



CONNECTED

The Newsletter of Cowlitz PUD

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State Legislative Action Benefits PUD Customers

Governor Christine Gregoire signed Senate Bill 6614 into law on April 1, which clarifies that energy conservation funding distributed to utilities by the Bonneville Power Administration is exempt from a state B&O tax.

The legislation was introduced in response to a Washington State Department of Revenue ruling following its regular 2009 audit of Cowlitz PUD.

In a decision that surprised the public power community, DOR had determined that for the first time in the 27-year history of the BPA conservation programs that funds passed-through to Cowlitz PUD and other utilities by BPA were now subject to a 1.5 percent "Service and Other Activities" B&O tax.

Based on its decision, DOR assessed Cowlitz PUD \$117,920 in back taxes for 2005-2008. We appealed that decision in February and expect a ruling by June.

As well as filing the appeal, Cowlitz PUD initiated the legislation on behalf of its customers. Without the new clarifying language in the Revised Code of Washington (RCW) or a successful appeal, the cost to PUD customers would have been \$45,000 per year in reduced future energy conservation funding.

By passing SB 6614 nearly unanimously, the legislature has made it clear that it's not the state's intent to tax these pass-through funds. Needless to say we are very pleased with the outcome in the legislature. The legislation was strongly supported by all six of our District 18 and 19 legislators.

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How BPA Energy Conservation Funding Works

Under the Pacific NW Electric Power Planning and Conservation Act of 1980, BPA collects funds through wholesale power rates that are in-turn distributed to utilities to operate energy conservation incentive programs. Since our customers are paying for these programs through electric rates, it's our job to make sure the funds are disbursed back through cost-effective energy conservation measures.

Since 1982 Cowlitz PUD has passed-through \$53 million of BPA conservation funds to local customers to insulate homes, install energy-efficient lighting, water heaters and appliances, replace inefficient pumps and motors and a multitude of other improvements. Overall in the Pacific Northwest utilities have combined to distribute over \$2 billion in BPA funds for customer energy efficiency programs since 1982.

We believe that taxing these funds is contrary to the goals and intent of the new state laws that were approved by voters on I-937, which addresses growth in renewable resources and energy conservation efforts.

For more information on the legislative process for Senate Bill 6614 you can access <http://apps.leg.wa.gov/billinfo> (type in 6614 in the first box at the top of the webpage).

YOU CAN PAY YOUR PUD BILL ONLINE

www.cowlitzpud.org

Debit or credit card (Visa/MasterCard)



A Washington Conservation Corps crew recently spent over three days clearing a road, cleaning out Scotch Broom and planting 550 Douglas fir seedlings at the PUD's Swift No. 2 Hydroelectric Project on the Lewis River. The WCC is part of the AmeriCorps program and is sponsored by the WA Department of Ecology.

Sale of Seedlings Raises \$615 for Charitable Causes

As part of a state permit to remove a culvert on Dry Creek, near our Swift No. 2 Powerhouse on the Lewis River, Cowlitz PUD needed to plant trees on the restored stream bank. We found out that we could purchase 1,000 Douglas fir seedlings (700 hundred more than we needed) for less than \$150 additional cost, so we bought the seedlings and planted 550 at Swift No. 2. (See photo).

That left us with 450 seedlings. Diana MacDonald, our employee overseeing the project, offered the remaining trees to fellow PUD employees on a donation basis. The only condition was the seedlings were not to be planted in the vicinity of overhead power lines, always a concern for electric utilities.

In a matter of days we raised \$615 for the following charities selected by the employees who contributed: Hospice, The Humane Society, Emergency Support Shelter, American Cancer Society Relay for Life, PUD Warm Neighbor Fund, and the Lance Armstrong Foundation. We also offered free seedlings to the school districts in Cowlitz County and four of them accepted about 50 seedlings each.

Special thanks to the Washington Conservation Corps who planted the trees at Swift No. 2. They came at no cost to the PUD, worked very hard and accomplished a lot in just over three days.

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**



Customer Information Available on Request

Looking for more information about Cowlitz PUD? We publish an annual customer report, a fuel mix report and brochures with information about electric rates and customer policies that are available to anyone who asks.

Just call us at (360) 423-2210 or (800) 631-1131 or email mailbox@cowlitzpud.org and make your request. The same information can also be accessed on our website.



What's Happening

CAP's Money Smart Financial Education

Join Lower Columbia CAP's Financial Independence Center for **FREE** Money Smart Financial Education classes throughout April and beyond. Each class covers a unique subject from the basics of banking through investments, identity theft, and buying a home.

Each workshop takes approximately 1 1/2 hours and no pre-registration is required. Participants who attend all 11 unique sessions are awarded a certificate of completion in the certified program. Call CAP at 360-425-3430 (ext. 218).

May is Mental Health Awareness Month

Join in the "Run The Path" Mental Health Awareness Walk/Run, on Saturday, May 22. The run begins at 10:00 a.m. at the Lion's Club covered shelter at Lake Sacajawea in Longview. Call 360-577-0266.

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.

SIGN UP TODAY FOR BUDGET PAY

We've entered the annual budget payment plan enrollment period. Cowlitz PUD residential customers can sign-up for this popular bill-paying option now through August.

Budget pay allows you to make 12 equal monthly payments to avoid unpredictable seasonal electric billings. To qualify:

- You must be a PUD residential customer.
- Live in a residence with at least one year of billing history.
- Your account must be paid in full before starting.

Every 12 months the PUD will review your budget pay account. We'll adjust the monthly payment accordingly, based on electric usage over the past year and the balance on the account after making budget payments for 12 months.

Find out more about Budget Pay at www.cowlitzpud.org or call the PUD to sign-up or to find out if you qualify.

Commission Activities

March 2010 highlights:

- **Accepted the work of Potelco, Inc. as complete.** During 2009, Potelco replaced 26 miles of underground electrical lines, along 16 different roads in Cowlitz County.
- **Accepted the work completed in late 2009 by JH Kelly of Longview** to repair aging concrete in the wasteway structure adjacent to the power canal at the PUD's Swift No. 2 Hydroelectric Project.
- **Received a staff report on the newly installed Supervisory Control and Data Acquisition (SCADA) system**, an update on the Automated Metering Infrastructure (AMI) project and a progress report on Project Focus, which is the two-year project to install and manage the new Cayenta business enterprise software system.

Upcoming PUD Board meetings:

Tuesday, April 27

Tuesday, May 11

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.

SAFETY IS A PRIORITY

Teach children to never play around electric equipment and never to touch power lines. You can be seriously injured or killed if you touch live electrical equipment.



Cowlitz PUD's electrical safety trailer demonstration is available for safety presentations at elementary schools. Call Treana at (360) 423-2210 or (800) 631-1131.

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

There's no shortage of work to accomplish here at the PUD, but we like to have a little fun along the way, too.

First, we're here to serve 48,200 customers day to day – those changing service addresses, billing, processing payments, reading meters, planning new installations, building and maintaining power lines and substations, weatherization planning and the work that supports all the services of your public utility district.

We're busy on major projects as well. We're replacing every meter in our service territory with a new automated meter. We're installing new customer information system hardware and software that will work in-tandem with the new meter system to provide many new services to our customers beginning in 2012.

The long-term plan to upgrade the electric transmission and distribution systems is in its fourth year. We're also engaged daily on matters dealing with BPA and other state, regional and national issues related to the electric industry. We've built two wind projects and have our eye out for other renewable power opportunities.

That's our business and we take it very seriously. At the same time, our 165 employees live in this community and as a group we like to give back and thank our customers for the chance to serve them.

Help Warehouse Food Drive

A great example is the recent food drive we completed, that sent over four tons of food onto the shelves at CAP's Help Warehouse on April 1. While our goal is to collect as much food as possible, it's also a fun, team-building event for our employees.

We split into two teams that waged a friendly five-week competition to see which group could raise the most food. The prize for the winners is a breakfast cooked by the losing



team. So the competition can get intense, and I must admit that a little trash-talking takes place.

Besides donating food, the teams sponsored a pizza feed and several raffles to raise money to purchase additional food and household items. The competition was fierce and the office employees gathered 350 more pounds of food to edge the operations department team. I was on the winning team, so I'm looking forward to the big breakfast.

Overall we collected 8,615 pounds of food or about 4.3 tons. This is our third such event and we've donated nearly 10 tons of food to the Help Warehouse since 2007. I'm proud of that accomplishment.

CAP tells us that it's the largest food drive by any one company. Only the community-wide food drives –Walk n' Knock, Postal Carriers and Bill Ammons' food drives collect more. By running our food drive in the spring we help CAP bridge a gap between Walk n' Knock in December and the Postal Carriers collection in June.

As the General Manager I take pride in knowing our employees are having fun and serving the community. It's important to keep things light and have fun together. It makes for a better work place.

We have more service projects on the horizon. Once again this summer we'll operate the charity bingo event at the Cowlitz County Fair and will have a big team raising money to fight cancer at the Relay for Life. We also take part in the United Way Day of Caring in September.

I've said it before in this column that when we moved here in 2003, my wife and I both noticed immediately that residents of Cowlitz County are very generous when it comes to helping others. I'm pleased that our PUD employees are willing participants as well, both individually and collectively.

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

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