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MID raises electric rates for 2009

Today the Modesto Irrigation District (MID) Board of Directors adopted a package of financial measures that will increase overall 2009 revenues 14 percent. The package will:

- Draw down reserve funds by \$4.5 million, and
- Increase electric rates in three steps – Jan. 1, June 1 and Sept. 1.

The following table represents the three-step rate increase percentages discussed in today’s meeting. Due to a shift in dates for implementing Step 2 (originally proposed for May and pushed back to June), Step 2 and Step 3 percentages may change from what is shown below by plus/minus 0.5 percent.

| MID 2009 Electric Rate Increase in 3 Steps | | | | | | | | | | | | | | | |
|--|---------|--------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--|
| Step | Percent | Months | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| 1 | 7.0 % | 12 | → | | | | | | | | | | | | |
| 2 | 6.5 % | 7 | | | | | | → | | | | | | | |
| 3 | 5.4 % | 4 | | | | | | | | | → | | | | |
| Total percentage – see note | | | | | | | | | | | | | | | |

Note: MID will draw down reserves by \$4.5 million and raise electric rates in three steps. Together these two measures will increase revenues by a total of 14 percent. The total of the three rate increase steps DOES NOT add to 14 percent because only Step 1 will be in effect for all 12 months of 2009. Step 2 will be in effect for only seven months, and Step 3 will be in effect for only 4 months.

The rate increase addresses a \$49 million budget shortfall driven by the increased cost of power supply and state and federal mandates.

Customers with average monthly electric consumption of 850 kilowatthours would see electric bills rise \$7 to \$8 a month with each step of the increase. Individual bills can vary depending on the amount of electricity used. Most commercial and industrial customers would see electric rate increases of 10 to 17 percent. The rate package goes into effect January 1, 2009.

Qualifying low-income customers enrolled in MID’s CARES discount program would save an estimated \$432 a year compared to the regular residential electric rate. Low-income assistance programs are required by California law. MID offers a variety of low-income services, including a rate discount, free home weatherization and energy efficiency upgrades.

Other money-saving and convenient MID programs include the balanced payment plan, automatic bill pay, rebates for energy-saving products and energy check-ups that teach customers low-cost and no-cost ways to reduce their energy use.

For more information about the electric rate increase, contact MID at 209 526-7337 or visit www.mid.org.

As a public power agency, [Modesto Irrigation District](http://www.mid.org) (MID) has provided retail electric service since 1923 to over 112,000 residential, commercial and industrial customers in Stanislaus and San Joaquin counties. MID operates on a not-for-profit basis to provide reliable service at the lowest possible cost.