

Basic Customer Charge

The basic customer charge is a monthly fee that may be prorated on the customer's first and last bills depending on the number of days on that bill. The amount varies depending on the size or type of service as outlined in the Schedule of Deposits and Charges. It must cover the cost for all operation and maintenance for the utility.

Items encompassed in the basic customer charge are:

Distribution expense

Substation expense

Transformer expense

Service expense

Line maintenance

Meter readers, meter reading and meters

Trucks and fuel

Billing

Customer service

Administration

Depreciation

Debt service

Capital improvements and maintenance

To make energy available to customers no matter how much or how little they use

A good way to look at it is being the cost of a distribution system to deliver 1 kWh of energy to each and every metering point. This would be the minimum system requirement for our utility. The energy charge on the bill covers the cost of consumption of our purchased power from Bonneville along with the necessary system improvements to handle the peak load. So in theory it costs our utility the same amount of operations and maintenance to deliver 1 kWh to you, and 1,000 kWh to your neighbor.

Public Utility Tax (Also known as State Utility Tax. RCW 82.16.020)

- (1) There is levied and collected from every person a tax for the act or privilege of engaging within this state in any one or more of the businesses herein mentioned. The tax is equal to the gross income of the business, multiplied by the rate set out after the business, as follows:
 - (b) Light and power business: Three and sixty-two one-hundredths percent;
 - (g) Water distribution business: Four and seven-tenths percent;
- (2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.
- (3) Twenty percent of the moneys collected under subsection (1) of this section on water distribution businesses and sixty percent of the moneys collected under subsection (1) of this section on sewerage collection businesses must be deposited in the education legacy trust account created in RCW 83.100.230 from July 1, 2013, through June 30, 2023, and thereafter in the public works assistance account created in RCW 43.155.050.

State Privilege Tax (RCW 54.28.02)

(1) There is hereby levied and there shall be collected from every district a tax for the act or privilege of engaging within this state in the business of operating works, plants or facilities for the generation, distribution and sale of electric energy. With respect to each such district, except with respect to thermal electric generating facilities taxed under RCW 54.28.025, such tax shall be the sum of the following amounts: (a) Two percent of the gross revenues derived by the district from the sale of all electric energy which it distributes to consumers who are served by a distribution system owned by the district; (b) five percent of the first four mills per kilowatt-hour of wholesale value of self-generated energy distributed to consumers by a district; (c) five percent of the first four mills per kilowatt-hour of revenue obtained by the district from the sale of self-generated energy for resale.

(2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.

City Tax (Also known as Municipal Tax RCW 54.28.070)

Any city or town in which a public utility district operates works, plants or facilities for the distribution and sale of electricity shall have the power/ability to levy and collect from such district a tax on the gross revenues derived by such district from the sale of electricity within the city or town, exclusive of the revenues derived from the sale of electricity for purposes of resale. Such tax when levied shall be a debt of the district, and may be collected as such. Any such district shall have the power to add the amount of such tax to the rates or charges it makes for electricity so sold within the limits of such city or town.

CETA Fee

The Clean Energy Transformation Act passed by Washington effectively required utility assistance be targeted towards a reduction in Energy Assistance Need. The WA State Legislature and Governor have mandated that all electric utilities in WA State implement low-income programs effective July 31, 2021. The cost of these programs are not to be born by low-income customers and therefore the cost of the program is excluded from electricity rates. The \$1.04 line item assessment on your bill is how this new mandated program is funded while ensuring low-income customers are not burdened with program costs.