



CONNECTED

The Newsletter of Cowlitz PUD

Volume 14, No. 9

Are You Ready - Just in Case Your Lights Go Out?

After such a short summer it seems unfair that blustery weather will be here in a few weeks.

It's easy to be caught off guard when the first heavy winds and rains hit us in the fall. When those early storms hit and the trees are still loaded with leaves, it is a prime opportunity for power outages.

September is National Emergency Preparedness Month

We urge you to prepare for the possibility of your lights going out this fall and winter. Losing electricity is a great inconvenience, but it helps if you are prepared:

- Create a kit that contains flashlights with extra batteries and a battery-powered radio. It is important that you know where your kit is and can easily find it in a dark home.
- Cordless phones do not work without electricity, so have a "corded" telephone available. Your cell phone will most likely work, but it's smart to also have the corded phone as a backup.
- Know how to open your electric garage door when the power is out.

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If the power goes out:

- Unplug electronics like a computer, TV, microwave — and don't turn them on again until lights have returned to normal brightness.
- Turn down thermostats and turn off the water heater circuit breaker to help reduce initial electric demand when power is restored.
- Do not open refrigerators or freezers.
- If you use a generator, follow the manufacturer's instructions. Place it outside for proper ventilation while running. Only use barbecues or propane heaters outside.
- Leave a porch light switched on, as well as a light inside your home. That will let PUD repair crews and you know when service is restored.
- Report power outages at (360-423-2210) or (800) 631-1131.

To learn more about emergency preparedness

Cowlitz County - www.co.cowlitz.wa.us/dem or
(360) 577-3130

Cowlitz PUD - www.cowlitzpud.org/power_outage.php

During larger power outages, Cowlitz PUD provides updates on Twitter and its website. We suggest that you "follow" the PUD on Twitter, which can be done from the link at www.cowlitzpud.org.



PUD Senior Fair

PUD Senior Fair

Thursday, October 13 – 10:00 to 3:00
John Searing Auditorium (at the PUD)

We are excited to announce our first ever Senior Fair at the PUD, on Thursday, October 13.

Actually the event is open to all PUD customers – come join us for a cup of coffee and cookies and meet our employees and Board members. We will be happy to answer any questions you have about the PUD, our services and the issues in our industry.

The PUD will offer energy conservation information, tips on electrical safety and power outage preparation, and information about qualifying for the Senior Citizen/Disabled Citizen rate discount programs.

Apply for a Low-Income Rate Discount by October 28

The deadline is approaching to apply for a low-income senior or disabled citizen PUD rate discount in 2011-2012.

Applicants 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).

More low-income rate discount information is available at www.cowlitzpud.org/low_income.php, including:

- Full program guidelines
- Household income standards

Call CAP (360) 425-3430 by October 28 for an appointment to determine eligibility.

CAP representatives will also be on hand to make appointments for those who may qualify for a rate discount and also to help with senior health insurance questions.



We are in the process of finalizing the participation of other agencies and senior services. We will have a room full of information on October 13. Watch area newspapers, other media and cowlitzpud.org for more information in early October.

We sure hope you can join us for this open house on October 13 – 10:00 a.m. to 3:00 p.m.

PUD Office Closed Monday, October 10

As in past years Cowlitz PUD will be closed on the second Monday in October, which this year is the 10th. We will use that day for employee training and special projects – much like an in-service day for teachers.

We chose the second Monday in October since it is a federal holiday (Columbus Day) and many government offices and banks are closed.

Our 24-hour dispatch center will be open if you have a power outage or other electrical emergency to report. If you would like to pay your bill in person that day, we suggest that you visit one of the conveniently-located PUD pay stations, which are listed on the back of your PUD bill.

RECYCLE THAT OLD REFRIGERATOR OR FREEZER YOU DON'T REALLY NEED... AND EARN \$30!

To find out if you qualify contact:
JACO Environmental
(877) 577-0510
or www.cowlitzpud.org



YOU CAN PAY YOUR PUD BILL ONLINE

www.cowlitzpud.org
Debit or credit card (Visa/Mastercard)

What's Happening

LONGVIEW RECREATION REGISTER NOW FOR FALL PROGRAMS

Longview Recreation is now accepting registration for fall enrichment classes, after-school programs and activities.



Learn a new skill, improve your health, experience enrichment learning or find an activity. There is something for family members and individuals of all ages.

The program guide is available online at www.mylongview.com or free at the PUD, other community locations, health care providers and credit unions.

Please call Longview Recreation at 442-5400 for more information. Office hours are Monday through Friday from 11:00 am to 5:00 pm.

Each month Cowlitz PUD offers this space to a non-profit group in Cowlitz County as an avenue to promote its activities (on a first-come, first-served basis). Send your request to: whathappening@cowlitzpud.org.

Commission Activities



August 2011 highlights:

- **Accepted a bid from JH Kelly of Longview** for \$530,713 to complete the civil construction work as part of the 115 kilovolt upgrade of the Columbia Way substation in Longview. JH Kelly's bid was the lowest of four submitted.
- **Held a workshop with staff to discuss energy conservation program** planning and financing through 2020.
- **Approved a staff recommendation to renew the PUD's property insurance coverage** for the next 12 months with Associate Electric & Gas Insurance Services (AEGIS), with local brokerage services provided by Propel Insurance. The cost of the annual premium is \$761,914, which is a 7.5 percent increase that is primarily based on higher property values.

Future meeting dates:

Tuesday, October 11
Tuesday, October 25

Where and when:

John Searing Auditorium at 2:00 p.m.
Cowlitz PUD - 961 12th in Longview

Check our website:

Agendas and updated meeting times.

THANK YOU!

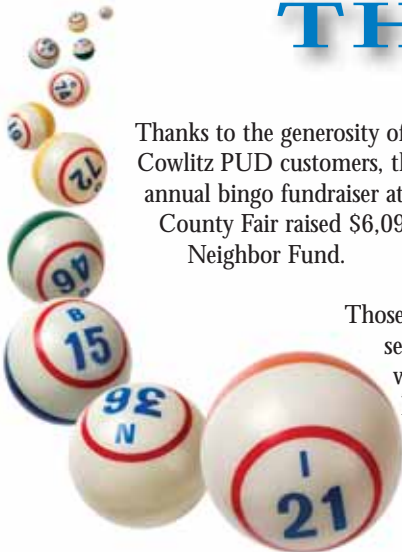
Bingo Fundraiser a Huge Success

Thanks to the generosity of hundreds of Cowlitz PUD customers, the PUD's 6th annual bingo fundraiser at the Cowlitz County Fair raised \$6,090 for the Warm Neighbor Fund.

Those funds will be sent to CAP, which will use them to help qualified low-income residents pay their electric bill next winter.

Dozens of PUD employees, their family members and our Board of Commissioners manned the bingo tent – selling cards, cleaning up and visiting with customers during the four-day fair. We thank everyone who stopped by and we look forward to bingo at the fair again in 2012.

In the six years of hosting bingo the PUD has raised \$27,895 for Warm Neighbor and other local causes. That would not happen without the hard work of our employees and the participation of our customers.



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

A few weeks ago an Associated Press story reported that lower natural gas prices could help lower electric rates in the region.



This news came while Cowlitz PUD and many other regional electric utilities were announcing rate increases. Talk about a mixed message.

Part of the AP story was accurate. Gas prices are lower today. For a few utilities that utilize natural gas generation, or purchase a fair share of their electricity in the power markets, electric rates could drop.

Unfortunately for Cowlitz PUD and most others the news is just the opposite. Lower natural gas prices actually help drive up electric rates. Why?

Some background: The natural gas industry is using a new drilling technique called hydraulic fracturing (“fracking”), which has significantly increased the supply of domestic natural gas. Water and chemicals are injected underground and under pressure to fracture geologic formations, which then releases natural gas.

More supply means the price of natural gas goes down. The price of natural gas has been on a roller coaster ride for years. Today prices are down and it could mean lower rates for customers of utilities with natural-gas fired generation plants.

Natural gas turbines are an incremental source of electric generation in the Pacific NW. So the cost of gas tends to be a driver of the short-term market price of power. Today’s abundance of natural gas is driving prices down in electric wholesale power markets.

For heavy hydro users that’s not good news. Nearly 90 percent of the power Cowlitz PUD sells to you is hydroelectricity – nearly all purchased from Bonneville Power Administration (BPA).

The wholesale rates that Cowlitz PUD and other BPA “preference customers” pay are based on BPA’s expenses.

Those expenses can be partially offset with any income BPA earns selling excess production into the market.

When the market prices are up, BPA has more revenue to offset its costs. When the market price is low, BPA earns less additional revenue to help offset expenses. When BPA sales suffer, due to a lack of surplus power or poor market prices, it drives your rates up.

Here’s an analogy: You own a duplex and live in one side. The house payment for the entire duplex is \$1,000. You rent the other side for \$500, meaning your effective cost is \$500.

If the rental market goes soft, and you can only get \$400, then your cost effectively goes up to \$600 per month. Conversely if the rental market goes up, and you can rent the other unit out for \$700 per month, your cost goes down to \$300.

While the realities of the power market are much more complex, this simple analogy captures the effect of lower gas prices on market prices. That in-turn reduces BPA revenues and has a negative effect on your rates.

The AP article missed telling the whole story. For most of the region the trickle-down effect of lower gas prices is a big part of why BPA is raising its rates about eight percent in October, thus driving retail rate increases.

Even so, as a preference customer of BPA we have priority access to the low-cost power that comes from the hydro system. That is a long-term benefit we would be crazy to give up, as it provides us rates much less than most people pay regionally or nationally.

There’s a lot to talk about regarding rates and our new “Slice of the System” contract with BPA that take effects on October 1. There will be plenty more to share in my October column.

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

Brian Skeahan
General Manager

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