



# Finally, An Answer

One of the most asked questions I get is: When is the PUD going to lower rates? I think most of the people asking have a great sense of humor and really want to know when they might expect rates to go up. My stock answer is "not this month."

I might have to find a different answer.

For a complete explanation I need to go over a little history. I have written from time to time about payments made by KPUD to the Bonneville Power Administration (BPA) to send on to private utilities such as PacifiCorp. Public power disagreed with this practice so vehemently that we took BPA to court. The court agreed with us. BPA suspended payments to the private companies.

BPA is now looking at rebating a portion of this money back to KPUD. The check is not in the mail. BPA is still contemplating whether to issue a refund now or wait until after it goes through a formal process that would certify the amount rebated. In that case, we would wait until fall before the check is in the mail.

The size of the check is not small, estimated at about \$800,000. The question we will need to answer: How do we send the benefits back to you?

You always hear us indicating KPUD is owned by those it serves. This is one of those times when that benefit is something you can put your hands on. At least that is one of the options being considered. When you break down how much each customer will get, the average household is due about \$30.

The options to consider are:

- **Reduce rates.** I like this one, as long as we continue to see this reduction from BPA. Otherwise, we will need to increase rates next year, and we all hate rate increases no matter what.

- **Give everyone a credit on their bill.** This is the easiest, but it doesn't have the impact of the other methods.

- **Mail everyone a check.** This one gets a lot of votes, but there must be some discretion. The call I get after someone receives a check for 41 cents and notices the 42 cents in postage is hard to defend.

- **Put the money in a rate stabilization fund.** Nobody likes rate increases, and if we can hold off for a long time, we are all better off.

If you have any thoughts, ideas or recommendations on what to do, let us know. Our board will be wrestling with this decision and would love to have your input.

**Tom D. Svendsen, General Manager**

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