the power OUTLET
The Newsletter for the Groton Electric Light Community
January, 2009

Time of use rates approved

After months of planning, Groton Electric is now offering customers an innovative money-saving option – time of use (TOU) rates. To make it work, you must be willing to make some changes.

The new TOU rates will lower your bill only if you are willing and able to shift a significant portion of your electric use away from times of high electric use in Groton. They will change your bill only slightly if you do not change your habits at all—some bills may be a little higher and some bills may be lower, but the total dollar change will be minimal if you do not shift your power use.

The key to lowering your monthly bill with TOU is your ability to cut electric use during the peak-use hours of 11 a.m. through 7 p.m., or to shift your use to later in the evening or very early morning between 11 p.m. and 7 a.m. For most, this will take a conscious effort to change.

If you sign up for this voluntary option, you will be billed under three different rates in the generation portion of your bill, depending on when you use electricity. Our current state-of-the-art meters will automatically record and transmit this data.

Here's how the rates work

There are two TOU rates based on average monthly use. Customers using more than 1000 kilowatt-hours per month will have a base generation rate of .096 cents per kilowatt-hour; those using less than 1000 kilowatt-hours per month will have a base generation rate of .091 cents per kilowatt-hour.

The base generation rate will then be modified based on when power is used:

- Power used from 11 p.m. to 7 a.m. will be billed at the lowest rate: 70% of the base generation rate.
- Power used from 7 to 11 a.m. and 7 to 11 p.m. will be billed at a middle rate: 100% of the base generation rate.
- Power used from 11 a.m. to 7 p.m. will be billed at the highest rate: 125% of the base generation rate.

This equates to a generation rate of approximately 6.7 cents per kilowatt-hour for the low rate and 12 cents per kilowatt-hour for the high rate. The middle rate remains fairly neutral. The total electric charge will be approximately 8.7 cents per kilowatt-hour for the low rate, 11.5 cents per kilowatt-hour for the middle rate and 13.9 cents per kilowatt-hour for the high rate.

Is TOU right for you?

Please keep in mind that TOU rates are directly related to the time electricity is used, so no two bills will be equal. And 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 afternoon and early evening or those who have large electric appliances such as water heaters, pool or irrigation pumps, dehumidifiers and central air, and can shift their electric use to the off-peak rate times.

If you are still unsure if TOU rates are right for you, you can monitor your electric use online to learn precisely when you are now using electricity. We can provide a user name and password to allow access to your meter data. To sign up for TOU rates or to set up a user name and password, please call Barbara or Tammi at 978-448-1150.

What's is Time of Use (TOU)?

A TOU (time of use) rate is a voluntary option for those who would like to save money by shifting the time of their electricity use. Participants enjoy a discounted rate for using power during off-peak periods, but will pay more for energy consumed during periods of highest electric demand.

Sample bill under TOU rate

859 kilowatt-hours (average monthly use)

	No change in use	15% of peak use shifted to off-peak	30% of peak use shifted to off-peak
Generation Charge:	$81.25	$78.58	$75.92
Total Bill:	$106.12	$103.46	$100.80
Savings:	$.53	$2.66	$5.32

Savings would occur with no reduction in energy use, just shifts in times of use. Using less energy would save even more.

Believe it or not...

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Electric heat is still more expensive than heating with oil!

Although limited use of electric space heating can be cost effective, oil would need to cost more than $5 per gallon to be more expensive than heating primarily with electricity. Consider:

- 1 gallon of heating oil equals approximately 139,000 btu's.
- 1 kilowatt-hour equals approximately 3,400 btu's.

Electricity is measured in kilowatt-hours. You would need 41 kilowatt-hours to equal one gallon of heating oil strictly on btu's. With our current price of $.12 per kilowatt-hour, the price of heating oil would need to be more than $4.92 per gallon for electricity to be competitive as a primary heating source.

Cost-effective electric heat

When used properly, portable electric space heaters can be an energy-efficient alternative to turning up the furnace. Here are some smart ways to use them:

- **Cold rooms.** Do you have a room where the central heating system never seems to catch up with the chill? Plug in an electric space heater while in that room.
- **Quick warm-ups.** How about a cold bathroom or extra room that is only used occasionally? An electric space heater can quickly warm up any small room.
- **Living spaces.** Maybe everyone is in the family room but you don't want to waste heat in other empty rooms. An electric space heater can warm up the family without burning through the budget.

Keep safety in mind when using portable electric heaters:

- Choose models with automatic safety switches that turn the heater off if it is accidentally tipped over.
- Always turn off and unplug the heater when you leave the room.
- Read and follow all manufacturers' instructions.

To calculate how much an electric portable heater will cost you per hour, take the wattage of the portable heater, divide it by 1000 to get kilowatt-hours, then multiply by the electric rate. Here is an example using a typical 1,500-watt heater:

1500 watts divided by 1000 = 1.5 kilowatt-hours
1.5 x $.12 (current residential rate) = $.18 per hour

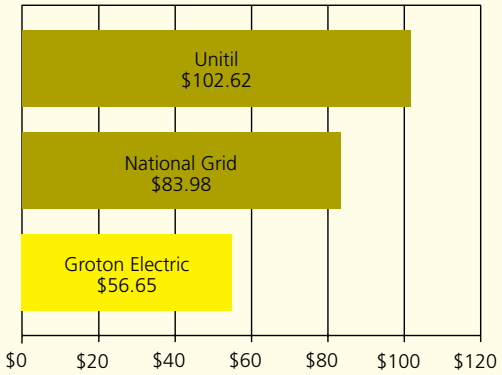
Although $.18 per hour sounds reasonable, if you multiply that by 24 hours then by 30 days, you could be paying $129.60 to heat one room for one month. So while heating one room for a couple of hours is reasonable, be aware that using portable electric heaters continually can be very expensive.

January 2009 rate increase

Due to the increase in transmission costs to Groton Electric, we have been under-collecting the transmission portion of our rates by 86% for some time. To recoup these costs we would need to increase rates by just over 5%. However, due to recent decreases in wholesale power costs, we are able to hold the rate increase to only 3%. Even with this rate increase, Groton Electric will still have one of the lowest rates in the state of Massachusetts. The increase will be effective on the January 31, 2009 bill.

See how we compare!

A Typical 500 kWh Bill



New remittance address for payments

Due to the large volume of payments we receive each month, we have contracted with our bank to accept payments through a lockbox. A lockbox is a post office box set up in the name of Groton Electric managed by the bank—the bank accepts and processes payments directly for Groton Electric customers.

As always, you can still drop off your payment at our office or through the drop slot in our door—the office staff enjoys seeing our many customers each month!

The cost for this service is being more than offset by a decrease in the number of hours worked in our billing department.

New camera can locate heat loss

Groton Electric has a new infrared camera that can be used at our customers' homes to locate hidden heat loss due to problems such as air leaks or insulation that has settled or is missing. If you would like a free infrared scan of your home, please call Tammi at 978-448-1150 to schedule an appointment.

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The 40 Municipal Electric Utilities of Massachusetts

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