

Grays Harbor PUD Conducting Financial Analysis of Local Impact from BPA Rate Increase

Local News

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ABERDEEN - Grays Harbor PUD is conducting a financial analysis to determine the local impact of the Bonneville Power Administration (BPA) decision announced Tuesday to increase power rates by an average of 7 percent, effective Oct. 1. "Grays Harbor PUD, along with many of our customers, opposed any BPA rate increase," said Rick Lovely, General Manager of Grays Harbor PUD. "While the increase is lower than the 9.4 percent BPA originally proposed, we believe any increase was unnecessary and will only further depress our already struggling economy." In May, the PUD's Board of Commiss

"We should know the financial impact to the district within a few days," Lovely said. "Once we have that information, we can determine the best way to manage the rate increase while trying to both minimize the impact on customers and continuing to provide quality service and maintaining a highly reliable system." During the rate case, Grays Harbor PUD had urged BPA to undertake all measures to avoid a wholesale power rate increase and provided recommendations for cost-savings including: Rejecting all power sale agreements with aluminum companies that require cost increases to consumer owned utilities. Eliminating cash payments to customers of investor owned utilities that still owe BPA millions of dollars as the result of illegal payments previously made by BPA. Identifying and implementing BPA program cost savings Using all financial tools including an expanded Treasury line of credit and a less restrictive reserve policy to make the Treasury payment. "While we were pleased to see some effort on the part of BPA to reduce costs, we were disappointed BPA continues to pursue activities which are costly to public power," said Rick Lovely. "This includes continuing to provide subsidies to customers of investor owned utilities despite the fact that consumer owned utilities are still owed money from illegal payments made by BPA. In addition, BPA is moving forward on entering into power sale agreements with aluminum companies even though they have no obligation to do so and no good business case for a deal that will be costly to consumer owned utilities," Lovely said.