

## 2.4% Rate Increase Effective January 1, 2004

Effective with your February bill, electric charges will increase by approximately 2.4 percent. Butler Electric was granted this increase in the base rate after months of negotiations with the Board of Public Utilities (BPU). The base rate portion of your electric bill (which is the first amount shown on the charges portion of your bill) is the charge to maintain the distribution system that delivers electricity to your home or business. This charge includes the purchase and maintenance of poles, wire, line trucks, transformers, electric substations, and employee salaries to name a few items. The last time an increase was granted to the electric base rate was in 1985. Through improved efficiencies of the operation of the distribution system, an increase has been avoided for the past 18 years.

In addition to the base rate increase, the BPU ordered that all energy charges be separated from the base rate charges. As a result, you will notice that your base rate charges appear to have decreased while your LEAC energy charges (shown as EA on your bill) appear to have increased. The change is simply a separation of energy costs from the costs associated with running Butler Electric and does not change the amount of your bill.

Listed below are examples of the impact the rate increase will have on typical users.

### Residential User Monthly Increase \$1.82 (2.38%) Average 827 KWH per month

	Old	New
Base Charge 0-15 KWH	\$3.11	\$2.57
16-600 KWH	\$38.77	\$15.07
over 600 KWH	\$13.90	\$4.66
LEAC	\$18.94	\$54.24
<b>Total</b>	<b>\$74.72</b>	<b>\$76.54</b>

### Commercial User Monthly Increase \$8.89 (2.42%) Average 3759 KWH per month

	Old	New
Base Charge 0-15 KWH	\$3.33	\$2.80
16-2000 KWH	\$158.01	\$78.45
over 2000 KWH	\$110.15	\$38.67
LEAC	\$86.08	\$246.54
<b>Total</b>	<b>\$357.57</b>	<b>\$366.46</b>

We regret any inconvenience this rate increase may cause. If you have any questions related to this notice, please contact the billing office at 973-838-7208