

Electrical Rate Hearing December 8, 2015

Since January 2015, the PUD has seen its revenues decrease from forecasted budget by 13%. Operationally this has caused the PUD to decrease its operational reserves to pay its bills. The reason why this revenue decreased is due to the warm weather that has occurred in the months of November 2014 to April 2015 where the PUD receives 75% of its revenue. This same pattern is predicted to occur in 2016.

Since the revenues are down for 2015 and predicted to be down in 2016, the PUD cannot maintain its operations and pays its bills without an increase in rates. There is also a BPA power rate increase in October 2015 of 5.6%. BPA Power costs account for almost 50% of its total operational budget. The PUD debt covenants require the District to maintain a certain percentage for Debt Service Coverage. It is anticipated that the PUD will not make this percentage unless we have an increase in January 2016.

In order to maintain its standard operations and debt service requirements, the PUD is purposing a \$3.00 increase per month to the base service beginning in January 2016 billings. This way all PUD customers will share in the costs evenly weather they are a seasonal customer or permanent customer. The costs of maintaining its system is the same weather they live here full time or not.

The increase in base service amounts to less than 2.5% rate increase to our average permanent customer. The new rate structure will look like this:

Residential	Old Rate	New Rate
Base Service	\$28.66	\$31.66
KWH Usage	.075 Per KWH	.075 Per KWH
State Public Utility Tax	3.873%	3.873%
State Property Tax	2.14%	2.14%
General Service Single Phase		
	Old Rate	New Rate
Base Service	\$40.76	\$43.76
KWH Usage	.081 Per KWH	.081 Per KWH
State Public Utility Tax	3.873%	3.873%
State Property Tax	2.14%	2.14%
General Service Three Phase		
	Old Rate	New Rate
Base Service	\$46.16	\$49.16
KWH Usage	.081 Per KW	.081 Per KWH
State Public Utility Tax	3.873%	3.873%
State Property Tax	2.14%	2.14%