



Despite increase, LELD rates remain region's lowest

The Board of Electric Light Commissioners approved an average 1.5 cent per kilowatt hour increase in its power cost adjustment (PCA) charge beginning November 1, 2005, citing the need to cover rising power costs. Despite the action, our residential rates still remain the lowest in the region, averaging more than 30 percent lower than those charged by both Mass Electric and NStar for the same usage.

“With the costs of oil and natural gas so high, we have had to raise the PCA to recoup those extraordinary costs,” explained Savas Danos, general manager of the department. “While we are continuing to do everything we can to keep rates stable, we have reached a point where we need to offset the skyrocketing market prices,” he said. The cost of electricity in New England is controlled by natural gas, he added, and prices have nearly doubled in a year.

In stark contrast to private utilities, which are poised to raise rates even higher in the first quarter of next year, LELD has consistently kept rates among the lowest in the state. The latest statistics compiled by the Massachusetts Municipal Wholesale Electric Company (MMWEC), which tracks the rates of both public and private utility companies, show that LELD’s residential rates regularly beat the competition. For purposes of comparison, a Littleton customer using 750 kWh per month during October of 2005 had a monthly bill of \$79.93. The same usage in Ayer, served by Mass Electric, cost \$93.12; while in Acton, served by NStar, that usage cost \$117.92.

Danos explained the challenges of power purchasing in a rapidly evolving industry marked by instability and increased market manipulation. He said that although the department has entered into favorable contracts to supply longer-term, lower cost power, two of those companies have been unable to deliver – one declaring bankruptcy and the other exiting the business. Until those contracts are reassigned or replaced, he said, the department must fill the gaps by purchasing in a volatile market. “I know of no other utility, public or private, that has been able to hold the line on power costs as well as we have, Danos said.

“We continue to aggressively pursue agreements that will help us retain our status as the region’s low-cost electric utility,” Danos said. “We look forward to keeping our commitment to competitive rates, outstanding reliability and superior service.”