

# IT'S ELECTRIFYING!



## COMMERCIAL AND PUMP RATE INCREASES TAKE EFFECT IN AUGUST

At their July 15th meeting, the OPALCO Board voted to raise commercial and pump rates as part of a multi-year strategy to bring all rates up to cost of service. The new rates go into effect with the August, 2010 billing. This is the second of four planned rate increases for the commercial tariff (TS-10) and the first of four planned rate increases for the pump tariff (P-10).

The commercial rate increase brings the base charge to \$34.10 per month (up from \$32.50). Energy charges for the first 5,000 kWh are \$0.0740 per kWh (up from \$0.0710); over 5,000 kWh are \$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 is \$2.30 per kW (up from \$1.90).

The pump rate increase raises the base charge to \$16.50 per month (up from \$13.50). Energy charges for the first 370 kWh are \$0.1260 per kWh (down from \$0.1456); next 4,630 kWh are \$0.0650 per kWh (up from \$0.0643); over 5,000 kWh are \$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 voted (July, 2010) 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.

All the latest news and information is available at [www.opalco.com](http://www.opalco.com)

**Member-Owned and Operated — We Get Our Power From YOU!**