

Manager – Jeffrey Ellison

Board Members –

Ed Schwabe – President

Jason Matthews Vice President

Bob Pickup - Treasurer

Eric Chetwynd – Rec. Secretary

George Baker

Joe Staples

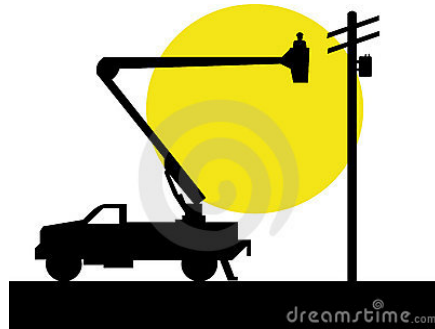
Tom McAloon

Eric Staples

Sarah Lane

SWAN'S ISLAND ELECTRIC COOPERATIVE

February, 2017



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

Emergency contact #:

207-479- 0657 and 0658

From the Board: As many of you know, in their deliberations of Jan 18th, the Commissioners of the Maine Public Utilities Commissions (MPUC), by a vote of 2-1 against, failed to approve the acquisition of SIEC by Emera Maine. While this was an unexpected and disappointing outcome, both utilities were encouraged by the remarks of two of the Commissioners who urged SIEC and Emera to “sharpen their pencils” and resubmit a modified plan – one which did a better job of shielding mainland rate payers from what one of the Commissioners described as the “acquisition premium” – defined as the costs that Emera would have to pay for SIEC which exceeded the book value of our Electric Cooperative. The implication was that if the two utilities could find a way to accomplish that task – then the Commissioners would be willing to take a second look.

Consequently, for the past several weeks, we have been hard at work with Emera, the Public Advocate, and the Staff of the MPUC, to arrive at a solution – one which would merit a second look by the Commissioners – and, if approved, could be put to the membership of the SIEC for a ratification vote.

The book value of our Electric Cooperative – by our own, most recent audit – is **\$1,527,254.46**

On top of this amount, Emera has spent another **\$746,995.24** to bring the total acquisition price for SIEC to **\$2,274,249.70**

The additional Emera spending of **\$746,995.24** has gone toward (1) the prepayment penalties of paying off SIEC loans early, (2) certain grid upgrades (Fusing Study, GIS Mapping of the grids on both islands, beefier Reclosure hardware for our Switching Station), and (3) Emera legal costs – some brought about because our SIEC easement records were so long out of date.

The modified acquisition proposal that the MPUC will deliberate on Feb. 22 has both utilities absorbing the **\$746,995.24**. If approved, the impact on SIEC members will be that members will become customers of Emera and will receive mainland electric rates – but we will all pay an additional meter surcharge of approximately \$18.50 per meter, per month for a period of five years. At the conclusion of five years, the meter surcharge goes away and we pay mainland rates only.

If the Commissioners approve this plan on Feb 22, we will hold an SIEC membership meeting shortly thereafter to discuss and answer questions before we initiate another membership ballot vote by mail so that members can approve/disapprove the new plan.