



## YOUR PUD News Release

### Comments on proposed Alcoa contract

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More than 100 community members and Alcoa employees turned out Monday night to hear about and comment on proposed terms for a new power contract that would provide enough electricity to the Wenatchee aluminum smelter to run three pot lines through 2028.

Chelan County PUD commissioners hosted the meeting to gather comments and provide a forum for community discussion of the proposed 17-year power contract that, if approved, would take effect in 2011 when the current contract expires.

Wenatchee Mayor Dennis Johnson said the new contract would carry many benefits to the community, including ones that are not readily apparent such as improving the city's bond rating. "The significance of Alcoa is they diversify the employment base so we are not strictly agriculture," Johnson said.

Chelan County Assessor Russ Griffith pointed out the importance of Alcoa to the county's tax base. "Property taxes have to be paid. If Alcoa went away, somebody else will pay that \$750,000 or so a year."

Alcoa employee and union officer Jo Keyser said the workforce has been living with uncertainty about its future since 2004. "I want to keep our union jobs in the Wenatchee Valley," Keyser said. Several other Alcoa employees and retirees echoed her support of the proposal.

Hank Drewniany of Leavenworth chided company representative Bob Wilt for earlier comments that seemed to press PUD commissioners for a swift decision. Doug Stewart of Wenatchee asked if other options had been explored before committing additional power to Alcoa until 2028.

Proposed contract terms were unveiled Oct. 15. If approved as **presented**, the new contract would provide Alcoa with about 25 percent of the output of Rocky Reach and Rock Island dams in exchange for paying 25 percent of the power production costs, plus other fees including an up-front capacity reservation change of \$17.5 million to \$21 million. Details about the **proposed terms** are posted on the PUD Web site, <http://www.chelanpud.org/>.

At a PUD meeting earlier in the day, Wilt, former Wenatchee plant manager and now Alcoa's vice president for energy development, clarified information given to the board on Oct. 23 about the community economic benefit of the proposed contract. Wilt said a review of a consultant's figures put the total benefit at \$1.5 billion over the 17-year life of the contract, less than had been stated earlier.

PUD commissioners will discuss the community comments and continue study of the proposal at 9 a.m. on Nov. 19 in the PUD board room. No date for a decision has been set.

#### Lake Chelan Hydro Project upgrades move forward

PUD commissioners Monday authorized General Manager Rich Riazzi to sign a negotiated contract with Alstom Hydro U.S., Littleton, Colo., to modernize the **Lake Chelan powerhouse** as soon as final terms are reached. Chris Church, PUD engineering director, said major contract issues are resolved.

The \$29.65 million contract covers design, fabrication and installation of two new turbines, generators and governors. The project will replace equipment that has been in operation since 1928. Once the contract is signed, design will begin immediately. A model test of a new unit is scheduled for fall 2008 to evaluate improved efficiency.

Following analysis of the test results, installation is scheduled to start in spring 2009 and take a year for each unit.

Alstom was one of two companies the PUD negotiated with after it no bids were received on the project in 2006.

In other business, commissioners:

- Added \$550,000 to the 2007 fiber budget to pay for more splicing, the last step in network construction, so that end-users can access services without delay over lines already installed. The funds will come from other utility projects that were budgeted, but not done this year.

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*PUD commissioners will hold a special meeting at noon on Thurs., Nov. 9, at the Entiat library to meet with members of the Entiat Customer Partnership Group.*

*Because of the Veterans Day holiday on Nov. 12, the next regular meeting of the PUD commission is at 1 .m. on Tuesday, Nov.*

13, in the boardroom at PUD headquarters, 327 N. Wenatchee Ave.

PUD commissioners canceled a special meeting at noon on Nov. 15 with the Manson Customer Partnership Group. It will be rescheduled.

Most PUD commission meetings are recorded, and a link to the audio is available on the PUD's home page at [www.chelanpud.org](http://www.chelanpud.org).

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