



CONNECTED

The Newsletter of Cowlitz PUD

Volume 13, No. 9

Are You Ready if the Lights Go Out?

After weeks of beautiful weather, it's easy to get caught off guard by the wind and rain that will arise later in the fall. Now is the time to get ready for an emergency.

September is National Emergency Preparedness Month and we urge you to prepare for the possibility of your lights going out when those first big wind storms hit Cowlitz County later this year.

Safety First

Your safety and the safety of our employees is the PUD's priority in an emergency. Stay away from downed lines and never touch objects that are in contact with downed lines. Teach children to assume that any downed utility line carries electricity and is dangerous.

Basic preparation tips:

- Create a kit that contains flashlights with extra batteries and a battery-powered radio. Know where to find it in a dark house.
- Cordless phones do not work without electricity, so have a "corded" telephone available.
- Know how to open your electric garage door when the power is out.

If the power goes out:

- Unplug electronics like computer, TV, microwave — and don't turn them on again until lights have returned to normal brightness.

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- Low-Income Rate Discount Deadline

- 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.
- Never use barbecues or propane heaters indoors.
- Leave a porch light switched on, as well as a light inside your home to let PUD repair crews and you know when service is restored.
- Report power outages at 423-2210 or (800) 631-1131.

For more information on emergency preparedness:

Cowlitz County - www.co.cowlitz.wa.us/dem

(360) 577-3130

Cowlitz PUD - www.cowlitzpud.org

(360) 423-2210

PUD CLOSED ON OCTOBER 11

Once again this year, Cowlitz PUD will be closed for business on the second Monday of October (Columbus Day). Our employees will be at work, but will be in training classes the entire day. As always you can report a power outage by calling our 24-hour dispatch center.

Ductless Heat Pump Rebates Grow to \$2,250

We wrote last month about the popularity of the new ductless heat pump systems and Cowlitz PUD's \$1,500 rebate. Now there's an additional rebate to make this offer even better.

The Cash for Appliances program through the State of Washington now offers a separate \$750 rebate, bringing the total available to Cowlitz PUD customers to \$2,250. A new ductless system can be easily installed as a new

primary heat source for homes that now have electric baseboard, wall or ceiling heat. It also includes air conditioning.

Beside the rebates, a ductless system can help cut the heating portion of an electric bill up to 50 percent. Check out our home page at www.cowlitzpud.org or call (360) 577-7514 for more information on this outstanding rebate program.



BINGO Raises \$5,325 for Charity



Thanks to everyone who visited the PUD's charity bingo tent at the fair. Through the volunteer efforts of our employees and the generosity of our customers, we raised \$5,325 to benefit the Warm Neighbor program and the American Cancer Society. Overall we've raised \$21,892 for charity in the five years of PUD bingo at the fair.

IMPORTANT NOTICE: BPA has announced that the \$25 rebate offered for installing an ENERGY STAR® rated dishwasher under the PUD's EnergySHARE Plus program will end effective September 30, 2010.

Don't Miss Out on Applying for a Low-Income Rate Discount

November 5 is the deadline for low-income senior and disabled customers of Cowlitz PUD to apply for a discounted electric rate in 2010-2011. Call CAP at (360) 425-3430 for an appointment to determine your eligibility.

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).

Full guidelines, including the household income standards, are available at the PUD and CAP offices and also online at: www.cowlitzpud.org/low_income



What's Happening

Tell Us What You Think!

- What do you like best about living in Cowlitz County?
- What are you most concerned about?
- What do you most want to see happen here?

These are questions the county hopes to answer through an exciting new project to chart the future of Cowlitz County. It's called the Comprehensive Plan and it's a planning tool that sets a vision and guides land use and other county decisions over the next 20 years.

The plan effort kicked off this summer with a variety of hands-on activities at community fairs, business meetings, civic and service groups, senior center gatherings and other events.

You can get involved:

- Visit the Comprehensive Plan web page at: www.mycowlitz.com/liveworkplay. Click on the link for the *Vision Survey*
- Request a custom vision activity for your group or organization by contacting Steve Harvey at the Cowlitz-Wahkiakum Council of Governments at (360) 577-3041

Harvest Classic – October 2

The 30th annual Longview Early Edition Rotary Harvest Classic charity road race is set for Saturday, October 2. The event benefits the Help Warehouse, our local food bank.

The 10K run/walk and the 2.7 mile run/walk begin at 8:30 a.m. at Life Works, 906 New York Street in Longview. Pre-registration cost is \$30 with a long-sleeve t-shirt and \$14 without. Registration the day of the race is \$35, or \$18 without a t-shirt. A Pee Wee fun run starts at 9:45 a.m. All participants are encouraged to bring canned food donations.

Prizes include lodging at the Oregon coast and a Willamette River cruise for two. You can register at www.active.com. Get more information at www.longviewearlyedition.org or call Dave Coons at 360.431.4630.

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 2010 highlights:

- **Approved revisions to the PUD's Critical Infrastructure Protection Policy** to align the local policy with the North American Electric Reliability Corp. (NERC) standards.
- **Held a public hearing to review the PUD's 2010 Integrated Resource Plan (IRP) Progress Report** as required by RCW 19.280. Following public comment the Board approved the report. The document is posted on the PUD's website under the Power Resources tab.
- **Approved a renewal of the PUD's property insurance policy** with Associated Electric & Gas Insurance Services. Due to a decrease in property values, the premium dropped 3.5 percent for the next 12 months.

Upcoming PUD Board meetings:

- Tuesday, September 28
- Tuesday, October 12
- Tuesday, October 26

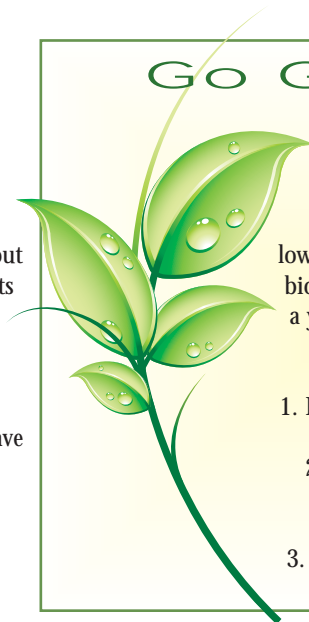
These public meetings are held in the PUD Auditorium, 961 12th Avenue in Longview at 2:00 p.m. Please check our website for up-to-the-minute Board agendas, meeting dates and times.

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**



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

Last month I shared the good news about the recent upgrade Cowlitz PUD received from the bond rating agencies and how that lowers our interest rates to borrow money.



Our industry is among the most capital intensive businesses in the world. At Cowlitz PUD we are in the midst of a 10-year, \$225 million capital investment plan to maintain and upgrade our electric system inside the county. We expect to invest \$30 million this year alone.

These are costs to build or rebuild substations, develop automated metering and other Smart Grid technologies, replace miles and miles of aging underground cable and to upgrade the entire county to a 115,000 volt system. It will lead to a more reliable electric system and offers new technologies to better serve you – as well as your children and grandchildren.

On top of that we've built two new wind projects to meet growing electrical needs, as well as new state standards for renewable resources. From 2007-2009 Cowlitz PUD invested \$160 million in the White Creek and Harvest Wind projects.

Earlier in the decade we rebuilt our damaged Swift No. 2 hydro project, at a cost of about \$35 million above insurance proceeds. Our new 50-year Federal license, which is required to own and operate Swift No. 2, came with a \$36 million price tag. That's mostly for fish and wildlife mitigation.

Like I said earlier, the electric industry is extremely capital intensive. There are two schools of thought on how we pay for it. I've been asked why borrow money at all – wouldn't it be better to be debt free and not pay any interest? That's an option, but would frankly take some stiff rate increases over a couple years.

I'll ask the next question: Is it equitable for today's customer to pay the entire bill for equipment that will last 20 to 40 years? A lot of customers will come and go over that time period.

Our Board and I agree that wise borrowing is the fairest approach. The question then becomes how much of our capital costs should be paid from current rate revenue and how much from borrowed funds, with a goal to reach a reasonable balance of costs incurred by current and future customers.

We try to pay cash for shorter-lived assets like vehicles, computers and software. Longer-lived equipment like poles, wires, substations and power plants are mostly paid from borrowed funds.

If you are a homeowner you understand the influence of interest rates when you borrow money. Lower interest means lower payments on the same amount of debt. Today's low interest rates make borrowing more attractive, which was helped even more by our credit upgrade. The PUD has recently borrowed funds for capital improvements at a 4.2 percent interest rate. It doesn't get much better than that.

In the last few years the PUD Board has faced major financial decisions regarding: 1) Rebuilding and relicensing Swift; 2) Building wind projects to comply with I-937 and to prepare for future load growth; 3) Improving our transmission and distribution system. Some of that work had been deferred from the energy crisis days of 2000-2002; 4) Computer systems urgently needing replacement; and 5) Investing in Smart Grid technologies.

Obviously we're investing a lot of capital to get there. To do so in a fair and equitable manner our Board uses guidelines and a policy that balances the use of current revenue and borrowed funds. I believe we have struck a reasonable balance for customers today and tomorrow, given the needs of the system and today's financial and economic climate.



Brian Skeahan
General Manager

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