



BIG BEND ELECTRIC COOPERATIVE, INC.

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WA-25

Board OKs Rate Increase

Effective March 1, 2012, Big Bend Electric Cooperative consumers will see an increase on their electric bills of 4 to 5 percent. This rate adjustment was approved by the board of trustees at the regular board meeting on October 27.

While we have experienced some increases in local operating expenses, overwhelmingly the largest culprit driving these increases is the cost of power supply. The Bonneville Power Administration announced in July that—effective October 2011—Big Bend Electric would see an increase on its wholesale power bill of about 10 percent. This increase follows the 8.4-percent increase imposed on us by BPA in late 2009.

To help Big Bend consumers, the board held off the necessary rate increase until March of next year by using margin reserves to absorb the BPA increase. By maintaining a tight 2012 operating budget, we can minimize the impact on consumers, keeping the 2012 rate adjustment to only about half of what BPA has imposed upon us.

Compounding the problem of these frequent BPA rate increases is BPA no longer has surplus amounts of power. BPA recently began requiring its customers, such as Big Bend, to purchase a portion of its power from nonfederal sources. BPA now provides Big Bend with about 95 percent of its power, but that other 5 percent of our total power needs now comes from the nonfederal power market, which is far costlier.

Also effective March 1, 2012, the Big Bend General Service Rate will be discontinued. General Service Rate customers will be placed on one of three new rate schedules—small GS, medium GS or large GS—to be determined by each consumer's installed kVa transformer capacity. Medium and large general service rate accounts will be billed a demand charge based on monthly kilowatts.

Irrigation customers will receive a rate adjustment effective with the summer irrigation season. The horsepower charge will be set to \$35 from the previous \$30. The energy charge will increase from \$0.0537 to \$0.0562 for the winter season and from \$0.0276 to \$0.0289 for the summer season.

Announcing a rate increase is never a pleasant experience for you or for us. Your cooperative will continue to work hard to keep rates low and service reliable. Thank you for your understanding.

—Dan Murphy, General Manager



Dan Murphy