

# SWANS ISLAND ELECTRIC COOP NEWSLETTER

## From the Manager:

Our big news this month is the successful closing on the RUS infrastructure loan for \$813,000 on January 23rd. We are also in the final stages of renewing a bridge loan with the CFC (the Cooperative Finance Corporation is an affiliate of RUS) to allow the smooth payments for materials and contractors during the infrastructure implementation. An unrelated but equally important development is that SIEC received approval from CFC for the refinancing of \$672,000 in long term debt. Over the remaining life of the existing debt we will save about \$125,000 in interest expense. Staying on the financial news, our annual audit is scheduled for late February. We will be looking for a positive report based on the improvements we have implemented over the last 12 months.

We are pleased to report that all security lights are now being billed as part of our members' normal accounts. Although seemingly a small thing it has eliminated a needless bit of billing work and our members don't have to

hassle with multiple monthly bills. Finally, our field crew has surveyed all security lights in the distribution system and all those old non-working (and unbilled) fixtures are identified and are being removed.

In the field we continue to devote time each week to right of way clearing – currently on East Point and Red Point Roads. And just as a reminder of the costs of doing business, this week brought needed repairs to the brake systems on both our bucket trucks on Swans Island and Frenchboro. Our lead lineman, Ralph Murphy, diagnosed the problem, bought the necessary parts and did the repairs.

Two public information meetings were held in January on Swans Island & Frenchboro to update our members on our activities and changes in the last year, present an overview of the work plan to be funded by the RUS loan and to discuss trends in expenses, staffing, safety requirements and what these trends might mean to the long term sustainability of SIEC as presently organized.

We had excellent turn out considering the time of year (25 on SI and 6 on Frenchboro) and the discussion about long term sustainability was informed and spirited. In both meetings the two broad paths of “going it alone” vs. merging with a larger utility were on most attendee's minds and everyone left with a better understanding of the strategy questions we face going forward. A specific concern expressed in both meetings related to lost revenue due to the SIEC policy of allowing voluntary, member requested winter disconnects. I promised to check on this and report back. In fact, SIEC has a MPUC approved rule on this matter dating back to 2000. Voluntary seasonal disconnects are allowed with the payment of a \$10 fee. However, if the member requests reconnection within 12 months the reconnect fee is the total of all the minimum charges for the period of disconnection. This was brought to the attention of the board at its February meeting and we will be enforcing this rule effective February 1, 2012.

## FEB 2012

The wind power feasibility study is expected to conclude by the end of March. The study looked into technical, financial and organizational capacity matters. Your board will have a special briefing in early April followed by public information meetings on both islands in April and then again in mid summer.

## From the Board:

Ed Schwabe returns to the island week of February 13th (just in time for the audit!).

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

### AFTER HOUR

### EMERGENCY

### NUMBERS:

TOM MCALOON

207-479-0657

STEVE GREEN

207-479-0658

BONNIE TURNER 526-4282