

Tuesday March 30, 2004

Chambersburg power rates expected to drop

by DON AINES

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CHAMBERSBURG, Pa. - Before summer temperatures and the peak demand for power hits the area, residential and commercial electric customers will begin seeing lower electric rates in Chambersburg, according to a proposed rate restructuring plan reviewed at Monday's Chambersburg Borough Council meeting.

The council will consider adopting the new rate schedule at its April 26 meeting, Borough Manager Eric Oyer said.

When the new rates go into effect on May 3, residential customers will see an average decrease of 12 percent in the cost of a megawatt hour from \$78.25 to \$68.85, said David Downes, the chief executive officer of Downes Associates Inc., the consulting firm that has been working with the borough on the new rate structure.

Commercial customers could see the actual cost of the power they purchase decrease 12.8 percent from \$74.10 to \$64.60 per megawatt hour, Downes said. Chambersburg is one of the few municipalities in Pennsylvania to own its own electrical grid and generating capability.

Part of the decrease in the cost of electricity comes from where the borough buys its energy, Downes said. From 2000 to 2003, the cost of electricity rose 18 percent from \$10.2 million to \$12.2 million, Downes said. This year, the estimate is about \$10.2 million, Downes said.

He credited part of the fall in price to a five-year power supply agreement the borough entered into 15 months ago that now provides power from various sources at lower prices. The borough also recently put a new power generating facility on line to reduce the amount purchased from outside sources during peak periods of consumption, a decision Downes called "farsighted."

The new rate structure will include an experimental load curtailment rider, an incentive program to lower the costs to the biggest commercial and industrial users, Downes said. If a customer enrolled in the program reduces the borough's cost for electricity, the savings would be passed on to that customer, he said.

"It's not how much they use, but when they use it," Downes said. As an example, he said customers could realize savings by using less power during hours of peak demand.

When implemented, Downes said the changes will mean borough customers will pay more than 26 percent below the statewide average for a megawatt hour.