



CONNECTED

The Newsletter of Cowlitz PUD

Volume 12, No. 10

New PUD Electric Rates Now in Effect

Cowlitz PUD has new electric rates effective October 1. The rate increase is due mostly to a 7 percent increase in our cost of wholesale electricity from the Bonneville Power Administration. This follows six years of rate stability dating back to October of 2003.

The rate increase ranges from about 3 percent for some industrial users to 6.1 percent for a residential customer using the monthly average of 1,600 kilowatt hours. Actually the rate for residential customers will remain at 5.12¢ per kWh, but a new monthly “basic charge” of \$5 per month is being added.

Under the new rate plan the Cowlitz PUD residential customer using 1,600 kWh (average) will pay \$5.00 per month more or \$86.92 monthly, compared to:

- \$123.20 average cost for all Washington electric users, making Cowlitz PUD 29 percent lower.
- \$183.52 average cost for all U.S. electric users, making Cowlitz PUD 53 percent lower.

BPA power costs represent 68 percent of Cowlitz PUD’s total annual operating expenses. The BPA rate increase means an additional \$8.6 million in expenses for the PUD in 2010. As a comparison, the BPA increase equals about half of what our total labor costs are for an entire year.

Inside This Issue:

- September Board Report
- Surge Protectors Protect Your Property
- Automated Metering Project Update

What is a basic charge?

Cowlitz PUD residential customers now pay a \$5 per month “basic charge.” Our business and industrial customers have had a basic charge (called a “customer charge”) for years and virtually every other utility has a similar charge in place for all customers.

It’s a means for an electric utility to recover the costs it incurs while standing ready to serve whenever you choose to turn on the light switch – rather than bundling those costs into the rate.

Examples of basic costs include the electric meter and reading it (whether manual or automated), processing and mailing of a bill, and the infrastructure to deliver the electricity to individual customers. The basic charge separates those costs out of the rate, making it a more equitable means for the PUD to recover such costs from each individual customer.

The wholesale power price increase is too large to absorb, and as a consumer-owned utility it is being passed on through rates. Other lesser factors also contributed – including general inflation, increase in health care costs and a slow economy, which has reduced the PUD’s industrial power sales from projected levels for 2009.

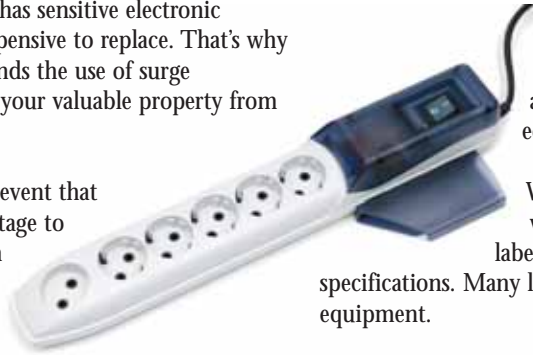
**See our full Q & A on the rate increase at
www.cowlitzpud.org**

Surge Protection Equipment: It's Your Best Bet to Prevent Costly Damage

Nearly every home and business has sensitive electronic equipment which can be very expensive to replace. That's why Cowlitz PUD strongly recommends the use of surge protection equipment to protect your valuable property from the risks related to power surges.

Power surges are the result of an event that causes normal electric service voltage to spike (rise suddenly), then return to normal very quickly. Spikes and surges can be caused by normal electrical usage by the larger appliances inside your home. In addition, faulty wiring, loose connections, or poor grounding can cause harmful spikes in voltage.

A power surge can also result from a power outage. Power



outages are unpredictable and are caused by many factors, including bad weather, downed trees, lightning, auto accidents involving power poles or equipment failure. It pays to be prepared.

We suggest you choose a surge protector with an Underwriter's Laboratory (UL) label – specifically those with UL 1449 specifications. Many local stores sell quality surge protection equipment.

Surge protection equipment greatly reduces the chance of damage. It's as simple as picking out the surge protector that fits your needs, plugging it in an outlet near the equipment you want to protect, and then plugging that piece of equipment into the surge protector.

November 18 is the Deadline to Apply for Low-Income Rate Discount Programs

Time is running out for low-income senior and disabled customers of Cowlitz PUD to apply for a discounted electric rate in 2009-2010. Call CAP at (360) 425-3430 for an appointment to determine your eligibility.

To qualify an applicant must have lived at their residence for the past 12 consecutive months and be legally responsible for payment of the PUD account. They must be age 65 or older (senior rate), or disabled and earn a disability income (disabled rate).

Full guidelines: http://www.cowlitzpud.org/low_income.php

Applicants must meet the income standards below, based on 2009 HHS poverty guideline

Persons in HH	Gross Household (HH) Income		
	25% Discount	15% Discount	5% Discount
1-2	Up to \$14,570	\$14,570 - \$21,855	\$21,855 - \$25,500
3	Up to \$18,310	\$18,310 - \$27,465	\$27,465 - \$32,045
4	Up to \$22,050	\$22,050 - \$33,075	\$33,075 - \$38,590
5+	Up to \$25,790	\$25,790 - \$38,685	\$38,685 - \$45,130

The deadline to sign-up is November 18.

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
2. Go to the **Conservation and Renewables** menu
3. Click on **Purchase Green Tags**

Check us out on YouTube, Twitter

Cowlitz PUD now has You Tube and Twitter accounts. Right now we have just one video uploaded to You Tube, which is essentially a video brochure with details about ductless heat pump systems. We'll use Twitter mostly to provide power outage information. If you are into "tweeting," sign up as a PUD follower and stay up-to-date.



<http://twitter.com/CowlitzPUD>

<http://www.youtube.com/user/CowlitzPUD1>

What's Happening

Be a Part of a Volunteer Team ...

Making a Difference at the Cowlitz Free Medical Clinic!

The Cowlitz Free Medical Clinic (Free Clinic) is open Wednesdays 5:00 p.m. to 9:00 p.m. to serve adults over 18 years of age who have no medical insurance and who are in need of urgent care.

The Free Clinic urgently needs volunteer RNs, LPNs, and CNAs to help support the physicians serving patients. The clinic also needs volunteers as translators for Spanish-speaking patients. Call Susan Wendel at (360) 501-1205 or Becky Hines at (360) 560-1510.

The Cowlitz Free Medical Clinic is dedicated to understanding and serving the health and wellness needs of our community's medically uninsured adults, by providing free, high quality, urgent health care. www.cowlitzfreemedicalclinic.org.

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



September 2009 highlights:

- **Commissioner Piper represented the Board at a meeting PUD staff conducted for high usage business and agency customers.** PUD staff presented updates on rates, energy conservation programs, system improvement plans and future power resource plans.
- **Approved a contract with BPA that extends the PUD's energy conservation program for five years.**
- **Approved amendments to the PUD's Customer Service policies.** The most notable changes are related to replacing the monthly minimum charge with a base charge and updates to the deposit and meter tampering policies. These policies can be viewed at <http://www.cowlitzpud.org/policies.php>

Upcoming PUD Board meetings:

- Tuesday, October 27
- Tuesday, November 10
- Tuesday, November 24

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 - *Security is a Priority with the New Metering System*

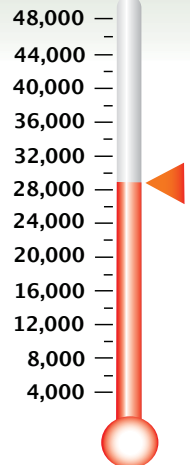
One recurring question we get from a few customers about the new automated metering system addresses security. The concern raised is that someone else could get access to their account information and usage patterns.

The same rigorous security that we apply to all of our current customer information systems is in place for the automated meter reading system. The meter reading server is well "firewalled" and will be integrated into our customer billing system. We believe the computerized meter readings could be viewed more secure because of the industry standards required to keep the data secure. And

there will be less individuals handling the data, since there will be no meter readers.

We are on schedule to have 48,000 meters installed by mid-2011. As of late September we had reached nearly 29,000 meters. By 2011 every customer will have a new meter that communicates with computers in our PUD office.

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...

Your PUD bill this month includes a price increase. Until now you paid the same rate for power as you did dating back to October 2003. I feel good that we maintained six years of rate stability.



Our Board held a public hearing on September 22 to discuss a rate increase, necessitated mostly by BPA raising our wholesale rates by about seven percent. Twelve customers came and five of them offered comments.

Of those five, three spoke out against the need for a rate increase, one asked if we are considering alternatives to BPA and the other shared his opinion on the regional approach to salmon recovery. I want to address the comments made by three of those customers – one which was off-base, one which is a common misunderstanding and the other which was heartbreaking.

Off-base: One customer chided the board for the “new \$55,000 SUV you all just bought for your General Manager to drive home.” It might have been fair criticism if his story was true. But it wasn't. Not even close. I do not have a fulltime PUD company car and never have. The vehicle I often use for PUD business travel is part of the vehicle pool and was bought used in 2007 for \$24,000. I scratch my head and wonder how stories like that get started.

Common misunderstanding: Another customer suggested we buy less power from BPA and buy more wind and solar power instead. The perception is that since the fuel (wind or sun) is “free,” then wind and solar power must cost less. The fact is BPA is our lowest cost option and will remain so for years to come. The future cost of wind power is about 2-3x greater than BPA hydro and solar is 4-5x greater. However we will continue to invest in the renewable resources needed to meet load growth and the renewable power standards approved by state voters.

Heart breaking: Another speaker identified herself as a single mom who's earnings had dropped significantly. She was understandably frustrated and wanted the Board to know that any increase, even a small one, was unacceptable. She asked “Isn't there anything we can do?”

We know today's economy increases the numbers facing hardship. That makes people mad and scared. I can't blame them, but at the same time I can't fix that as your PUD General Manager. We are really no different than a grocery store, which accepts food stamps but will not price groceries based on customer's income. The PUD is obligated to charge for electricity based on what it costs to produce and deliver it.

We are doing some things to help. We will continue to offer a variety of conservation programs in the coming years, helping customers reduce their usage to lower their bill. Our conservation program's financial incentives are even greater for qualified low-income customers.

Awhile back we adopted a discounted rate plan for low-income elderly customers and have since added a similar program for disabled citizens. This year we upped those discounts to help customers in the face of higher PUD rates and no social security increases.

We also manage the Warm Neighbor program which exists because of the willingness of many of our customers to help out others. Earlier this year our PUD employees raised over \$2,500 for the Warm Neighbor program and donated three tons of food to the Help Warehouse.

Our residential rates, even with an increase, are lower than 97 percent of all U.S. power companies. My job is to see that we take every step possible to keep it that way.

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

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