

Staff to Propose a 2018 Electric Rate Increase

AUGUST 2017

City Council will consider an electric rate increase for all customer classes at its September 19, 2017, meeting. If approved, the rates will be effective January 1, 2018, with the first bill customers receive in January and apply to all electrical services for the billing period.

The proposed rate increase is due to a projected 6.5% revenue deficit primarily due to higher wholesale power costs. Wholesale power is Richland Energy Services' (RES) most significant operating expense, comprising over 60% of expenses. The Bonneville Power Administration, RES' wholesale power provider, is implementing a wholesale power increase effective October 1, 2017.

For the average residential customer, the increase would be approximately *\$6.50 per month with the average bill projected to increase from \$100 to \$106.50.

**This example is for illustrative purposes. A residential customer's bill is based on actual metered energy use and number of days in the billing cycle.*

The residential monthly energy charge would increase from \$0.0644 per kWh to \$0.0686 per kWh. The residential daily service charge would increase from \$0.60 per day to \$0.64 per day or from \$18.30 to \$19.20 per month, based on a 30 day billing cycle. Commercial, industrial, and irrigation rates would also increase.

Even with this proposed rate increase, Richland Energy Services (RES) rates will remain some of the lowest in Washington.

Here is the schedule for considering the proposed rates. The dates are subject to change, so check the Council agendas at ci.richland.wa.us.

August 22 – Council Workshop - No public comments will be taken at this meeting.

October 3 – Council Meeting - 2nd Ordinance reading

September 19 – Council Meeting - Public Hearing and 1st Ordinance reading

January 1, 2018 – Rates effective

Customers can view the proposed rates and get more info. at ci.richland.wa.us/EnergyServices or contact Elena Manzo at emanzo@ci.richland.wa.us/ 942-7401.

