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PUD plans rate cut

Reduction of about 6 percent hinges on Bonneville money

By KATHY GRAY
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Northern Wasco County PUD is anticipating a \$1.6 million payment from Bonneville Power Administration as early as next week, which could mean lower rates the next time local customers receive their bills.

"When the funds are received, we will pass them on to our customers," said Dwight Langer, executive director of the PUD. The PUD board voted to do so through a rate reduction during their December meeting, but have been waiting for the details of the initial proposal to be finalized.

The money is an interim payment on Bonneville's residential exchange settlement. That's the money that has been hanging in limbo since a March 2007 Ninth Circuit Court decision ruled in favor of Northwest public utilities and against the payment system devised by Bonneville to give private utilities a share of benefit from the federal hydro system.

The public utilities have continued to pay into the fund as part of their power payments to Bonneville while a settlement that complied with the 1980 Northwest Power Act was devised.

Residential exchange payments are designed to allow residential and small farm customers of privately-owned utilities to receive a share of benefits from the federal hydropower system through lower power rates.

Public utilities successfully argued in court that the share was too high as established in a 2000 Bonneville decision.

Northern Wasco County's share of the interim payback is \$1.6 million. After some delay, Bonneville expects to transmit the money to the various utilities on or around April 2.

If the payment happens as expected, a rate reduction of about 6 percent could appear on customers' next bills, which are sent out shortly after that date. If the payment is later than anticipated, rate reductions would have to wait until the following billing cycle.

The proposed settlement has received strong support from the involved utilities, Langer said. He told the board 100 public power utilities have signed settlement agreements and four investor-owned, or private utilities. That's of a total of 132 customers involved.

The agreement hasn't gone unchallenged, however. Several PUDs and at least one private utility have refused to sign the agreement. Langer told board members in an earlier meeting that the interim payment would be accepted with the knowledge that some of it might have to be paid back if challenges were successful.