

# WEST BOYLSTON MUNICIPAL LIGHTING PLANT

4 Crescent Street, West Boylston, Massachusetts 01583

Telephone (508) 835-3681 | Fax (508) 835-2952

**Dear Customer,**

## **WBMLP's electric rates are not increasing!**

As you may have heard in the news, the investor owned utilities (IOU) are significantly increasing their electric rates. The good news is that West Boylston's electricity rates are not increasing. In fact, WBMLP's electricity rates haven't significantly changed or increased since 2009. WBMLP maintains some of the lowest possible electric rates in Massachusetts, especially compared to the investor owned utilities.

The average homeowner in West Boylston consumed approximately 750 kWh's per month and spent approximately \$97.16 per month for that electricity between July 2013 and July 2014. As you can see in the chart below, WBMLP's average residential electricity rate is lower than the investor owned utility residential rates in Massachusetts. This comparison does not even include the IOU rate increases you're hearing about! Our large commercial and industrial electricity rates are also much lower than the comparable IOU rates.

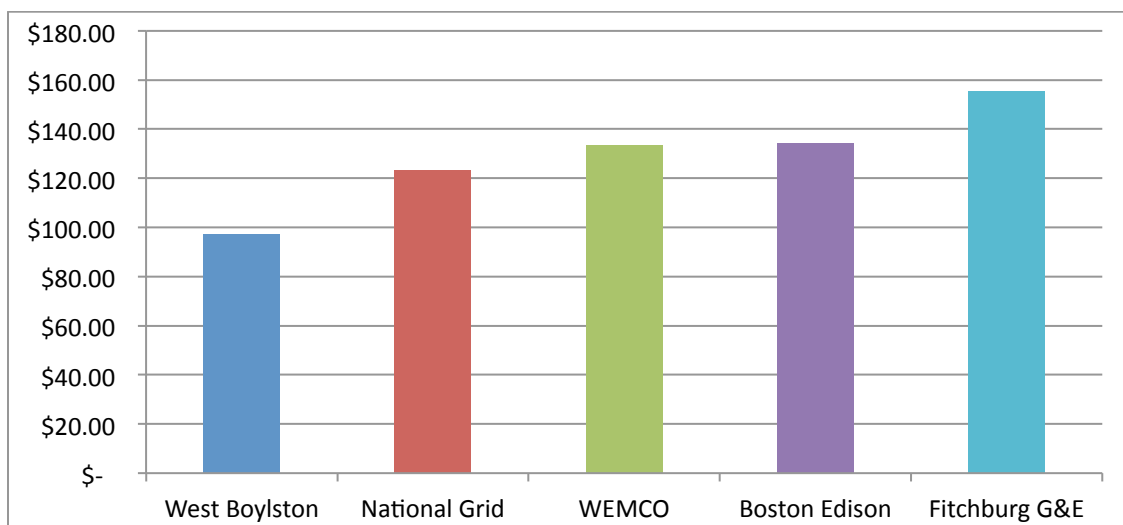


Figure 1. Average Residential Monthly Cost, July 2013- June 2014

## **WBMLP still owns generation and executes long term energy deals**

The municipal light plant in West Boylston is still vertically integrated or bundled. This is one of the main reasons why our rates are lower. This means WBMLP can own generation, transmission, and distribution assets related to the electric utility business. Deregulation legislation passed in 1997, forced IOU's to sell their generation assets, so 100% of the IOU's energy is now purchased from private generators and the majority of this energy is purchased in short-term 6 month blocks.

WBMLP still owns generation assets throughout New England and has signed various long term (up to 20 years) power contracts for energy to meet the needs of its customers in West Boylston. This long term planning allows us to cost effectively manage our energy costs. As you can see in the chart below, WBMLP has a very diverse power supply in order to minimize risk and help maintain the lowest possible electricity rates.

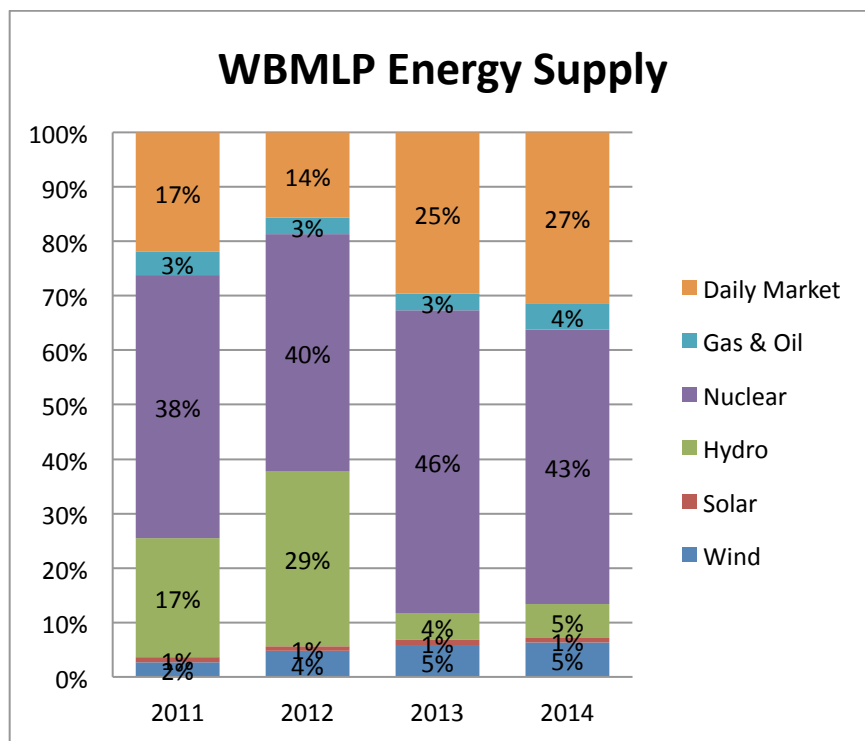
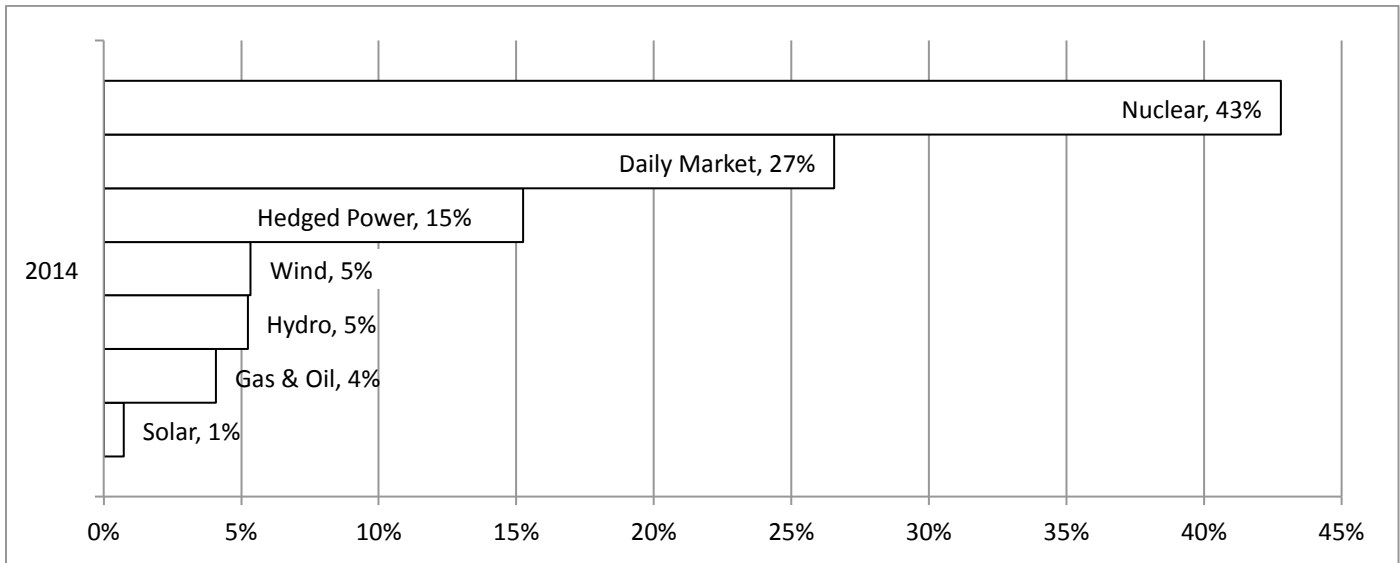


Figure 2. WBMLP Energy Portfolio

### Natural Gas is powering Massachusetts

Almost half of New England's power is generated by natural gas and the pipelines that carry the gas are used to capacity especially during the winter months. When supplies are limited, prices increase. Additionally, natural gas is becoming the preferred and most cost effective fuel to heat our homes and businesses. Unfortunately there are not enough natural gas transmission pipelines in the ground to provide fuel for all consumers and generators at once during peak demand times (i.e. when it's really cold). This is why WBMLP supports the installation of additional natural gas transmission pipeline infrastructure in Massachusetts. If we don't add additional pipeline from multiple directions to Massachusetts, we may face significant shortages and/or very high prices as the demand for natural gas increases.