You can count on us

Benton PUD receives national recognition for operational excellence

It’s my pleasure to announce Benton PUD’s most recent accomplishment. Benton PUD earned a Diamond Reliable Public Power Provider (RP3) designation from the American Public Power Association, the national association representing over 2,000 public power utilities.

The RP3 designation recognizes public power utilities that excel in providing customers reliable and safe electric service and demonstrate best practices in the categories of reliability, safety, system improvement and workforce development. Benton PUD received the Diamond RP3 designation, the highest of three designation levels.

What does that mean to our customers? You can count on us. This designation is a tribute to our employees and the leading-edge procedures and best practices we have put into place to ensure we maintain an efficiently run electric system that is reliable and safe.

Chad’s message

We have a tremendous team of employees with a variety of responsibilities. Linemen, engineers, information technology specialists, accountants, energy efficiency advisors, power managers, customer service representatives – each have special skills and expertise. While the job responsibilities are diverse, they all share the same goal to provide excellent service while at the same time, making sure your utility runs as efficiently and cost effectively as possible.

Even so, power costs increase and at times we have to raise rates. This is not something we take lightly. An extensive cost of service analysis is done annually to ensure increases are kept at a minimum and are allocated to each rate class fairly and appropriately.

As noted in the rate article below, increased wholesale power costs are the primary reason for this increase. In October 2013, the Bonneville Power Administration (BPA) raised its wholesale rates by 5%. At that time, the Commission decided to drawdown our cash and investment reserves in order to avoid a retail rate increase. Now, BPA is proposing another increase of approximately 7% in October 2015. As such, we need to increase our retail rates to begin to close the gap between costs and revenues.

Benton PUD rates compare favorably to most Northwest utilities. For nine straight years our customers’ average bills have been below the average and median bills of comparable utilities. There is more information on the website about how we compare to others and our rate setting process which I hope answers customer questions or concerns.

New rates effective September 1

Benton PUD customers will see changes on their bill in September that will reflect a rate increase and changes to the base charge. Benton PUD customers have not had a rate increase for over three years; however financial forecasts show a need for an increase primarily due to rising power costs. On September 1, 2015, an average revenue increase of 3.9% will go into effect with a range of increases by rate class between 1% and 7%.

Power costs have increased significantly since 2012. Because they represent over 60% of Benton PUD’s total budget, these costs have a large influence on the retail rates charged to customers. Bonneville Power Administration, the provider of the vast majority of the power serving our customers, increased Benton PUD wholesale rates 5% in 2013 and plans an additional increase in rates of 7% in October 2015. These increases result in the need for Benton PUD to increase revenue by 5.9%; however, cash reserves have been used to absorb increased power costs to date and we will continue to draw down reserves to reduce the current revenue increase to 3.9%.

Renewable energy required by the Energy Independence Act (EIA) also continues to add to power costs. To comply with the EIA in 2015, Benton PUD estimates it will spend $3.1 million on qualifying renewable energy or equivalent credits not needed to serve load, representing a 2.6% impact on a residential bill. These costs are already included in rates prior to this rate change.

As utilities face increasing regulatory mandates, rising power costs, distributed generation such as solar and evolving customer needs, utilities must reassess how they design their rates to ensure fairness for all customers.

Do you have questions about rates? Visit our website for the complete rate presentation, informational charts and thorough background on rates.

Hot weather impacts bills

Record high temperatures are already having an impact on bills. We understand high electric bills can be difficult. Please give us a call to discuss payment options available and how we can help.

· Minimize the use of the oven or cooktop. An oven set at 350° will set your air conditioner 4 or 5 degrees higher without any discomfort. Turn fans off when you leave the room. Fans cool people and do not lower the room temperature.

· Don’t leave windows or doors open any longer than necessary after using them to cool down your home at night (if possible). Remind kids to keep the doors shut.

· Dry clothes and run the dishwasher in the coolest part of the morning or evening. Let the sun dry clothes and towels after a day at a pool.

Give our Customer Service Representatives a call at (509) 582-2175 in Kennewick or (509) 786-1841 in Prosser to discuss payment options. For more energy saving tips visit our website at BentonPUD.org

How will my bill change?

Benton PUD is introducing a new rate design to better reflect changes in the electric utility industry. As part of the new rate design, the Residential customer class “Monthly Base Charge” will be replaced with a “Daily System Charge.” The Residential customer rate increase will be reflected entirely in the “Daily System Charge” with no rate increase in the energy charge (kilowatt-hour).

Benton PUD’s current monthly base charge for residential customers is $11.05. The new Day System Charge will be $15.60 for a 30-day month, or $5.22 per day. The increase will be an average of $4.55 each month for the residential customer class, but will vary depending on the number of days in the month. The median monthly amount today for comparable Northwest utilities is $17; however, that figure is expected to rise over the next several years.

This year, only 25 utilities across the nation received the Diamond designation. The application contained over 500 pages of material documenting how Benton PUD meets or exceeds the industry standards for each of the categories.

The RP3 application is peer reviewed and judged by a committee of utility representatives across the nation. It provides a benchmark to measure utility practices against others across the nation.

Congratulations to our employees – because of their dedication, our customers can count on us.

Chad Bartram
Benton PUD General Manager
Benton PUD and Agrium, a chemical manufacturing plant, collaborated on an energy efficiency project that will save 4,017,903 kilowatt hours of energy annually - enough to power 240 homes. This project achieves tremendous energy savings and meets the conservation mandates as required by Initiative 937 - the Energy Independence Act.

Conservation programs have been an important part of Benton PUD’s business and the cost of these programs has been reflected in the annual budget since 1982. Conservation projects like this help customers save energy today and in turn help Benton PUD delay purchasing more expensive power in the future.

The project was partially funded by Bonneville Power Administration’s Energy Smart Industrial (ESI) program that works with the Northwest’s industrial facilities through their utility, such as Benton PUD, to deliver cost-effective energy savings across a wide variety of industrial markets.

Agrium replaced its compressed air system with a more energy efficient one. The previous system used one 800 horsepower centrifugal air compressor that ran at full capacity and two others operated as back-up. Agrium replaced the inefficient compressors with a new 150 horsepower compressor and a 150 horsepower variable speed compressor as well as performed other overall air system upgrades.

For more information about conservation programs that can be customized for your business or rebates available for home energy efficiency improvements call an Energy Efficiency Advisor at (509) 582-1234.