



# CONNECTED

The Newsletter of Cowlitz PUD

Volume 12, No. 5

## Construction Starts at Harvest Wind; Project Qualifies for Renewable Tax Exemption

Cowlitz PUD received great news on the final day of the Washington Legislative session with the passage of Senate Bill 6170 – which extends an existing law for a sales-and-use tax exemption on equipment and labor costs at renewable power projects. The bill was on the governor's desk awaiting her signature at the end of April.

With construction just underway at the Harvest Wind Project in Klickitat County, WA, the tax exemption will save an estimated \$4 million for the project owners in 2009.

Cowlitz PUD owns about 30 percent of Harvest Wind, thus will save roughly \$1.2 million on its share of the project cost thanks to the tax exemption. In our business, lower project costs mean lower rates for our customers.

PUD staff and commissioners had joined other utilities and renewable project developers, lobbying the legislature to pass SB 6170. State law had provided a similar tax exemption since the late 90s, but that law was due to “sunset” on June 30.

The exemption is intended to encourage development of renewable power projects in Washington and to compete with Oregon, where there is no sales tax.

The Harvest Wind Project is the second phase of the White Creek Wind Project. Harvest Wind will add another 43

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wind turbines and 100 megawatts (MW) of power capacity, on top of White Creek's 89 turbines and 205 MW. Harvest Wind will be built and able to begin commercial power operation and start producing revenue for the PUD by the end of 2009.

### PUD Senior Managers Volunteer to Forego 2009 Merit Increases

The Board of Commissioners approved a resolution in April accepting a voluntary request for no 2009 merit wage increases for top administrative personnel at the PUD. “We commend this group for asking us to forego the wage increase which they qualified for based on our salary policy,” Board President Ned Piper said.

The resolution approved a one-year suspension in 2009 from the annual performance review process for 13 senior staff members. The Board's action was needed since this deviates from the PUD's Compensation Policy for employees not covered by a collective bargaining agreement. That policy includes the potential for a merit wage increase for each of the employees, based on job performance.

“The PUD's business was strong in 2008, and it remains healthy in 2009 as well,” Piper said. “At the same time we are sensitive to the negative impact caused by the economic downturn on other government agencies, school districts and businesses. In response to that, our employees wanted to show their support for others in the community – and Commissioners McCrady and Ketcham join me in thanking them for that.”

**YOU CAN PAY YOUR PUD BILL ONLINE**

[www.cowlitzpud.org](http://www.cowlitzpud.org)

Debit or credit card (Visa/MasterCard)

## PUD Workers Earn 2008 Regional Safety Award

Congratulations to our work force for its second place award in the Northwest Public Power Association's (NWPPA) annual workplace safety recognition. The winners were announced at the NWPPA Engineering & Operations Conference in April.



The NWPPA has 160 utility members, including PUDs, electric cooperatives and municipalities in the Western states and Canada. Cowlitz PUD was one of 27 NWPPA members recognized for its safety record in 2008.

NWPPA safety contest awards are based upon the number of recordable injury/illness cases and the lost work days in 2008. Cowlitz PUD competed against other regional electric utilities in the category for 240,001-500,000 hours of exposure.

All told 167 Cowlitz PUD employees worked 305,000 hours on the job in 2008. We had five recordable work-related injuries or illnesses, no fatalities and 13 lost work days.

Safety is a priority at the PUD. With the high exposure to danger in this industry for many of our employees, the 2008 low injury rate is commendable. We have an active safety training program and are careful to invest in tools that limit the exposure to injuries caused by repetition. We greatly appreciate the recognition from NWPPA, but at the same time will continue to work toward a goal of no lost-time injuries.

### Go Green!

You can support the development of environmentally friendly "Green Power" sources like wind, solar, low-impact hydro, geothermal and biomass. The cost is as low as \$40 a year and may be tax deductible. To learn all the details:

1. Log on to [www.cowlitzpud.org](http://www.cowlitzpud.org)
2. Go to the **Conservation and Renewables** menu
3. Click on **Purchase Green Tags**

## Please Don't Post Flyers on Power Poles – It's Against the Law

Cowlitz PUD employees have a favor to ask: Please don't hang signs on power poles.

The reason we ask is that it's potentially dangerous for our employees – and it's also against the law. RCW 70.54.090 prohibits attaching signs, posters or other objects to power poles.

It's that time of year when garage sales are in full swing and we understand it's tempting to staple or nail advertising signs, flyers for missing pets, etc., to PUD poles. While we understand these are very worthwhile events, hanging a sign on a power pole can create a dangerous situation for PUD line workers.

Working on power lines is a dangerous job. The nails and staples that were used to hang a garage sale flyer can damage the special protective clothing, boots and gloves worn by line workers, increasing the danger of electrocution. A lineman working at night can not see the nails and staples left behind from a sign that once hung there.



In order for PUD line crews to ensure reliable service to all customers, electrical workers must be able to climb power poles safely in all kinds of weather – day or night. We count on your cooperation to assure the safety of our employees and to help provide you quality electric service.

Thank you in advance for acknowledging this concern and for obeying the law.

### — CUSTOMER INFORMATION — AVAILABLE

Cowlitz PUD's Annual Customer Report and information about electric rates, customer policies and a fuel mix report is available on request or can be accessed on our website.

## What's Happening

### West Nile Virus - *What you need to know*

West Nile Virus was on the move in Washington in 2008. The number of birds and horses infected increased substantially and three human cases were documented. WNV is spread by infected mosquitoes. Most people experience no symptoms or only mild flu-like illness that goes away on its own. But WNV can cause serious, life-threatening and even fatal disease. The most-at-risk are those over age 50. Remember to:

- Use an effective repellent—especially at dawn and dusk when mosquitoes are most active
- Wear long sleeves and long pants when outdoors
- Make sure windows and doors are “bug tight” with screens
- Get rid of standing water and keep water fresh in pet dishes and bird baths

√ To report a dead bird or if you would like more information log on to [www.co.cowlitz.wa.us/health](http://www.co.cowlitz.wa.us/health) or call Cowlitz County Health Dept. at 360-414-5583 or 866-78-VIRUS.

√ Report mosquito problems to the Mosquito Control District: 360-425-5658.

*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: [whatshappening@cowlitzpud.org](mailto:whatshappening@cowlitzpud.org).*

## Automated Metering - *Is Radio Interference a Concern?*

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 May 1, our technicians had installed about 18,000 meters on our way to 48,500.

Recently an amateur radio operator asked if this new system will create interference to on-air radio activities, since some types of data communication services transmitted over power lines have caused interference issues. The short answer is we expect no problems.

We found in our research from the vendor Cannon that ours is a narrow-band system which operates at very low frequencies (8 to 13 KHz). It was invented

in the early '80s and has been utilized by electric utilities using millions of electric meters for over 20 years.

We have heard that broadband over power line systems invented in recent years operated in bands reserved for radio amateurs. However ours is a well tested, much older, low-band system, which has operated without interfering with radio amateurs (or other systems) for decades. Cannon tells us that some of the early developers were actually licensed radio amateurs.

*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. 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

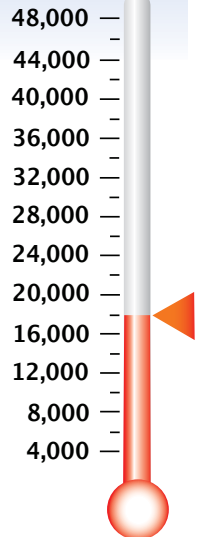
April 2009 highlights:

- **Approved the purchase of Three Terex LT38 Man lifts** to replace two Line Department man-lifts and a new additional man-lift for the Substation Department.
- **Approved a resolution accepting a voluntary request for no 2009 merit wage increases for top administrative personnel at the PUD.** (See story on page one.)
- **Approved the 2009 underground plowing contract to Potelco, Inc.** Cowlitz PUD typically installs or replaces 20 miles of underground electric lines each year.

### Upcoming PUD Board meetings:

- Tuesday, May 26
- Tuesday, June 9
- Tuesday, June 23

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...

Should a Public Utility District be run like a governmental entity, or more like a business?



Since a PUD is a political subdivision of the state and its governing body is elected by you, the answer seems easy. But when you sit down and analyze it, maybe the answer is different than you think.

Unlike schools or general purpose government (like cities or counties), PUDs exist solely to sell a product – in our case, electricity. We take “raw materials” (primarily falling water and blowing wind) and turn them into that product. Since Cowlitz PUD can't manufacture enough of that product to meet customer demand, we also buy it in bulk at wholesale prices from BPA.

Most of our product is manufactured in a distant location, so we transport it to Cowlitz County via high voltage transmission lines. It's no different than any other manufacturer using interstate highways or the railroad to transport their product to market.

Once our product is delivered to Cowlitz County, only a few of our industrial customers can use it in the form it arrives. That's because it comes here at high voltage levels, 115,000 or 230,000 volts. Transformers at PUD substations then convert the product to 7,200 volts and from there PUD distribution lines (our version of secondary roads and city streets) deliver it to homes and businesses, where another transformer reduces the voltage one more time.

So I'll ask the question again: Should a Public Utility District be run like a governmental entity, or more like a business?

With the product now fully manufactured, transported and delivered, our retail customers come into the picture. When you switch on a light, turn up the heat or watch TV, you are making minute-by-minute decisions to

purchase our product. It's no different than going to the grocery store and putting products in your cart. Eventually you will go to the checkout line and pay.

There is one big difference, at least for now. Technology does not allow us to give you immediate information on the electricity you use and we don't expect anyone to go out and read their meter hourly. However future digital technology will give you more information and control over your electricity purchases someday.

You may be thinking that electricity is a necessity and our customers have no other choice. But you can choose to heat with wood or propane. You can light your home with electricity generated through propane or liquid fuel generators. You could install photovoltaic solar cells to make electricity from the sun, and buy batteries so you have electricity at night and when there isn't enough sun.

Of course these alternatives are more expensive and less convenient. The PUD's product is still the least expensive, most convenient way for most consumers. That is something utility industry professionals take pride in.

I believe that a PUD should be run as a business. That's how the Board and I manage Cowlitz PUD. The results are in the bottom-line: We sell electricity to you for 20 percent less than the state average and half the national average. Our wind and hydroelectric generation projects are performing well, creating additional sales outside our service territory which help keep your rates lower.

We will continue to manage this PUD as a publicly-owned business with your best long-term interests as our priority. We will always be open and accessible to the public and careful to follow the state laws that established us and govern us.

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

## Contact Information

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