

UPCOMING CHANGES IN STREET LIGHT BILLING

Starting in May, there will be significant changes for many (not all) municipalities. Currently, ComEd bills street light usage on fixed rates. These rates are adjusted annually to reflect changes in the electric market.

For “Medium” sized street light accounts, ComEd will no longer offer the fixed rate after May. “Larger sized” municipal accounts had their fixed street light rates retracted 2 years ago.

ComEd is trying to encourage commercial users to purchase their power directly from other electric suppliers (like Constellation, Exelon or Mid-American). This moves the billing and administrative functions from ComEd to other electric suppliers.

Unfortunately, ComEd has not yet released the criteria by which it determines an account to be deemed “Medium”. We estimate that ComEd will be notifying all of the “Medium” accounts in the

next 30 days.

If your municipality does not receive notification from ComEd, then your accounts are considered to be “Small”. ComEd will continue to offer the fixed annual rate for these accounts. We encourage all members to take advantage of the fixed annual street light rate with ComEd as long as each account is eligible.

If, however, some of your accounts are deemed to be “Medium”, the ComEd fixed annual rate will no longer be available after May.

You will then have two options. If you make no changes, your “Medium” account will remain with ComEd, but will be charged on a floating, Hourly rate. This is the truest reflection of the electric market pricing, but it will result in fluctuations to your billing rate each month.

The second alternative would be to lock in a fixed rate for 1 or 3 year periods. Since Co-

mEd no longer offers this fixed rate option, you would need to move to another electric supplier. NIMEC will be working with its membership to help those who choose to lock in their rates. We will be holding a separate bid for street lighting, in addition to our ongoing annual bid.

Unfortunately, the retraction of ComEd’s fixed rates will lead to a price increase of approximately 15% to 25%. The exact increase will be determined by the specific option each municipality chooses.

To help reduce expenses, some municipalities are turning off non-essential street lights (Merrillville, IN and Arlington, Texas). Mountain Home, CA turned off all of its street lights.