

# SWANS ISLAND ELECTRIC COOP NEWSLETTER

## From the Manager:

..I want to thank those who attended the Rate Hearing on March 4th. Your input is always good for the manager and board to hear.

Part of the reason for the increase is the new poles and lines being installed all over the island. This week, you will see the Northern Line crews working on running the new wire on the new poles from the Ferry Terminal to the TDS station on Atlantic Road. That project will go for about six weeks. Please drive carefully.

The SIEC is working on getting the rate changed that EMERA charges us. We are currently being charged the Commercial Rate and we have requested that we be charged the Residential Rate. There is about a two to three cent difference per kwh. The response from EMERA has been encouraging. They say that they can change that rate in March of 2015. They did warn that sometimes the Commercial Rate is less than the Residential Rate, but I don't think that happens often.

Here's to hoping that Spring is just around the corner. However, as I write this and look out the window, it is snowing again.

## From the Board:

It is the mission of every Electric Cooperative to provide its members with reliable, safe electricity at a reasonable cost. Oftentimes the reliable and safe parts of that mission will conflict with the reasonable cost part of that mission statement. These competing demands were on view last Tuesday night at the School when 31 members attended the Rate Increase Hearing to hear and discuss the need for a 14.5% rate increase to take effect this coming Spring. Tom Kandal from the Cooperative Finance Corporation gave a presentation outlining the Cp-Ops need for additional revenue. (Copies of this presentation are available at the Co-Op office for those members who were unable to attend the March 4<sup>th</sup> meeting). Ed Schwabe, Board President, reviewed changes to the Cooperative's bottom line since the last rate increase in 2007, including an overall 10% reduction in electricity sold, a reduction of 8% in the total number of members of the Cooperative, and the increasing costs of material, insurance, and medical benefit costs for employees.

The Cooperative has increased the expenditures on right of way clearing to the tune of about \$25,000 annually. All across the island, members are witnessing the replacement of our old grid with new poles, transmission line and transformers. This renewal should provide dependable service for the next 30 years. On the plus side, the Cooperative is recovering more revenue from old debt (about \$25,000, annually) than we were achieving in 2007. Also, the inability to recruit and hire a resident, full time lineman since early 2011 has allowed the Cooperative to use those excess salary dollars to forestall the need for a rate increase, until now.

. But, the Board's experiences since 2011 in trying to run the Cooperative without a resident lineman or an industry-qualified manager has convinced it that subjecting the Cooperative to the attendant risks is unwise. Presently the 9 member Board is unanimous in the need for a resident lineman and 6-3 in favor of an industry-qualified Manager.

## March 2014

The next 30 days is a time of public comment for any member who feels that the rate increase is unjustified. Tim Snyder, the Public Advocate for the Maine Public Utility Commission (MPUC) was a special guest at the meeting and explained that if more than 10% of the membership chose to challenge the rate increase, then the MPUC would require the Cooperative to appear in Augusta to argue their case. While this additional step would be at the expense of the membership, this fact should not be cause for individual members to exercise their right to object if that is how they feel.

- 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.

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