

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.

While 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.



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