

HIGH LINES

A SEMI-ANNUAL NEWSLETTER
FOR THE CUSTOMERS OF
CLATSKANIE PUD

August 2009



Power Supply Benefit To Offset Rate Increase

At the July 15th regular board meeting, the Board of Directors approved a power supply benefit to extend to all retail District sales. What does this mean exactly? In simple terms, it means customers won't be affected, at least for some time, by the upcoming Bonneville Power Administration (BPA) 7% wholesale power rate increase on October 1, 2009. This newly created power supply benefit is made possible by a large allocation of CPUD net revenue into a rate stabilization fund, a fund which can be used by the PUD as needed. The reason for the allocation was not only because CPUD experienced a great year in increased wholesale sales revenue last year but also due to a BPA refund and credit from the Residential Exchange Settlement issue. While some electric utilities who receive BPA refunds/credits or cost increases immediately pass them on to the customers, CPUD does not. CPUD uses a different approach to rates and price structure; we base our rates on estimates of costs over a reasonable period of time, taking in account hydro conditions and a myriad of other factors. This reduces the chances for significant rate volatility, which is not in the best interest of the PUD or the customers. After a complete review and analysis of the rate issue, the Board determined that the rate stabilization fund is best used to offset the effect of the impending BPA wholesale rate increase, a benefit for PUD customers much like dividend returns for investors. The District plans to implement the necessary rate increase in October to cover the BPA rate increase, but that increase will be equally offset by this new benefit. Customers will see the new rate reflected on their bill and the power supply benefit discount will be listed separately, just like the cogeneration benefit discount is noted. "It is the goal of CPUD to keep rates as stable as possible and I believe we've been successful in doing that" says Greg Booth, General Manager. "We have one of the very lowest electric rates in the country and want it to stay that way" Booth added.

Arrowrock Hydroelectric Project

Construction continues on the 18,000 kilowatt Arrowrock Hydroelectric Project on the Boise River in Idaho. Clatskanie PUD and five irrigation districts from Idaho and Oregon, including Boise-Kuna, Nampa & Meridian, New York, Wilder and Big Bend, are developing the project, with the PUD purchasing the average 81 million kilowatt hours of electricity expected to be produced annually, about 7% of the District's needs.

Since October 2008, construction crews have blasted rock and built the concrete powerhouse to the proper elevation. Keeping on schedule for this project was very important as the powerhouse needed to be finished to a certain point due to water levels rising for the upcoming river recreation and irrigation season. Helicopters were used to install transmission poles and work recently started on

Continued on pg. 2

Inside this issue:

| | |
|------------------------------|---|
| Appliance Recycling Program | 2 |
| Customer Programs | 2 |
| Arrowrock Story cont'd | 2 |
| System Reliability | 3 |
| Board of Directors | 3 |
| Message from General Manager | 4 |

We're on the web
www.clatskaniepud.com

Appliance Recycling Program Off to a Good Start



Do you have an extra refrigerator sitting in your garage or an old freezer that is barely hanging on to life? If you do, consider recycling it. Research has shown that a majority of the “spare” refrigerators can use three to four times the energy of newer models. In April, CPUD launched a

Refrigerator and Freezer Recycling Program. The program consists of a partnership between CPUD and a local company, JACO Environmental, who is responsible for scheduling the curbside pickup of the appliance. JACO recycles about 95% of the materials used in the manufacturing of each refrigerator or freezer and safely disposes the of the toxic materials and ozone-depleting

chlorofluorocarbon gases in the coolant and foam insulation. Studies show that proper recycling of the foam insulation and refrigerant in the cooling circuit can prevent the release of up to the equivalent of five tons of CO₂ into the atmosphere. According to Elisha Shulda, CPUD Utility Analyst, 27 units have been recycled by CPUD customers since the program started. When customers participate in the recycling program, they receive a \$30.00 credit on their electric bill. Plus, if customers purchase a qualifying Energy Star® refrigerator or freezer to replace the old inefficient model, they are eligible for an additional \$50.00 credit from the PUD.

Customer Programs: Budget Payment Plan and eCARE

Have you signed up for the budget payment plan yet? It's not too late. About a quarter of our customers already take advantage of the program that makes your monthly electric bill the same amount throughout the year. If you haven't signed up yet, call the PUD to see how you can participate. Signing up could be worth a \$20 credit on your electric bill. Another customer program coming soon is eCARE, the PUD's new online bill pay

option. Customers will have the ability to view and pay their electric bill as well as view their usage history. Gail Rakitnich, Customer Relations Manager, expects a good amount of customers to take advantage of this free service rather than mailing in their payment or stopping by the office to pay. Customer Service Representatives are currently testing the online option and we hope to offer the option to customers in the near future. Stay tuned for further information.

Arrowrock cont'd from cover

stringing the 5.5 miles of transmission line to connect the project to the Northwest Grid where it can be accessed by CPUD. Actual output (power) from the project will be delivered to the Idaho Power transmission system which will help save the District transmission costs for using the Bonneville Power Administration's (BPA) system.

Leo Quiachon, PUD Project Manager, reports the project is on schedule. Delivery of the turbines, generators and scrollcases are scheduled for late summer. Of those main components, the scrollcases will need to be barged to the site due to their large size. Final work on the internal controls of the powerhouse will occur once all parts are delivered. Testing of the project is set for later this year and full operation is expected by January 2010. Be sure to check out CPUD's website for construction updates and photos.

Helicopter delivery of poles to awaiting crews on the ground



System Reliability Improvements Top Priority for PUD

Back in 2007, the Board of Directors held a strategic planning session and developed a list of priorities for the PUD. One of the top priorities was to improve service reliability for the customers, a task which meant expanding and improving the current electric system. Two years later, several projects have been completed; others are still being worked on; and plans for more projects are in the works.

The first project was known as the Clatskanie-Bradbury Interconnection Project. The project involved the construction of a new 115kV transmission line which now runs from the Clatskanie Substation to the newly built Bradbury Substation. With new development out at Port Westward and the potential for more, the PUD needed to improve reliability and increase load capacity in the Quincy-Mayger area of the service territory. The addition of the Bradbury Substation also provides the necessary backup for Clatskanie.

The next improvement project includes a total rebuild of the aging Clatskanie Substation. Construction recently started and will include installation of a new 25 MVA transformer. Work will be completed by the end of 2009, at which time installation of a sectionalizing station at the old substation site will occur.

Maintenance of the system is also important to the overall picture. PUC inspections and GIS mapping work are being conducted and poles throughout the service territory are continuously being tested and treated. The District also has an aggressive vegetation and right of way clearing program. Other initiatives being taken include substation interconnections between Delena and Clatskanie; system wide substation relay tests and coordination; sectionalizing and adding new feeders which allow for switching; and replacing unreliable underground and overhead primary. All of these projects will help eliminate transmission service interruptions and minimize the impact of an unscheduled outage.

Your Board of Directors

Clatskanie PUD is governed by five locally elected, nonpartisan Board of Directors; each representing the five subdivisions of the District's service territory. The Board of Directors has one regularly scheduled Board meeting a month, the third Wednesday at 7 p.m., which the public is invited to attend. For a current meeting schedule, call our office or visit our website: www.clatskaniepud.com



Merle Gillespie, President
Subdivision 2; City of
Clatskanie, Precincts 1,2,3



Janet Willey, Director
Subdivision 3; Quincy and
South Clatskanie Precincts



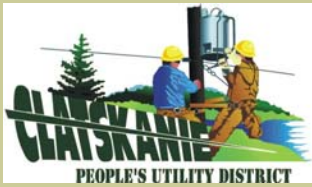
Steve Petersen, Secretary
Subdivision 5; City of Rainier,
Precincts 1,2



Bob Wiggins, Treasurer
Subdivision 1; Westport
and Marshland and North
Clatskanie Precincts



Don Hooper, Vice-President
Subdivision 4; North and South
Delena Precincts



469 N. Nehalem St.
PO Box 216
Clatskanie, OR 97016

Phone: 503-728-2163
Fax: 503-728-2812
Becky Rakoz, Editor

PRSR STD
U.S. Postage
PAID
PERMIT NO. 700
PORTLAND, OR
ECRWSS

POSTAL CUSTOMER



Message from Greg Booth, General Manager

“Future Headquarters Site Of Clatskanie PUD” signs are posted and planning continues for the new headquarters office, warehouse and pole yard on the PUD’s nine acres bordering Highway 30, near the downtown area. Additional site prep work, including clearing and filling, will occur this summer. Steele Associates Architects, who led the PUD through “programming phase” of identifying the needs of the PUD, is presently working on the design of the facility. The planning phase is very important and we don’t want to rush through it because the PUD envisions a facility that will last at least several decades. The PUD expects to select a contractor by the end of the year and start construction of the new facilities next Spring. With the consolidation of all of the services into one location, the PUD will be able to better serve the community and customers, including a much anticipated public meeting room. The PUD hopes to be moving into the new office by the end of 2010.

Clatskanie People’s Utility District

Mission Statement

The Pacific Northwest’s Leading Public Power Innovator

Vision Statement

Creating economic advantage for our communities by providing the best energy value for all of our customer-owners

We’re on the web
www.clatskaniepud.com

Coming Soon!
View/Pay Your Bill Online

eCARE