



Connections

FALL 2008 NEWSLETTER FOR EASTON UTILITIES CUSTOMERS

Important telephone numbers:

Main switchboard

(410) 822-6110
(Customer service)

Emergencies

(410) 822-6110
(24 hours a day,
7 days a week)

EastonOnline

(410) 763-9400
(Customer service
and technical
support)



Know what's below.
Call before you dig.

Easton Utilities

201 N. Washington St.
P.O. Box 1189
Easton, MD 21601

www.eastonutilities.com

Easton Utilities proposes first electric base rate increase in a decade

For the first time in a decade, Easton Utilities has proposed an increase in its electric service base rates. Under the new rates, and using recent average electric energy supply prices, a typical residential customer's bill for 1000 kilowatt hours of electricity would increase approximately 4.8 percent, or \$6.06, per month. Even with the increase, Easton Utilities' residential customers using 1000 kWh will be paying about 9 percent less than customers served by other regional providers.

Revenue collected from base rates pays for the operation and maintenance of the electric system in Easton but not for the cost of the electricity itself. In addition to base rate charges, customers' bills include charges for electric energy, state taxes and surcharges. Electric energy prices fluctuate on a monthly basis and are subject to market forces.

"Through aggressive cost-savings and efficiency measures, we have delivered reliable service without having to increase base rates for a decade," said Hugh E. Grunden, President & CEO of Easton Utilities. "But with the considerable increase in expenses ranging from materials to health care, we must adjust rates to continue to provide service at the level our customers expect."

Mr. Grunden said that since the last rate increase the number of customers served by Easton Utilities has increased 25.1% and that Easton Utilities has made more than \$10.4 million in necessary investments to the electric system.

"At the time of our last adjustment, a gallon of regular gas cost \$1.20 on average and oil traded at \$20.61 a barrel," added Mr. Grunden.

Base rate revenues typically account for about 30 cents out of every dollar a residential customer spends on his electric bill. The remaining 70 cents goes to energy providers outside of Easton and to the State of Maryland for taxes and surcharges. As a not-for-profit utility, Easton purchases electricity on behalf of its customers and passes the cost along with no markup.

The Easton Town Council approved the proposed rate increase on August 4. Easton Utilities must now seek approval from the Maryland Public Service Commission before any adjustment to rates can be made.

Easton Cable customers not impacted by digital conversion

Easton Cable customers will not be impacted negatively by the nation's change over to digital broadcasting in February 2009. Easton Cable has already invested in the technology to convert local TV stations from the digital picture to be able to work with your current TV set. The only viewers who will be impacted by the change are those who have older televisions without digital tuners and who are not customers of a cable or satellite TV service. As an Easton Cable customer, you do not have to change a thing. If you have questions, please visit www.dtv.org or call the Easton Cable Customer Service Department, (410) 822-6110.

Easton Cable launches six new channels

Easton Cable launched six new channels, four new High-Definition offerings and two on the Digital Basic Tier

USA HD (Ch 124) presents original series, feature movies, sports and entertainment events, off-net television shows and blockbuster theatrical films such as *The Starter Wife* and *In Plain Sight*.

Sci-Fi HD (Ch 125) fuels viewers' imagination with original series and events, blockbuster movies and classic science fiction and fantasy programming. Shows include *X-Files*, *Ghost Hunters* and *Scare Tactics*.

Bravo HD (Ch 126) has assembled an incredible selection of programs in the food, fashion, beauty, design and pop culture affinity groups as well as various projects in development such as *Top Chef* and *Project Runway*.

CNBC HD (Ch 127) provides in-depth business news including real-time financial market coverage and business information to 400 million homes worldwide.

In addition to these High-Definition TV offerings, Easton Cable has launched two new networks on its Digital Basic lineup.

Chiller (Ch 225) has assembled an incredible selection of horror and thriller entertainment for viewers such as *Bride of Chucky*, *Poltergeist* and *House of the Haunted Hill*.

Oxygen (Ch 226) Under the rebranded "Live Out Loud" tagline, Oxygen is the home base for young women offering comedy, documentaries, drama, entertainment, lifestyle in more with popular shows like *Tori & Dean*, *Home Sweet Hollywood* and *The Bad Girls Club*.

For more information, visit www.eastonutilities.com

Rising fuel costs increase utility bills

As the significant price shocks from energy markets work their way through the economy utility customers are starting to see the impact in their utility bills.

"The price of fuels used to generate electricity has increased significantly in the past year," said Hugh E. Grunden, President & CEO of Easton Utilities. (See "Rising Cost of Fuel")

The trickle down impact has been limited to date, added Mr. Grunden. Average residential electric prices have only increased about 5 percent around the country. But Easton customers have begun to see rising monthly prices for both natural gas and electricity due to the increases in fuel costs.

The Department of Energy recently forecast that "rapidly increasing delivered fuel costs for power generation" will cause residential electricity prices to increase by an annual average of about 5.2 percent in 2008 and 9.8 percent in 2009 compared with an increase of 2.2 percent in 2007.

As a not-for-profit utility, Easton Utilities does not profit from the increased cost of energy. Easton Utilities purchases all of the electricity that customers need on the open market and sells it to those customers without mark-up.

Easton Utilities Branches Out

As part of its ongoing environmental stewardship efforts in our community, Easton Utilities will launch "Easton Utilities Branches Out" in October, an effort to reduce greenhouse gases and improve water quality by planting more trees. All Easton Utilities employees will spend part of a day planting trees along the Rails to Trails pathway.

"Trees are more than just aesthetically pleasing, they are critical to the water quality of the Tred Avon River and our local air quality," said Mr. Grunden. Trees promote cleaner water by holding soil in place that would otherwise cloud rivers and creeks. Through photosynthesis, trees absorb carbon dioxide and increase oxygen. Trees also provide shade that reduces the need for fossil-fuel driven air conditioning.

Join us for Public Power & Gas Week, Oct. 6-10

As a municipally owned utility company, Easton Utilities brings a range of benefits to the community that privately held utility companies generally do not. Across the nation, public power companies offer favorable rates, local customer service, and a commitment to the local community. Visit the Easton Utilities Customer Service Center during the first week of October to learn more.

Rising Cost of Fuel

Between June 2007 and 2008, the price of....	increased by...
Crude Oil*	98%
Gasoline Regular Grade	32%
On-highway Diesel Fuel	67%
Heating Oil	68%
Propane	29%
Natural Gas (wellhead)**	73%
Natural Gas (residential retail)	15%
Coal (used to generate electricity)	14%
Natural Gas (used to generate electricity)	51%
Residual Fuel Oil (used to generate electricity)	77%
Distillate Fuel Oil (used to generate electricity)	89%

*(West Texas Intermediate Spot Average)

** (Henry Hub Spot)

Source: U.S. Department of Energy, Energy Information Administration. Figures represent trends in national average pricing. Regional prices may be different.

Committed to our Community

In keeping with our mission to enhance quality of life in our community, Easton Utilities is proud to support many local organizations and events including...

Waterfowl Festival
Easton Main Street
The Avalon Foundation

Easton Police Department
Easton Volunteer Fire Department