

Future Financial Strength: KPUD's 2007 Review

Klickitat County PUD (KPUD) has expanded its financial future this year with several successful accomplishments.

KPUD consists of an electric system, eight water systems and five wastewater systems. The services provided cover about 1,680 square miles in the county. The territory also stretches a bit outside of the county, serving small areas in Yakima, Skamania and Benton counties.

KPUD has a diverse customer base: 11,742 electric, 1,105 water and 785 wastewater customers. The district's customer base grew by 2 percent in 2007, and energy consumption was 3 percent higher than in 2006.

Each year, the PUD conducts a planning and budget process. For 2007, there was an increase in asset values of 27 percent compared with 2006. The net income was also up with a 15 percent increase. This is the result of projects that generate revenue, including the H.W. Hill Landfill Gas project and the newly

completed White Creek project.

In late 2007, the district completed the 20-year power purchase agreement with White Creek Wind I for \$48,366,917. The project generates an average 205 megawatts (MW), which are then sold, with 26 percent of output owned by KPUD.

The district also completed the White Creek transmission line and substation that takes the power output from the wind farm, with an approximate cost of \$16 million.

The district also receives transmission revenues for providing transmission services for various utilities in the White Creek Wind I project and from the Goldendale Energy Center, a 248-MW natural gas-fired combined-cycle combustion turbine electric generating facility owned and operated by Puget Sound Energy. The revenue for this project was about \$1.8 million.

KPUD also has participated in the McNary North Fishway hydroelectric project. On August 14, 1995,

KPUD and Northern Wasco County PUD entered into an ownership agreement to jointly build and operate the McNary North Fishway Hydroelectric Project. The project was completed in November 1997 and is generating about 10 MW of electricity. The district and Northern Wasco County PUD share equally in the output and construction and operation costs. In 2007, KPUD contributed \$450,000.

KPUD Auditor Jim Moss says utility's financial outlook is strong.

"The district sees many challenges and opportunities ahead in the coming years with additional projects in transmission, landfill gas, wind generation and a new Bonneville Power Administration power sales contract in the fall of 2008, which will set rates and limit supply for the period beginning October 1, 2011," Moss said.

He said the district is positioned to meet these challenges with a solid financial foundation. ■

History in the Making: KPUD is 70-Years Strong

Klickitat PUD (KPUD) is celebrating its 70th anniversary. Here's how we got to where we are today:

1938: By a 299-vote margin, the citizens of Klickitat County created a public utility district. While small power plants served some communities and PP&L served the cities, much of the county had no electricity.

1941: KPUD's first 60 miles of line is completed and the PUD serves its first customer, Frank Ward of Glenwood. The new line piggy-backs on a Bonneville Power Administration (BPA) line from Condit Dam at Northwestern Lake to Glenwood.

1941: KPUD's Trout Lake system is energized, giving the PUD 225 customers. Thirty miles of line and 160 customers added before war interrupts construction.

1947: KPUD buys PP&L's facilities in the county. The PUD has 240 miles of line and 2,800 customers.

1952: KPUD is serving 4,200 customers on more than 1,000 miles of line. Every customer who requests

electric service has access.

1997: The McNary Fishway Hydro project comes online in November. The project annually averages 76,859 megawatts.

1998: Sixty years after its creation, the PUD serves 9,800 customers with 1,600 miles of line and facilities valued at \$42 million.

1999: KPUD installs 10-megawatt landfill gas-to-energy facility, giving it the name "H.W. Hill Landfill Gas Project," in honor of Commissioner Harold W. Hill.

2007: The White Creek Wind I project begins commercial operation November 21. It is a 205-megawatt project, producing enough clean, renewable electricity to meet the needs of 38,000 residences. KPUD's share of the project is 26 percent, or 18 average megawatts.

2008: Seventy years after its creation, the PUD serves 11,911 customers with more than 1,600 miles of line and facilities valued at about \$233,895,941. KPUD sells half of its share of the White Creek Wind I project output. ■