As a not-for-profit, customer owned utility, we do everything we can to keep our electric and water rates as low as possible, while providing the reliable service our customers want and expect.

Upward rate adjustments, even relatively smaller ones, are always unwelcome news for all of us at Modern Electric Water Company (MEWCo). Our costs to deliver power to our customers have risen, which will require MEWCo to raise our rates effective April 1, 2018.

Last July, the Bonneville Power Administration (BPA) published its draft record of decision on the wholesale power and transmission rates for fiscal years 2018 and 2019, beginning October 1, 2017. In this release, BPA announced a regionwide average increase of 5.4 percent in wholesale power rates and no increase in transmission rates, effective October 1, 2017. While this increase is fairly substantial, it is a significant improvement from the projected 9 percent increase BPA initially proposed last year.

On October 1, BPA raised the rates for the generation and transmission of electric power to MEWCo by a consolidated rate of 5.28 percent. The consolidated rate increase is the result of a 5.4 percent increase in the wholesale power generation rate and a .7 percent decrease in the power transmission rate.

The increase in wholesale rates stems from higher costs to operate and maintain the aging hydro system, higher long-term fish and wildlife costs, upgrades to an aging transmission system, and reduced revenues from surplus power sales due to lower market prices for energy.

In anticipation of this rate increase, Modern Electric Water Company’s staff performed a rate review analysis. The goals of the analysis were to create a rate structure that fairly allocated costs among the different rate classifications, and prevent particular classifications from subsidizing the other rate classes.

After several months of reviewing different rate options, in January the Board of Directors adopted a new rate structure to get to the true cost of service and create cost equalization among rate classifications.

The BPA increase along with compliance measures for past and recent environmental regulations, combined with necessary upgrades to maintain our distribution system, as well as the increased cost to our everyday operations are the main factors driving this increase.

This new rate structure will result in an overall increase in revenue from consumption of 3.2 percent. The actual increase in rates among the rate classifications will vary from no increase to a 5.5 percent increase, depending on the customer’s classification and the amount of energy consumption.

Even with this rate increase, Modern’s rates will remain the lowest in the Greater Spokane Area and some of the lowest in Washington.

Understanding the value of your dollar, and as shareholders themselves, our Board of Directors continue to choose the smallest rate adjustment whenever possible.

The new rate structure can be viewed at https://mewco.com/services-rates/rate-schedules. All bills received after April 1st will include the new rate structure.

Sincerely,

Joe M. Morgan
General Manager
Annual Shareholder Meeting

The 112th Annual Shareholders Meeting was held on February 24, 2018 at the Center Place in Spokane Valley and began promptly at 12:00 P.M. In total, there were 87 people present, 66 of those who attended were shareholders. President Dave Thompson spoke about the benefits of being a Modern Electric Water Company Customer. Currently, MEWCo provides the lowest power rates in our region and has the fourth lowest power rates in the State of Washington. He stated, “our goal is to stay true to our Mission Statement in providing reliable and efficient electric and water services at the lowest possible cost.”

General Manager Joe Morgan continued the Annual Meeting by thanking everyone for attending. Mr. Morgan has had the opportunity to serve as General Manager for the past two years and mentioned this past year has been filled with change and achievement. Mr. Morgan shared he is extremely proud to be a part of MEWCo’s organization for the past twenty-three years, but what he is most proud of are the accomplishments and achievements of the employees who make up the MEWCo team and contribute to the company’s success. Mr. Morgan moved to talk about how the company utilizes a balanced approach of quality, value and sustainability as the core focus areas when determining budgets and the foundation for which the organization operates. He stated MEWCo’s corporate goals are reviewed and updated annually and that MEWCo measures themselves against other comparable utilities in our industry. He is proud to say MEWCo still has the lowest rates in the region, the fastest outage restoration time, and over the course of 120,000 (approximately two years) working hours the company has not experienced a lost-time accident. Each year, MEWCo performs maintenance and upgrades on our existing infrastructure, providing the reliability of service customers have come to expect. In 2017, MEWCo invested over 1.5 million dollars in system upgrades and repairs. When it comes to achieving efficiency and energy savings MEWCo is committed in helping customers by providing information and services that help lower energy bills. MEWCo continues to promote the conservation program and has partnered with Efficiency Services Group to assist customers in receiving rebates for upgrades in their appliances, windows, lighting, heating and cooling systems. Just this past year, MEWCo has given out $281,686 in rebates which has saved customers over 1,995,013 kWh annually. Mr. Morgan discussed our responsibility is providing quality customer service and our goal is to exceed expectations when doing so. To better serve customers, MEWCo continues to work on process improvements and has partnered with numerous organizations to improve the quality of life in our community.

Mr. Morgan proceeded with discussing the Rate Structure redesign that will go into effect April 1, 2018. In July 2017, Bonneville Power Administration (BPA), published its draft record of decision for the 2018/2019 fiscal year wholesale power and transmission rates which went into effect October 1, 2017. Please refer to the rate increase Memo which can be found on the front of the Spring Newsletter. Mr. Morgan closed by stating our vision and plan is to continue to improve the quality of service we deliver, ensuring customers continue to receive the best value in products we sell and to make sure Modern Electric Water Company remains financially stable and relevant in the future.

Elias Siriani, CPA, at Anderson Peretti & Co continued the meeting and provided an overview of the Financial Statement and Annual Audit Report. The meeting concluded with the tallying of the Board Election votes. The results concluded Secretary/Treasurer, Sam Waldron a current MEWCo Board Member won the majority vote and was re-elected to serve another term.

Budget Billing Plan

New Budget Billing Plans start each year in June. Please watch for announcements on the front page of your upcoming billing statements. For more information on the Budget Billing Plan, call the Customer Service Center at (509) 928-4540, Extension 1.