



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND, HAWAII
400 MARSHALL ROAD
JBPBH, HAWAII 96860-3139

IN REPLY REFER TO:

7000

Ser FM/ 00784

21 MAY 2013

From: Commanding Officer, Naval Facilities Engineering Command, Hawaii

Subj: FY14 ELECTRICITY BILLING RATE FOR NON-DEPARTMENT OF DEFENSE
(FEDERAL) AND PRIVATE PARTY CUSTOMERS

1. Starting 1 October 2013 (FY14), the Naval Facilities Engineering Command (NAVFAC) Hawaii stabilized billing rate for electricity will increase significantly from the current FY13 rate of \$263.47 per MWH to \$587.43 per MWH on the island of Oahu. This stabilized billing rate will be applied to all accounts serviced by NAVFAC Hawaii. In addition, a surcharge is required to be added to Non-Department of Defense (Federal) and Private Party customers' billing rates. This surcharge will be determined and formally distributed in the 4th quarter of FY13, which will increase the \$587.43 per MWH rate an estimated 4-6 percent.

2. The higher FY14 stabilized billing rate is necessary to recover total NAVFAC operating expenses and prior year losses due to under billing for electricity.

3. As a Defense Working Capital Fund activity, NAVFAC Hawaii stabilized billing rates are based on Department of Defense (DoD) Financial Management Regulations (FMR) and policies. The stabilized billing rate for each commodity is adjusted each year to cover the projected costs of providing services to our customers. The FMR also requires NAVFAC Hawaii to escalate an individual commodity's budget to recover financial losses attributed to that commodity in prior years. The difference between the projected and actual prior costs of providing electrical services as well as approved infrastructure investments factor heavily into the FY14 NAVFAC Hawaii stabilized electricity rate. The FY15 stabilized electricity rate is expected to decrease, to align with projected costs of providing electricity.

4. The electricity rate for FY14 is \$587.43 per MWH plus the surcharge, if applicable, on the island of Oahu. NAVFAC Hawaii will keep all customers informed of changes to the rate, should any changes occur. Should you have questions concerning the impact to your account our point of contact for this issue is our Comptroller, Melinda (Lindy) Rollo, who can be reached at (808) 471-0122 or by e-mail: melinda.rollo@navy.mil.

M. D. WILLIAMSON

Distribution:

NAVFAC Hawaii (Non-DoD Customers)

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