



Save \$\$...with time of use rates

Groton Electric will be offering time of use (TOU) rates this winter to our customers as a voluntary option, hoping to lower peak demand and save money for customers who participate.

What exactly is “time of use?” The idea behind “time of use” rates is to get customers to shift or reduce their electricity use during peak demand times. If you are willing and able to shift a significant portion of your electric use away from times of high electric use in Groton, then you will be able to lower your electric bill with our new time of use (TOU) electric rates.

Groton Electric will soon offer TOU rates as a voluntary option for customers who would like to save money by shifting the time of their electricity use. Participants will receive a discounted rate for using power during off-peak periods, but will pay more for energy consumed during periods of highest electric demand.

Those who sign up will be billed under three different rates in the generation portion of their bill, depending on when they use electricity. Our current state-of-the-art meters can automatically record this data.

The generation portion will be billed as follows: power used from 11 p.m. to 7 a.m. will be billed at the lowest rate; power used from 7 to 11 a.m. & 7 to 11 p.m. will be billed at a middle rate; and power used from 11 a.m. to 7 p.m. will be billed at the highest rate.

While the TOU option will not reduce bills for everyone, it is a good choice for those who are not home Monday through Friday during the early afternoon and early evening or who have large electric appliances (water heater, pool or irrigation pumps, dehumidifiers, central air) and can shift electric use to off-peak times.

To sign up for TOU rates when they become available, please call Tammi at 978-448-1150. Watch for full details in our January 1 Newsletter. You can also visit grotonelectric.org to use our on-line energy calculator to learn more about your home's electricity use. Customers also have the ability to monitor their own use to see when energy is being consumed – see the article “monitor your electric use on-line.”

Why TOU makes sense for Groton

In Groton, the peak demand is typically between 3 and 7 p.m. For electric utilities, peak demand is a single hour period, which represents customer consumption of electricity at its highest peak. Groton Electric pays a capacity charge based on our contribution to New England's peak hour. In the last 12 months, Groton Electric paid nearly \$500,000 in capacity payments – that

number is expected to increase over the next 12 months. If we can reduce our peak, we can reduce our capacity payments.

When demand for electricity nears its peak, and even during extended high-use periods, energy prices on the wholesale market soar – sometimes between \$200 and \$300 per megawatt-hour. This translates to a cost to Groton Electric of 20-30¢ per kilowatt-hour. Since we charge customers 11-13¢ per kilowatt-hour, you can see how difficult it is to maintain low rates during times of high demand. When demand is high, we all pay the price.

Customers who participate in TOU are not only saving money for themselves, but are also helping to lower power costs for Groton Electric.

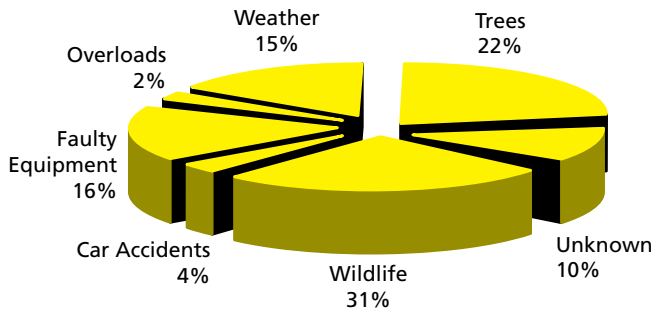
A simple TOU experiment pays off

A customer was curious about how he could manipulate his hot water heater to take advantage of time of use rates. He installed a timer on his electric hot water heater and set it to run from 3:00 a.m. – 7 a.m. After his morning shower, the hot water is fully recharged by 7 a.m. So far this summer, he has not run out of hot water during the day and he has shifted a significant portion of his use from the peak hours to the off-peak hours, which will result in a lower electric bill under the new proposed TOU rates.

Energy saving tips: Time Of Use

- Switch off dishwasher dry cycle and run dishwasher once per day as late at night as possible
- Do laundry late at night or early in the morning
- Use cold water wash cycle more often
- Clean filter in dryer after each load to improve air circulation and clean exhaust vent
- Lower hot water temperature to 120°
- Shorten cycle on pool and irrigation pumps and set timer for off-peak hours (between 11 p.m. and 7 a.m.)
- Set your thermostat as low as possible in winter and as high as possible in the summer.
- Switch off power strips for televisions, VCR/cable boxes, and computers when not in use.

OUTAGE CAUSES 2007



What causes outages?

Our customers are accustomed to quick, responsive service. Our line crews are ready at a moment's notice to provide fast, friendly and professional service to all customers of the Light Department no matter the time of day or the weather conditions. They are committed to restoring service in the quickest time possible.

As shown in the graph above, many factors contribute to our overall outages including weather, downed trees and wildlife (birds and squirrels). To ensure safety, there are certain times when we must shut down an entire circuit, so that it is safe to work on the electric lines and make repairs. Although we realize this may be inconvenient for our customers, it's important to remember that the safety of our linemen and the public is always our number one priority. The summer of 2008 has been quite electric – lightning strikes severed four of our cables during two separate incidents and wild weather systems wreaked havoc in June and July. Even though Mother Nature is not always on our side, we continually strive to have as few outages as possible – our mission is to provide power at the highest degree of reliability at the lowest cost that fiscal prudence dictates.

Our costs are rising

Due to a Regional Network Service (RNS) rate increase of 49% effective June 1, 2008, our transmission costs have skyrocketed. With our June peak at 17 megawatt-hours, this translates to a cost of nearly \$250,000 over twelve months. The forecasters predict that an even larger increase is anticipated for June 2009. In addition to the transmission cost increase, other costs are also escalating. We may need to raise rates in the near future to cover these costs. However, we make every effort to keep rate increases as small as possible. While other local systems are also experiencing rate increases, our goal is to improve on our standing of having the fifth lowest rate in Massachusetts.

Commissioner service awards



Each year commissioners who have provided outstanding leadership to their public power system for three full terms or at least 10 years may be nominated by their utility to receive the NEPPA (New England Public Power Association) Commissioner Service Award.

Out of 349 commissioners in New England in 2008, 7 commissioners received recognition for their outstanding leadership. Groton Electric Light Board Commissioners Rodney Hersh (serving Groton 16 years) and Kevin Lindemer (serving Groton 10 years) each received a Commissioner Service Award. Manager Kevin Kelly presented the awards at a Board meeting held August 18, 2008.

We are honored and delighted to have two conscientious and dedicated commissioners who keep the best interests of the Groton Electric ratepayers in mind while making difficult decisions that affect the Light Department.

Thank you Mr. Hersh and Mr. Lindemer for your outstanding leadership and commitment to our locally owned and operated light department!

Monitor your electric use on-line!

Our new state-of-the art AMR (Automatic Meter Reading) system is successfully deployed and reporting in daily. If you would like the ability to monitor your own use, we can allow on-line access to your meter data information. To set up a username and password, please call our office at 978-448-1150 and ask for Barbara or Tammi.