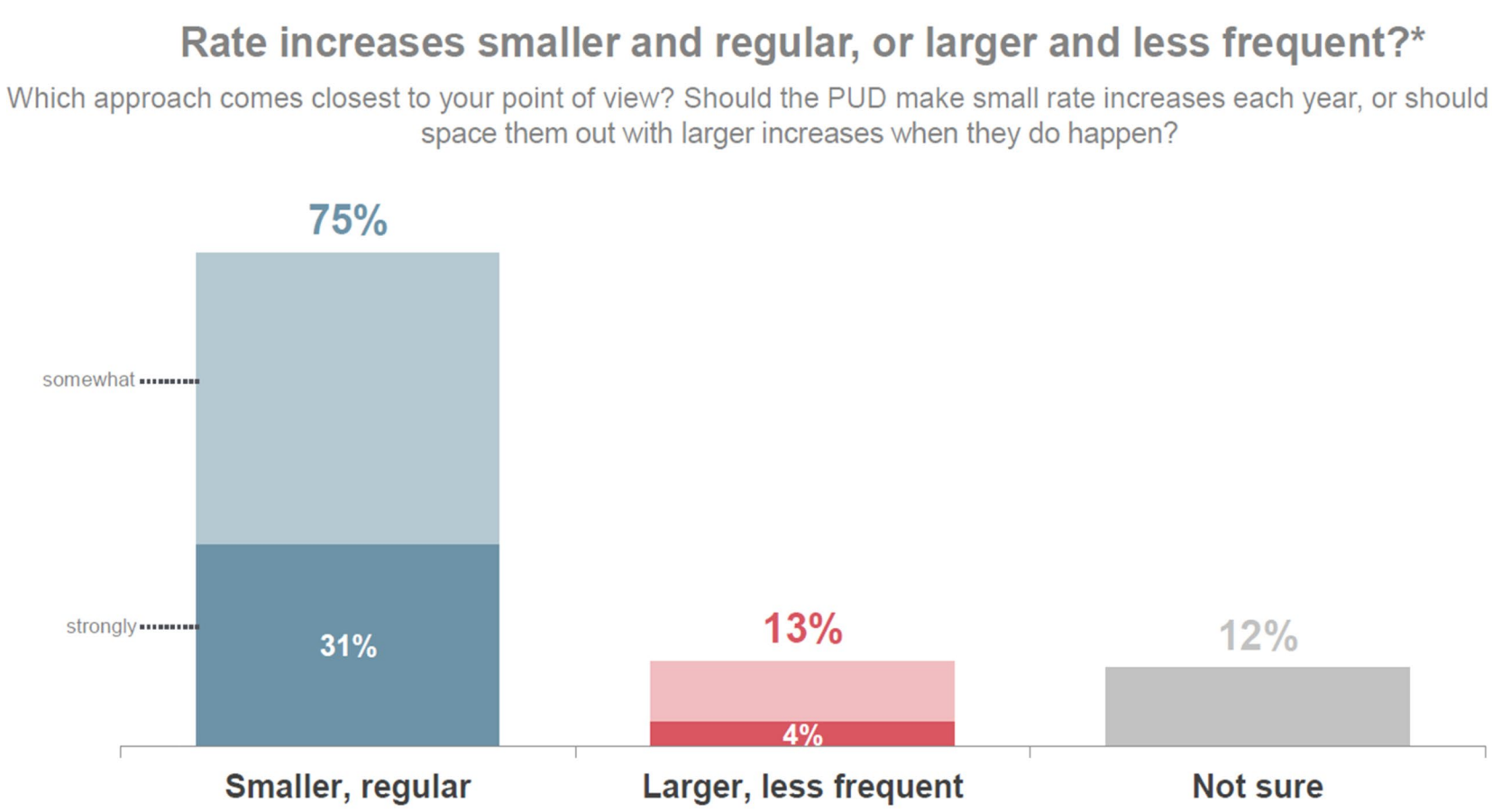
Rate Increase Rationale

Per the customer survey performed by Strategies 360, our customers prefer smaller, regular increases.

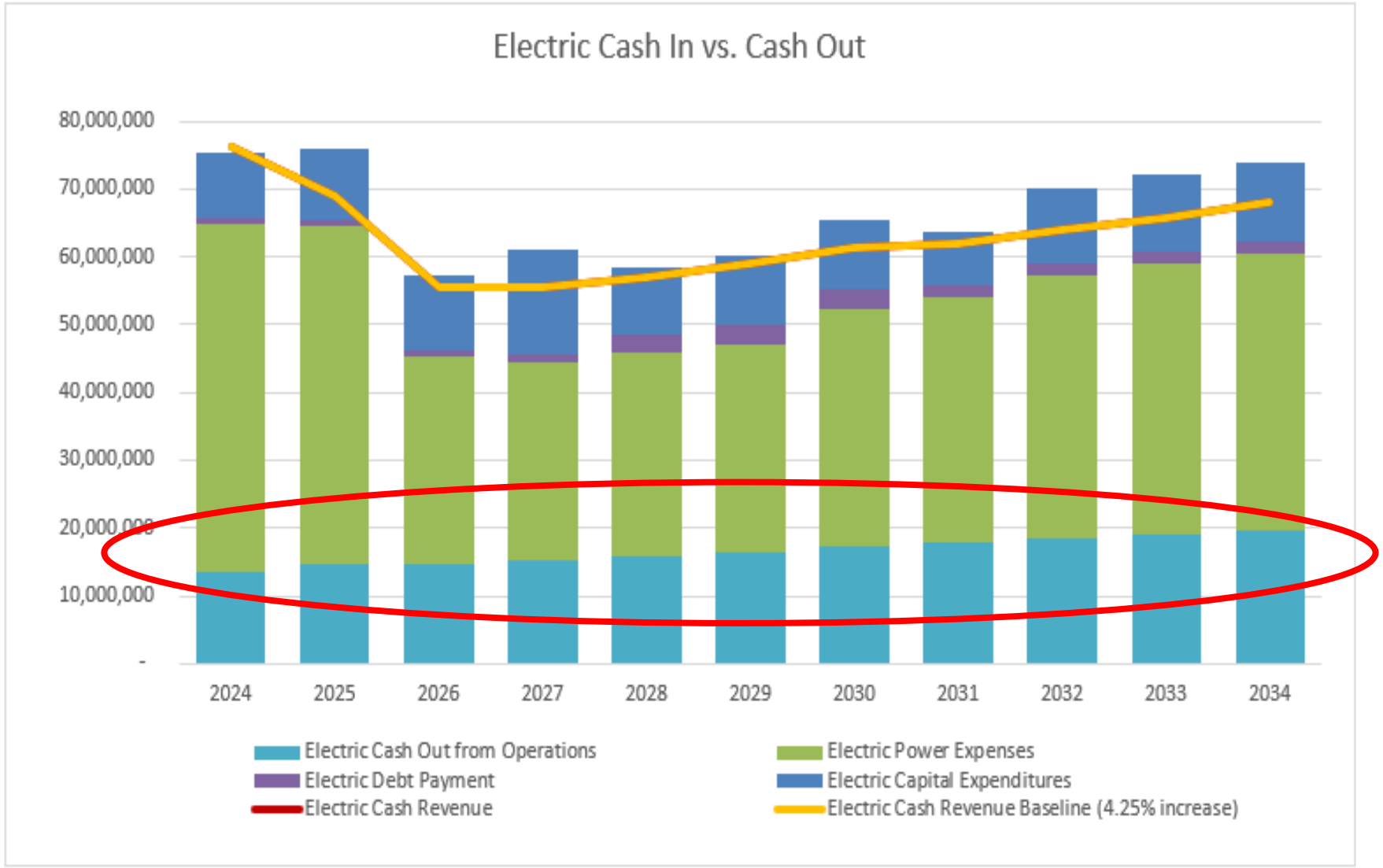
Across all demographics and categories, customers prefer rate increases that are smaller and more regular as opposed to larger and less frequent.



Rate Increase Rationale

A 3% inflation rate increases our operating costs approximately $400,000 per year.

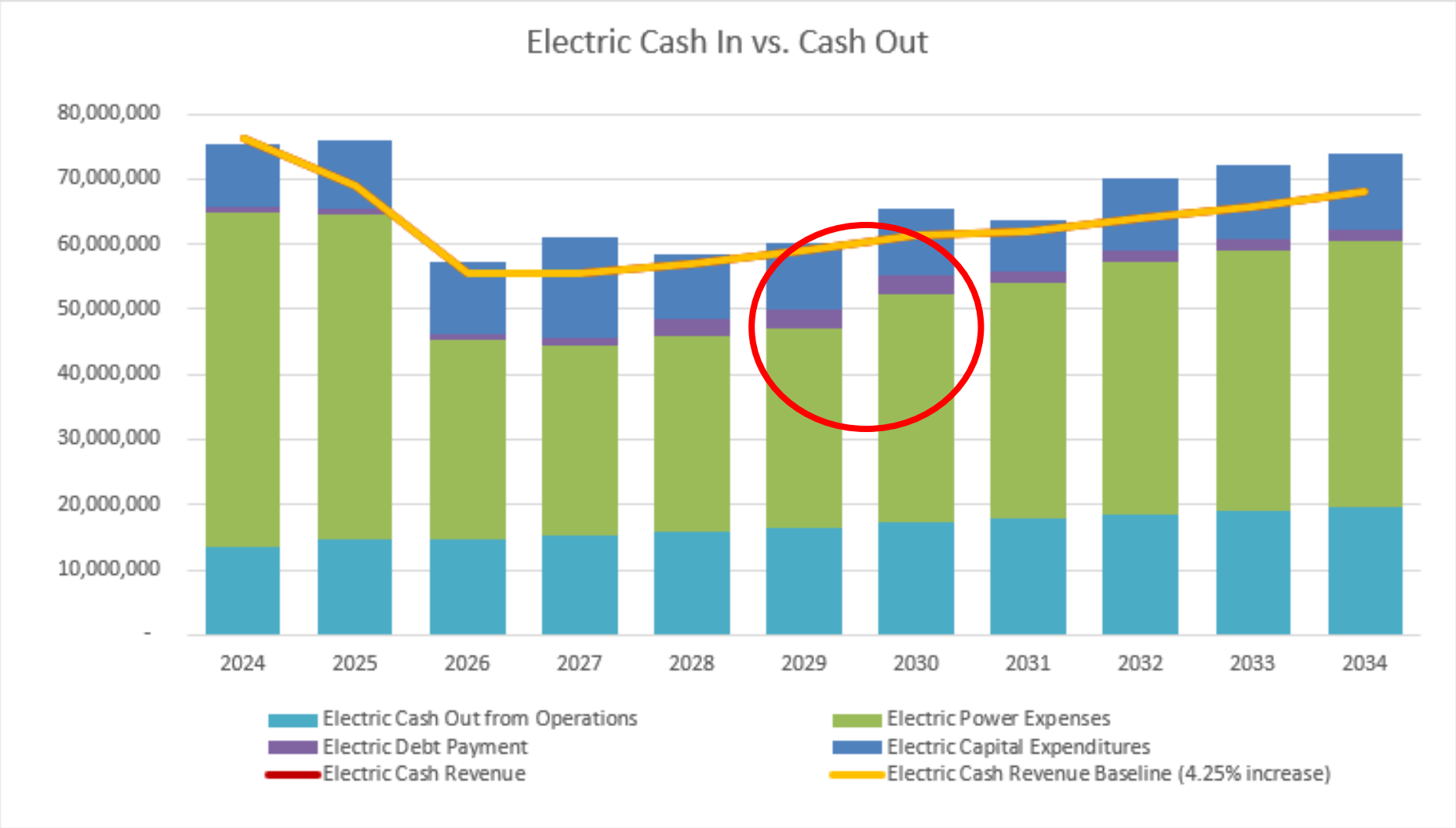
- This doesn't include capital costs, which also increase with inflation.
- We have absorbed over 12% inflation since our last rate increase in January 2022.
- A 2% rate increase is needed each year just to cover the $400,000 increase.



Rate Increase Rationale

We anticipate power costs increasing substantially in 2030 and need to plan for that now.

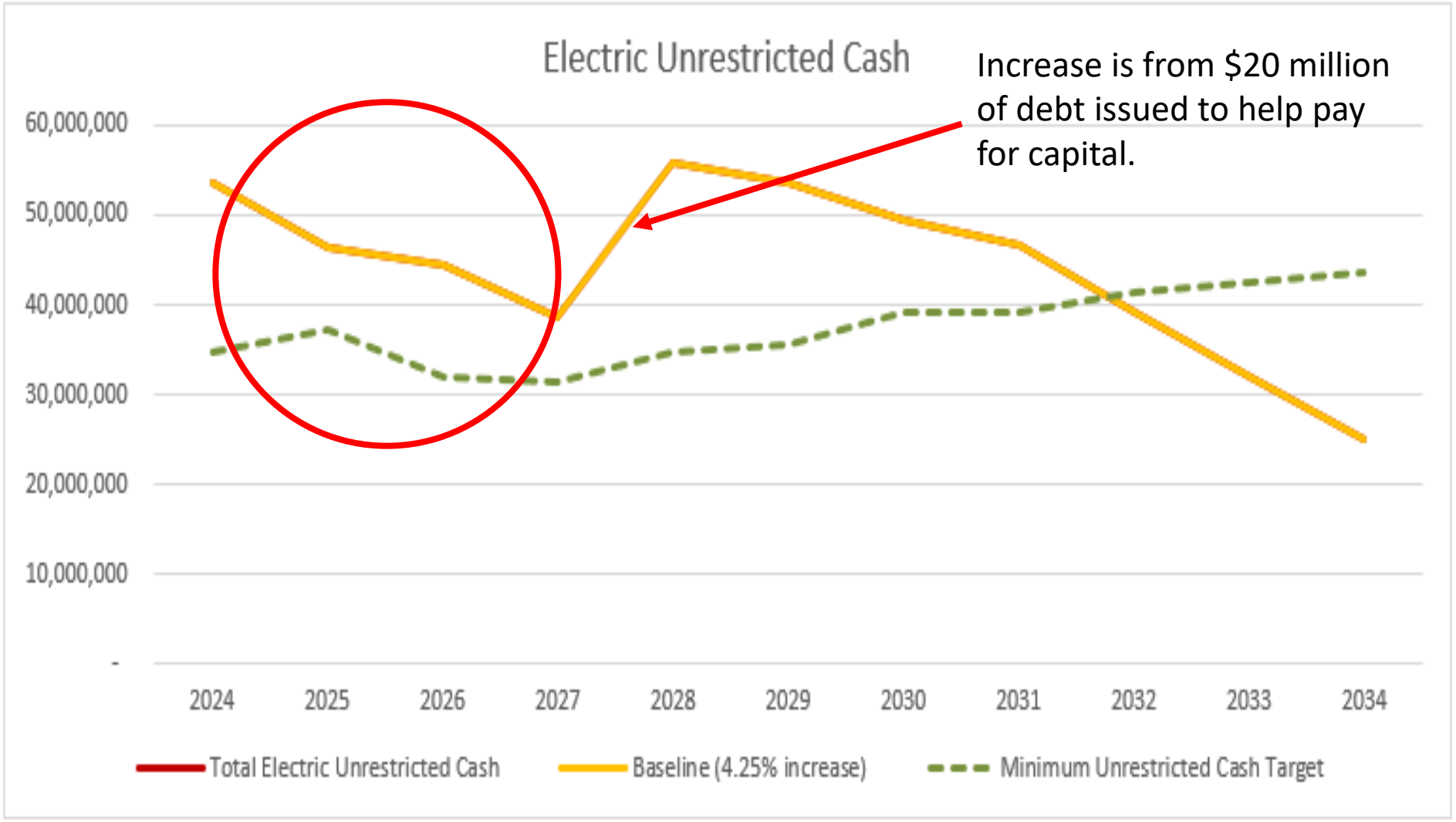
- Our forecasted projections have power costs increasing by $4.5 million in 2030.
- By increasing rates by small amounts now, we avoid large increases later.



Rate Increase Rationale

We will be using cash for large capital projects to improve the reliability of our system.

- We anticipate spending $45 million over the next 10 years for substations.
- We have aging infrastructure that needs to be maintained.



Revenue Adjustment

Staff Recommendation:

Revenue Adjustment	Projected Change to Revenue	Monthly Impact to Average* Customer
4.25%	$839,050	+$5.43/month

**The average consumption for residential customers is ~1,500 kWh per month.*

Electric Rates Summary

Customer Class	Current Rate ($ / kWh)	Proposed Rate ($ / kWh)
Residential – Single Phase	$0.0623	$0.0660
Residential – Single Phase Secondary Meter		
Commercial – Single Phase		
Irrigation		
Residential – Three Phase	$0.0547	$0.0575
Commercial – Three Phase		
Industrial	$0.0401	$0.0422