

Media release

COWLITZ COUNTY PUD

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Cowlitz PUD Approves New Electric Rates

The PUD Board of Commissioners approved new electric rates at its meeting on September 29, which average an overall increase of 5 percent over current rates. The retail rate increase is due mostly to a 7 percent increase in the cost of wholesale electricity the PUD buys from the Bonneville Power Administration.

Previously PUD electric rates have remained stable for the past six years, dating back to October 2003.

Effective October 1, rates will increase in a range from about 3 percent for some industrial users to 6.1 percent for a residential customer using the monthly average of 1,600 kilowatt hours. The residential rate will remain at 5.12¢ per kWh, but a new monthly “basic charge” of \$5 per month is being added.

Under the new rate plan the Cowlitz PUD residential customer using 1,600 kWh (average) will pay \$5.00 per month more or \$86.92 monthly, compared to:

- \$123.20 average cost for all Washington electric users, making Cowlitz PUD 29% lower.
- \$183.52 average cost for all U.S. electric users, making Cowlitz PUD 53% lower.

“BPA power costs are 68 percent of our total annual operating expenses and the BPA rate increase will add up to \$8.6 million in additional expenses for the PUD in 2010. As a comparison, the BPA increase alone equals half of what our total labor costs are for an entire year,” PUD Spokesman Dave Andrew said.

“The BPA increase is just too large to absorb, and as a consumer-owned utility we must pass it on through retail rates,” Andrew said.

Other factors contributing to the retail rate increase are general inflation, increase in health care costs, and a slow economy which has reduced the PUD’s industrial power sales from projected 2009 levels.

The BPA rate increase is being driven by rising fish and wildlife costs, which include major fish passage projects at hydro facilities, fish hatcheries and habitat projects, foregone revenues for water spilled over the dams for fish purposes and resulting market power purchases. BPA’s annual fish and wildlife costs have grown by \$407 million, or 87 percent in the last 10 years, and are now nearing \$1 billion a year.

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