

Mason County PUD3 Considers Rate Increases

Local News

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SHELTON, Wash. - Mason County PUD No. 3 commissioners Wednesday conducted a public hearing on proposed electricity rate increases. The financial impacts of looming renewable energy purchases and an increase in price for wholesale electricity supplies purchased from the Bonneville Power Administration (BPA) are among the main reasons PUD 3 is considering increases this year. The adoption of the 2012 budget in December anticipated a retail electricity rate increase, which includes a three percent change in the cost for energy consumption and a ten cent per day increase in the daily customer charge. The last increase in electrical rates was in 2009. Commissioners will consider adoption of new rates at their April 10 regular business meeting.

The rate increase is driven by several issues: An average ten percent increase in the cost of wholesale purchases of electricity from the Bonneville Power Administration (BPA) and a possible further boost in rates in coming years. The loss of rate credits from the BPA due to past overcharges by the federal agency. The possible loss of a \$1 million annual discount from the BPA for certain utilities with a large proportion of rural customers. This is due to an increase in PUD customers. A Washington State requirement to buy a certain percentage of its electricity supply from qualifying renewable energy sources. The condition under state law will have a three percent impact on the cost of wholesale electricity purchased by the PUD for its customers. Overall increased operating costs for the PUD. A residential customer using 1,000 kilowatt hours of electricity would expect a billing of approximately \$81.24 per month, an increase of \$4.84 per month (not including applicable Washington State or city of Shelton utility taxes). The PUD is using \$500,000 from reserves this year to reduce the impact on rates. [Click here for a comparison of electricity rates charged by other utilities in Washington State. PUD 3 rates are generally in the middle of those utilities surveyed.](#) The schedule and amount of rate increases being considered by the PUD include: A three percent rate increase for energy consumption and a ten cent per day increase in the daily customer charge beginning with the May 1, 2012 meter readings. A three percent rate increase for energy consumption and a ten cent per day increase in the daily customer charge in 2013. A three percent rate increase for energy consumption in 2014. Qualifying low income senior citizens and low income/disabled customers may want to ask about available discounts that result in a waiver of the daily charge from their bills. For more information about these programs, contact the PUD's customer service office at (360) 426-8255 – Shelton; (360) 275-2833 – Belfair, or (360) 861-4247 – Elma. PUD 3 also has a wide range of rebates and incentives to help reduce electricity consumption. Services include a free energy audit to identify ways to save energy. The rate increases are a part of PUD 3's five year financial plan to ensure safe and reliable energy for PUD customers at the lowest possible rates.