



GOOD NEWS...

From your community owned, not for profit electric utility

Peabody Municipal Light Plant is pleased to announce a decrease in the PP&FCA portion of your bill.

Just as you were told in July, rates have not changed. What has changed is the Purchase Power & Fuel Cost Adjustment (PP&FCA) portion of your bill. The PP&FCA is adjusted quarterly and is directly impacted by the cost of fossil fuels used in the generation of electricity. A residential customer will see a decrease of approximately 15% in their electric bill, based on 500 kWh of usage. **For example:**

A residential customer using exactly 500 kWh of electricity during the months of July, August and September would have been billed \$56.85 for each month. That same bill for the months of October, November and December will be \$48.44, again based on exactly 500 kWh. Just as the increase you saw in July resulted in a higher percentage for some customers due to increased kWh usage for air conditioning, swimming pools, etc., some customers may see a larger decrease in their bill as a result of using less energy than they did during the summer months. **All percentages and calculations are based on 500 kWh.**

The complex calculations that make up the PP&FCA are based on the best estimates available for what it will cost to purchase and generate power for the next three months. The volatility of the markets has made it very challenging to predict the cost of future power purchases. Oil and natural gas are the fuels we need to purchase to operate the two generators owned by PMLP. Owning our own generators puts PMLP in a very favorable position relative to controlling our costs.

We don't have to look far to find electric bills substantially higher. Our neighbors living in communities served by National Grid are paying substantially more than residential customers of PMLP. A recently announced increase of 5% for National Grid customers, effective November 1, will mean our neighbors in Salem, Lynn and Beverly will be paying \$90.63 for 500 kWh...**approximately 87% more for electricity than a resident of Peabody.** Our commercial industrial customer's costs also compare very favorably with the bills paid by businesses located in neighboring cities.

It is difficult to turn on a newscast today without listening to a story on rising energy prices. We are all very much aware of the challenges facing everyone when it comes to energy costs. **In these unstable energy times, Peabody Municipal Light Plant is committed, as always, to providing a reliable product at the lowest possible price. That is what Public Power is all about!!**

Other Good News You Will Be Hearing More About.....

- ✓ **Berkshire Wind Project:** PMLP owns the largest share of the project (18%), which is expected to be providing clean, renewable energy by the end of 2010. Commissioners Tom Zellen, Bob Wheatley and Tom Paras, along with Manager, Bill Waters and Assistant Manager, Russ Dunn recently attended a groundbreaking ceremony on Brodie Mountain. We will keep you posted on the progress.
- ✓ **New Switching Station:** The new station, located in South Peabody, recently arrived on four large trucks and is now sitting in place waiting for the finishing touches. The new equipment will enhance reliability to the South Peabody area and the Centennial Industrial Park and is expected to be fully operational and serving the community by the end of this year.

Heating Season 2008'

The pain we've all been suffering at the gas pumps is about to follow us indoors! Oil and natural gas prices are at an all time high, which means we will pay significantly more this winter to heat our homes.

Consumers can do more than hope for mild weather this winter as they watch heating oil and natural gas prices hit record highs. They can take actions that could help reduce their bills and offset soaring energy prices. The American Council for an Energy-Efficient Economy (ACEEE) offers 5 practical steps for consumers to take right now at little or no cost:

- ***Change furnace filters. Monthly replacement of furnace filters in forced-air heating systems can save as much as 5% on heating bills.***
- ***Insulate windows with coverings. Close blinds and drapes at night to keep cold air out and open them in the day to let warm sun in. Cover windows with insulating shades or plastic sheeting to cut down heat transfer from inside to outside.***
- ***Install a programmable thermostat to set different temperatures during the night and day. Program it to warm up the house in the morning, keep it cooler during the day while residents are away, and warm it up again in the evening until bedtime. Consumers can save about 2% on heating bills for every degree thermostats are turned down.***
- ***Seal doors with draft-reducing weather-stripping and door sweeps to cut down on spaces where cold air can enter the house.***
- ***Lower the water heater's thermostat to the lowest level that meets your hot water needs, typically to 120°F (midway between the "low" and "medium" setting on many units). Each 10-degree reduction could help you save 3% to 5% on water heating costs.***

In the face of significantly higher winter energy costs this year, consumers can use smart energy practices and energy-efficiency technologies to save significantly on their monthly energy bills, and contribute to energy conservation.

For more Energy Conservation information:

You may call the Energy New England Hotline at: 1-888-772-4242

**or visit one of the following web sites: <http://www.energy.gov/yourhome.htm>
www1.energy.gov/consumer/tips/save_energy.html**

