

# What's Up at the PUD?

**Above average isn't always a good thing.**



Recently you may have seen a newspaper article in which the Bonneville Power Administration announced an “*Expected overall power rate change*” of “*Around 5.5%*”.

‘Expected’ and ‘around’ are not terribly precise terms, but most folks would assume that the numbers stated would reflect reality. Reality, though, is what we receive directly from the BPA in the form of a “Rate Impact Model” or R.I.M, in BPA-speak.

The rate impact model takes all of BPA’s expected costs, factors in 30-odd other charges, credits and fees specific to an individual Utility, resulting in a final estimate of the expected increase in overall electric rates that a Utility will pay during the next 2-year rate period.

Beginning October 1st, 2017, the expected rate impact for Ferry County PUD is 6.51%. This cost increase, combined with Kinross’ reduced load, has your Commissioners and PUD staff working to further reduce costs as we look at the retail rates for the coming two years. Expect to see notice of a rate hearing in the paper soon.

The PUD has seen wholesale BPA rate increases of roughly 10% every two years for quite a while now, which is why we are searching for alternatives to remaining a sole-source customer of BPA. We are also exploring some creative ways to deal with some of the various BPA charges and fees that cause expenses over and above the normal rate structure.

We will be keeping you informed as this process develops

As always, if you have any questions, give us a call.

Until next month,

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