



PUBLIC HEARING

Proposed Rate Action

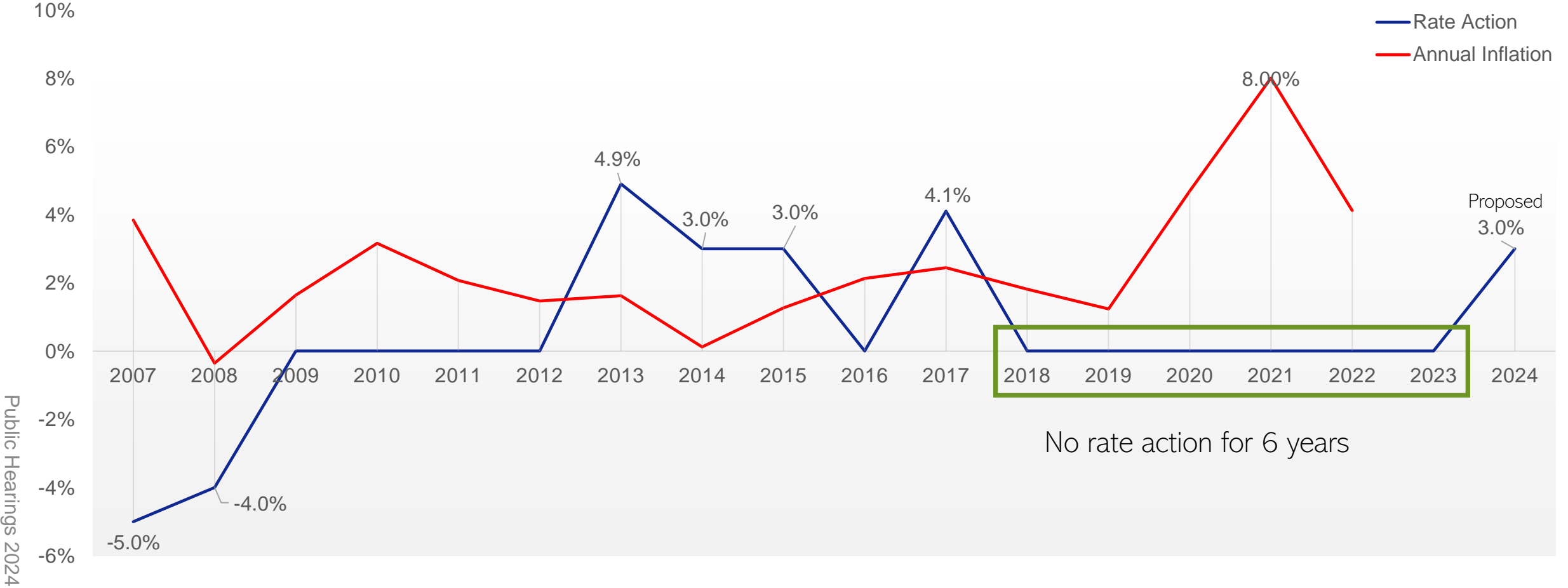
FRANKLIN
PUD

OVERVIEW

- Rate Action History
- Rate Pressures and Achieving Efficiencies
- Proposed Rate Action
- Summary

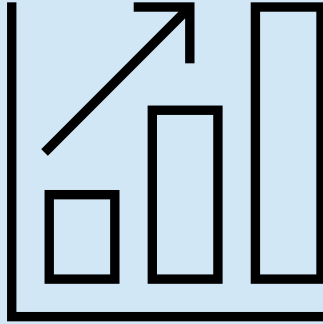
RATE ACTION TIMELINE

Last rate increase was in 2017



We are taking every measure to keep increases to a minimum without compromising reliability.

RATE PRESSURE

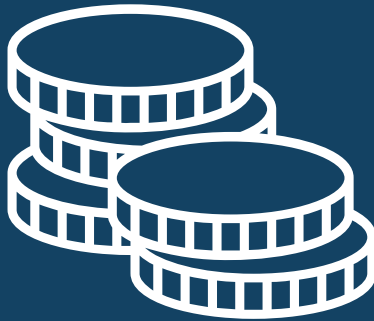


Supply Chain & Inflation

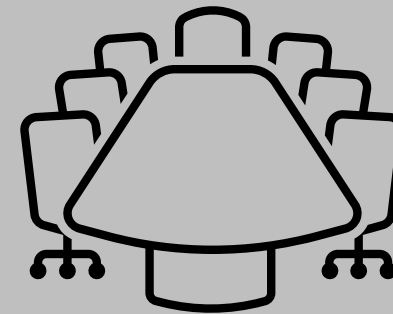


Work Force

**Cost of
Doing
Business
is Rising!**



Arrearages

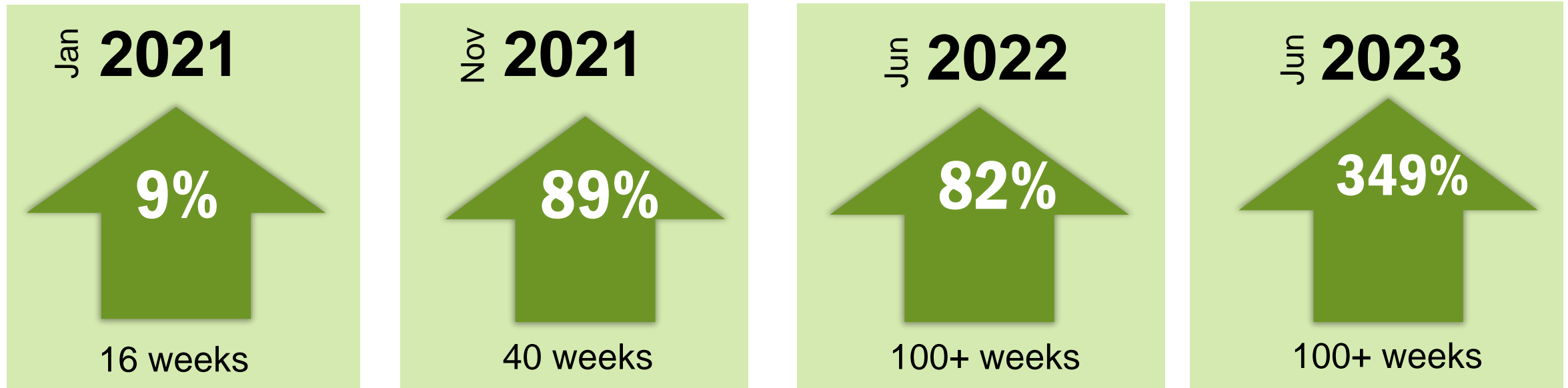


Legislation

EXAMPLE OF RISING COSTS

In 2020, the unit cost of a residential(single phase pad mount)transformer was about \$1,400 with a delivery time of 12 weeks. These transformers can energize about 4 - 6 homes.

Below are purchases made showing the % price increase and lead times since 2020.



A commercial transformer has increased by nearly 100%.

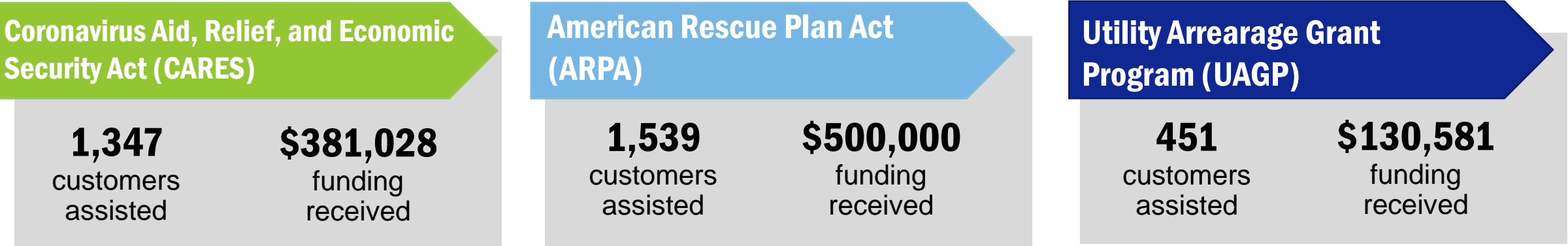
ACHIEVING EFFICIENCIES

While we continue to serve a growing number of accounts, we are achieving efficiency and performing work with fewer employees.



UTILIZING ALL RESOURCES

Effectively reduced customer arrearages worked with City of Pasco and Franklin County.

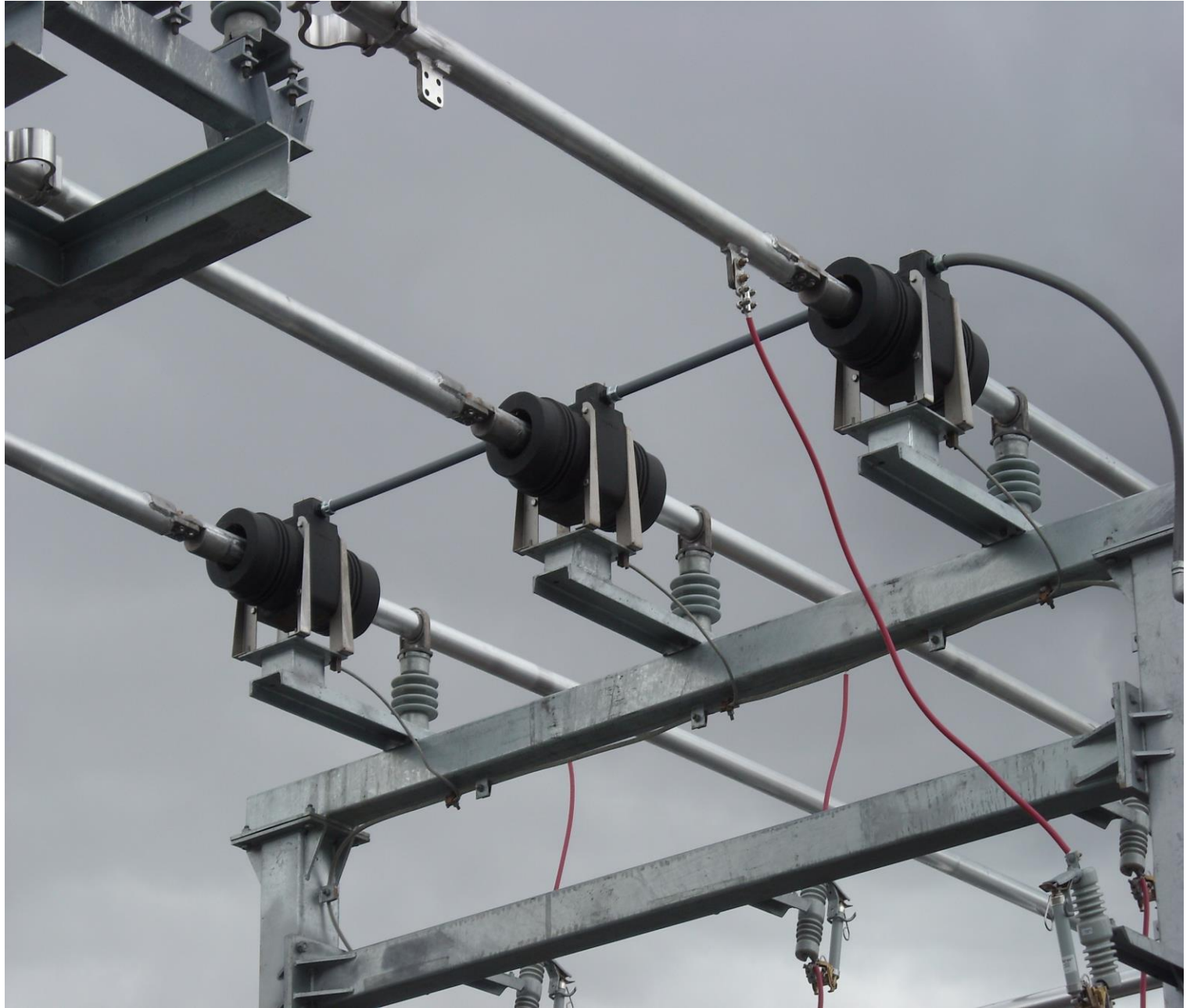


- Utilizing the automated meter infrastructure to continue to gain efficiencies and reduce costs where possible.
- Optimizing existing software systems to develop and enhance processes.
- “Go Paperless Campaign” resulted in 30% of customers going paperless – reducing printing/mailing costs.
- Electric infrastructure evaluated to ensure all equipment/parts are being utilized to full potential. Refurbishing equipment when possible.
- Service contracts reduced, more being done in-house such as landscaping, building maintenance, and minor HVAC.

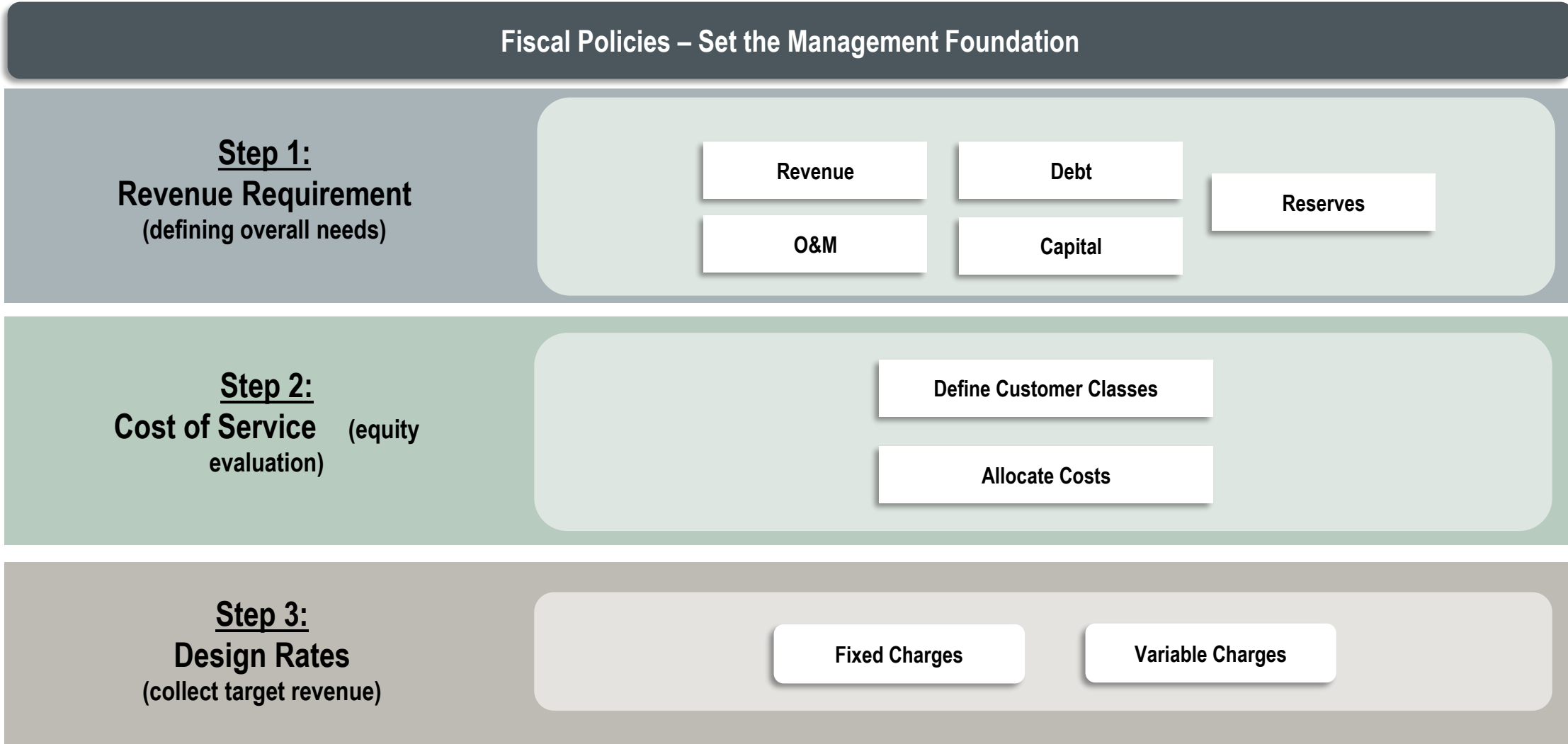
PROPOSED RATE CHANGES

Public Hearings 2024

80



OVERVIEW OF RATE SETTING PROCESS



RATE ADVISORY COMMITTEE (RAC)

- Formed in 1982.
- Includes customers from different rate classes.
- Currently 25 members.
- Meets at a minimum of two times a year.
- Evaluates the methods for establishing rates and rate design.
- Members emphasize rate stability for our customers – manageable increases.
- Bring a recommendation on rates to the Board of Commissioners.

RAC RECOMMENDATION - PROPOSED RATE ACTION

- 3% overall increase to revenue captured in Energy and Demand Charges.
- Effective May 1, 2024.
- No change to System Charge.
- Average impact to a residential bill is about \$4.06 per month.

Based on Average Residential Bill of 1 400 kwh used	Existing* (0.0673 kWh)	Proposed (0.0702 kWh)
System Charge (No change)	\$34.00	\$34.00
Energy Charge	\$94.22	\$98.28
Total	\$128.22	\$132.28
*Average Increase = \$4.06/month		

FUTURE RATE CHANGES

- Planned rate changes of 3% annually – effective each May 1 of 2025 – 2027
 - Mitigate risk
 - Keep reserve levels stable, prevents higher increases in the future
 - Each year will be reviewed and evaluated, and the planned rate increase will only be implemented if needed

Staff is committed to working on keeping rates affordable for all customers.

SYSTEM CHARGE

Class	Existing	System Charge REMAINS THE SAME - \$/Month/Account			
		2024	2025	2026	2027
Residential & Farm					
Single Phase	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00	\$ 34.00
Three Phase	58.72	58.72	58.72	58.72	58.72
Small General	39.56	39.56	39.56	39.56	39.56
Medium General	51.88	51.88	51.88	51.88	51.88
Large General	69.26	69.26	69.26	69.26	69.26
Industrial	486.70	486.70	486.70	486.70	486.70
Small Irrigation	-	-	-	-	-
Large Irrigation	-	-	-	-	-
Street Lighting	3.93	3.93	3.93	3.93	3.93
Security Lighting	7.02	7.23	7.45	7.67	7.90

No change to the System Charge is being proposed

ENERGY CHARGES

Class	Existing	Proposed Energy Charge - \$/kWh			
		2024	2025	2026	2027
Residential & Farm	0.0673	0.0702	0.0732	0.0763	0.0795
Small General	0.0744	0.0771	0.0799	0.0828	0.0857
Medium General					
Summer	0.0364	0.0375	0.0387	0.0399	0.0411
Winter	0.0461	0.0475	0.0490	0.0505	0.0520
Large General					
Summer	0.0365	0.0376	0.0387	0.0399	0.0411
Winter	0.0455	0.0469	0.0483	0.0497	0.0512
Industrial					
Summer	0.0363	0.0374	0.0385	0.0397	0.0409
Winter	0.0456	0.0470	0.0484	0.0498	0.0513
Small Irrigation					
Summer	0.0321	0.0331	0.0341	0.0351	0.0361
Winter	0.0526	0.0542	0.0558	0.0575	0.0592
Large Irrigation					
Summer	0.0320	0.0330	0.0339	0.0350	0.0360
Fall	0.0437	0.0450	0.0464	0.0478	0.0492
Winter	0.0527	0.0543	0.0559	0.0576	0.0593
Street Lighting	0.0850	0.0879	0.0909	0.0940	0.0971
Security Lighting	-	-	-	-	-

DEMAND CHARGES

Class	Existing	Proposed Demand Charge - \$/kW			
		2024	2025	2026	2027
Residential & Farm	\$ -	\$ -	\$ -	\$ -	\$ -
Small General	-	-	-	-	-
Medium General	8.26	8.51	8.78	9.05	9.32
Large General	8.44	8.69	8.96	9.23	9.50
Industrial	8.67	8.93	9.20	9.48	9.76
Small Irrigation	7.81	8.04	8.29	8.53	8.79
Large Irrigation	9.51	9.80	10.09	10.39	10.70
Street Lighting	-	-	-	-	-
Security Lighting	-	-	-	-	-

SUMMARY

- Based on RAC recommendation the Commission is proposing 3% overall rate revenue increase effective May 1, 2024.
 - Planned rate changes of 3% annually – effective each May 1 of 2025 – 2027
 - To be reviewed annually and only implemented if needed.
- System Charge remains the same for all rate classes.
- Commission to consider feedback from public hearings and take action at the April 23, 2024 meeting.

PUBLIC COMMENT

Franklin PUD has had a history of strong modest growth and we continue to keep rates as low as possible, working hard to achieve our goals which include power at cost, and adequate resources to serve our customers.

Thank you!

We welcome your feedback and comments.

Katrina Fulton

Finance and Customer Service Director

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