



Final consideration planned for electric rate adjustment

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Following an external study and multiple local outreach efforts, Merced Irrigation District will consider a small upward adjustment to its electric rates on Tuesday, April 2, 2019. The rate will be considered at the Merced Civic Center, 678 W. 18th St. beginning at 10 a.m.

The rate adjustment would be the first for the District since 2010 and is proposed to help address rising operating costs and energy pricing, as well as maintenance that ensures safe and reliable delivery of electricity.

MID's rate adjustment would result in an average 2-percent increase to MID electric customers.

MID serves as a local and publically owned alternative to Investor Owned Utilities. MID delivers electricity to approximately 10,000 residential and commercial customers in eastern Merced County. All revenue from customers is returned directly to the operation of the utility with no profits or dividend payments to investors.

MID has proposed the changes based on a recent cost-of-service study performed by NewGen Strategies & Solutions. The study takes into consideration all of the expenses of running the utility and allocates those costs among all customer rate classes.

Since November, MID has held several public meetings and workshops to discuss the new rate adjustment and cost-of-service study.

In addition to the average 2-percent increase, MID customers would see an adjustment in the structure of their billing.

MID electric bills consist of two main components:

- 1) a fixed customer charge and
- 2) a variable energy-usage charge

The fixed customer charge is generally associated with the costs of owning, operating and maintaining MID's electric infrastructure. The variable energy usage charge reflects the energy used by a customer.

Over the next five years, MID customers can expect to see the Customer Charge portion of their bill increase. ***At the same time, the energy charge will be gradually decreasing.*** As part of the rate adjustment, MID will reduce the number of energy-use tiers from five to two for residential customers.

These combined rate modifications will result in the one-time, average 2-percent electric rate increase over 2018 MID rates. This will be effective May 1 and reflected in June bills if approved.

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