



ORCAS POWER & LIGHT COOPERATIVE

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Orcas Power & Light Cooperative

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OPALCO Limited Service Rate Increase in September

At the August 19th OPALCO board meeting, the Board approved the first of two planned rate increases for the Limited Service Tariff. There are approximately 140 OPALCO members affected by this increase; the Limited Service Tariff covers small loads for barns, gates and other outbuildings (less than 5kVa). The increase will take effect with the September 2010 billing.

The limited service rate increase raises the base charge to \$19.50 per month (*up from \$13.75*). Energy charges go down to \$0.1115 per kWh (*down from \$0.1458*). The board will adjust the rate again in 2011 to bring it in line with the existing residential rate. The average member on this rate uses approximately 150 kWh per month and will see a 3.5% increase in their total electric bill over the two-year period; a few members who use very small amounts of energy on this tariff will see a large increase on their monthly bill. Once the rate is fully adjusted, the board will eliminate the tariff and move members to a residential tariff.

Why is this rate 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 a number of OPALCO's rates were performing below our cost of service for fixed costs. Adjusting the basic charge up to \$25.50 on the Limited Service Tariff will get us closer to cost of service.

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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