

NEWSLETTER – SWAN’S ISLAND ELECTRIC CO–OP

MANAGER: JEFFREY ELLISON

Thanks goes to all of those who attended the Annual Meeting. I hope it answered any questions you had. If not, my phone number is (207) 479-5040.

Bonnie Turner –our Bookkeeper for 34 years - is currently in the Eastern Maine Medical Center in Bangor recovering from one operation and possibly preparing for another. Please keep her in your prayers or thoughts. A big thanks goes to Jane Savage who is picking up Bonnie's work as well as her own. We ask for your patience during these tough times. One of the issues with trying to provide reliable, safe power at a reasonable cost is a lack of depth in staffing to pick up the workload in situations like this.

I would like to welcome Bob Pickup to the Board. Bob has been volunteering his assistance during the past year. His financial expertise will be an even greater asset now since our outside auditor resigned during the rate case investigation. We are looking for a new auditor with all haste. The return of Jason Matthews and Joe Staples will bring stability to the Board as we move forward.

From the Board:

The 2014 Annual Meeting on July 24th boasted the largest attendance at an Annual Meeting is recent memory. Nearly 100 people, including 71 voting members signed in to the Odd Fellows Hall.

No doubt, the recent approval of a 14.5% rate increase by the Maine Public Utilities Commission (MPUC) contributed to the elevated level of interest.

The rate increase – the first in seven years – was the main focus of the meeting, and prompted a number of questions from the floor. Along with the rate increase (which is applied for the first time with this month's bill), the Cooperative is committed to report to the PUC on several initiatives over the coming year:

(1) A study to determine the benefits and costs associated with merging our Cooperative with a larger utility, such as Emera.

(2) An effort to have Emera reclassify our Electric Cooperative to be charged as a Standard Residential customer as opposed to our current category of Medium Commercial customer. While this would not necessarily result in lower electric rates, it would have the effect of making our rates

(and our bills) more stable and predictable – month to month, than they are at present.

(3) the Cooperative is required to assess the need for additional, more professional staff.

(4) the Cooperative is required to build a biennial budget. (covering two years at a time).

(5) The Cooperative is required to study a plan to replace our aging submarine cables.

(6) The Cooperative is required to report annually on the progress of our 8-year Right of Way Clearing Plan – aimed at clearing 4-6 miles every year.

(7) The Cooperative is required to study ways to accommodate alternative energy such as wind, solar, and heat pumps as means to reduce energy costs for its members.

(8) The Cooperative is to review all of its grid components to determine if depreciation rates and schedules are correct.

(9) The Cooperative is urged to acquire competent accounting services from a firm experienced in utility accounting.

(10) The Cooperative will continue its effort to revise its Terms & Conditions and to update its By-Laws

August, 2014

From this list of projects it is apparent that your Cooperative will be very busy next year. Those who are familiar with our organization's small size can be forgiven for believing that this mandated line-up of requirements will prove to be overly burdensome – even for a utility five times our size.

Nevertheless, we will do our best to tackle these issues as this next year unfolds.

- ELECTRIC CO-OP OFFICE HOURS: 7:30 AM – 4 PM
- PHONE # 526-4336
- OFFICE MAY BE CLOSED BETWEEN 11:00 AM AND 12:00 PM FOR LUNCH.
- OFFICE WILL BE CLOSED ON HOLIDAYS.

AFTER HOUR EMERGENCY NUMBERS:

JEFFREY ELLISON: 207-479-0657
STEVE GREEN: 207-479-0658
BONNIE TURNER 526-4282

BOARD MEMBERS:

Ed Schwabe – President
Jason Matthews – Vice President/Sec
John Trask – Treasurer
Sonny Sprague
Bob Pickup
George Baker
Eric Chetwynd
Joe Staples
Jim Stone