



## **FAQ – Rate Decrease effective January 1, 2008**

November 27, 2007

***Benton PUD customers will receive an average of four percent rate reduction effective January 1, 2008. Residential rates will decrease by 3.7 percent.***

***Why is there a rate decrease?*** The year 2007 was another very successful financial year that resulted in strong cash reserves.

***What is the new rate for the residential rate class?*** The new residential rate will be \$0.0578 per kWh down from \$0.0602 per kWh. The base charge will remain the same at \$8.80 per month for single-phase.

***What were the past rate adjustments?*** In January 2006, overall, rates were reduced by six percent with residential rates reduced by 4.1%. This is the fifth consecutive time for a rate reduction.

***If my bill is for part of December and part of January what rate will I be charged?***

The bill will be calculated with the days in December at the old rate and days in January at the new rate. The total energy used for the month will be divided by the number of days in the billing period to determine an average usage per day. For example, if a customer uses 1200 kWh in a 30 day billing period, the average per day is 40 kWh. The customer will be billed the average per day at the old rate from the December read date to January 1 and then the new rate from January 1 to the January read date for both the base rate and the energy charge.

***How will the Budget Payment Plan be impacted?*** Customers on the Budget Payment Plan will receive a decrease in their cost of power consumed starting January 1. Budget Payment Plan customers will receive an adjustment in their monthly payment in the month of January.

Budget Payment Plans are calculated by averaging the last twelve months billing period. To determine the amount of the payment, we total the past 12 monthly bills and divide by 12 to come up with a monthly payment. If the customer has a credit on their account, the credit is averaged into twelve months and deducted from that average. If there is a balance, it is distributed to a monthly average and added to the base.

(For example: If the customer has a \$120 credit and the base amount is \$50, the new budget amount would be \$40. The \$120 is divided by 12 months = \$10 which is subtracted from the \$50 to get the final payment of \$40.)

The rate decrease will be factored in the recalculated budget payment amounts.

***How are other customer rate schedules impacted?***

Each rate class was adjusted, using the cost of service analysis. The decreases for the other rate classes are:

Small General: -4.8%

Medium General: -5.5%

Large General: -5.7%

Irrigation classes: varies

Street lights: 3.8%

Security lights: 0

Large Industrial: 0