EDITOR'S NOTE

VOICES



SMUD: Better than PG&E, but not perfect

BY FOON RHEE / foonr@newsreview.com



The SMUD board

is starting toward

another round of rate

It could be a lot

worse.

First off, it's far better to get your power from

SMUD than PG&E, especially these days. The Sacramento Municipal Utility District charges lower rates and is generally well managed. And it hasn't put residents in danger, unlike Pacific Gas & Electric, which in

to all the lawsuits from deadly wildfires it caused. Still, that does not mean that SMUD is perfect, or that its customers are completely off the hook.

January filed for bankruptcy due

increases, so it's time to Indeed, the SMUD board speak up. But remember: is starting toward another round of potential rate hikes-4.75 percent in 2020 and another 4.5 percent in 2021, according to the general manager's report released on March 21.

For more than 557,000 residential customers, the average monthly bill of \$114 would rise by \$5.40 in both 2020 and 2021. There was a 1.5 percent rate increase for residential accounts in 2018.

SMUD says that the higher rates are needed to increase reliability and safety and comply with regulations, and that it reduced the proposed hike from at least 6.5 percent by cutting operational costs by \$28 million a year.

Then, there's a "fixed charge" of \$20.30 a month, which covers costs for billing, call centers, meters, poles, transformers and other equipment. While most municipal utilities have such a charge as well, as of last year, SMUD's was third highest in a list of 21 it provided.

SMUD isn't proposing an increase in that charge for residential customers.

But for 56,000 small businesses, the charge would rise to \$25 in 2022 and \$33 in 2028. They and other commercial accounts ВΥ are also facing potential FOO rate increases. For small businesses, with an average monthly bill of \$167, the increases would be \$7.90 in both 2020 and 2021.

SMUD's official policy is that its rates will be 18 percent below PG&E's. At the end of 2018, SMUD says its average rates were at least 26 percent lower than PG&E's and among the lowest in California.

> Even though it's a public utility, not as profit-driven as investorowned utilities, SMUD is facing many of the same pressures driving up costs: the increasing threat of wildfires, the need to upgrade technology, the priority to reduce carbon emissions and

rising labor costs, including pensions. SMUD forecasts the need

for 4 percent to 4.5 percent annual rate hikes for the next decade. Lower

increases would mean higher hikes in the future or cuts in programs and services, the staff says. At the same time, SMUD is encouraging energy efficiency by selling smart thermostats and offering rebates for energy-efficient appliances. In late 2018, it put in place a "time of day" rate as the standard, with higher prices between 5 p.m. and 8 p.m. when power usage is highest.

The SMUD board is planning public workshops April 23 and May 9 before releasing a rate plan for a public hearing on June 4. A vote is scheduled for June 24. Any rate hikes would start going into effect January 1.

So it's time to speak up, if you want. But just remember: It could be worse, a lot worse.



Expand your musical skills in one of our five challenging orchestra or in our dynamic symphonic band.

Apply by May 5th

May 25-26 June 1-2

OPEN AUDITIONS

sacramentoyouthsymphony.org





