



LELD rates remain among state's lowest

Extending its tradition of providing one of the best bargains in town, the Littleton Electric Light Department is pleased to announce that an industry survey has once again reported the utility's residential rates as among the lowest in the state.

According to data gathered by the Massachusetts Municipal Wholesale Electric Company (MMWEC), over the past year LELD has averaged the third lowest rates in the 750 and 1000 kilowatt hour use categories. A typical 750 kWh bill in Littleton or Boxborough was \$65.31. For purposes of comparison, customers of Mass Electric living in Ayer paid \$79.58, while customers of Nstar living in Acton paid \$96.41 for the same usage.

In citing the results, general manager Savas Danos attributed the utility's low rates to proactive efforts to reduce power costs by negotiating more favorable long-term contracts and capitalizing on the power commodities market.

"These low rates reflect our efforts over the last several years to strike the best deals for our ratepayers by taking advantage of the opportunities presented by the market," he said.

Danos explained that well before state deregulation of the electric industry occurred in 1997, the department embarked on an aggressive approach to manage industry changes. Specifically, Danos said that department developed a strategy to optimize its fiscal health and business standing by reducing its reliance on above-market power sources, lowering power supply costs and embracing opportunities to expand its business base.

This strategic effort, led by Assistant General Manager Scott Edwards, centered on the successful execution of two key initiatives: restructuring or terminating above-market power supply contracts and purchasing power from an emerging commodities market.

"By renegotiating the department's costliest contracts, we have been able to divest ourselves of a considerable financial burden. While these contracts appeared to be sound investments at the time, they were no longer economical," Edwards said, adding that many were "must run" contracts, meaning that the department had to absorb the costs of the power, whether it was used or not.

The second development in the industry that has worked to the department's advantage, according to Edwards, is the emergence of power as a commodity, where purchases can be made as needed.

“Exercising our ability, in the new power market, to buy only the power we need and to sell excess power back to the market has freed us from the burden of carrying costly, unnecessary power,” he said.

Danos and Edwards cautioned that volatile fuel prices could still bring small adjustments in monthly bills, where a power cost adjustment may be made to cover higher fuel expenses, but that the low kilowatt hour rate would remain.