



Skamania County PUD's

# News From the Wire

## A Change of Paradigm

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**PUD #1 of  
Skamania County**

**PO Box 500  
1492 Wind River  
Hwy.  
Carson WA 98610**

**Office Hours:**

**8:30 a.m.—5:00 p.m.**

[www.skamaniapud.com](http://www.skamaniapud.com)

Phone: 509-427-5126  
Toll Free: 800-922-5329  
Fax: 509-427-8416

**Board of  
Commissioners**

**Meeting Schedule**

**9 a.m.**

Monday 10/18/10

Monday 11/01/10

Monday 11/15/10

Monday 12/06/10

Monday 12/20/10

The world has changed. Over the 38 years of my career as an electrical power engineer and manager, I have worked with boards and employees to improve the reliability and quality of electrical service to the customer-owners of the PUDs I've worked for. I viewed my job as one with the goal of making available for your use all of the electricity you might want to use. Conservation was always your choice, and beginning around 1983 the focus of another department within the PUD. This has changed. Now I find myself helping customers use less of our product. Let me explain.

From its beginnings in the late 1930s, through the 1940s and 1950s, BPA had more power to sell than there was demand and market for. And as the region grew, more customers came online to share the costs. Every time BPA changed its rates, they went down, not up. It was simple economics: more customers and more kilowatt-hours to spread the costs over. It was 1968 when the first BPA rate increase was passed on to the PUDs, Co-Ops, and municipal systems of the Pacific Northwest region. This was a clue that change was coming.

In the 1970s utility engineers and planners could see the customer demand for electricity growing faster than the generation supply. To avoid shortages, and to support the continuing growth, nuclear plants, coal-fired generation plants, and other forms of generation were being built. This effort was taking place during a time of increasing inflation, meaning things were costing more – much more. Also, tightening environmental regulations and OSHA regulations and Nuclear Safety regulations pushed construction costs up dramatically. And, as a direct result, the cost for electricity for our homes and factories was going up sharply. The paradigm was starting to change.

The late 1990s and 2000s brought increased focus on declining salmon and steelhead runs, and recovery of the runs was eating up lots of money. Also, while the late 1990s brought above-average snowfall to the mountains of the upper Columbia River Drainage, the 2000s have brought very low snow packs. This resulted in very low spring run-off and low reservoir levels. This combination has decreased the generating capability of the federal hydro system, while the demand for electricity grows.

Beginning in the 1960s BPA has enjoyed a wonderful symbiotic relationship with the Desert Southwest (Los Angeles, Phoenix, etc.). Our peak demand for electricity is in the winter for heating; theirs is in the summer for cooling. And, the BPA system is at peak generating capacity in the spring and summer, not the winter. As a result very large-capacity powerlines were built, known as the Northwest – Southwest Interties. Large amounts of power were, and are traded back and forth, north and south, to better match the generation with customer demands. BPA has been buying and selling power for this purpose for many decades. But, again, something is changing.

BPA now finds it is buying more power to meet customer demands, and the cost of this purchased power is high. For decades BPA has been melding / blending the high cost and low cost power and sending one price to the PUDs. BPA is now making a big change in the structure of the rates for power. They will be charging us what they call Tier I for the cheap hydropower, and Tier II for the expensive market power they buy. This market power can cost 2, 3, even 4 times as much as hydropower. The paradigm is pushed to change.

We have come to the point where spending money on conservation measures to reduce energy (electricity) consumption is cheaper than buying the electricity. This is why BPA worked with us to send you a box of compact fluorescent lights (CFLs). We will be working with BPA to find other measures and programs that can help people use less electricity. This is not the world I grew up in. The paradigm has changed. *[Continued on reverse side]*

Your elected PUD Commission will be putting much thought and effort into dealing with the coming BPA rate increase and change of rate structure. Although I cannot predict how this will turn out in the end, I do believe you will be well served.

Your PUD is also looking into advanced metering technologies (Smart Grid) that can provide real-time pricing signals, automatic load control, much faster response to outages, Internet-based mapping, and other benefits. These technologies are in use and proving beneficial for other PUDs. Your PUD Commission is weighing the cost-benefit ratio in conjunction with the changing BPA rate structures.

Bob Wittenberg, Manager

### **Front Office Staff Here to Help Same Names, Different Positions**

Debbie Hinzman has 17 years of experience and has just moved to Head Accounting Clerk. She is responsible for Payroll & Work Orders, and also assists with Customer Service, Accounts Payable and Billing Duties.

Lisa Allen has 9 years of experience and is a Senior Accounting Clerk. Her duties now include Accounts Payable & Service Order Maintenance. She also works with the rate schedule.

Kelly Tennison has been here at the PUD full time for almost 2 years. She works with cashiering, utility billing and collections.

Amanda Boyes has been here part time for over 2 years, and is now full time. She shares the position of cashiering, utility billing and collections.

Although we each have a different job focus, we are all able to help you. The Front Office is cross-trained, and ready and willing to assist you in any way. If we do not know the answer, we will do our best to get it for you.

### **Gift Certificates are Now Available**

Here's how it works: Stop by or call the PUD office and make a payment on a customer's account. We will give you an attractive gift certificate that you can present to that special person, and the payment will show up as a credit on their next bill. If you would like, we can send the gift certificate for you anonymously.

Give this deLIGHTful gift and make someone's heart & home a little brighter.

### **Consider a Back-Up Generator But Be Careful How You Use It.**

If you use a generator, please be sure it is installed properly to ensure your safety and the safety of our linemen. For more information, call us for a free brochure on "Standby Electric Generators & Their Dangers of Back Feed" - This brochure also includes information on portable and permanent generators and things to consider when looking for a generator.

**Remember Safety First!**

#### ***News From the Wire***

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

#### **PUD Commissioners:**

District 1..... Dennis Gale  
360-837-3862  
District 2..... Curt Esch  
509-427-8591  
District 3..... Clyde Leach  
509-493-3380

#### **Skamania County PUD:**

Manager.....Bob Wittenberg  
Auditor..... Chris lobst

**1492 Wind River Hwy  
P.O. Box 500  
Carson WA 98610**

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