

Bonneville Power Administration Rate Increase to Impact Co-op Members

In November of 2010 the Bonneville Power Administration announced a rate increase of about 8.5 percent to its customers for the 2012/2013 fiscal years which begin October 1st of 2011. The BPA sets rates every two years but reassesses costs annually so there is always a possibility of what is called a true up bill at the end of each year if costs are not covered. We at OCEC will not know the exact increase for several more weeks. However, we do know the increase is coming and it will affect the cost of electrical service to our customers. The main cost drivers behind the BPA proposed increase are:

- Upgrades and major maintenance to the aging federal hydroelectric system, which includes many large components such as turbines and cranes that, are beyond their planned design life.
- Fuel purchases and repairs at Columbia Generating Station, the regions only nuclear plant. BPA funds the plant and markets its power output.
- Improvements at dams and habitat restoration to protect Northwest salmon and steelhead which are necessary to meet current laws and agreements.

The OCEC Board of Directors has begun a rate study looking at what this BPA rate increase will mean to our members. The Board will be looking at future Cost of Service, various rate designs and rates as part of this process.

- Cost of Service refers to actual costs to serve the different rate classes (residential, seasonal residential, small commercial, commercial, irrigation and security lighting)
- Rate design refers to how those costs are allocated across the rate classes and the various aspects such as kilowatt hour usage, demand usage and system costs (base charge).
- Rates refer to the actual costs accessed to the members.

The rate study is expected to take several months to complete. The Board of Directors is committed to member involvement in this process and has set-up a Member Outreach Committee to facilitate communication. Look for updates on the rate increase and rate study at www.okanoganelectriccoop.com, The Ruralite and other information outlets