

THE COLUMBIA RIVER TREATY: AN EMERGING ISSUE

Mason County PUD 1 is a full requirements customer of the Bonneville Power Administration (BPA). Mason PUD 1, along with many other public power utilities in the northwest, is facing issues that affect our rate payers. The issue I am about to discuss is out in the future but has to be addressed sooner rather than later. The Columbia River Treaty is an agreement between Canada and the United States guiding the development and operation of some water resources in the Columbia River Basin for the benefit of flood control and power needs. The Treaty was first implemented in 1964. Either country may terminate most of the Treaty provisions on or after September 16, 2024 by providing a 10 year advance notice. Studies of the cost and benefits of the Treaty are underway in order to make a recommendation to the State Department by late 2013 regarding notice of termination.

As you can see we need to have our act together later this year. The Treaty impacts on northwest rate-payers amount to the United States sending an estimated \$250 to \$350 million annually in power benefits to Canada (called the Canadian Entitlement). This cost is paid by electricity ratepayers in the northwest receiving power from BPA.

Initial analysis indicates that the U.S. does not receive much of the reciprocal benefit anticipated by this arrangement. Operational constraints on the river have diluted most of the power benefit since the inception of the agreement. The importance of addressing the agreement now is that unless we terminate or renegotiate the Treaty now we will be obligated to pay the Canadian Entitlement.

Mason County PUD 1 is working with public power in the northwest to assure that this lengthy and complex issue is fair and equitable for northwest electric consumers post-2024. I will keep you posted as we communicate to our representatives in Washington the importance of addressing this issue and meeting the timeline up to 2014.



Jack Janda
Commissioner, District 3

THE BOARD OF COMMISSIONERS regularly meet the 2nd and 4th Tuesday of each month at 1:00 p.m. at the PUD 1 office in Potlatch. For more information on meetings, agendas and minutes, please visit www.mason-pud1.org.

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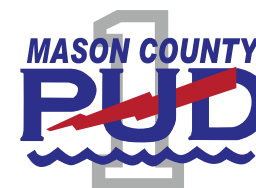
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Have you signed up for the Email Notification List yet? Be the first to know about scheduled outages and other important PUD information by emailing kristinm@hcc.net to join.

THE CONNECTOR SPRING 2013



www.mason-pud1.org

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A contractor clears brush and debris on new substation site.



**Know what's below.
Call before you dig.**

Site Preparation Begins for New 'Skokomish' Substation

This February, land clearing began on the site which will become the home for the new tentatively-titled 'Skokomish' substation. Construction of the new substation is part of the PUD's 15 year comprehensive construction work plan. This work plan encompasses several scheduled projects that work toward increasing electric service reliability and also isolating outages to smaller portions of the system when they do occur. Projects are mapped out over several years to help mitigate rate increases and large spikes in the District's debt service.

Our current substation project will allow the District to decommission the existing Skokomish substation which is located in the flood plane in the Skokomish River Valley. The new substation site is located high atop the hill above the new Skokomish housing

project (above Potlatch State Park) and next to Bonneville's main transmission lines. Crews will be able to access the new substation more easily because it will not be isolated and partially submerged during large flood events. The Skokomish substation not only feeds power to the hundreds of residents in the Skokomish Valley on the south end of our electrical system, but it also feeds onward north to Hoodspport and east along Highway 106 to Union. Customers on the southern and eastern ends of the PUD 1 system will soon have greater reliability since the new substation will give us an alternative way to serve customers if there is an issue with the Hoodspport or Union substations.

This new equipment can accommodate larger power loads. With the larger wire and larger sized equipment,

customers should see less interruptions in their power (blinking and brown outs) when there are faults in the line from trees, underground issues, and other problems that are not related to Bonneville Power Administration's power disruptions.

The clearing and grubbing of the site has already occurred, as shown in the photo. The District will make repairs and widen the access road to allow the large machinery and substation equipment to be transported up to the new site. Contractor bids were received in March and construction is scheduled to begin this spring. The substation is scheduled to be fully energized and functioning in November of this year. The PUD will also decide on a new, permanent name for the substation by that time.

MANAGER’S REPORT

In recognition of the tremendous value of the Columbia and Snake River System, Mason PUD 1 is partnering with a regional effort to educate people about the multiple benefits the rivers provide to the region’s economy. An informational “CleanHydro” campaign features a new micro-website, fact-based materials, two television ads and print ads. PUD 1 is joining other utilities and users of the region’s rivers on the campaign, which is being coordinated by Northwest RiverPartners, an organization of river users with members in Idaho, Montana, Oregon and Washington.

Public opinion research shows a lack of understanding of the river system’s value to the Northwest’s economy. Many Northwest residents believe wind and solar technologies produce a much higher percentage of power than what is accurate. Younger generations know very little about the Columbia and Snake River Systems’ positive contributions. For example, surveys show that Northwest residents believe hydropower comprises 42 percent of the region’s power, while they think wind and solar combine for 11 percent. In reality, hydropower produces 60 percent of the region’s electricity, while solar and wind produce 4 percent. And in the Northwest, hydropower provides 90 percent of the region’s renewable energy. A lot of our young people used to visit a dam and learn about the role the river system plays in our Northwest way of life. That doesn’t really happen much anymore, plus there are so many new residents who have moved to the Northwest from other parts of the country, it is valuable to give everyone an updated view of how vital our Northwest rivers are to the region.

Examples of facts and benefits from the campaign:

- **Agriculture:** Northwest rivers irrigate 7.8 million acres of farmland each year. Annual net earned income from Northwest agriculture production exceeds \$8 billion.
- **Commerce:** Over 50 million tons of commercial cargo, valued at over \$20 billion, is moved down the Columbia and Snake Rivers annually. The Northwest is the nation’s number one exporter of wheat, barley and paper products. The Northwest river system provides over 100,000 jobs to the region.
- **Clean air:** Barges on Northwest rivers keep 700,000 trucks off the highways each year. Because hydropower produces no carbon emissions, the Northwest’s carbon footprint is half that of other parts of the country.
- **Renewable:** Hydropower provides nearly 90 percent of the Northwest’s renewable energy.
- **Energy:** Northwest dams provide nearly 60 percent of the region’s electricity. It would take two nuclear, three coal-fired, or six gas-fired power plants to replace the average annual power produced by the four lower Snake River dams.
- **Recreation:** The reservoirs formed by dams provide Northwest residents with abundant waterways for boating, fishing, water-related sports and cruises. Tourism from river cruise ships alone brings \$15 to \$20 million annually to local Northwest economies.

Please take a moment to visit www.cleanhydro.com and learn more about this valuable system that is unique to our region and to our way of life.



Steven Taylor,
General Manager

Thank you SO MUCH!

After reading the article in the winter newsletter about the decline in donations for the Canal Comfort Fund, several PUD 1 customers responded with very generous donations. In addition to current donors increasing their monthly donations, new donors also began rounding up their payments to assist in rebuilding the utility assistance funds. The District thanks our customers for their generosity and compassion. Your neighbors in need will benefit from your kindness!



To make a donation to the fund, simply note on your remittance slip the amount you would like to donate or call our office for assistance. If you need assistance with your energy and water bills, please contact the Community Action Councils of Mason or Jefferson County. The information can be found on the PUD website at www.mason-pud1.org under “Your Account/Payment Assistance”.



A lot more than water flows from our rivers.

www.cleanhydro.org

CELEBRATE mother earth!

Monday, April 22nd is Earth Day. Business and residential customers can celebrate Earth Day by taking advantage of PUD 1’s conservation rebates and incentives.

SOME OF OUR REBATES INCLUDE:

Energy Star Clothes Washer	\$30-\$70
Energy Star Refrigerator/Freezer	\$15
Energy Efficient Electric Water Heater	\$25
Low Flow Showerhead	\$12
Ductless Mini Split Heat Pump System (must be Pre-Approved)	\$1,500
New Energy Star Northwest Energy Efficient Manufactured (NEEM) Home	\$750

IMPORTANT! Check our website or speak with our conservation specialist BEFORE purchasing new appliances and heating systems. Many of these rebates have specific criteria that you must meet to qualify for payment and other items have to be pre-approved by the PUD in order to receive your rebate. All rebates are subject to change without notice.

WEATHERIZATION & INSULATION REBATES

PUD 1 also offers Energy Audits and an insulation rebate program. We are now taking Energy Audit appointments for the second half of 2013. Appointments book out several months in advance and are on a first come, first served basis.

Customers must undergo a free energy and insulation audit by the District’s Energy Service Technician to help determine the home’s current insulation levels in order to be eligible for the insulation rebate program. Please contact Energy Services to schedule an appointment at (800) 544-4223 or by emailing teresah@htc.com.



The Community Action Council of Lewis, Thurston & Mason Counties also offers a weatherization program for qualifying homes and customers, based on lower income eligibility guidelines. Services include attic, wall and floor insulation, targeted air sealing, and much more. If you know that your home needs weatherization but the cost to make repairs is not feasible for you, call the CAC at (360) 438-1100 x. 2100 for information on how to qualify for this FREE program and help conserve energy and lower your bills.

