



Power You Can Rely On, People You Can Trust

Frequently Asked Questions (FAQ)

Staff Proposed Rate Increase Effective March 1, 2018

Why a rate increase? On-going factors contributing to rate increases include: **1)** BPA wholesale power and transmission rate increase, **2)** reduced revenues from surplus power sales, **3)** Initiative 937, **4)** conservation, **5)** necessary capital investment, **6)** increasing costs associated with operations, and **7)** need to rebuild cash reserves.

1. BPA increased their rates to the District by approximately 4 percent, effective October 1, 2017.
2. The District sells its surplus power to reduce total power costs. Projected surplus sales revenues are less than expected due to low wholesale power prices.
3. The Energy Independence Act (Initiative 937) requires the District to obtain renewable resources even when not required to meet load. The District's renewable energy requirement began at 3 percent in 2012, increased to 9 percent in 2016 and will increase to 15 percent in 2020.
4. Conservation reduces retail sales. While the resulting increase in surplus power is sold at wholesale to offset the retail decline, lower wholesale prices result in lower revenues.
5. The District continues to invest in capital projects to ensure continued reliable service.
6. Increasing costs associated with operation including material, goods and labor to ensure continued reliable service.
7. Cash reserves levels are less than policy limits and were used in past years to offset the decline in retail and wholesale revenues.

How is the proposed rate increase structured?

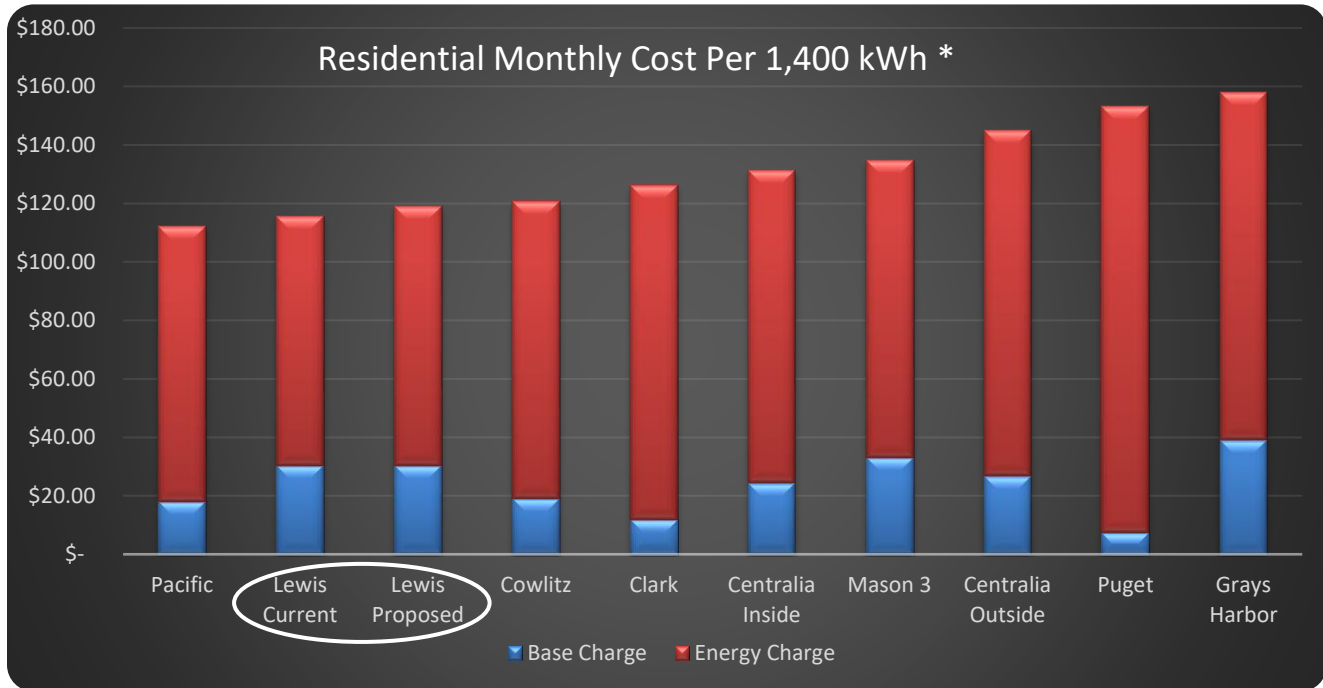
The per day basic charge will remain the same and the per kilowatt hour (kWh) rate will increase by 4.0% for all rate classes.

What is the new proposed rate for residential customers?

The per day basic charge will remain at \$0.95 and the kWh rate will increase from \$0.05763 to \$.05994. A residential customer, using on average 1,400 kWh per month, will see an increase (excluding city taxes) of \$3.43 per month.

How do Lewis PUD residential rates compare to others?

With the proposed rate increase, Lewis residential rates compare favorably with surrounding electric rates.



* Please note - the numbers included in this graph include energy and base rate charges. Lewis current and proposed rates also include state taxes, but not city taxes. Taxes and other fees have not been added or removed from the other utilities published rates. Please refer directly to any utility mentioned in this graph for the most accurate and up to date information. The figures are for informational purposes only and are not intended to provide an exact billing estimate. City of Centralia rates effective March 1, 2018.

How do I learn more about the proposed increase and provide comment?

Rate proceedings will be held during the Board of Commission meetings beginning at 1:00 pm, Saturday, January 20 in Morton and 10:00 am, Tuesday, January 23 in Chehalis. We welcome and encourage the public to attend all meetings to learn more about your PUD and provide public comment. You may also submit written comments concerning the electric rate increase until 5:00 pm on January 26 to Stacy Davis, Executive Assistant at execadmin@lcpud.org or by mail to PO Box 330, Chehalis WA 98532.

What types of programs and services are available to help customers?

Lewis PUD offers:

- FREE Energy Audits
- Rebates and Incentives
- Low Income Weatherization
- Commercial/Industrial Efficiency Programs
- Energy Efficiency Loans
- Residential Budget Payment Plans
- Project Share
- Community Organizations

Visit us at www.lcpud.org to learn more about your PUD