

# 2008 Rate Setting Process - Update

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Chelan County PUD  
June 18, 2007



# Our Purpose Today...

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- Introduction
- What we heard – 2008 rate proposal
- What we heard - Surcharge as a tool
- General Manager delegated authority for specific fee and policy changes
- Overview of our current low-income senior and disabled discounts
- Proposed timeline on moving forward
- Questions

# Revenue Requirement

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- Percents discussed
  - 9% Water and Wastewater
  - 5% Electric
- Applied to each customer class
- Across each bill element equally
- Networks 2% increase to be approved by Board resolution



# Surcharge Procedure

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- Board guiding principle: A surcharge is an appropriate way to manage risk and volatility, if necessary
- Potential exists that a surcharge may be necessary each year from 2008 - 2011
- Need to develop public notice process for surcharges, when necessary



# Other Policy Considerations

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- General Manager delegated authority for:
  - New connection / meter and other fees
  - Line extension changes
  
- Review of select service regulations
  - Meter access

# Low-income Discounts Overview

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*Currently qualified through Community Action – monthly discount for electric = \$7.85, water = \$6.15*

- Low-income disable
  - As of May 2007 ~ 450
  - Household income < 125% of federal poverty guidelines
  - Family of two would be < \$17,112
- Low-income senior discounts
  - As of May 2007 ~ 1,100
  - Household income < \$24,000



# Low-income Discounts Overview

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- Discounts are increased at same % as rate increases
- Any Discount program must be applied uniformly throughout service area
- Other PUD low-income friendly programs
  - Helping hands
  - Tiered rates
  - Equal pay program

# Potential Timeline Moving Forward

June 18	Initial discussion
July 2	Board presentation on finalizing the approach
July ~ Aug	Staff analysis and preparation
Aug 6 - 10	3 public information meetings – Rates, Surcharges and Regulations
Aug 27	Rate Hearing
Sep - Oct	Implementation and testing
Oct - Dec	Connection / meter fees reviewed through budget process
Jan 1, 2008	New rates take effect
2008	Updated cost of service study to be performed



# Communication efforts

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- Build off the past 10 months of discussion
- Notice of proceedings to be advertised both legal and display ads
- Internet section to be developed
- 3 public informational meetings will be scheduled
- Outreach to stakeholders as needed for their planning purposes

Questions?

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