackberries and other wireless devices which do not need electricity to operate, more and more customers are asking us to provide real-time power outage information and updates on our website. We are now doing that.

Cowlitz PUD is posting power outage information on its Twitter page, and those updates are then automatically posted on the bottom left of the front page of our website. If your power is out and you still have access to the web, this is another way to find out if we are aware of the outage, how long it could last and who else is out.

You can also click on our Twitter homepage for additional information. To find out more online about what's happening at Cowlitz PUD:

- www.cowlitzpud.org
- <http://twitter.com/CowlitzPUD>
- <http://www.youtube.com/user/CowlitzPUD1>



Working Together to Stop Wire Theft

Cowlitz PUD is working with Crime Stoppers of Cowlitz County to help identify and prosecute people who steal utility wire and electricity. We are posting Crime Stopper signs at every PUD substation around Cowlitz County.

Thefts of electric wire and electricity are costly for PUD customers and we want it to stop. 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.

Each week a "Crime of the Week" is highlighted in the media and anyone with information about that crime is asked to call Crime Stoppers to provide information. All calls are anonymous. If your tip leads to an arrest or filing of charges, you could earn a reward up to \$1,000.

Visit www.cowlitzcrimestoppers.com or call (888) 577-1206 for more information. If you witness someone stealing electricity or tampering with PUD lines, call 911 immediately.



Automated Metering - A Chance to Test the New Automated System

You may have read that the PUD is helping The Daily News stage a contest among customers who have volunteered to see who can save the most electricity in a month.

To start the contest we needed meter readings from the participants. We were able to use the new metering system to gather many of the readings electronically. Several participants have a new digital meter and we can read it through fiber optics. While the new system is still not ready to go live for normal meter reading and billing functions, it was very helpful for this contest.

We continue on schedule to have 48,000 meters installed by mid-2011. As of late October over 30,500 new meters were installed. By 2011 every

customer will have a new meter that communicates with computers in our PUD office.

Please note that meter installations will be suspended the week of Thanksgiving and the weeks of Christmas and New Year's Day. We have to shut your power off to change the meter and prefer not to impose at a time when you may have visitors and special plans.

Email your questions about Automated Metering to customercomments@cowlitzpud.org and type "Automated Metering" in the subject line. You can also send your question to us at P.O. Box 3007, Longview, WA 98632. Please write "Automated Metering" next to the address.

Commission Activities



October 2009 highlights:

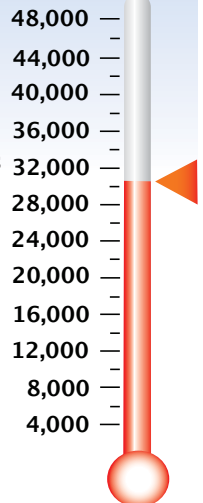
- **Held workshops to discuss preliminary 2010 budgets** with staff for each PUD department.
- **Attended the scoping meeting in Longview addressing BPA's proposed I-5 Corridor Transmission Reinforcement Project.**
- **Received updates from staff** on a proposed biomass generation project, the Lewis River distribution system upgrade project and the On-Line Utility Exchange program the PUD now uses to process credit histories for new customers.

Upcoming PUD Board meetings:

Tuesday, November 24

Tuesday, December 8

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.



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

As a Baby Boomer I recognize that my generation has benefited from the bridges, highways, water and electric systems and other infrastructure built following World War II. If you read this column regularly you've heard me say that before.



I feel strongly that we must follow the lead of the previous generation and provide the same opportunities to those who follow us. That's why on my watch, Cowlitz PUD is about to enter its third year of a comprehensive eight-year plan to improve and rebuild its electrical infrastructure.

It's no secret that the nation's aging electric grid is in great need of more capacity. It has become clogged and unreliable as our country grows and more generation projects are built.

An example is BPA's 230 kilovolt (kV) transmission line from Vancouver, WA to Lexington. It's a main source of electricity through Cowlitz County and is already at its capacity. In sustained extreme weather conditions – sub 20° or above 90° – we're in jeopardy of a load curtailment, due to the growing limitations of that transmission line.

BPA is proposing to correct the problem by building a new 500 kV transmission line from Troutdale, OR to a new substation in Castle Rock by 2015. The new line will affect some Cowlitz County landowners.

Last year customers told us in an independent survey that the PUD's most important function is to provide reliable electric service. A 2006 survey yielded the same response. This BPA proposal will improve system reliability.

The electric transmission grid is comparable to an interstate highway system. It eventually needs additional capacity to meet growth, new on-ramps and off-ramps to serve new population centers (and in our case new generation projects), as well as regular maintenance and enhancements.

We need additional capacity and flexibility in the BPA transmission system to deliver the electricity produced at our new White Creek and Harvest Wind projects in the Columbia River Gorge to Cowlitz County. Those projects were built to meet load growth and the new renewable power standards that voters approved by passing I-937.

Some notable economic benefits are also in play. There are times when the wind projects and our Swift No. 2 hydro project produce power that is "in-excess" of customer power demands. That excess power can be sold to other utilities or into the market.

By the end of this year Cowlitz PUD will have earned nearly \$10 million in revenue from the sales of power at White Creek since it was built in 2007. The proceeds of those non-firm power sales help keep our rates 30 percent below the state average.

The same is true for BPA. In fiscal year 2008 BPA's sales of non-firm power amounted to \$755 million. Those revenues offset expenses and helped keep the region's wholesale rates 46% lower than they would have been without the sales.

A modern transmission system will allow us to maximize those sales in future years. Without it both the PUD and BPA will be limited in their ability to sell excess power.

This project is important to every Cowlitz PUD customer, regardless of where you live. BPA has held an initial round of public meetings and we will urge them to continue to conduct an open process, carefully listening to our customers concerns, and to identify a route with the least negative impact.

I encourage you to stay up on the project and to participate in the discussion.

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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