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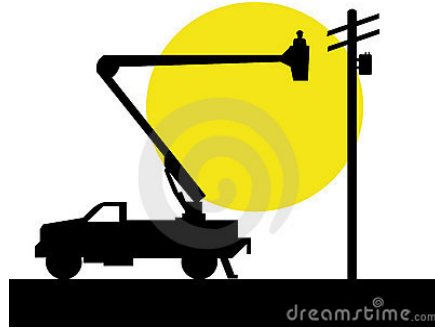
Tom McAloon

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Sarah Lane

SWAN'S ISLAND ELECTRIC COOPERATIVE

December, 2016



Members with billing questions should contact Karen Griffin at 526-4336 or at siecbilling@gmail.com
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Emergency contact #:

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From the Board: On Thursday, December 8th, a “Settlement Conference” was conducted at the offices of the Maine Public Utilities Commission (MPUC) in Augusta. Represented were Emera, SIEC, the Office of the Maine Public Advocate and members of the Maine PUC Staff. The aim of the Settlement Conference was to resolve the differences remaining between the Staff and the other parties (the two utilities and the Office of the Public Advocate) regarding the consolidation of the SIEC with Emera - in advance of consideration of the case by the Commissioners, themselves.

Prior to the conference, all parties had agreed that the Settlement Conference would not attempt to resolve the issue (raised last month by the MPUC Staff) of whether former SIEC customers should be subsidized by mainland rate payers. The MPUC Staff believes that this is a policy question that the Commissioners themselves must wrestle with, and that the Commissioners can choose to hear oral arguments on the topic at a formal hearing - or to simply decide based on the written arguments which will be available to them.

Having set that issue aside, the Settlement Conference proceeded to resolve a handful of remaining issues regarding how the Asset Purchase Agreement (APA) between the two utilities would be implemented. These included (1) the procedures for continuing to collect SIEC’s Accounts Receivable – even after the SIEC was finally dissolved; (2) a thorough review of Emera’s estimates on the costs of providing service to Swan’s Island and Frenchboro; (3) Emera’s plans and timetable for installing smart meters on both islands; and (4) the process necessary to convey critical SIEC customer information to Emera in advance of Closing - so that Emera could be effective in providing service to both islands the day after the Closing. As all parties came to agreement on the issues above, it was also decided that the original target date of December 31, 2016 for a Closing Date was no longer realistic – and a new target date for Closing by January 31, 2017 was adopted by all participants.

While this entire process has proven to be more arduous and lengthy than anyone predicted, this writer remains optimistic concerning its eventual outcome. Uniform electric rates within a given utility’s service area has been the bedrock of utility policy in Maine – for 100 years. There are a number of inhabited islands along the coast of Maine, connected to the mainland with submarine cables, and with populations far smaller than ours who are enjoying mainland rates for electricity. For the Commission to decide that Swan’s Island and Frenchboro should become the exception - and should be charged rates which are closer to the cost of serving them – would be a dramatic departure from past practice and would be precedent-setting, state-wide... particularly, given the tiny impact on mainland rates of an Emera/SIEC consolidation.

So, as best we know it, that is the state of play as this Newsletter goes to press. The SIEC continues to work hard to prepare for the transition to Emera on both islands. We have narrowed the easements still needed down to two on Frenchboro and ten on Swan’s – and these numbers are anticipated to dwindle further in the next two weeks,