



# CUSTOMER NEWSLETTER

Please remember to visit our website at [www.lcpud.org](http://www.lcpud.org)

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## 9TH CIRCUIT RULING VALIDATES LEWIS PUD'S CLAIM

On May 3rd the 9th Circuit Court of Appeals ruling vindicated public utilities' claim that Bonneville Power Administration (BPA) has been overcharging Lewis PUD and its customers and using that money to subsidize the electric rates of the private utilities customers. The "residential exchange" program of direct cash payments to the private utilities started 25 years ago in an attempt to meet a 1980 Northwest Power Act requirement that some benefits of the federal hydro power system be set aside for residential customers of private utilities.

BPA included the cost of the "residential exchange" payments in the rates for the



## LEWIS COUNTY PUD PUBLISHES FIRST CUSTOMER NEWSLETTER

With so many changes happening in the electric industry, the Board of Commissioners decided that the best way to get information to the rate payers was to publishing a customer newsletter.

The bi-annual newsletter (that is also available on our website) will contain information relating to future power supplies, conservation issues, electric rates, tips and ideas for the upcoming season and general

PUD information.

Any comments regarding the published material should be directed to the Manager, Dave Muller by calling (360) 740-2411.

electricity it sells to public utilities like Lewis PUD which are then passed on to their customers. Historically, these payments have usually fluctuated between \$50 million to \$150 million per year. This is a range most public utilities have accepted as reasonable and fair. However, in late 2001, following the West Coast energy crisis, these payments ballooned to between \$300 and \$350 million a year under

new BPA-Private utility contracts. BPA increased rates to public utilities including Lewis PUD 46% on October 1, 2001 and Lewis PUD passed these costs on to its customers with a 30% retail increase. At that time

Public utilities filed suit against BPA making the argument that the private utility contracts were illegal.

As a result of the 9th Circuit ruling, BPA's suspended \$350 million in annual fed-

eral hydro system benefit payments to the Northwest private utilities including Puget Sound Energy (PSE).

The real injustice is that the customers of Lewis PUD and 118 other Northwest public utilities have been paying much more than they should have for over six years to support BPA's now illegal and excessive "residential power exchange" program.

On November 7th, public and private utility representatives tentatively agreed to a proposed plan to settle the dispute. The proposed agreement provides reduced payments to the IOUs of approximately \$200 to \$220 million. Lewis PUD has not made a decision to support or oppose the proposed agreement at this time. However, preliminary observations raise concern that the \$200 million level is higher than historical figures and there is no clear mechanism for reimbursement of the 6 years of overpayment.



U.S. Court of Appeals - San Francisco, CA

## EXCEPTIONAL EMPLOYEE AWARDS

Have you observed or received exceptional and/or noteworthy service from a PUD employee? If you have, you can nominate the individual employee or group of employees for

their outstanding performance. Nominations are reviewed quarterly and awarded to the employee(s) for services they provided that went above and beyond the call of duty.

Nomination forms are available at the Chehalis, Morton, and Cowlitz Falls offices and on-line at [www.lcpud.org/services.php](http://www.lcpud.org/services.php) under Employee Recognition.

## MEET YOUR COMMISSIONERS



Commissioner James H. Hubenthal is currently serving as Secretary to the Board. Mr. Hubenthal is a retired architect that represents Lewis County District No. 2. Commissioner Hubenthal has served on the Commission from 1981 through 1989 and from 1991 to the present.



Commissioner Charles R. TenPas is a retired public school teacher and administrator that represents Lewis County District No. 3. Commissioner TenPas was appointed to the Commission in June 1995 and is serving his 2nd term as a PUD Commissioner. He is currently serving as the Vice President of the Board.



Commissioner Ben Kostick is currently serving as President of the Board. Mr. Kostick is a self-employed CPA and represents Lewis County District No. 1. Commissioner Kostick was appointed to the Board of Commissioners in April 2007 and is currently completing an unexpired term previously held by the late Commissioner John Kostick.

The Public Utility District No.1 of Lewis County Board of Commissioners meets every Monday at 10:00 a.m.

The first meeting of each month is held at the District's Morton Office. If a Monday meeting falls on a holiday, the meeting is held on Tuesday. The Board of Commission meetings are open to the public.

"The Lewis County Public Utility District is owned by the customers it serves. It's mission is to provide a low-cost, reliable source of electrical energy and quality service commensurate with prudent business practices to present and future Lewis County residents and businesses." -adopted by the Commissioners on 3/17/97

## NEW WIND RESOURCE FOR THE DISTRICT?



White Creek Wind Project near Goldendale, WA.

The District is currently reviewing its options to purchase shares (20.5 MW) of the White Creek Wind Project Phases I and II from Klickitat PUD. If purchased, White Creek along with the District's 6 MW of the Nine Canyon Wind Project would meet approximately 7% of the District's load.

The district is required to have 3% of its load served from renewable resources by 2012, 9% by 2015, and 15% by 2020. The Commissioners met with a financial advisor on January 14th to discuss what financial options are available to the District.

The White Creek Wind Project is located in the Columbia River Gorge on 9,500 acres approximately 21 miles east of Goldendale, WA. You can see the wind project if you travel on I-84 in Oregon, just west of Arlington, OR.

## BROKEN METER SEALS CAN COST YOU

The PUD has recently experienced an increase in the number of broken meter seals.

All customers have one or more meters at or near the location where the electrical supply lines enter the customer's home, building or property. These meters register the amount of energy utilized by the customer and the PUD reads the meters either monthly or bi-monthly. The meters are sealed to assure

accurate recording of electric energy usage and are the property of the PUD. It is illegal to remove, alter, replace, or in any way tamper with a meter. The PUD policies include a meter reseal charge of \$35 for each meter seal which has been broken without permission, a meter tampering charge of \$100 for meters that have been tampered with, and notification to the Department of Labor

and Industries Electrical Inspection (L&I) for situations where the PUD observes electrical wiring activity without a posted permit.

To avoid the above noted charges and/or notification to L&I, if you or your qualified electrician need to break a meter seal for repair, alteration, and/or modification to your electrical service, please contact the PUD in advance

to obtain permission to break the seal. You will need to obtain an electrical permit and have it posted at the meter location. The PUD appreciates your cooperation and if you have any questions or concerns please contact us at 360-748-9261

