



# Media Release

For Immediate Release

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## New Bonneville Power Administration Rates Could Impact PUD 1 Rates This Winter

### Potlatch, Washington-

Bonneville Power Administration recently released its rate structures for the 2015-2016 biennium, revealing an overall average increase of 7.1% to the actual cost of power and 4.4% for the transmission (delivery) of that power. The final individual impact varies by utility. Mason PUD 1 is a full Bonneville subscriber, meaning all of its power is purchased through BPA. The District does not own any generation facilities. BPA's power costs account for 50% of the District's total operational costs.

The total increase to Mason PUD 1 is approximately 7%, or \$200,000 per year in operating costs. The increase will be effective October 1st of this year. In 2014, the District absorbed the increase from BPA without having to raise rates. This recent increase has dealt a harsh blow to BPA subscribers; especially after also being hit with large increases in the previous three rate periods.

In June, Mason PUD 1 held an electric rate hearing to discuss a proposal to raise the basic monthly charge by \$5.00 per customer, per month to bolster revenues after a warm winter resulted in lower power sales at a time when the District normally captures 75% of its annual revenue. District auditor Greg Kester noted that while the \$5.00 basic charge increase was necessary to recover from low 2014-2015 kilowatt sales, if the region experiences another warm fall and winter in addition to BPA's newest rate increase, the basic charge will not offset the need for an additional rate increase in 2016. A thorough budget analysis and public hearing will be held prior to any rate increase proposal being presented to the board of commissioners for approval.

Power providers across the Pacific Northwest are reeling from these multi-year power increases and according to a report from the Public Power Council, of which Mason PUD 1 is a member, Bonneville recognizes the need to "undertake a number of processes to address its short-term and long-term competitiveness". Public Utility Districts and municipalities are legally entitled to preference, at-cost power from Bonneville. A multitude of factors in BPA's operations and the western energy market impact the cost for that preference power. Mason PUD 1 and other utilities across the region will continue to work closely with the Council and BPA to help reduce that impact to the public power ratepayers.

The District's budget workshops and rate hearings are all open to the public. Agendas, minutes and materials from those meetings are listed on the District's website at: [www.mason-pud1.org](http://www.mason-pud1.org) under the "Meetings" tab. Customers are welcome to attend to learn more about the rate structure process and are also encouraged to contact the PUD by phone or email with questions if they are unable to attend the meetings.

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*Founded in 1935, Mason County PUD No. 1 was the first public utility district formed in Washington State. PUD 1 provides non-for-profit water, sewer and electric services to approximately 7,200 customers in both Mason and Jefferson counties. The District's mission is to provide customers with safe, reliable and valued utility services.*