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TOP STORY

ERPUD: Rebates, no rate increase in FY '20

MANAGING EDITOR Kelly Lapczynski 21 hrs ago



As Elk River Public Utility District (ERPUD) prepares to wrap up FY2019, General Manager Mike Gundersen says that gas customers can once again expect fiscal-year-end rebates and no rate increases for the year to come.

According to Gundersen, district revenue is projected to exceed budget estimates in FY2019 due to an increase in residential and commercial activity throughout the district's service area.

To bring that excess revenue in line with budget estimates before the June 30 end of the fiscal year, the board of commissioners voted Monday to issue customer credits next month as a waiver of the fixed monthly customer service charge, as it did last year.

The monthly customer charge, sometimes confusingly referred to as the “minimum bill,” is prorated among all customer rate classes and represents the utility’s cost in making service available, regardless of whether services are used in a given month.

Targeting those charges, Gundersen has said, “is a fair, equitable, predictable way” to stem excess revenue and issue rebates.

For residential ERPUD customers, the base service charge falls at either \$10.75 or \$14 per month, depending on whether the customer uses services year-round or for heating only.

Commercial and industrial customers pay higher monthly charges.

In June, ERPUD will credit those customer service charges to all active customers. In fact, the rebate amount will effectively credit customers for four months’ applicable service charges, returning approximately \$975,000 to its customers.

Because ERPUD issues the bills in a format that does not specifically delineate the customer service charge, customers will see lower bills but won’t spot the credit as a line item there.

Industrial processing customers are most likely to notice the rebate without any such notation. Those customers, who pay a minimum \$250 charge each month, will see a \$1,000 drop in June.

Large commercial customers, who pay a minimum \$60 charge each month, will notice a \$240 drop in June.

Residential customers, who pay between \$10.75 and \$14 each month depending on service, will see their bills drop by \$43 and \$56 respectively in June.

With excess revenue generating customer rebates for a second consecutive year, the ERPUD board of commissioners passed its FY2020 budget Monday with no rate increases.

The FY2020 district spending plan projects revenues at \$20.4 million with expenditures of \$19.1 million.

ERPUD serves more than 17,000 homes and businesses in Coffee and Franklin counties.

Kelly Lapczynski can be reached at klapczynski@tullahomanews.com.