



Borough of Weatherly

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UTILITY INCREASES

We are writing to explain the reason for the increase in the borough utility bills. The borough electric utility is serviced by the PJM interconnect. The PJM controls the flow of energy in 13 states including Pennsylvania. In the billing we receive there are transmission costs and a reliability pricing model (RPM) cost. The RPM in simple terms is the cost of additional energy available in the PJM when the temperatures in the summer require more energy to handle the extra load for air conditioning and in the winter with colder temperatures the extra load for heating. These prices for the longest time were reasonable but in the past year they have gone up 10 times more than usual which now are requiring all electric companies in the thirteen states to increase their rates to their customers to cover this expense. In all cases it is about a 15% - 20% increase to the customer. PPL has increased its rates by 19% because of the cost increase. This is why the borough had to have a price increase too. This increase also affects our other utilities and our daily operations.

We have the water and wastewater utilities and they use a considerable amount of electricity to operate. These utilities run 24/7 and the borough pays the same rate as any other business in the borough. There are other factors that affect these utilities. The Department of Environmental Protection is now requiring increased water testing and possible changes to our water treatment. All of these factors have made it necessary to increase the prices we have to charge for our utilities, operations and maintenance.

To summarize, this rate increase by the PJM affects every electric utility in the thirteen states that it serves and it is substantial as you have realized. We just want to make you aware of the cause of the increase and why and how it affects you.