



Skamania County PUD's News From the Wire

**April– May
2015
Edition**

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**PUD #1 of
Skamania County**

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**Board of
Commissioners**

Meeting Schedule

9 a.m.

Monday 04/06/15
Monday 04/20/15

Monday 05/04/15
Monday 05/18/15

Monday 06/01/15
Monday 06/15/15

Skamania PUD's mission is to "Provide the best possible utility service at the lowest cost consistent with sound business principles." Our mission success requires that we seek and retain the lowest cost reliable sources of water and power, maintain a healthy and reliable utility infrastructure and work continuously to improve our internal processes and customer service. High quality, low cost and sound business principles are often competing ideals requiring constant balancing. Sometimes the balancing requires difficult decisions – utility rate increases being at the top of that list. The PUD has just completed a rate making process and will implement rate increases in May. Here is a brief overview.

The Rate-Making Process: The PUD works through a defined process in order to set rates. The Board of Commissioners first sets prudent fiscal policies to ensure the utility remains on sound financial footing. Long-term capital planning is done to identify large infrastructure projects that will require debt financing. A third party is engaged to do a cost of service analysis (COSA); the COSA analyzes current and forecast utility costs to determine the rate revenue required to meet those costs and stay within the established financial policy guidelines. PUD management works with the PUD Commissioners to develop rate adjustment scenarios that will meet the forecast revenue requirements. Public rate hearings are held to inform you, our customers, and to gather your feedback. The Board then decides how rates will be adjusted and when the adjustments will be implemented.

What is driving this rate increase? The factors contributing to the PUD rate increase are rising wholesale power rates from BPA, a bond issue to finance large infrastructure projects, and general inflation leading to higher PUD operational costs. In the most recent 3 years, 2012-2014, the PUD has experienced an 8.9% average annual rate increase in wholesale power costs. The cost of power is about 45% of PUD electric system expenses. Next, the PUD is working toward a bond issue in the fall of this year to finance a number of key infrastructure projects identified in our strategic plan. The bond issue will finance rebuilding of two of our five electric substations, construction of a new reservoir in the Carson water system and in the Underwood water system the Shepherd pump station will be rebuilt and some key waterline replaced. The PUD last sought bond financing over 10 years ago and current market conditions present a good opportunity to finance new infrastructure and refund our existing debt. Rates are set so that revenue from each system supports the costs of that system.

Summary of the Rate Increase: In order to minimize the rate impact in any one year, the Board decided to spread the rate increases over a 4 year period. The table at the top of page 2 shows the forecast increases for the 3 systems. For all 3 systems, a rate structure adjustment was also made shifting a larger portion of the rates from the usage fee to the basic or minimum fee. You can find more details in the rate hearing documents on our website www.skamaniapud.com.

Brent Bischoff
General Manager

Forecast Rate Increases				
System\Effective Date	May 2015	Jan. 2016	Jan. 2017	Jan. 2018
Electric	2%	2%	3%	3%
Carson Water	7%	7%	5.5%	5.5%
Underwood Water	8.9%	8.9%	5.5%	5.5%

Spring is breaking!

We are all anxious to enjoy some warmer weather and with that comes yard cleanup and landscaping projects. Trees are a vital part of any rural or urban setting's quality of life. If you are getting ready to plant trees, bushes or shrubs, look around to see where overhead power lines may hinder future growth. Remember a 2 foot tall fir seedling can grow to more than 100-feet tall and 30- to 50- feet wide. Don't forget to look down for underground service. Never assume underground utility lines are buried deeper than you plan to dig. In some cases, utility lines are very close to the surface. Landscaping and planting to hide underground utilities makes the equipment hard to find. This makes outages last longer and is unsafe for workers. Underground utility locating is free. There is no reason not to call! 811 is the national number to call for line-locating requests. Washington State law allows utilities 48 hours to respond to your request, so planning ahead is best. Trees growing near power lines can be a safety hazard and a major cause of power outages. According to the Revised Code of Washington, any time a potential threat exists that could cause damage to electric facilities from trees and vegetation, an electric utility is required to remove the hazard.



With growth rates of 8 to 10 feet a year on some species, it is a full-time job just staying ahead of annual growth. Right of way easements grant the PUD the authority to trim trees without property-owner permission to provide for a safe reliable electric system. However, the PUD respects the property of its customer-owners and, in most cases, notifies the property owner of the need for tree work before trimming is done. In unusual or emergency situations, it may be necessary to trim trees without first notifying the property owner to restore service or eliminate safety hazards.

News From the Wire

is an informational newsletter published by
Skamania County PUD for our customers.
 Reader comments are welcome.

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