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April 29, 2014

MEMORANDUM

TO: Power Committee

FROM: Massoud Jourabchi

SUBJECT: NW Utilities Sales, Revenues, and Prices, 2007-2013

As part of the Council's monitoring of regional economic and energy conditions, this presentation will summarize economic, employment, regional output, weather and electricity sales data for 2007-2013. Data sets from the US Bureau of Economic Analysis, NOAA, and utility filings with Department of Energy are used to track changes in the regional economy, as well as electricity sales and revenues.

The report will show that overall regional retail sales of electricity have been stable, with some slight growth as the economy have begun to improve. Weather continues to impact demand for electricity. Retail sales of electricity in the residential and commercial sectors have been fairly flat while the industrial sector has been growing. Overall electricity utility revenue has seen growth. Average retail electric rates have increased.

Pacific Northwest Electric Utility Sales, Revenues and Prices 2007-2013

Power Committee

May 6, 2014

Massoud Jourabchi

In Today's Informational Presentation

- State of Economy in 2007-2013
- Impact of weather
- Electric Sales, Revenue and prices
- Doing more and doing it more efficiently

Overview

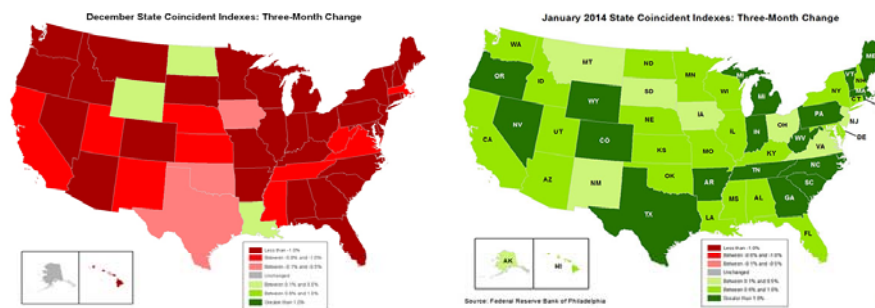
Individual utility data reported to US DOE (EIA Forms 826 & 861) indicates the following about the electric utility industry in the region:

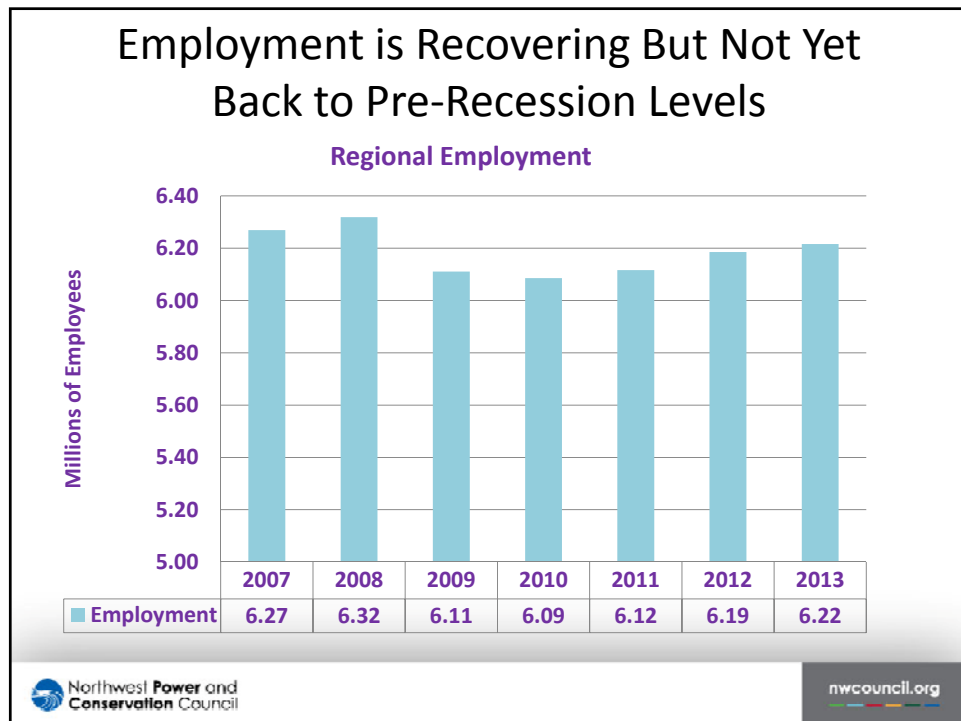
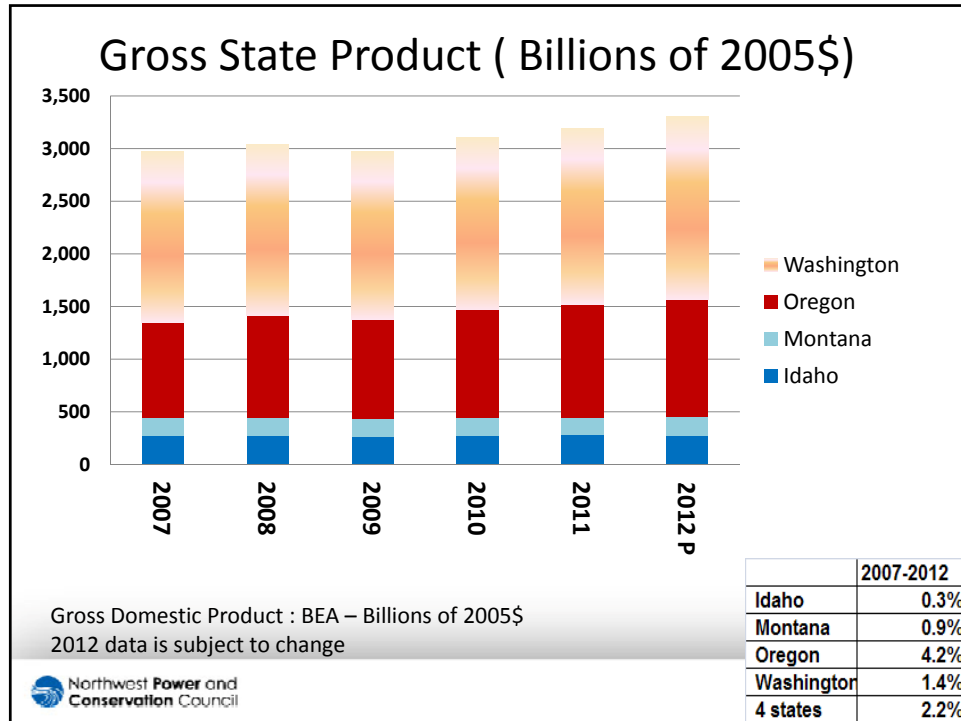
- Retail electricity sales are growing slowly
- Overall electric utility revenues are up
- Average revenue per unit of retail sales is up
- Electricity bills per household are modest and slowly growing

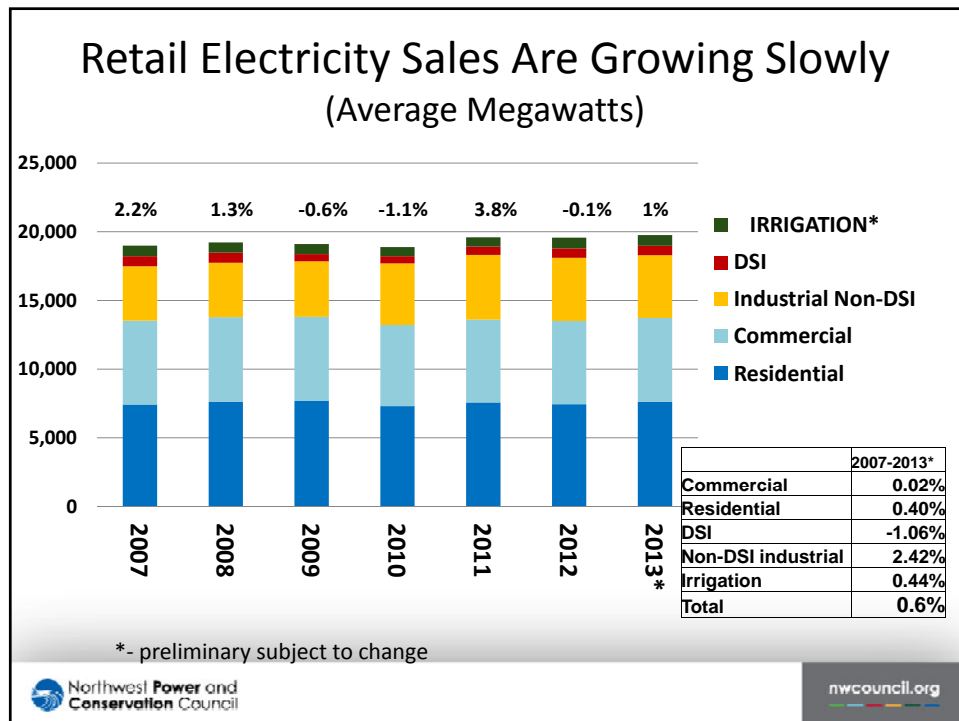
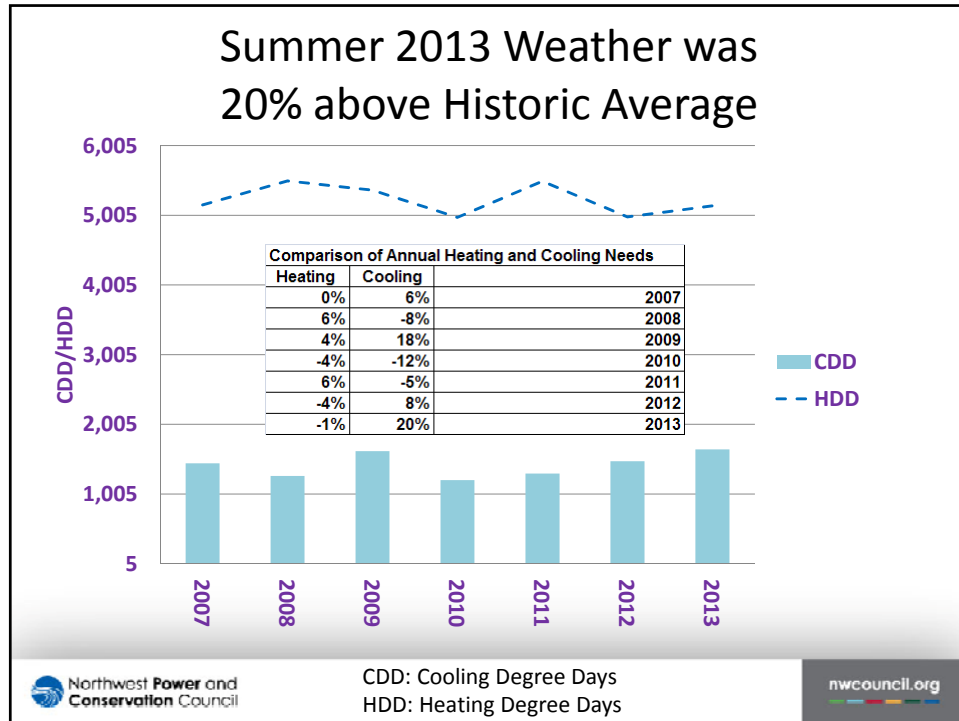
Regional Economy is Gradually Recovering

Dec 2008

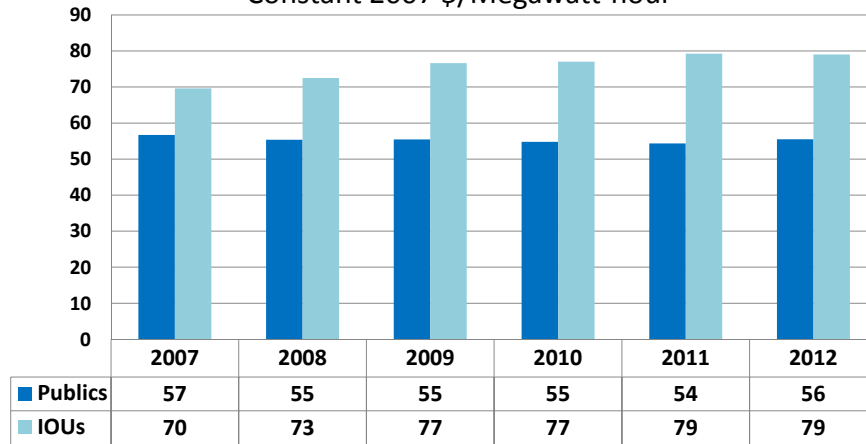
January 2014







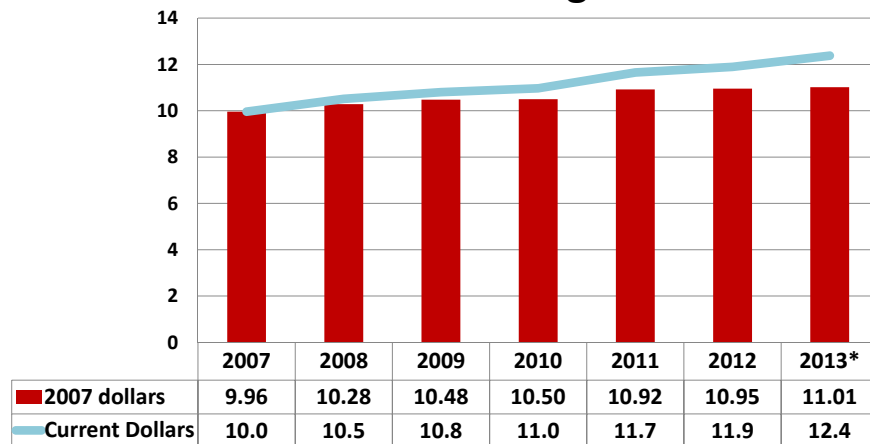
**Average Real Revenue per MWh of Sales is
Decreasing Slowly for Publics and Increasing for IOUs**
Constant 2007 \$/Megawatt-hour



After adjustment for inflation, during 2007-2012

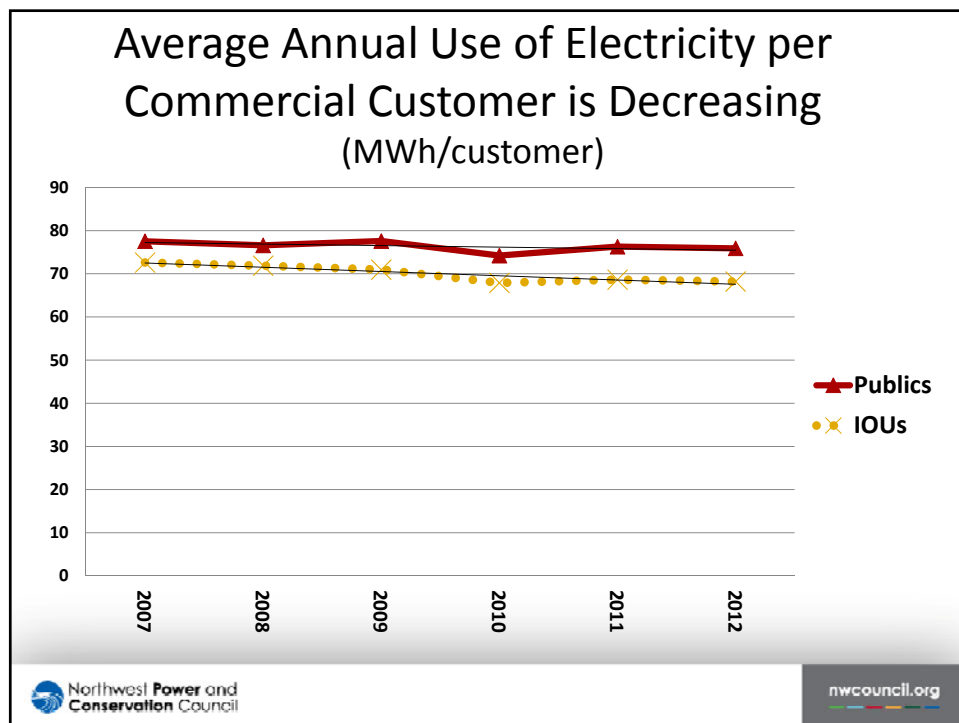
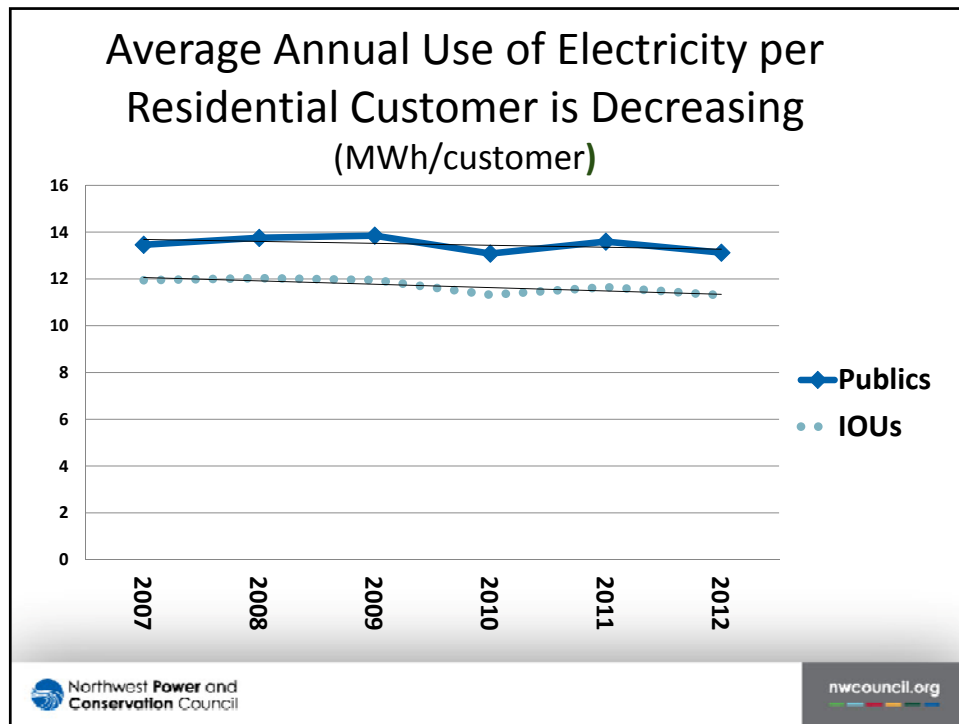
Public power rates declined by 0.4% per year while IOUs rates grew by 3%.

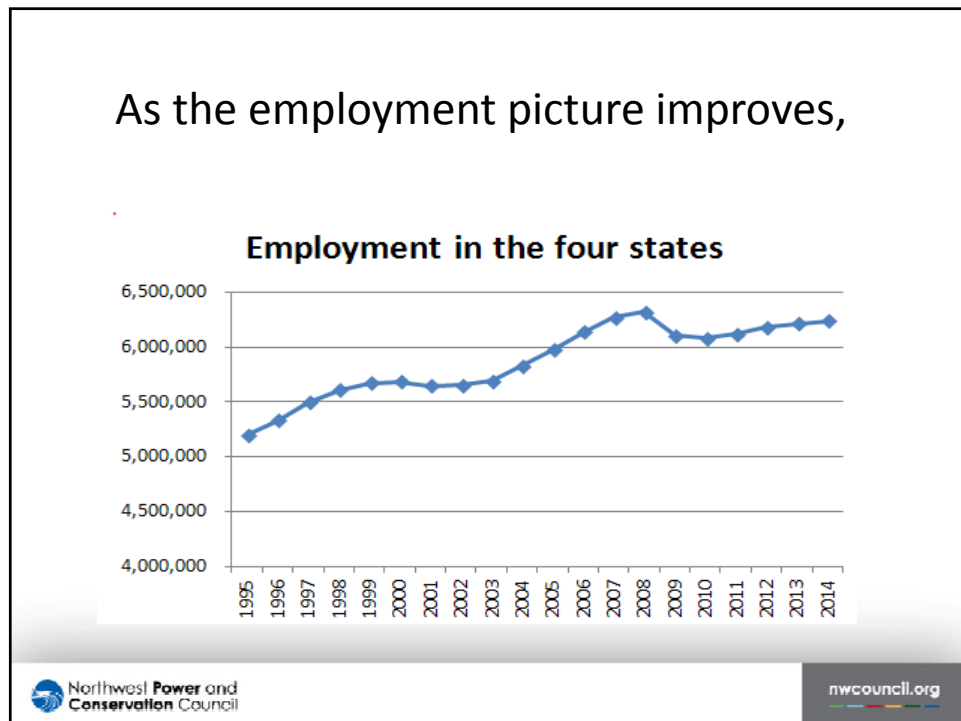
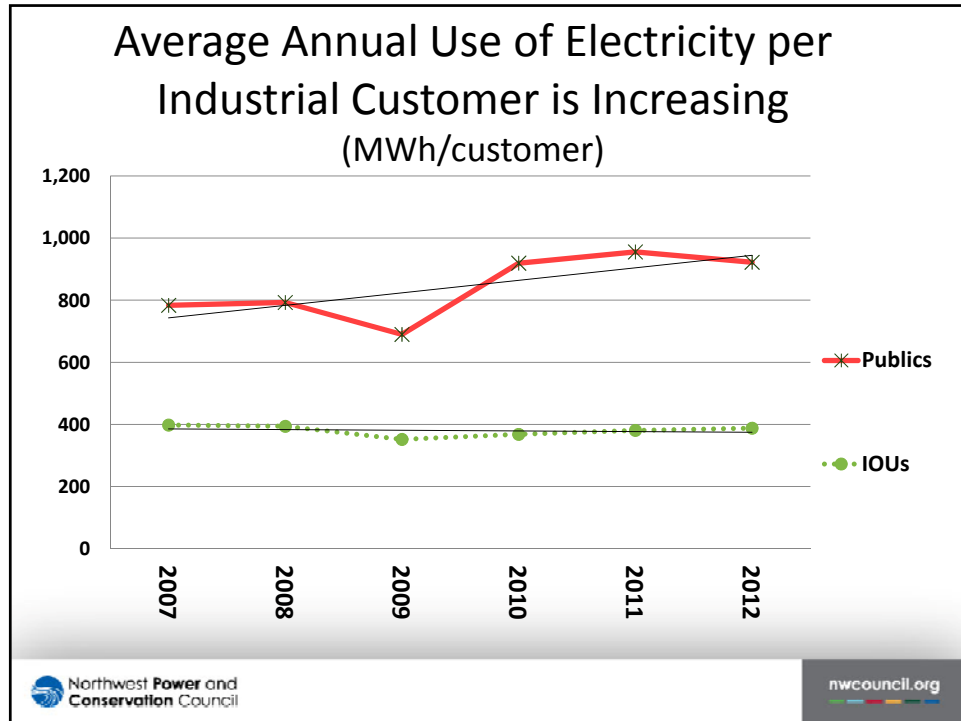
**Total Retail Electricity Utility Revenues
Are Increasing**

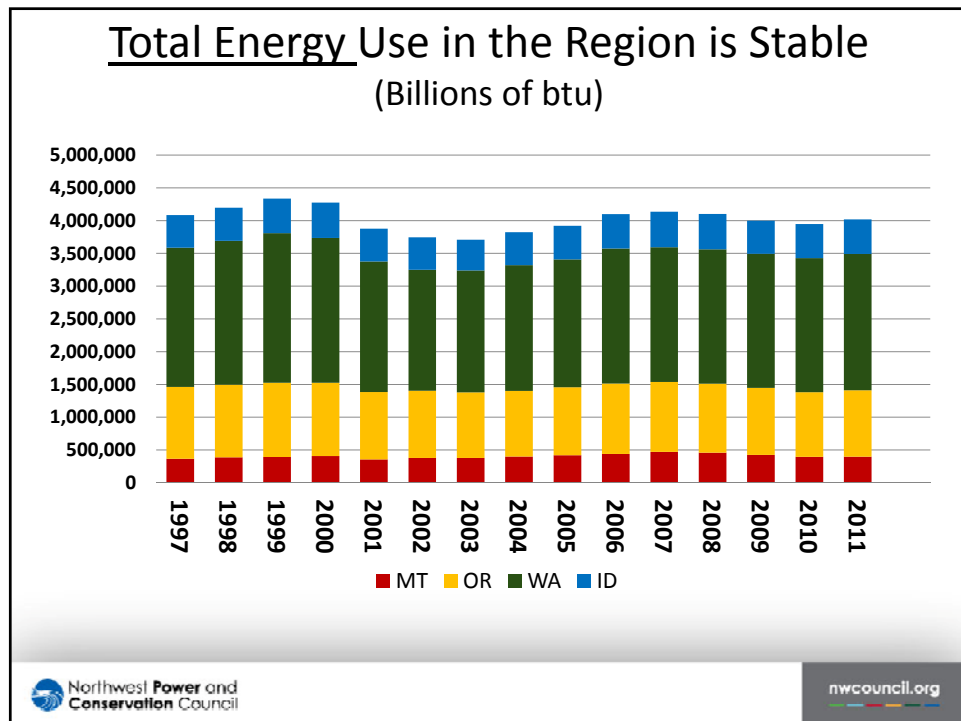
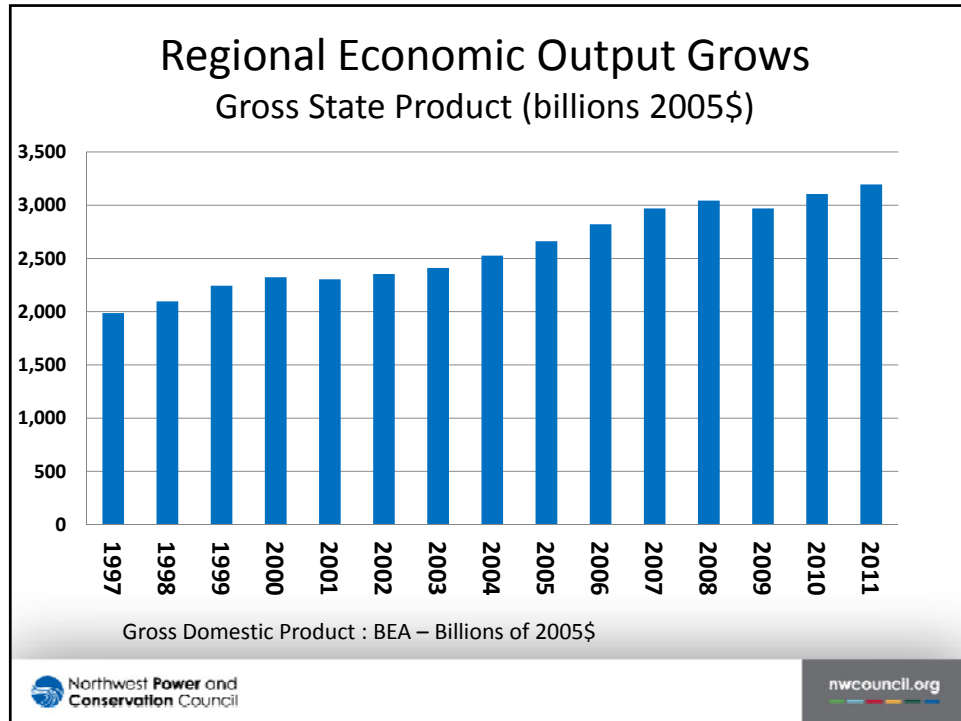


2007-2013 annual growth rate 3.7%. After adjustment for inflation: 1.7%

*-2013 data subject to change

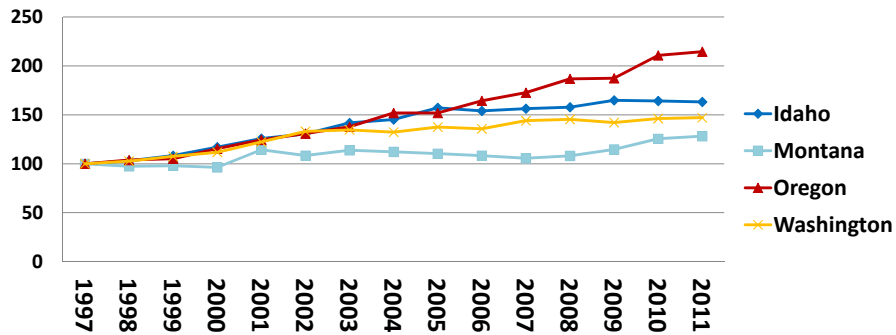






Overall Energy Productivity Is Improving In All Four Northwest States 2005 \$GSP/Energy consumption

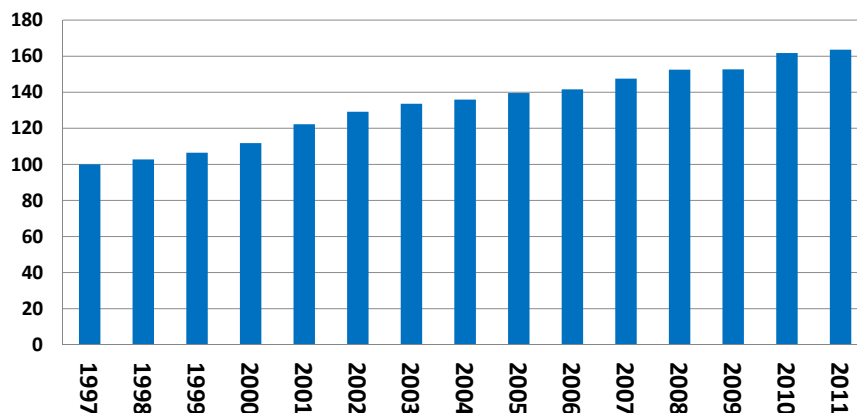
Indexed to 1997



GSP: Growth State Product based on data from Bureau of Economic Analysis
Energy Consumption estimates from State Energy Data System, includes all forms of energy not just electricity.

The Region Is Doing More, More Efficiently Energy Productivity Index (Regional output/Energy consumption)

1997=100



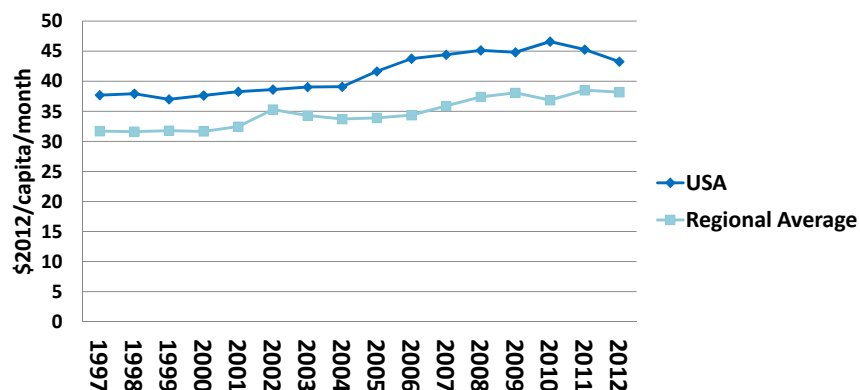
Gross Domestic Product : BEA- 2005 constant dollars
Energy Consumption: State Energy Data System includes all forms of energy not just electricity.

The Region is Maintaining its Ranking For Low Retail Electricity Rates

Northwest Electric utilities dollar of revenue per MWH of sales ranking in the nation.
Ranking of 1= highest \$/MWH

\$/MWH	Residential	Commercial	Industrial	Aggregate
ID	48	44	36	43
MT	34	19	49	44
OR	40	36	39	34
WA	49	41	47	46

Regional residential electric bills are 16% lower than national average*



* Average 1997-2012

Summary

- The regional economy is recovering gradually - economic output is increasing, but employment is still not back to pre-recession levels
- Regional retail electricity sales are growing slowly
- Retail electricity revenues are growing for IOUs, and falling gradually for publics
- Regional electricity bills remain modest
- Overall regional energy efficiency is improving