



FAQ – Rate Increase effective January 1, 2010 *Updated Dec. 21, 2009*

Why is a rate increase necessary? There are three reasons attributed to the rate increase –

- 1) BPA wholesale rates went up six percent as of Oct. 1, 2009, primarily due to increased costs for fish and wildlife.
- 2) The District is incurring additional costs for renewable power resources and conservation programs implemented to meet mandates imposed by the Energy Independence Act (Initiative 937).
- 3) Power sales for resale are projected to drop dramatically due to lower prices and reduced surplus energy. These power sales to other utilities generate revenue for the District that lowers overall power costs for our customers.

These issues add up to a projected overall impact of \$15 million on Benton PUD's budget. Power costs represent nearly two-thirds of the annual budget for Benton PUD.

What is the new rate for the residential rate class? The increase for Residential customers will be 4.6%. The new monthly base charge will be \$9.20, up from \$8.80 and the kWh charge will be \$0.0605, up from \$0.0578.

How much does this impact an average residential bill? The average residential bill is about \$90 a month. A 4.6% increase will add about \$4.14 to a monthly bill.

What were the past rate adjustments? Rates have been decreased five times since 2003. Residential rate decreases were 5.5% in April 2004, 4.8% in Nov. 2005, 4% in Sept. 2006, 4.1% in Jan. 2007 and 3.7% in Jan 2008. In addition, residential customers received a 6% rate credit associated with the BPA residential exchange that started in June 2008 and increased to 9.5% in Nov. 2008. The rate credit was discontinued in May 31, 2009 after all funds were returned to our customers.

When was the last time Benton PUD increased rates? The last increase occurred in 2003. Residential rates were increased by 6%.

Will there be rate increases in the future? Projections show the need for rates to increase annually for the next couple of years. Rather than implementing a higher rate increase in January to meet our future projected needs, the increase in 2010 is being kept as low as possible in anticipation of future rate increases occurring in the following years.

If my billing period is for energy consumed for part of December and part of January what rate will I be charged?

Usage in December will be billed at the old rate and in January at the new rate, and will be based on average usage per day. To determine average usage per day, the total energy used for the month will be divided by the number of days in the billing period. For example, if a customer uses 1200 kWh in a 30 day billing period, the average per day is 40 kWh. The customer will be billed the average per day at the old rate from the December read date to January 1 and then the new rate from January 1 to the January read date for both the base rate and the energy charge.

How will the Budget Payment Plan be impacted? Customers on the Budget Payment Plan will receive an increase in their cost of power consumed starting January 1. Shortly after the first of the year, budget payment amounts will be recalculated and will be adjusted to reflect the increase in power costs due to the January 1 rate increase.

Budget payment amounts are recalculated twice a year. The payment amount is calculated by averaging the last twelve months billing period. To determine the amount of the payment, we total the past 12 monthly bills and divide by 12 to come up with a monthly payment. If the customer has a credit on their account, the credit is averaged into twelve months and deducted from that average. If there is a balance, it is distributed to a monthly average and added to the base.

(For example: If the customer has \$120 credit and the base amount is \$50, the new budget amount would be \$40. The \$120 is divided by 12 months = \$10 which is subtracted from the \$50 to get the final payment of \$40.)

How are other customer rate schedules impacted?

Each rate class was adjusted, using the cost of service analysis.

The proposed increases for the other rate classes are:

Small General: 7.1%

Medium General: 8%

Large General: 7%

Irrigation classes: 7.2 – 8%

What kind of programs do you have to help customers?

Benton PUD offers two programs for low income customers:

Low Income Senior Discount - To qualify you must be a Benton PUD customer at least 62 years of age with a total annual household income of 175% or less of the Federally Established Poverty Guidelines. Only one discount per address per customer. Applications are renewed every three years.

Low Income Disabled Discount - To qualify you must be a Benton PUD customer with a disability, or have a household member with a disability, and a total annual household income of less than 175% of the Federally Established Poverty Guidelines. Only one discount per address per customer. Applications are renewed every three years.

Applications have more information about the programs and are available on our website or by calling 582-2175.

We also have conservation programs to help customers save energy and money.

Conservation is an important component in keeping costs and rates down. Benton PUD has an extensive conservation program and offers rebates on qualified ENERGY STAR® appliances as well as incentives for energy efficiency improvements made to a home or businesses. Details are available on the website. For more information – 582-1234.