



Last Mile Electric Co-op

This month, I thought I would update our customers on the Last Mile Electric Co-op (LMEC) wind project near Dot Road.

KPUD joined LMEC a few years ago. LMEC is a cooperative of utilities formed to develop generation projects, primarily renewable energy projects. The name "Last Mile" refers to a utility's line extension to the customer: the last mile built to serve the customer, normally the most expensive portion of the line. KPUD joined LMEC when it began looking to site a wind project in Klickitat County. We wanted to help shape the project and take advantage of a generation project in our own service territory that would not require Bonneville Power Administration (BPA) transmission. KPUD is the largest participant in the group, with more than 20 percent of the project.

At this stage, leases have been transferred to LMEC from all six landowners, encompassing more than 28,000 acres. LMEC contracted with Allen Barkley from Northwestern Wind Power (NWP) to manage the project. NWP is the subsidiary of Golden Northwest Aluminum that built the Klondike wind project across the river near Wasco.

Allen has finished a "road map" for us, which is a detailed task list that takes us from initial lease purchase to project completion. We are still working under the premise we will need the project on line by October of 2006, which is when we believe the BPA will require utilities to provide for their own load growth or face higher "tiered" rates for this service.

It is anticipated the project will be built in stages, with 100 megawatts (MW) for the first phase, and subsequent phases that ultimately will yield more than 200 MW. Allen's current efforts are directed toward getting the permits for the project and preparing a request for proposals for project development, with the assistance of KPUD.

Jim Smith and the Engineering Department are working on the transmission that will integrate the project into the BPA grid. Knowledge of wind speed and direction over a long time is imperative in constructing a successful wind farm. Leonard Swift and Miquette Ihrig are collecting the monthly anemometer (wind meter) data from six meteorological towers.

This project should be good for KPUD, the other utility members of LMEC and for Klickitat County. LMEC members believe owning generating resources is the best way to serve their customers over the long run. The project will produce a few long-term family wage jobs for operating and maintaining the project, and quite a few jobs during the construction phases, similar to the Calpine project. So far, we are pleased with our investment in LMEC and look forward to expanding KPUD's green power portfolio.

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WA-18