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# Press Release

## **MG&E will bring Customer Worries to Washington**

The Department asks everyone to get involved to stop unfair electric charges.

**Middleborough, MA, January 26, 2009:** Senseless fees. Complex deals cloaked in layers of creative financing. The Middleborough Gas & Electric Department wants their customers to know these tactics aren't limited to the collapse of Wall Street or Detroit. These methods are employed by electric transmission organizations throughout the country and right here in New England as utilities like MG&E are forced to pay unexplained, artificially-inflated prices for the power they purchase. The federal agency charged with protecting the public's interest – the Federal Energy Regulatory Commission (FERC) – needs to help consumers by making ISO New England more cost accountable. And now, MG&E is asking customers to take a stand.

Starting this month, the Department will give their customers a chance to make a difference, joining their concerns with those of Public Power utility customers in seven NE states, telling congress how inflated electric costs are affecting their homes and families. MG&E wants to know about the necessities they've sacrificed, the hard choices they've made simply to pay their electric bill in a struggling economy. The utility will collect these stories and comments and deliver them directly to local legislators in Washington in an attempt to get a new administration to listen.

"We are trying to get Congress and FERC to focus on the impact of ISO New England costs on residential, commercial and industrial consumers in our region. To date, it seems that no one is paying enough attention to the average bill-paying consumer. Congress and FERC have oversight for ISO New England and the other Regional Transmission Organizations and we are strongly urging them to be more cost-conscious and accountable," says Pat Hyland, Executive Director for the Northeast Public Power Association. "We've witnessed this already in other industries. It's happening in this one too, but we have the ability to give a voice to our customers."

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For the past three years, publicly-owned utilities like MG&E and the American Public Power Association has been pushing the FERC to change the way RTOs and ISO-NE operate to provide more accountability for their actions and fairness in their rates. Currently ISO-NE pays power generators based on the highest bid amount. The logic of this seeming paradox is to promote power generation – literally ensure profits to those who would build or improve generating plants in the region. Added to these charges are incentives like higher locational pricing in transmission-congested areas and extra-marginal profit allowance to those building transmission lines.

“It’s putting the cart before the horse. Give them more money and they will build. Ridiculous!” says Hyland. “What generator would risk a huge investment in a plant when, without building, ISO-New England makes sure that they make more than enough money? Plus, if they build more generating capacity, rates should drop because more power is available. No generator wants that! The current system is actually a disincentive to building more generation.”

Officials have been hard-pressed to put a dollar cost on these profit guarantees as access to relevant price and cost data has been restricted in the name of competition. “We hear the magic word, ‘Transparency’, a lot these days but this is exactly what we need to get to the root of wholesale power costs at the ISO” says Hyland. “I see their bills now and I’ve attended their rate-setting hearings. Their charges are so convoluted, you need a CPA firm to unravel them. We don’t get answers and no one has yet asked them about their CEOs salaries.”

Customers of the more than eighty public power systems in New England will be asked to take just two minutes to put in words a line or two about the personal toll these higher costs take or to simply sign a letter or petition supporting change and fairness in wholesale electric rates. NEPPA member utilities will hand-deliver what they hope will be thousands of postcards, letters and petitions and spill them out on the desks of their congressmen in February. “Nothing is as powerful as reading our customers’ own words telling us what it feels like to be unable to pay a bill,” says MG&E Manager John Granahan. “We want our legislators to know what that’s like. We want them to care.”

The 14,000 electric customers of the Middleborough Gas & Electric Department in Middleborough and neighboring Lakeville, can visit the Department’s website at [MGandEonline.com](http://MGandEonline.com) to learn more. They can also visit the administrative office at 32 South Main Street in Middleborough to fill-in a comment card or sign a letter and do their part for fair electric rates. Public Communications Manager Sandy Richter is available to speak to groups or answer anyone’s questions about this issue by calling (508) 947-1371.