

Rates—How to make them fair in the future

We have a challenge to the way our rates are structured

Our current rates have been flat with relatively small increases in the winter to cover our increased winter power costs. Historically, our rates have been spread evenly over all residents in town with a modest discount for the small users and an approximate 10% discount to those who pay their bills promptly. Because our early pay discount has been so effective at getting most of our customers to pay by the 12th of each month, GELD incurs minimal costs in

collecting delinquent payments and has minimal write offs each year.

One aspect of our costs – transmission – is steadily increasing and will continue to increase for the foreseeable future. Transmission, which covers our costs to get the electricity

from where it is generated to our substation now accounts for about 20% of our total costs each year; and these costs are determined by our load during the regional peak hour each month. This hour is most commonly from 5:00 to 6:00 in the evening but can vary from 4:00 pm to 8:00 pm.

Another one of our costs that occurs in the evening period is our capacity costs. Our share of the region's highest peak hour of the year determines our capacity cost for the year. The capacity cost is in place to ensure that New England has enough electric generation on hand and in reserve to adequately meet demand during this one peak hour. The recent high capacity cost is due to the large number

of electricity generation plant closures in the recent past and the need to construct new generation facilities to meet the regional needs for electricity. Two years ago, this cost from one hour represented about 15% of our total costs for the year, and last year it was about 10% of our total costs for the year.

A large percentage of our costs are driven by Groton's total load during a very small number of hours during the year. One of our challenges going forward is figuring out how to spread these costs fairly since some of our customers are large electric users during those few hours while other customers use a small amount of electricity during those times.

A recent addition to our load, which is amplifying the problem, is electric vehicles (EVs). The problem occurs when somebody uses an electric vehicle during the day, then comes home and plugs in to recharge during those evening hours when our transmission and capacity costs are being determined. Many cars have "level II" chargers so the car can plug in at 240V and these chargers draw a large amount of electricity each hour. GELD requests that customers with electric vehicles program their chargers so that even if they are plugged in, they don't begin charging until after 8 p.m.

We are currently analyzing multiple options to make our rates fair so that the customers generating those evening costs would pay their contribution of the costs they are creating. We will keep you posted as we work through the details on these options. Until we have specific programs in place, it is very beneficial to GELD if electric load that is not urgent can be programmed not to occur between 4 and 8 p.m.



GELD Holiday Schedule

November

Monday, November 11, Veteran's Day observed: OPEN (floating holiday)

Thursday, November 28, Thanksgiving: closed

Friday, November 29, regular hours: 8 a.m.–1 p.m.

December

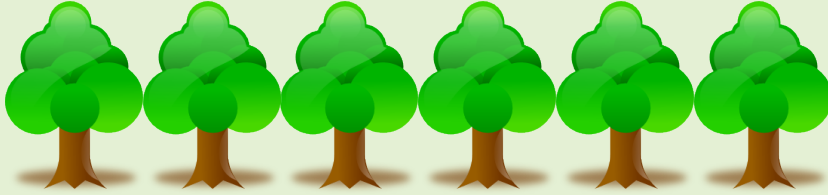
Tuesday, December 24, Christmas Eve observed, ½ day hours: 7:30–11:30 a.m.

Wednesday, December 25, Christmas Day: closed

Tuesday, December 31, New Year's Eve, ½ day hours: 7:30–11:30 a.m.

Wednesday, January 1, 2020, New Year's Day: closed





It's that time of year again...

GELD trims trees for the safety and reliability of your electric service

The natural beauty in Groton includes the large number of lush trees that line the country roads and cover the landscape. Unfortunately, trees and power lines don't mix. Trees are an important part of our environment. That's why Groton Electric is committed to balancing the importance of trees with the equally important need to provide safe and reliable electricity to the ratepayers of Groton.

To do this, we must control the growth of vegetation around power lines and other energized equipment. Tree limbs that come into contact with power lines are one of the most common causes of both brief and prolonged power outages, especially during storms. When trimming and cutting, we (and GELD's tree-trimming contractor -Northern Tree Service Inc.) follow best recognized and accepted forestry standards; however, we do trim aggressively since we may not return to each area of town for several years.

Our main priority is to eliminate trees or branches that are potential safety hazards. We employ tree-trimming contractors who are also certified arborists—they only remove trees that are or will become a direct threat to our distribution system.

Also, important to note: the trees we remove are within the public utility easement—this easement was specifically designed to allow utilities to mow, trim, or remove branches and trees that may affect the reliability of the electric system.

Be prepared for emergencies and power outages

Even with the best planning, occasional power outages do occur. Prepare now so you'll be ready in a hurry if the unexpected happens.

Make a storm kit with things you will need if the power goes out. Keep enough supplies for at least three days. Include a battery-powered radio and a flashlight, along with a supply of batteries to run them. Also gather nonperishable food, a manual can-opener, bottled water, matches and candles, personal medications, and a first-aid kit.

Don't forget baby formula and pet food, if needed.



Also, if you have a SMART HOME, please make sure you have keys to get in (or hidden somewhere) because during outages, electric garage door openers don't work.

You can find detailed information about preparing for the unexpected online at <https://www.fema.gov/>. Click on Search on the home page and enter "How to Prepare" to find an in-depth guide to citizen preparedness.