



MID adopts first electric rate adjustment in 10 years

Adjustment will result in average 2-percent increase

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Merced Irrigation District adopted an electric rate adjustment today that will result in an average 2-percent increase for its electric customers. The rate adjustment is the first for the District since 2010 and was needed to address the rising costs of operating the electric utility.

Also adopted today were policy changes intended to further protect MID customers from power theft.

MID serves as a local, 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.

The rate increase was based on a recent cost-of-service study performed by NewGen Strategies & Solutions. The study took into consideration all of the expenses of running the utility and allocated those costs among all customer rate classes.

Prior to the adoption of the new rate, MID held several public meetings beginning in November 2018 to provide information and receive input on the proposed rate changes.

In addition to the average 2-percent increase, MID customers will 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.

Additional information can be found at www.mercedid.org

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