



July 21, 2016

Benton PUD considering a rate increase September 2016

(Kennewick) An informational rate meeting for Benton PUD customers will be held to provide an update on the issues that impact power rates and the proposed rate increase.

Benton PUD Rate Information Meeting 5:30 p.m., Tuesday, August 2, 2016 Benton PUD Auditorium, Kennewick

Benton PUD is considering a retail rate increase that would raise the average residential bill by approximately \$5.50 a month effective September 1, 2016.

For an average Benton PUD residential customer, this would result in an increase in the average monthly bill from approximately \$108 to \$113 (a 4.9 percent increase). The median monthly bill for comparable Northwest utilities is \$121.

The average monthly residential base charge would increase to \$16.50 from \$15.60. The median base charge for comparable utilities is \$18.75.

The proposal would also increase rates for all other customer classes by 4.9 percent this September.

The primary reason for the increase is net power costs. Net power costs, which represent over 60% of Benton PUD's total costs, have increased \$14.7 million since 2012, nearly 23 percent. Power costs include long term contracts to purchase power primarily from the Bonneville Power Administration (BPA). BPA wholesale rates have increased 26 percent in the last five years due to the need to upgrade aging infrastructure at the hydroelectric dams, the construction of transmission for the integration of renewable resources, and increases for fish and wildlife programs. Another key factor to rising power costs is reduced revenues from surplus power for resale.

Benton PUD's last overall revenue increase was 3.9% in September 2015. Prior to that, Benton PUD had not had a retail rate adjustment for nearly four years.

The customer rate meeting will provide more information about the proposed rate increase. Customers are encouraged to attend the meeting to learn more and provide their input. The meeting will take place at Benton PUD located at 2721 W. 10th Ave., Kennewick, WA.

(end)

Benton PUD serves over 51,000 customers in Kennewick, Prosser, Finley, Benton City and surrounding areas in Benton County.