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www.klickpud.com

Goldendale Office
1313 S. Columbus Ave.
(509) 773-5891
(800) 548-8357

White Salmon Office
110 NE Estes Ave. • P.O. Box 187
(509) 493-2255
(800) 548-8358

Long-term Regional Dialogue: Meeting Future Energy Needs

The 2000-2001 energy crisis dramatically spotlighted the consequences of what happens when there is an inadequate supply of energy. It was a costly lesson for the entire nation and underscored the importance of long-term planning to ensure a sufficient energy future.

The region's ability to grow its economy will either be facilitated or restricted by the ability of utilities to provide adequate power.

For several years, the region has engaged in discussions dubbed the "regional dialogue." The intent is to define the Bonneville Power Administration's (BPA) power supply and marketing role for the long term. With BPA power sales contracts expiring in 2011, utilities must determine now how much power they need to buy to meet future needs.

The BPA has made a policy decision to ensure the low-cost federal system is not diluted by melding higher cost power purchases or additional resources into the system. Under this policy, after 2011 the BPA will limit the firm power it sells to preference customers at its lowest cost-based rates. This power will be capped at the firm capability of the existing Federal Columbia River Power System, currently estimated at 7,100 average megawatts. This policy will reduce augmentation costs, which historically have been the greatest source of the BPA's cost and rate increases.

The BPA is proposing 20-year power supply contracts. Preference customers would be assigned a high water mark defining their access to the low-cost power. The high water mark will be set with actual loads placed on the BPA during a specified period.

Another aspect of the regional dialogue of special interest to our area is benefits to direct-service industries (DSIs), such as the Columbia Gorge Aluminum Company. Alternatives being considered include extending monetary benefits similar to those in 2007 to 2010 contracts, ending benefits or providing limited physical power to the DSIs.

The BPA has indicated it will weigh the sustainability of important family-wage jobs against its other goals, especially the imperative of keeping power rates as low as possible. The BPA has commissioned a study to explore both the economic benefits of regional support for DSI jobs through BPA services, and the economic impact of rate increases that result from that support.

KPUD has been anticipating this day. Preparation starts at the top. KPUD's Board of Commissioners has been proactive in seeking out and securing Klickitat County's energy future. Commissioner Randy Knowles, as lead board member on KPUD's wind project, has been relentless in his quest to make sure our county is at the top of the list in providing sufficient energy to grow our economy.

Tom Svendsen, General Manager

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