

# CONNECTED

The Newsletter of Cowlitz PUD

Volume 12, No. 8

## Harvest Wind Project Update: Majority of Turbine Units Have Arrived at the Port of Longview

Cowlitz PUD and the Port of Longview are pleased to be partners on a second wind energy project.

The 100-megawatt (MW) Harvest Wind Project is being constructed in Klickitat County, WA, about 25 miles east of Goldendale. Cowlitz PUD is joining with Eugene Water and Electric Board, Peninsula Light (Gig Harbor, WA) and Lakeview Power and Light (Lakewood, WA) to develop Harvest Wind. It is located adjacent to the White Creek Wind Project, which Cowlitz PUD helped develop in 2007.

Harvest Wind will feature 43, 2.3 MW Siemens wind turbines. The PUD owns 30 percent of the project, which roughly equates to 13 of the Siemens units.

Siemens has an agreement to ship its wind cargo through the Port of Vancouver, so initially the Harvest Wind hardware was scheduled to be shipped there. But it was important to us that, at a minimum, Cowlitz PUD's share of Harvest Wind cargo be handled by our local business partner the Port of Longview. We appreciate Siemens willingness to help us make that happen.

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*Photo courtesy of the Port of Longview*

The end result: This summer two shipments of Harvest Wind cargo, including 29 towers and 26 nacelles and hubs have been delivered and unloaded at the Port of Longview. That means more than double the PUD's share of the Harvest Wind equipment was shipped to Longview.

The photo above shows one of the 80-ton nacelles being unloaded from the BBC New York on July 15. The cargo is now being loaded on trucks and hauled to the construction site for installation in the coming months. Harvest Wind is scheduled to be built and in commercial operation by the end of 2009.



*The newest addition to the PUD's vehicle fleet is this 2009 Toyota Prius electric plug-in hybrid. More and more businesses with fleets have started studying plug-in hybrids by converting hybrids with aftermarket conversion kits.*

*In our case we'll learn firsthand about this new and upcoming technology and be able to share that knowledge with customers wanting to know more about the plug-in hybrid's electric consumption, efficiencies and costs.*

## Red Flags Rule – Protecting You from Identity Theft



As a Cowlitz PUD customer we want you to know that the PUD has a new Identity Theft Prevention Program in place, effective August 1.

It's known as the "Red Flags Rule" and it complies with the Fair and Accurate Credit Transaction Act of 2003 (governed by the Federal Trade Commission). The Red Flags Rule defines identity theft as fraud that is committed using the identifying information of another person and a Red Flag as a pattern, practice, or specific activity that indicates the possible existence of Identity Theft.

It is essential for utilities to follow a set of "Red Flag" policies, because once someone is established with us at a fixed address, they can use a utility bill to obtain other legal documents.

### Our mission is to protect your privacy

The next time you call us we'll ask for the information we need to protect your identity. You will only be asked once to provide this information. Once established, your identity will be verified in the future with only a name and the last four digits of your social security number. Thank you in advance for your assistance.

## 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.



## CFL Recycling



If you have Compact Fluorescent Light bulbs (CFLs) that no longer work, you can recycle them in Cowlitz County at The Home Depot®, 580 7th Avenue in Longview. Just take any expired, unbroken CFL bulbs (in a bag) and give them to the Home Depot associate at the returns desk.

## What's Happening

### Harvest Run – Saturday, October 3



The Early Edition Rotary Harvest Classic, a walk/run to raise funds for the local food bank, is set for Saturday, October 3.

The 10K run/walk and the 2.7 mile run/walk begin at 8:30 a.m. Pre-registration is \$18 with a long-sleeve t-shirt and \$14 without. Registration the day of the race is \$35 and \$30 at Three Rivers Athletic Club, 1946 8th, Longview. Participants are also encouraged to bring canned food donations.

A PeeWee fun run starts at 9:45 a.m. and participants can enter by donating a can of food.

Prizes will be awarded including lodging at the Oregon coast and a Willamette River cruise for two. Contact Dave Coons, 360-431-4630 for more information.

*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: [whats happening@cowlitzpud.org](mailto:whats happening@cowlitzpud.org).*

## Commission Activities



July 2009 highlights:

- Accepted bids from JH Kelly of Longview to construct additional facilities at the Swift No. 2 substation and to perform the civil construction necessary to upgrade the Washington Way substation from 69 to 115 kilovolts. JH Kelly was the lowest bidder for both jobs.
- Approved the purchase of property on Bunker Hill Road west of Longview, for a future substation.
- Authorized the General Manager to enter into an agreement with Cayenta to replace the PUD's aging business systems. The agreement includes software license, implementation and support & maintenance.
- Met in a long-range power planning workshop with PUD staff and representatives of The Energy Authority (TEA), a provider of power management and scheduling services for public utilities.

### Upcoming PUD Board meetings:

- Tuesday, August 25
- Tuesday, September 8
- Tuesday, September 22

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 - *There's More to AMI than Just New Meters*

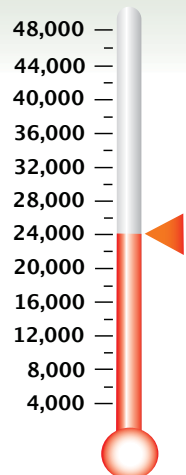
The PUD has been installing new automated meters for nearly two years now, as part of the Advanced Metering Infrastructure (AMI) project. By 2011 every customer will have a new meter that communicates with computers in our PUD office. That will allow us to read your meter automatically, without sending a meter reader.

One key part of the project is the installation of computer hardware and fiber-optics to our substations. The signal from your meter will eventually be carried across power lines to the substation serving you, where it will be processed and carried by fiber-optics to our office.

As of July 31, our technicians had installed about 24,000 meters on our way to 48,500, so we are nearly to the halfway mark. The same is true for the work at our substations, as we have completed installation at 12 of 28 PUD substations, including all of Castle Rock and Woodland.

We are getting close to reading some meters automatically. There is more to come soon on that exciting news.

*Email your questions about Automated Metering to [customercomments@cowlitzpud.org](mailto: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.*



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

Many organizations, public and private, have been forced to make hard decisions in the tough economic times over the past year.



For private sector companies these decisions, while painful, are not always that difficult. If the market for your product and associated sales revenues shrink you must quickly find a way to increase those revenues or reduce expenses. But even in difficult times successful companies don't quit doing what they need to do to assure long-term success when things turnaround.

Cowlitz PUD is working with major employers who have looked beyond the tough times to develop new products and invest in projects that improve energy and operational efficiency. In some cases these businesses have had no choice but to reduce overall staffing levels, yet continue working to keep and attract key personnel and making it a priority to have a work force that can improve the company now – and in the future.

Things have remained mostly steady at the PUD, although we've seen some areas of our business decline from 2007 and 2008 levels. New service connections have dropped off markedly, which is driven by the reduced construction activities of our customers. Our sales are also off slightly, but overall electric use has tended to remain stable even during the economic downturn.

Our business is unique in that the overwhelming majority of our costs are associated with power supply. So even when revenues decline due to reduced electric use, our costs also decline proportionately. Capital investment costs are not significantly impacted by a slow economy either.

Every other year the PUD Board approves a capital improvements plan that presents a detailed three-year plan, based on long-range revenue forecasts. Under a Board-adopted policy a portion of these costs are paid from current rate revenues and a portion are paid with longer-term

borrowing. This is analogous to buying a home by first making a down payment and then financing the balance over time.

Most electrical transmission and distribution equipment has a 40-year life, so we don't think it's right to make today's customer pay the entire cost of new installations. Over the next three years most of the costs of major projects – including the automated metering system, substation and transmission system improvements and a new meter department building at our operations center – will be paid with funds borrowed several years ago.

We did this by using reserves and current revenues to pay for most our share of the White Creek Wind Project and putting a greater percentage of the normal capital improvement costs on borrowed money. That's because our cost to borrow for capital improvements is less than it is for a new power resource like White Creek.

Thus, when you see these capital improvement projects moving forward, keep in mind that eliminating or deferring them would have no impact on our current rates or the rate increase we expect in October. Deferring these capital investments would just keep more of those borrowed funds in our capital reserve account longer. Given the recent favorable bids we are seeing for construction work, a project deferral today would just end up costing us more in the future.

As we prepare for the 2010 budget we will take a hard look at costs, particularly those operating costs that impact rates. We will continue to recognize and balance the economic slowdown with the fact that the price of our product remains comparatively very low. At the same time we must avoid making a budget cut that may offer a limited benefit in the short-term, but would prove short-sighted down the road when the economy recovers.

A handwritten signature in black ink, appearing to read 'Brian Skeahan', written in a cursive style.

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](http://www.cowlitzpud.org)  
Email: [customercomments@cowlitzpud.org](mailto: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