

Q: When was the last time Centralia City Light raised electrical rates?

Answer: City Light last increased rates in May 2013. Bonneville Power Administration (BPA) increased rates in October 2013 and October 2015 for both power and transmission costs. In response to these increases, future projects associated with bringing power to Centralia Station, and enhancing the reliability of the electrical system, City Light is proposing a 4.8 % increase per year for the years 2016-2018.

Q: Why is a BPA rate increase important to City Light?

Answer: City Light spends approximately 34% of its annual budget paying BPA's wholesale power costs. The Yelm Hydro Project does produce less than 30% of Centralia's power needs so the remainder has to be purchased from BPA. BPA rate increases have a significant impact on City Light's budget.

Q: What else drives City Light rates?

Answer: In addition to paying for power from BPA, other utility operational costs, and capital projects, City Light's rates support debt service payments on two outstanding bonds that were issued in 2007 and 2010. The rates also support the work done to keep the electric utility and hydro project compliant with state and federal rules and regulation regarding safety and reliability.

Q: What is meant by capital work and what is planned?

Answer: Capital work is the investment made in the electrical system to modernize it, replace aging equipment, increase system reliability, and provide added capacity to handle growth. The Centralia Station is one of the key drivers for a series of projects that are related to the construction of the Salzer Substation. This substation will be located in the southeast section of town where no

substation currently exists. Salzer Substation will serve as the primary and backup supply to several other critical loads in town. Each substation must have a transmission line to bring in the high voltage power and each substation must have electrical feeders that exit the substation and take the power via distribution lines to the customer loads. These projects will be the largest City Light projects built for several years, or until a significant new load comes to another area of



Centralia and needs the power capacity enhanced beyond the capacity of the existing substation that is nearby. The Yelm Hydro Project was constructed in 1929-1930 and has supplied power to Centralia City Light reliably for over 85 years. The project is located almost 30 miles away in the Yelm, WA area and consists of a diversion dam, 9.1-mile canal, and a three turbine powerhouse.

Q: Where can I go if I have further questions:

Answer: The City website at www.cityofcentralia.com is a good source for background information. The City Light utility offices are located at 1100 N. Tower or can be reached by phone at 360-330-7512. City Light's friendly staff will be glad to respond if there are any additional questions.