

Media release

COWLITZ COUNTY PUD

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Cowlitz PUD Approves 2012 Budget

The PUD Board of Commissioners unanimously approved a 2012 electric system budget of \$263.3 million on Tuesday. The cost to purchase wholesale power, to meet customer electrical needs, is the largest expenditure at \$191.7 million or 72.8 percent of the total budget.

Several notable cuts are part of the 2012 budget:

- A reduction in capital improvement expenditures of \$4.77 million or 28 percent from 2011.
- Reducing labor and benefit costs by \$578,000 or 3.2 percent. In 2012 the PUD will have nine less full-time equivalents (FTEs) than in 2009.
- A reduction in operating expenses (other than power supply, taxes and conservation costs) by \$515,193 or 4.9 percent.

“This is an austere budget. We did everything we could to hold the line on labor, capital costs and operating expenses without sacrificing customer and employee safety and system reliability,” Board President Mark McCrady said.

Even with the reduction in capital investments the PUD will continue its long-term plan to improve electrical infrastructure, by investing \$12.4 million in capital projects next year. Major projects include:

- Completion of the project to replace computer hardware and software with a new business enterprise system. The new system will integrate customer service and financial systems, and work hand-in-hand with automated metering to provide customers new products and choices starting in 2013.
- Continue extension of fiber communications to substations in support of system protection upgrades, automated metering and security.
- Bakers Corner Substation – 115 kilovolts addition
- Smart Grid Projects
- Feeder optimization and reliability improvements – third of seven-year approach to analyze design improvements for 13 distribution feeders.
- Replacing seven miles of aging underground wire.

The PUD budget does not call for a rate change in 2012. “Cowlitz PUD is a net seller of hydroelectric and wind power, so we are subject to production and market price swings and that affects rates – up or down,” McCrady said. “However at this time we expect rates to be stable in 2012.”

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