



Between the Lines

Reaching out to others

As I reflect on 2014, I am overwhelmed by the generosity shown by our customers and employees to assist others in our community who are in need.



Lori Sanders
Commissioner

In 2014, Benton PUD raised over \$43,000 through our Helping Hands program. Customers and Benton PUD employees generated these funds through recurring payments on their bills as well as one-time donations. The donations we collected were distributed by Community Action Connections (CAC) to qualified Benton PUD customers who needed assistance paying their electric bill. CAC is a not-for profit agency located in Pasco which also administers the disbursement of similar funds for other local utilities, in addition to providing many much-needed services to low income families.

Now there is another way to donate to Helping Hands. Individuals may make a donation on behalf of someone else and are provided a certificate for them to share. As a business owner in the community I took advantage of this opportunity by making donations on behalf of my clients and then provided them a certificate to let them know the donation was made. I encourage others to take advantage of this offering throughout the year.

Benton PUD also recently expanded its low income senior and disabled discounts. We are now offering a discount of 10%, 15% or 25% based upon an annual household income. Read more about the expanded discounts in the article below.

Thank you to everyone who supported our efforts this year on our Helping Hands program. With your help, we can reach more in the coming year.

Lori Sanders
Benton PUD Commissioner

Rates and rate design

A cornerstone of public power is to provide safe and reliable, low-cost electric service to customers. We realize how important this is to the community we serve. In keeping with this principle, the last time Benton PUD raised its retail rates was in January 2012, over 36 months ago, even though the costs that we incur continue to rise every year. For example, the Bonneville Power Administration (BPA) increased Benton PUD's wholesale power costs around 5% in October 2013 but the Commission chose to draw-down our cash reserves to avoid a retail rate increase for our customers.

Looking ahead to the fall of 2015, we may need to consider increasing our retail rates. In October 2015, we are facing another BPA wholesale rate increase of over 6% and, effective January 2016, we are required under the Energy Independence Act to increase our investments in qualifying renewable energy sources from 3% of our retail load to 9% of our load. It is important to note that these percentages do not equate to what our retail rate increase might be. That is yet to be decided by our Commission.

While we have been holding our retail rates constant for the last three years, we have been working on a new retail rate design. Every once in a while, utilities need to redesign their rates based on changes that have occurred in our industry. As we face increasing regulatory mandates, rising costs, and evolving customer needs, utilities must reassess how they design their rates to ensure fairness for all customers.

As part of our rate design process, we held customer meetings to obtain input into our rate setting strategy. Those who attended provided their broad perspective on key issues that impact rate making.

To learn more about our new rate design, we invite you to come to our upcoming customer meetings. More information will be posted on our website. I look forward to talking with you.



Chad Bartram
General Manager

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Benton PUD General Manager

Benton PUD expands low income discounts

Benton PUD's Low Income discounts were recently expanded to provide even more assistance to qualifying senior and disabled customers. Effective January 1, 2015, in time to help low income customers during this winter heating season, a new 10% discount was added for qualifying customers, and the 20% discount was increased to 25%. Customers previously receiving the 20% discount automatically began receiving the 25% discount. The minimum discount for all three ranges is the customer's monthly base charge.

Low Income Senior Discount, the customer must be 62 years of age or older.

Low Income Disabled Discount, the customer or a member of the household must have a qualifying disability.

Household income must be at or below the incomes listed below, for a discount. Income verification is required from Community Action Connections.

NEW

Up from 20%

	10% Discount	15% Discount	25% Discount
Size of family	Up to 225% of Poverty Level	Up to 200% of Poverty Level	Up to 150% of Poverty Level
1	\$26,258	\$23,340	\$17,505
2	\$35,393	\$31,460	\$23,595
3	\$44,528	\$39,580	\$29,685
4	\$53,663	\$47,700	\$35,775
5	\$62,798	\$55,820	\$41,865
6	\$71,933	\$63,940	\$47,955
7	\$81,068	\$72,060	\$54,045
8	\$90,203	\$80,180	\$60,135

Commission Election

Benton PUD Commissioners held their election of officers for 2015. Commissioner Lori Sanders was elected President. Commissioner Sanders became commissioner in January 2005. She is the owner and president of Energy Incentives, Inc., a consulting firm on conservation and renewable resources and also serves on the Energy Northwest Executive Board.

Commissioner Barry Bush was elected Vice-President and Commissioner Jeff Hall was elected Secretary.

Benton PUD is directed by a three member board of commissioners elected by citizens of Benton County. Each commissioner represents a different sector of the county and serves a six-year term. The election of officers takes place annually.

Q&A

Why do rates differ between utilities?

Utilities across the state are as diverse as the communities they serve. Each vary in number of customers, size of service area, type of customers, tax obligations and even the state mandates they follow.

For example, only 17 of 63 utilities in Washington have to comply with the Energy Independence Act because it only applies to utilities with more than 25,000 customers. The additional costs to comply with mandates impact rates. In 2015, Benton PUD estimates it will spend \$3.1 million on renewable energy or equivalent credits not needed to serve our customers, representing a 2.6% impact on residential customer bills.



Utilities also have different taxes. PUDs and municipals are subject to different state taxes. PUDs pay a 2.14% privilege tax that municipal utilities do not. This tax is in lieu of property tax and is embedded in customer rates.

Another driver of utility costs is customer density and distribution line miles. Benton PUD serves over 50,000 customers spread out over 939 square miles throughout Benton County. This takes more infrastructure (such as poles, lines and substations) to serve customers than a utility that serves a more dense customer base.