

SUBreports

Volume 10 Issue 1 Spring 2011

Keeping the Lid on Rates

SUB pushes a planned spring electric rate increase into the Fall, and says it could be smaller than expected

When SUB's ten-member budget committee met late last year, they heard unusual news: the utility was considering a rate increase.

The last time SUB passed a rate increase was back in 2006, when the Board of Directors approved a small increase to absorb a hike in power cost by Bonneville Power Administration, the government agency that manages the federal hydropower system. BPA provides the majority of power to Lane County, and is the source of all of Springfield's electricity.

The news this past fall was similar. BPA power costs were on the rise and SUB penciled a rate increase into its upcoming budget: 4 percent, to take place in the spring of 2011.

Updated numbers

But when BPA updated its forecast earlier this year, so did SUB, and staff made a different recommendation to the Board: An increase wasn't necessary for spring, and when it did come, it could be smaller than anticipated.

"At SUB, providing affordable rates for our community is a matter of pride, so passing along an increase is something we never take lightly. We look for ways to keep it as small as possible, and as far in the future as possible, while maintaining high standards of reliability and service," said Ken Boyst, Board Chair.

"Anytime we can responsibly push off a rate increase, we'll do it."
- General Manager
Bob Linahan

The skinny on rates

So, what's behind the BPA rate hike?

The agency points to several factors, including lower overall energy consumption (thanks to a still-recovering economy), a decline in open-market power rates (where BPA sells surplus electricity, using revenues to keep prices lower), and increased costs for system maintenance and environmental compliance.

In addition, BPA is changing the way its power is allocated. Although the agency's lowest-cost power goes first to public organizations like SUB, which BPA is required by law to serve, that power is now being distributed differently. Under the new arrangement, SUB, like other customer-owned utilities, will receive a fixed allocation of low-cost power and will supply the balance through power bought at market rates. This means that as Springfield's electrical load grows, so will SUB's purchase of higher cost power.

Once Bonneville finalizes the size of its increase, SUB staff will update the numbers again and hold a public hearing, tentatively scheduled for September, where customers can provide input to Board members.

Looking at Tiered Rates

SUB is also discussing a new way of billing for power that mirrors its new contract with BPA. Currently, SUB bills residential customers one rate for all power – the first kilowatt hour that customers use costs the same as the last.

Continued on page 4



Stormy Sunday!

SUB crews swiftly restore power to thousands

The short, swift winter storm that blasted in and out of Lane County on Sunday, March 13th, clocked winds gusting at more than 70 mph.

The brief but powerful gale hit at about 2:30 p.m., and left a swath of destruction, uprooting trees, snapping power poles, and leaving nearly 6,000 Springfield Utility Board customers without power, mostly in downtown and eastern Springfield.

SUB mobilized crews immediately, and after assembling and assessing the damage, they rolled out to begin repairs. Power was restored to all but two hundred SUB customers by 9:30 that night. The remaining customers had power by 5 p.m. the next day.

The quick restoration work allowed SUB to loan two crews to fellow utilities with customers in rural areas, where downed trees made the repairs slow going.

“Our first priority is to our own customers,” says Ray Meduna, director of SUB’s electric service center. “But when you get a storm like this, we need to help each other out.”

SUB mobilized crews immediately, and after assembling and assessing the damage, they rolled out to begin repairs.

In addition, SUB crews responded to aid in general public safety. In one instance, an uprooted tree caused a gas leak, so crews removed and reset a power pole to aid the gas company in their repairs. In another, an old hundred-foot tall oak tree tipped in the storm, causing two homes to be evacuated. SUB’s tree crew responded and was able to take the tree down to a safe height that city crews could then remove.

Ray notes that SUB could have been hit much harder had it not been for the utility’s comprehensive tree-trimming program. “Trees and power lines don’t mix. If we’d had trees growing into them when the storm hit, we’d have lost far more of our system, and it would have been that much more difficult to restore power.”

“All in all, the repairs went quickly and smoothly,” says Ray. “Thanks to SUB customers for their patience as we got power back up.”

MEET the Board

SUB’s water and electricity services are provided under the direction of SUB’s Board of Directors, five Springfield citizens who are elected to four-year terms, and who serve at-large and without pay. The Board meets on the second Wednesday of each month. The public is invited and encouraged to participate in these meetings, at which SUB policies and procedures are formulated and adopted.



Ken Boyst
Chair, Position 4
Term exp. 12/31/14



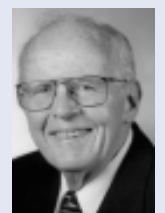
Bobbie Jean Adams
Vice-Chair, Position 5
Term exp. 12/31/12



Ted Johnson
Position 3
Term exp. 12/31/14



Virginia Lauritsen
Position 2
Term exp. 12/31/14



Joe Mathieu
Position 1
Term exp. 12/31/12

GOING NATIVE

Did you know the biggest water hog in your house actually lurks around outside?

On average, landscape irrigation alone accounts for something like a third of most homeowner's annual water use. That's why designing a yard that uses less water (called xeriscaping and pronounced "zeriscaping") is worth looking into: It can have a big impact on lowering your water bill.

Luckily, the backbone of low-water gardens is native plants, which are already in sync with the Willamette Valley's wet winters and dry summers. And a quick trip around local nurseries will reveal that native plants come in a huge number of beautiful, colorful varieties.

Most require little additional irrigation, are generally heartier than non-native species, and are more resistant to pests, meaning you can put down fewer chemicals. It's a win, all the way around.

Some general considerations when considering a xeriscape:

Planning: This can be as elaborate or as simple as your time and interest allow, but will likely start with a map that notes your existing hardscapes (including your house, existing walks, fences, etc.), and plantings you want to keep (especially trees and shrubs). Then designate areas you'd like to develop, and how they will be used: Is this an area for entertaining, a place for kids to play, or a high visibility spot great for flowers?

Amending soil: Take the time to test and improve your soil. The goal is soil that retains moisture, but allows

excess water to drain away. Test kits are available at garden centers, and can tell you which amendments are best for your situation.

Choosing plants: Group together plants with similar soil, water and light needs. This helps make maintenance a snap.

Limiting turf: Grassy areas are beautiful, and they soak up water and time, so make sure to plan them well. First, use a native species of grass. There are several that are well adapted to our climate. Many people choose to shrink the overall size of their lawn, then place the grass close to the house where it's usefulness and visual appeal are maximized.

Mulching: Covering the soil around plants with leaves, coarse compost, wood chips or other organic materials helps keep the soil in good condition and helps it retain moisture and temperature. To be effective, mulch needs to be several inches thick.

Irrigating: Soaker hoses are a great way to deliver water right where it's needed, and it's an effective conservation tool. In general, it's best to water deeply and less frequently, as this helps plants establish strong, deep roots.

Maintaining: Low maintenance is one of the benefits of using plants already adapted to our climate.

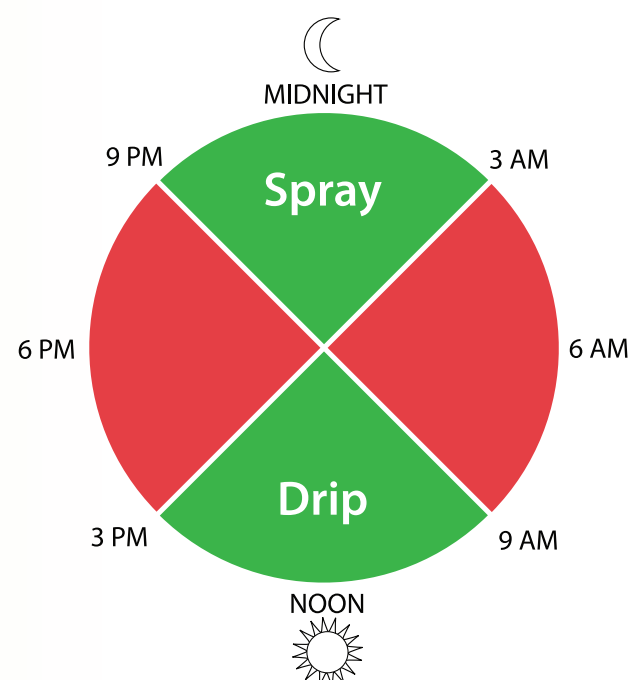
For detailed information, drop by SUB's Conservation Connection. They can provide more information and other resources to help you get started gardening ... and saving!

When to Water

In the next month or so, the sky will stop automatically watering your lawn and garden. When that happens, save money by watering efficiently. Using irrigation systems when demand is high (before work in the morning or in the early evening) can reduce system performance due to lower water pressure, resulting in poorly distributed water across your landscape.

If you have an automatic sprinkler or one on a timer, plan to water between 9 pm and 3 am. This will keep the water you apply from evaporating, and our local extension service says that because of Springfield's dry summer days, evening watering does not leave plants vulnerable to mold.

If you have drip irrigation, watering during the day – 9 a.m. to 3 p.m. – works well, since moisture goes right to the roots.



Watts Happening

Leak detectors in your neighborhood!

If you see a SUB worker crouched over a water meter or kneeling before a fire hydrant and he doesn't respond to your friendly "hello," he's not being rude ... he's listening for leaks!

Clamped into industrial earphones and wielding acoustic probes, SUB's three-person leak detection crew uses state-of-the-art survey equipment to listen for the tell-tale sounds of underground water that's escaped its proper place.

Unlike main breaks or large leaks that can flood streets, smaller problems remain underground and can go unnoticed – but that doesn't mean they're insignificant. Catching and repairing subterranean leaks is an important part of SUB's overall conservation effort, and just one way we manage this important resource on behalf of our customers.



So watch for our leak detection team in your neighborhood. And since they can't hear you, go ahead and flash them a wave. It'll make their day!

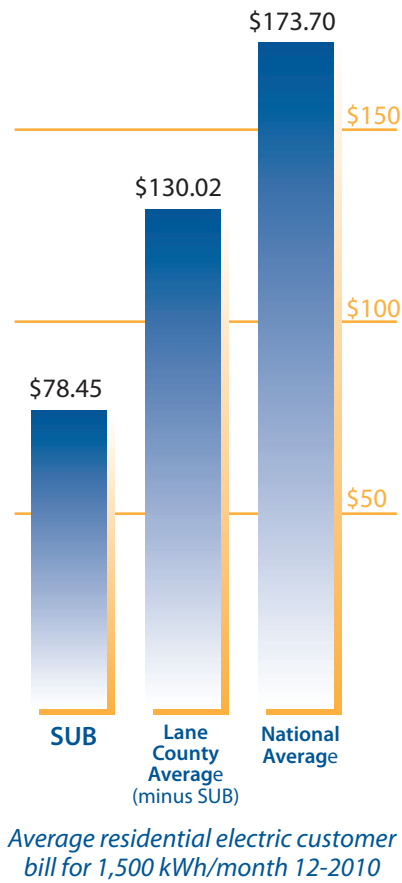
Average Payment Plan: Enrollment time rolls around again

In your bill statement this month, you'll find an enrollment brochure for SUB's Average Payment Plan. This great budgeting tool lets you smooth out typical heating bill swings that come from our area's climate, where we see low electric bills during our mild summers, and higher electric bills as we warm our homes throughout our chilly winters.

The sign-up period for this program occurs once a year, during April and May. So don't miss out! Watch for your enrollment, or just call SUB at 541-746-8451. We'd be happy to help get you set up.

Keeping the Lid on Rates (continued)

How do SUB's rates rate?



Under SUB's new contract with BPA, the first block of power costs less than the next block. Known as "tiered rates," this design is common in the utility industry and has the advantage of reflecting the real cost of power.

SUB is researching a two-tier design, with a very small difference in the two rates.

"The idea is to get our internal billing architecture aligned with our new BPA contract," says Jeff Nelson, SUB's Director of Resource Management. "But our Board made it clear. They want to consider a rate recommendation with and without tiered rates."

He says that many factors go into a tiered rate design, including how much usage should be in the first tier before second tier rates kick in, whether that should change

seasonally, and, of course, what the cost difference between the tiers should be.

The public in public utility

These important decisions will be voted on later this year by SUB's Board of Directors, who will spend the next months learning about the different options. Before any decision is made, they will hear public testimony.

Watch your bill statement and future editions of SUBreports for more information about rates, rate design and the upcoming public hearing.

"Springfield residents hire SUB's Board through the election process and the Board hires me," says Bob Linahan, SUB's general manager. "Our customers are our owners. Anytime we can responsibly push off a rate increase, we'll do it."

Independent spirit. Low rates.

The Springfield Utility Board is a customer-owned municipal utility operated independently from the city and responsible only to its ratepayers. We deliver exceptional service, and some of the very lowest utility rates in Oregon!

SUBreports is a regular publication of SUB's Community Relations Department. We welcome your feedback. If you have questions, comments or story ideas, please call 541-744-3794.



Springfield Utility Board
P.O. Box 300
250 A Street
Springfield, OR 97477

POSTAL CUSTOMER

PRSRST STD
US POSTAGE
PAID
EUGENE OR
PERMIT NO 462
EGRWSS