

NORTHERN WASCO COUNTY PUD

2345 River Road
The Dalles, OR 97058
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www.nwasco.com

Board of Directors

Clay Smith, President
Milt Skov, Vice President
Howard Gonser, Secretary
Barbara Nagle, Treasurer
Dan Williams, Director

Manager

Dwight D. Langer

Board Meetings

Usually the fourth Tuesday of the month at 6 p.m. at the PUD offices, 2345 River Road. The public is always welcome.

Our Mission

To provide reliable, competitively-priced energy and related services that benefit our customers, in the tradition of public power.

Our Core Values and Beliefs

Local citizens championed and fought to create our People's Utility District. They believed—and we believe—in the public's right to own and control its electric utility.

Today, our values are a legacy from our public power heritage, as well as guideposts for a changing future.

We believe in:

- ▶ Public ownership and local control.
- ▶ Integrity.
- ▶ Keeping power rates as low as possible.
- ▶ Providing quality essential services.
- ▶ Quality customer service.
- ▶ Community involvement.

OR-3

Manager's Report



Dear Customers—Our Friends and Our Neighbors,

I recently had the opportunity to talk with the Wasco County Economic Development Commission to share with them the health and happenings of the PUD. I would also like to share my comments with you.

The overall health of the PUD is good and strong. We have a keen focus on the challenges before us as a utility and a neighbor in our community.

October 1st was the start of our new tiered rates power supply contract with the Bonneville Power Administration. On average, rates from the federal power marketing administration are increasing 7.8 percent; however, the increase to Northern

Wasco is less than the average.

As we reported last month, the PUD's board of directors approved deferment of any increase in our customer retail rates until May 2012 or later. Between now and then, we will conduct a cost of service study and present our recommendations for any changes to the board—including an increase in the PUD's customers' rates and charges.

With the sluggish economy, our Tier One allocation from BPA is expected to meet our total customers' power needs through 2019. Even so, we are preparing to meet whatever new loads may come to our community during that time. As always, our focus is on providing to our community the most competitive rates possible with high reliability and excellent customer service.

We continue to invest \$1.2 to 1.7 million per year in our distribution and transmission system. This year, we are also converting to a new integrated computer system for our customer billing, engineering and financial systems. Our current system is over 22 years old! We are also more than halfway through our rebuild and voltage conversion of the distribution system in Dufur. We expect delivery of a new power transformer for The Dalles Hydro project in November/December with installation planned for early 2012.

The lack of realistic state and national energy policies is a continued concern for us at the PUD. The U.S. Environmental Protection Agency (EPA) via its administrative authority—and without congressional approval—is proposing new regulations on the electric industry that are the most expensive in history. The Federal Energy Regulatory Commission is likewise considering other directives that have the potential to dramatically increase operating costs for electric utility customers.

We continue to keep the best interests of our customers in mind as we engage in these matters of importance.

Until next time, have a great day.

Dwight Langer
General Manager