

MID E-Release

Information Release



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www.mid.org

MID cancels Sept. 1 electric rate increase

Lower natural gas prices, customer hardship cited as reasons

The Modesto Irrigation District (MID) Board of Directors yesterday voted unanimously to cancel an electric rate and revenue increase that was approved in 2008 and scheduled to go into effect this Sept. 1. As a result of this action, residential electric rates will increase 8.5 percent for the year – substantially less than previously announced.

Board members cited lower than expected wholesale natural gas prices and economic hardship faced by many MID electric customers. Power supply costs were \$7.5 million lower than MID anticipated during the first six months of 2009. The primary reason was lower natural gas prices.

The Stanislaus and San Joaquin county areas where MID provides retail electric service have been hard hit by the collapse of the real estate market. The jobless rate in the MID service area has reached 16-17 percent. Water, sewer and other utility rates have also risen.

Yesterday's decision is consistent with Board actions over the past 10 years to soften the impact of steadily rising power supply and regulatory costs on MID ratepayers. The MID Board has chosen to draw on the MID reserve fund each year since 2000 so that electric rates would not have to rise as much. MID expects to end 2009 in the red.

With the Board's action to cancel this part of the 2009 rate increase, MID residential electric rates will rise a total of about 8.5 percent this year. This is significantly less than the previously planned 14 percent rate increase for 2009. An MID residential electric customer will now pay \$130.40 per month, based on year-round average electric use of 850 kilowatthours per month. (Note: Summer electric bills are normally higher than winter bills. This reflects higher seasonal electric rates and higher consumption for air conditioner use.)

- **Residential customers** with questions about their electric bills should contact MID Customer Services at 209 526-7337 or toll-free 1-888-335-1643.
- **Commercial customers** please call MID Energy Services at 209 526-7339 or toll-free 1-800-304-5373.

About MID

MID is a local public agency established by a vote of the people in 1887. Governed by a five-member, locally elected Board of Directors, MID operates on a not-for-profit basis. MID water and electric rates based on the cost of providing service. MID's primary water source is the Tuolumne River.

About MID services

- **Irrigation water since 1904** – 3,100 agricultural customers irrigating 58,000 acres of almonds, walnuts, peaches, pasture and other crops.
- **Electric service since 1923** – Over 110,500 residential, commercial, industrial and agricultural accounts in Modesto, Empire, Salida, Waterford and Mountain House as well as parts of Escalon, Oakdale, Ripon and Riverbank.
- **Treated drinking water since 1994** – An average of 40 million gallons per day of safe, reliable drinking water delivered to City of Modesto for its retail customers – slightly more than half of the City's water supply.

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