

WINTER
2006

the connection

A LETTER FROM THE MANAGER

The utility industry has been watching natural gas and oil prices rise since the dawn of this decade. Although the rate of increase was relatively steady, prices began to climb at a fast clip in 2004.

As we all know, these increases continue — although I am pleased to say, that at the beginning of January, the prices on the New York Mercantile Exchange did come down from their record high levels reached in the fall. However, the price of natural gas is still much higher than it was at the beginning of 2005.

What caused the dramatic increases?

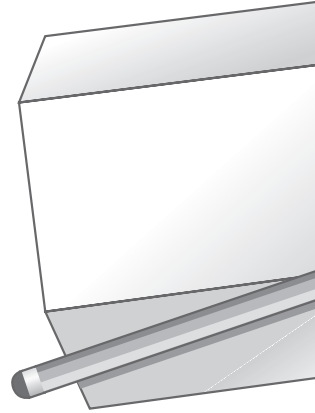
While most people think that the major increase was the result of disruptions caused by Hurricanes Katrina and Rita, these disruptions were only part of a series of events that have occurred since early 2004. The cost of fuel delivered to electric generating plants has risen, including a 20% increase in the cost of delivered coal between January 2004 and June 2005, caused by tight supply and railroad transportation problems. More importantly, demand for both oil and gas is increasing worldwide as China and developing countries increase consumption. As demand increases, US and Canadian supplies are dwindling and LNG (liquefied natural gas) is limited to terminal capacity.

It appeared that before the 2005 hurricanes, industry experts believed that the price of natural gas was unnaturally high, and that increased drilling activity would bring supply and demand into balance, resulting in lower prices. Although this prediction was sidelined by the hurricanes, it is still believed that high prices will lead to increased investment in natural gas infrastructure in the future. High prices may also lead to a decrease in consumption, a direct result of energy conservation. A decrease in consumption would also lead to lower prices.

We know that your electric and natural gas bills have been higher than in past months, maybe even higher than in past years. There are several things you and your employees can do to lower your electric and natural gas bills throughout the year. You can reduce your energy costs by taking some of the energy conservation steps outlined in this newsletter.

As always, please do not hesitate to contact me at 781-246-6363 if I can be of any assistance.

— Bill Wallace



SAVE Energy



Saving energy isn't only something you should do at home - saving energy at work can lower your operating expenses. For example, nearly 35% of energy is used for space heating in commercial buildings; 15% is used for space cooling.

There are some simple things you can do now to save energy and money:

- An annual tune-up can save up to 5% of energy waste and can identify small problems before they become big problems.

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Saving energy . . .

- Leaks in duct systems can result in large heat losses – inspect heating ducts and seal any leaks.
- Check air filters throughout the building; dirty or clogged filters reduce airflow, increasing the energy required for heating.
- Make sure that hot water or steam valves are in the proper position to allow full flow through the pipes.
- Calibrate your thermostats to ensure that they are working properly.

- Make sure the thermostat is set between 72° and 68° during the cold weather. Change traditional wall thermostats to programmable thermostats.
- Have a full heating system check up to make sure that parts like fan belts and dampers are operating properly.
- Have a meeting of your staff and/or building tenants to discuss ways to save energy.
- When you need to buy a new piece of equipment, make sure that you buy an EnergyStar product. These products are 20% to 30% more efficient.
- Among the products now EnergyStar rated are office equipment (computers, monitors, printers, fax machines, copiers); TVs and DVDs; commercial food equipment (refrigerators, steam cookers); refrigerators and other break room appliances; vending machines and water coolers.
- Laptop computers use 90% less energy than standard desktop computers.
- Ink jet printers use far less

- energy than laser printers.
- A 17-inch monitor uses 35% more energy than a 14-inch monitor.
- Remember that lighting accounts for 13% of all energy used in commercial buildings. Encourage co-workers to shut off all unnecessary lights.
- Use task lighting whenever possible.
- Replace fluorescent light electromagnetic ballasts with electronic ballasts.
- Install automatic room-lighting controls to turn lights on and off.
- Make sure that bulbs, fixtures and lamps are dusted regularly.
- Keep exterior and freight doors closed.
- Install ceiling fans to circulate warm air, pulling it away from the ceiling. Reverse the direction in the summer.
- Open window blinds and shades during the day to take advantage of the warmth of the sun.



April is Dig Safe Month

The month of April has been designated as Dig Safe® Month by the governors of Massachusetts, Maine, New Hampshire, Rhode Island and Vermont.

Before doing any excavation work, remember to call Dig Safe® (888-DIG-SAFE; 888-344-7233). Dig Safe® is a free service that is paid for by the member utilities which notifies the appropriate utility of any work scheduled to be done. Each member utility must identify, within 72 hours, where underground utilities, like electricity, natural gas, water and sewer lines, are located. These locations are indicated by a colored flag and/or paint to mark the area in which the lines or pipes are located. Be advised that not all owners of underground facilities are required to participate in the Dig Safe® program, and Dig Safe® members are not required to mark private facilities.

Dig Safe® is not only an invaluable service, it is also the law. Dig Safe must be notified 48 to 72 hours in advance before any work can begin. Additional information can be obtained via the website at www.digsafe.com.

