



FOR IMMEDIATE RELEASE

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Benton PUD rates to increase in 2012

(Kennewick) Benton PUD's rates will increase an average of six percent effective January 1, 2012.

Residential customer rates will increase 5.4 percent. The monthly base charge will increase from \$10.50 to \$11.05 and the kWh charge will increase from \$0.0649 to \$0.0684. The average residential customer's bill will increase to approximately \$106 from \$101.

Benton PUD's detailed rate analysis showed the need for an overall increase exceeding 10%; however, for 2012, the need for an increase of that size has been partially offset by using cash reserves, bringing the increase down to 6%.

"This past year, staff has worked hard to control costs, defer projects and endured reduce and delayed pay increases and furloughs," noted Jim Sanders, Benton PUD General Manager. "But power costs continue to have a major impact on our budget and therefore our customer rates."

Benton PUD's rate increase is primarily attributed to the rising costs of power. Reduced revenues from surplus power sales, Bonneville Power Administration (BPA) wholesale rate increases, and the legal mandates to purchase renewables and conservation play a major role in the increase in power costs.

Benton PUD purchases power from BPA and other sources and sells that power to customers. Excess power not needed for Benton PUD customers is sold back into the wholesale market and these revenues are used to keep retail rates low. Benton PUD's surplus power sales are projected to be reduced in coming years due to less excess power and a reduction in wholesale power prices.

BPA wholesale rates increased an average of 7.8% effective October 2011. The BPA wholesale power rate increase is primarily due to rehabilitations of the aging federal hydro system, fuel purchases and repairs at the Columbia Generating Station and investments in salmon recovery.

The Energy Independence Act (Initiative 937 passed in 2006 by voters) requires utilities with over 25,000 customers, like Benton PUD, to obtain energy from renewable resources (such as wind) even when not required to meet load. Over the past few years, Benton PUD has invested over \$11 million in Nine Canyon and White Creek Wind projects to be prepared for the first renewable requirement in 2012. In addition, Benton PUD will spend nearly \$3 million on wind resources in 2012. The Act also requires an increase in conservation programs. Benton PUD's conservation budget for 2012 is \$4 million.

The overall budget has been scrutinized to keep costs down; however, only one-quarter of the budget is for capital projects and operations and maintenance expenses. The remainder of the budget is for power costs, taxes, and debt.

(end)

Benton PUD serves 47,000 customers in Kennewick, Finley, Benton City, Prosser and surrounding areas. Benton PUD's outage phone number is 1-888-582-2176.