Grant County
PUBLIC UTILITY DISTRICT
Excellence in Service and Leadership

News Release

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www.gcpud.org

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Grant PUD 2010 budget and rate increase approved
Increase takes effect April 1

EPHRATA, WA – Grant PUD Commissioners today approved the utility's $517.8 million 2010 budget and adopted a four percent rate increase that will take effect April 1.

The decision comes after months of discussion and deliberation by the board on both the size of the total budget and the amount of the rate increase to the utility's customer classes. To the average residential customer, the increase means an extra $2 per month and generates roughly $4 million in revenue.

The largest drivers for the rate increase include capital projects tied to electric system growth and reliability, the replacement of ageing infrastructure at Priest Rapids and Wanapum dams and the requirements associated with our new, long-term license. To date, more than $300 million has been spent in support of these projects with an additional $800 million in borrowing anticipated over the next five years.

"A bond issue that covers this debt will place extra emphasis on protecting Grant PUD's AA credit rating," said Grant PUD General Manager Tim Culbertson. "A higher bond rating means lower interest rates for borrowed money to fund our priority projects. Any reduction in the utility's credit rating would result in added rate pressure due to higher interest rates and cost Grant PUD as much as $50 to $80 million. These dollars would need to be recovered through increases in power rates beyond what is currently forecasted."

Since the last rate increase in 2003, Grant PUD's energy load has grown by 31 percent. In that same time, inflation significantly outpaced rates, contributing to the need for an increase.

“Raising rates is never easy but the risks and uncertainty of the alternative is unacceptable,” said Commission President Terry Brewer. “Grant PUD is a growing utility operating ageing dams. We must continue to provide reliable service at the lowest possible cost. By adopting this relatively small increase, we are working to avoid double digit rate increases moving forward. It’s our responsibility and commitment to ensure a financially healthy and reliable utility not only for our future, but for future generations.”

To view Grant PUD’s public budget documents, visit: www.gcpud.org.

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Grant County Public Utility District is a Washington state municipal corporation that began electric service in 1942. Owned by the people it serves, Grant PUD generates and sells electricity to Grant County residents and millions of customers throughout Central Washington and the Pacific Northwest. The Priest Rapids Project, comprised of Priest Rapids and Wanapum Dams, produces nearly 2,000 megawatts of clean, renewable and reliable electricity – enough to supply a city the size of Seattle. A leader in science based technology; Grant PUD is committed to finding effective measures for the protection, mitigation and enhancement of salmon, steelhead and other natural and cultural resources.

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