



CONNECTED

The Newsletter of Cowlitz PUD

Volume 12, No. 7

\$1,500 Rebates Available for Ductless Heat Pump Systems

Cowlitz PUD has expanded its residential energy conservation program to offer rebates on ductless heating and cooling systems. If you have an electric heating system – like baseboards, ceiling heat or wall heaters – it may be time to upgrade.

A ductless heating and cooling system is a highly efficient system that is easily installed as a new primary heat source for electrically heated homes. It's safe, quiet and heats rooms evenly (no more hot or cool spots). And you get the benefits of a heat pump, without the cost of installing ductwork.



Why upgrade to a ductless heating and cooling system?

- ✓ Save energy and money - 25% to 50% less to heat your home
- ✓ Experience a more comfortable home
- ✓ Low-cost easy installation
- ✓ Systems come standard with air conditioning
- ✓ For a limited time the PUD is offering a \$1,500 rebate.

Find out if you qualify by calling our Energy Conservation Department at (360) 577-7514 or (800) 631-1131. Some systems may also qualify for an additional tax credit up to \$1,500 – ask your contractor and/or tax professional for details.

To find out more: www.goingductless.com, www.cowlitzpud.org.

Inside This Issue:

- June Board Report
- PUD Wins Wind Power Pioneer Award
- Automated Metering Project Update

Cowlitz PUD Offers Window Incentives

Cowlitz PUD can help you save with new ENERGY STAR® vinyl-framed windows, when installed by a PUD-approved contractor. Our cash incentives normally cover 25 to 30 percent of the cost of these energy-efficient windows.

Call us to see if you qualify. We'll provide you a list of approved window contractors, who are licensed, bonded and insured.

IMPORTANT: If you talk to a window vendor at a fair or trade show, or someone comes to your door selling windows, Cowlitz PUD recommends calling 2-3 other contractors to compare product and prices. We want to make sure you pay a fair price for a good product. Always feel free to call us if you have any questions.



Department of Energy Honors Cowlitz PUD for Wind Project Development

Cowlitz PUD and Klickitat PUD are the co-winners of the 2009 U.S. Department of Energy's Wind Power Pioneer Award.

The DOE award was started in 2003 to recognize public power wind pioneers and leaders. Past winners include the consumer-owned utilities serving Waverly, Iowa; Fort Collins, Colorado; Hull, Massachusetts; Austin, Texas; Sacramento, California and Aspen, Colorado.

For 2009 Cowlitz PUD and Klickitat PUD were cited for their leadership, innovation and commitment to the development of the 205 megawatt White Creek Wind Project – the largest public power initiated wind project in the country. Cowlitz and Klickitat were selected over 15 other U.S. public power systems nominated for the award.



Cowlitz PUD Commissioner Ned Piper (right) and Klickitat PUD General Manager Winston Low accept DOE's 2009 Wind Power Pioneer Award.

“We are extremely honored to win a national award like this,” Cowlitz PUD Commissioner Ned Piper said. “When we made the decision in 2005 to build White Creek, we knew we were out in front of the pack. But we believed strongly that it was the right decision, and it has clearly turned out that way.

The White Creek Project covers 9,500 acres in Klickitat County, WA. Its 89 wind turbines produce enough electricity to power 38,000 homes. Cowlitz and Klickitat own the majority interest in the project, 46 percent and 26 percent respectively. It was completed and in commercial operation in November 2007.

To read more about Cowlitz PUD's Wind Power Pioneer Award go to www.cowlitzpud.org.

Budget Plan Enrollment Period Ends in August

Residential customers can sign-up for the popular budget payment plan through August.

This convenient option allows you to make 12 equal monthly payments and avoid unpredictable seasonal electric billings. To qualify you must be a PUD residential customer and live in a residence with at least one year of billing history. Your account must be paid in full before starting.

Every 12 months we review the budget pay accounts and adjust the monthly payment accordingly, based on past electric usage and the balance on the account. Find out more at www.cowlitzpud.org or call us to see if you qualify.

Join Cowlitz PUD Employees and Their Families at the Relay for Life®

August 8 - 9
Cowlitz County Expo Center



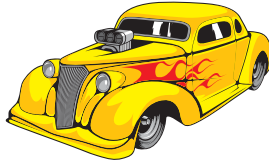
Relay for Life is a fun-filled overnight event designed to celebrate survivorship and raise money to help the American Cancer Society save lives, help those who have been touched by cancer, and empower individuals to fight back against this disease.

Over 60 Cowlitz PUD employees and family members are teaming up and walking in the event. A garage sale in June raised over \$1,400 and all of us at the PUD have taken part in other fund raising activities during the year. Last year PUD employees raised over \$16,000.

Overall, 73 local Relay for Life teams were signed up as of July 1 and there is room for more. To participate and/or contribute please call Sherry at (360) 575-8980.

What's Happening

Classic Cars Come to Kalama – Sunday, August 16



The Untouchables Car Club hosts the 13th annual car show in Downtown Kalama, from 9:00 a.m. to 3:00 p.m. on August 16.

Last year this open event attracted over 300 hot rods and special interest vehicles. It's always a day of fun for all ages. The entry fee is \$15 and the proceeds help fund college scholarships, holiday food baskets and other charitable services.

The public is welcome, free of charge. Enjoy music, local vendors and city-wide garage sales. The Kalama Fire Auxiliary is serving a pancake breakfast from 6:00 to 10:00 a.m.

For more information call (360) 423-0125.

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.

Commission Activities



May-June 2009 highlights:

- **Approved the purchase of a Supervisory Control and Data Acquisition system (SCADA) to replace the existing system**, which has been in use since the 90s. The SCADA system allows management and control of the PUD's transmission and distribution facilities by our 24-hour dispatchers and other operations and engineering personnel.
- **Authorized a plan for the PUD to sell its share of power from the White Creek Wind Project into the power market in 2010.** That power is currently in excess to the PUD's needs. Staff has recommended working with a power marketer to diversify the sales portfolio by selling some of the White Creek power in the forward market at a fixed price, and the balance in the market at a daily index price.

Upcoming PUD Board meetings:

- Tuesday, July 28
- Tuesday, August 11
- Tuesday, August 25

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.

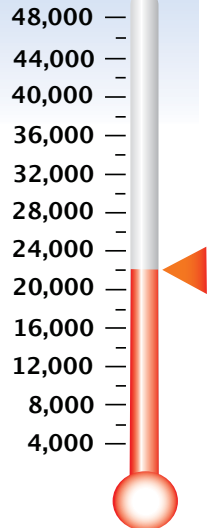
Automated Metering - *Will I Lose Power When My Meter is Changed?*

We are making great progress on our Advanced Metering Infrastructure project. By 2011 every PUD customer will have a new meter that communicates on a real-time basis with computers in our PUD office, via a signal over power lines. It will allow us to read your meter automatically. As of June 30, our technicians had installed about 22,000 meters on our way to 48,500.

When the date nears for installation of new meters in your neighborhood, we'll send a letter to give you a heads up. Our meter technician will knock on your door to let you know we are there.

In most cases you can expect your power to be out for 5-10 minutes while we change the meter. In extreme situations, or if we experience an equipment problem, the outage could be longer. If no one is home, we will change the meter and leave a notice at your front door.

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.



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

In this column two months ago I posed the question “Should a PUD be run like a governmental entity, or more like a business?” At the time I compared the production, delivery and sale of electricity to the manufacturing, transportation and retail sale of any other product. When we turn on a light or TV we make a purchasing decision with financial implications, no different than selecting items to buy in the grocery store.



So I believe that a public utility should be run more like a business. One of the readers who responded said that since PUD power is so much cheaper than the alternatives, it is essentially a monopoly. But I contend that's changing, as technology provides alternatives to the traditional approach of producing and delivering electricity. However that reader had a point and provided me a good lead-in for this month.

In the United States there are essentially two types of electric companies:

1. Investor-owned, for-profit utilities. These are governed by a state utility commission.
2. Publicly-owned, not-for-profit utilities (like our PUD). These serve a smaller customer base and are governed by locally elected officials that are accountable to you.

After 27 years in the public utility business, it's no surprise that I prefer option 2. Public utility electric rates are 15 percent lower than private rates nationally and 20 percent lower in Washington. That's one good reason I believe strongly in public power.

Public power got its start in Washington when the Grange led the way to pass Initiative 1 in 1929. Interestingly the citizen petitioners used private business as a template for how a public utility should be structured (and limited).

The General Manager position was established, with authorities patterned after the CEO of a private company.

Limitations on a GM exist through the checks-and-balances authority of a PUD Auditor and General Counsel, also similar to the corporate world. The same state laws also provide flexibility for the local public utility to make key decisions based on the values and beliefs of the public it serves.

Take our power supply. Initiative 937 requires larger utilities to meet a portion of their power portfolio with renewable energy. But it only sets a floor, not a ceiling. Under this law one PUD could decide to meet all of its loads with new renewable resources, while another might only use enough renewables to meet minimum state requirements.

Another example is low-income discount rates. Several Washington PUDs offered discount programs for years, but Cowlitz PUD did not. In 2004, after meeting with advocates for low-income seniors, our Board adopted a discounted rate. A few PUD customers disagreed with that decision, citing that one group of customers would pay a slightly higher rate to subsidize another group.

Regardless of whether you agree with a particular decision, I think we benefit by having three Board members from our own community – who are elected by you and accessible to you – decide what they believe is best for local customers. The alternative is to have a state commission in Olympia make those decisions, to which you would have little or no real access.

Now in my 21st year as a utility manager, I've worked for 20 elected officials. They have all taken their jobs very seriously and have reflected fundamental values and beliefs of their communities. They have been good stewards of the resources and investments entrusted to them while seeking the right balance between running the utility like a business and working within the laws by which they are governed.

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

Brian Skeahan,
General Manager

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