

Lewis County PUD

Rate Proceeding

January 20, 2018 – Morton

January 23, 2018 – Chehalis



Agenda

- **What's Driving the Rate Increase?**
- **Proposed Rate Changes**
- **Residential Rate Increase**
- **Residential Rate Comparison**
- **Review Staff Proposal**
- **Programs and Services to Assist Customers**
- **Key Dates**
- **Questions / Answers**

What's Driving the Rate Increase?

- **BPA Wholesale Power and Transmission Rates**
 - Increase effective October 1, 2017
 - Reduced revenue from surplus power sales
 - Needed capital investment
 - Mandatory compliance requirements

- **Depressed Surplus Power Prices**
 - Reduced revenue from surplus sales

- **Energy Independence Act (EIA) aka I-937**
 - Renewable energy requirement – 2012 (3%) – 2016 (9%) – 2020 (15%)

- **Conservation**
 - Reduced retail sales, partially offset by increased surplus power sales.

What's Driving the Rate Increase?

- **Capital Projects Investment**
 - Investments to ensure reliable service
- **Increasing Operating Costs – Material, Goods & Labor**
 - Reliable service and compliance requirements
- **Cash Reserves Level**
 - Cash reserves are lower than policy
- **Future**
 - Loss of Residential Exchange Credit / TransAlta / Carbon Pricing

Proposed Rate Changes

- **Proposed Rate Changes Effective March 1, 2018**
 - No change to the per day basic charge
 - Single phase = \$0.95
 - Three phase = \$1.57
 - No change to the demand charge
 - Increase energy (kWh) charge 4.0 percent for all rate classes
 - Residential customer using 1,400 kWh per month would see an increase of \$3.43 per month
 - Impacts customers within a class differently

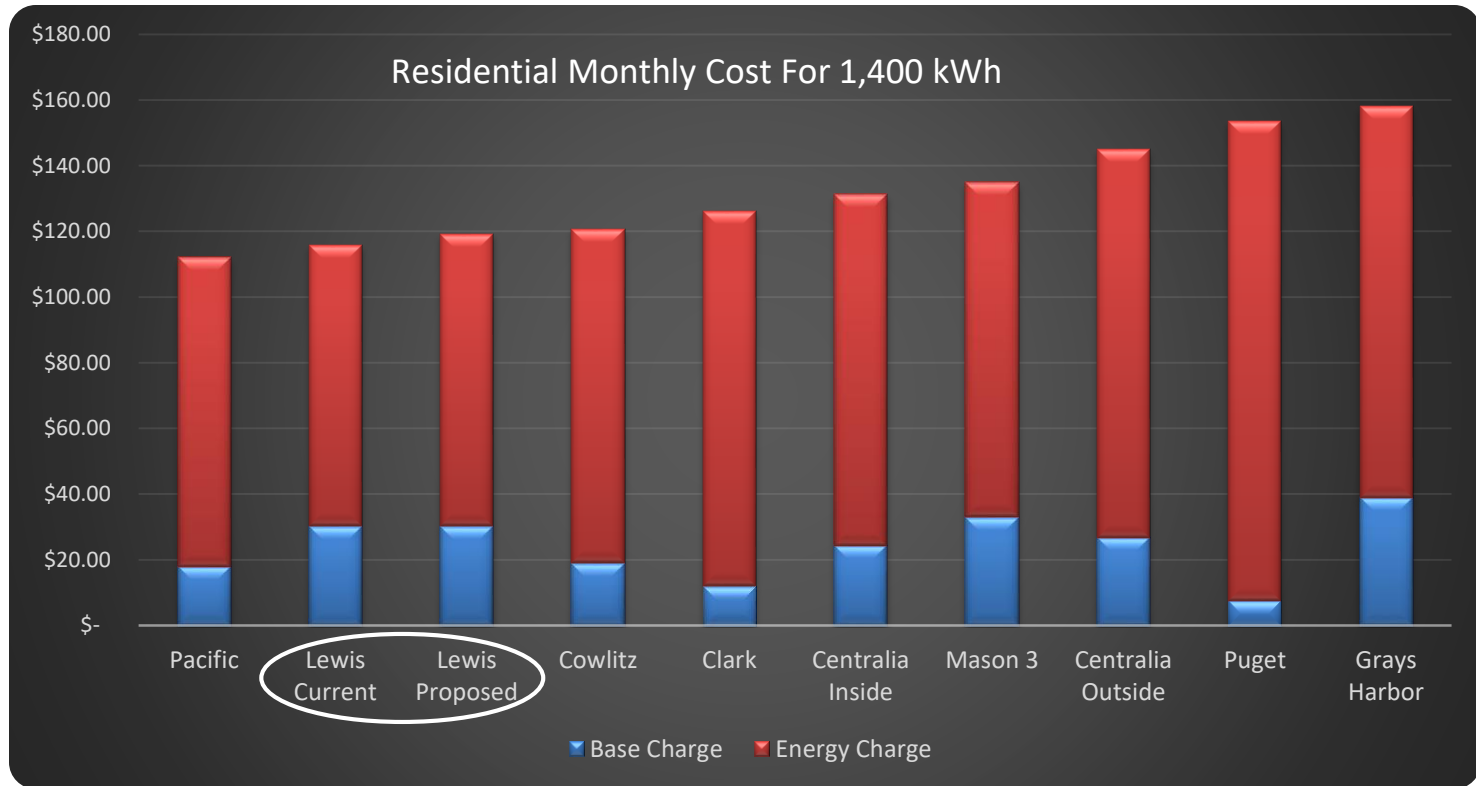
Proposed Rates

Residential Rate Increase

	Present Rates		Proposed Rate Option		
Energy Rate (\$/kWh)	0.05763		0.05994		
Basic (\$/day/customer)	0.95		0.95		
kWh	Monthly Bill	Monthly Bill	Difference	Percent Difference	
100	36.32	36.57	0.25	0.7%	
200	42.43	42.92	0.49	1.2%	
300	48.54	49.28	0.74	1.5%	
400	54.65	55.63	0.98	1.8%	
500	60.76	61.99	1.23	2.0%	
600	66.87	68.34	1.47	2.2%	
700	72.98	74.69	1.71	2.3%	
800	79.09	81.05	1.96	2.5%	
900	85.20	87.40	2.20	2.6%	
1,000	91.31	93.76	2.45	2.7%	
1,200	103.53	106.47	2.94	2.8%	
1,400	115.75	119.18	3.43	3.0%	
1,600	127.97	131.88	3.91	3.1%	
1,800	140.19	144.59	4.40	3.1%	
2,000	152.40	157.30	4.90	3.2%	
2,500	182.95	189.07	6.12	3.3%	
3,000	213.50	220.85	7.35	3.4%	
3,500	244.05	252.62	8.57	3.5%	
4,000	274.60	284.39	9.79	3.6%	
4,500	305.14	316.16	11.02	3.6%	
5,000	335.69	347.94	12.25	3.6%	
5,500	366.24	379.71	13.47	3.7%	

* Assume 30 day month. Includes Public Utility Tax 3.8734% and Privilege Tax 2.14%. Does not include city taxes.

Residential Rate Comparison*



*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.

Review Staff Proposal

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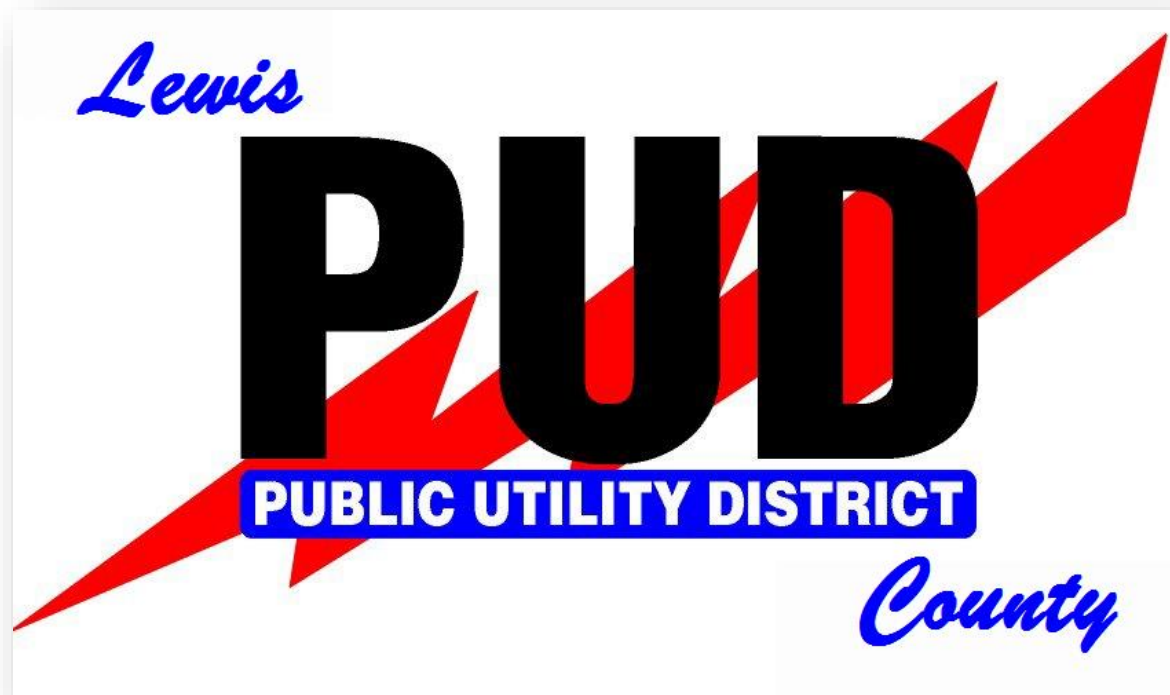
Programs and Services to Assist Customers

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

Key Dates

- **December 5, 2017** Commission acceptance of Rate Proceeding date and approval for publication of Rate Proceeding Notice
- **December 7 and 14, 2017** Publish Rate Proceeding Notice
- **January 10, 2018** Information available on website and offices
- **January 20, 2018** PUD Rate Proceeding, Morton
- **January 23, 2018** PUD Rate Proceeding, Chehalis
- ▪ **January 26, 2018** Final date to receive written comments from the public prior to resolution prepared for Commission adoption
- **January 30, 2018** First reading of new rate schedule resolution
- **February 6, 2018** Second reading and approval of new rate schedule resolution, action effective March 1, 2018

Questions / Answers



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