



ORCAS POWER & LIGHT COOPERATIVE

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OPALCO Board to Vote on Commercial and Pump Rate Increases

At the next OPALCO board meeting on Thursday, July 15th (Eastsound OPALCO office, 183 Mt. Baker Road, beginning at 8:45 am) the Board will vote on the second of four planned commercial rate increases and the first of a planned four-year adjustment of pump rates. Both rate increases, if approved by the Board, would take effect with the August 2010 billing. Members are welcome to attend the public meeting and comment on the proposed rate increases.

The proposed **commercial rate increase** would raise the base charge to \$34.10 per month (*up from \$32.50*). Energy charges for the first 5,000 kWh would be \$0.0740 per kWh (*up from \$0.0710*); over 5,000 kWh would be \$0.0655 per kWh (*up from \$0.0620*). The demand charge for the first 20 kW remains at \$0.00 per kW; over 20 kW would be \$2.30 per kW (*up from \$1.90*).

The proposed **pump rate increase** would raise the base charge to \$16.50 per month (*up from \$13.50*). Energy charges for the first 370 kWh would be \$0.1260 per kWh (*down from \$0.1456*); next 4,630 kWh would be \$0.0650 per kWh (*up from \$0.0643*); over 5,000 kWh would be \$0.0630 (*up from \$0.0539*). The demand charges remain the same: no charge for the first 20kW; over 20kW is \$1.61 per kW.

Why are these rates going up? OPALCO is a non-profit cooperative that sells power to its members at cost. In late 2008, OPALCO completed a cost-of-service study to determine whether each member rate class was paying their fair share of the cost. The study showed that the cost of delivering electrical service is rising and will continue to fluctuate, and that OPALCO's commercial rates (small and large) were 20-29% below cost of service. In July of 2009, the Board of Directors voted to bring commercial rates up to the cost of service with incremental rate increases over the next four years. The first increase took place in August of 2009. With pump rates, the Board has proposed to bring the basic charge up to cost of service (\$25.50) over the next four years.

OPALCO is a member-owned cooperative electrical utility serving more than 11,000 members on 20 islands in San Juan County. OPALCO provides electricity that is 95% greenhouse-gas free and is predominately generated by hydro-electric plants. OPALCO was founded in 1937 to bring electricity to rural islanders.

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