



Reading Municipal Light Department
RELIABLE POWER FOR GENERATIONS

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Press Release

RMLD rates to increase by approximately 3% effective July 1

Reading, MA, June 26, 2015 - At its June 25 meeting, Reading Municipal Light Department's (RMLD) Board of Commissioners voted 5-0 to increase rates by approximately 3% for residential and commercial customers. The increase varies slightly by rate class and usage and will be effective July 1.

"The necessity of the increase is to bring the operating ratio in line with best business practices. The operating ratio ensures sufficient margins relative to sales," said General Manager Coleen O'Brien. "As the result of a diligent review of budget to actuals, which shows a 1% decrease in sales and to show consistency in its rate of return for the purposes of solid financial positioning, continued excellent low credit risk for both RMLD and the Town of Reading, and to ensure that RMLD remains attractive to low cost power suppliers, the rate increase is necessary."

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O'Brien added, "The concept of whiddling away at the margin each year to avoid a necessary rate increase only results in significant increases when the margin is depleted. Our practice now is to analyze our current, projected and reconciled power supply, sales and expenses with due diligence each month. Nominal annual increases as labor, cost-of-living increases, benefits (health care), etc. remain a more stable, proactive and communicative approach."

This increase is not to be confused with the New England area increases for capacity and transmission. It represents a 3% increase in non-power supply expenses for RMLD.

O'Brien told the commissioners at the May 27 board meeting that she had discussions with the four town managers (Reading, North Reading, Wilmington and Lynnfield) at the LED Streetlight Presentations in March about a potential 3-5% rate increase so they could plan their budgets accordingly, with no surprises facing them at budget time.

The customer using a monthly average of 750 kWh will see a \$3.50 increase. Higher usage will result in a higher increase.

In FY 2015, RMLD's total operating budget is projected at \$84.9 million revenue, with expenses of \$81.5 million, of which 76% or approximately \$62 million are pass-through charges billed to RMLD for purchased power, transmission, capacity and fuel, and in turn are passed on to the customer. The other 24% or approximately \$19.5 million represents labor, department expenses, conservation budget, insurance, professional services, supplies, maintenance, \$1.4 million in payments to the four towns, \$2.3 million to the Town of Reading and other miscellaneous expenses.

RMLD will continue to have among the best reliability and competitive rates in the state with the increase.

To assist in keeping electric bills at their lowest, RMLD offers several alternate rates and programs:

- Residential Time-of-Use Rate can save money if you're able to shift much of your home's power use away from on-peak hours, which are noon to 7 p.m., weekdays excluding weekends and holidays.

Hot Water Rate can save you approximately \$200 annually when your electric hot water heater is shut off remotely by

- RMLD for two hours weekdays, Monday-Friday between 5-7 p.m. in the winter and 2-4 p.m. or 3-5 p.m. in the summer.
- Rebates on ENERGY STAR appliances range from \$10-\$250 on ceiling fans, programmable thermostats, dehumidifiers, dishwashers, washing machines, refrigerators, room and central air conditioning, heat pumps and certain electric hot water heaters.
- Residential Energy Audits are free to homeowners who are interested in making energy efficient upgrades
- Residential Renewable Energy Rebate Program awards customers who install photovoltaic, wind generators or other renewable energy systems in the homes. Additional rebates when using local products and contractors.
- RMLD on-line store, purchase LED lightbulbs at discounted prices. Visit www.energyfederation.org/rmld.
- Purchase Smart Strip Power Strips (surge protector) and save energy when used with home entertainment and or computer system allowing power to be automatically cut to non-essential devices when not needed.
- Commercial Lighting Rebate Program provides an incentive of 30-40% of total project costs to retrofit or replace inefficient fixtures to any qualifying high efficiency fixture. The program includes all interior and exterior applications and has a maximum benefit per customer annually.
- Commercial Energy Initiative Rebate Program provides an incentive to add, replace or upgrade building system components including, but not limited to, heating ventilation

and air conditioning (HVAC), rooftop units (RTU), energy management systems (EMS), building - automated systems (BAS), lighting controls and renewable technologies. Engineering verification is required on qualifying high efficiency units to determine overall kilowatt savings and applicable incentive amount. This program has a maximum benefit per customer annually.

For details on these options and more energy savings tips, visit www.rnld.com or call Customer Service at 781-944-1340.

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