



2025 Rate Increase Recommendation Frequently Asked Questions

Pend Oreille PUD is recommending a 4.25% rate adjustment to address rising costs, regulatory requirements, and critical infrastructure investments. A public hearing will be held on **February 18 at 9:30 a.m.** at the PUD's Newport Office where customers can share input. You can also find more information by calling the PUD, via email at information@popud.org or visiting <https://popud.org/top-links/about-your-pud/our-rates>

The Board will take action on **March 4**, and if approved, new rates take effect **April 1**.

Frequently Asked Questions

1. Why is the PUD considering a rate increase?

Rates need to be adjusted to keep up with increasing costs for materials, labor, infrastructure upgrades, and regulatory requirements. Without additional revenue, the PUD would struggle to maintain reliable service and keep up with system improvements.

2. How much are rates expected to increase?

The proposed adjustment is a 4.25% revenue increase, raising the residential single-phase per-kilowatt-hour charge from \$0.0623 to \$0.0660. For the average residential customer, this means a monthly bill increase of about \$5.50. The service availability charge will remain unchanged at \$35.50 per month.

3. How does this rate increase affect customers' bills?

The exact impact depends on energy usage, but for the average residential customer who uses approximately 1,500 kWh per month, bills would increase by \$5.50 per month if the proposed adjustment is approved by the Board.

4. What is causing the need for more revenue?

Key factors include inflation driving up the cost of materials and labor, plus new regulatory requirements like the Clean Energy Transformation Act (CETA). If approved, the increase will cover increasing expenses due to inflation, regulatory compliance costs and help fund essential system upgrades such as new substations

5. Why not cut expenses instead of raising rates?

The PUD has already taken steps to reduce costs, but some expenses—like maintaining infrastructure and meeting state regulations—are unavoidable. Delaying necessary investments now would likely lead to higher costs in the future.

6. How do Pend Oreille PUD's rates compare to other utilities?

Even with the proposed increase to \$0.0660 per-kilowatt-hour, Pend Oreille PUD's rates remain lower than or competitive with the national and state average, as well as neighboring utilities, including Inland Power and Avista. Inland's power is currently \$0.0694/kWh, while Avista's residential rates range from \$0.11485/kWh to \$0.15064/kWh, depending on usage.

7. What happens if rates are not increased?

Without rate adjustments, the PUD would face financial challenges that could delay critical infrastructure projects. Over time, this could lead to higher costs, reduced reliability, and the need for even larger rate hikes in the future.

8. When was the last time the PUD had a rate increase?

The last time electricity rates were increased was January 2022. Since then, rising costs for materials, labor, and infrastructure, along with new regulatory requirements, have made a rate adjustment necessary to maintain reliable service and fund critical projects.

9. How has the PUD communicated this to customers?

Since September 2024, the PUD has discussed rate adjustments in more than a dozen public meetings, plus multiple press releases, website and social media updates.