

BPA adopts higher wholesale power and transmission rates

Local News

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The Bonneville Power Administration today adopted a 9 percent average wholesale power rate increase and an 11 percent average transmission rate increase. The transmission rate increase is the first in six years. The new rates support needed improvements to ensure the region's federal hydropower and transmission systems can continue to reliably deliver carbon-free, affordable power to Northwest homes and businesses. The new rates take effect Oct. 1, 2013. "We recognize that rate increases are very challenging for customers, especially for those still in the throes of a slow economy," said BPA Acting Administrator Elliot Mainzer. "But the increases are necessary so that we can preserve the long-term value of carbon-free federal generation and support the reliability of the high-voltage transmission lines that serve Northwest public utilities."

For Bonneville's utility power customers, the wholesale rate increase will be an average of 9 percent higher than current rates. The power rate increase stems from higher costs to operate and maintain the federal hydroelectric system, higher costs to fund existing long-term agreements for the fish and wildlife mitigation program and reduced revenues from surplus power sales due to low market prices.

For transmission customers, the first rate increase in six years averages 11 percent higher than current rates. The transmission rate increase stems from a growing construction program driven by the need to repair and replace aging infrastructure and increase spending on mandatory compliance and security requirements. An average of \$20 million per year in financial reserves will be used to offset part of the rate increase. Wholesale power and transmission rates are developed every two years through a formal rate-setting process with BPA's utility customers and other stakeholders. The process began in November when BPA announced its rate proposals for fiscal years 2014 and 2015.

The new rates will affect utilities differently depending on the amount of power and type of services they purchase from BPA. Local utilities ultimately determine the rate impact of BPA rates on individual businesses and residents.

The final rate proposal will be filed with the Federal Energy Regulatory Commission at the end of July to provide the required 60 days for review and approval. Find more information on the rate case process here: www.bpa.gov/goto/ratecase.