

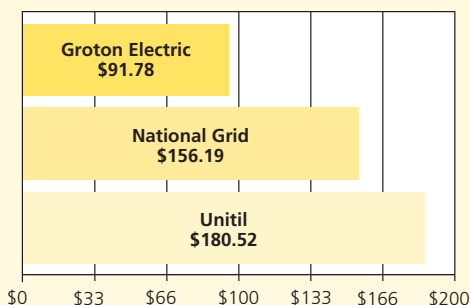
GELD is participating in a customer satisfaction survey. You may receive a call.

Beginning March 1, Great Blue Research will be conducting a customer service satisfaction survey for the Groton Electric Light Department. The researchers will introduce themselves by their first name and then state they are a research assistant with Great Blue Research calling on behalf of Groton Electric. We hope you will consider participating in the survey as your feedback is very important and valuable to us. Thank you for your consideration.

See How We Compare!

The following chart shows a typical 750 kWh bill amount for Groton Electric compared to two local investor-owned utilities. As you can see Groton Electric offers a substantial savings in comparison—National Grid’s rates are 70.2% higher than Groton Electric’s rates and Unitil’s rates are 96.7% higher.

note: this data represents the most current 12-month average



A Power Cost Adjustment has been added to your bill

Beginning with the January 2016 bill, Groton Electric reinstated the Power Cost Adjustment (PCA) which is shown as a separate line item on your GELD electric bill.

The power cost adjustment is a way for Groton Electric to recoup the increased generation costs associated with higher fuel prices. For the winter of 2016, the GELD power cost adjustment is substantially lower than last year.

In 2015, GELD had a power cost adjustment that lasted eight months. It began in September 2014 at 1 cent per kilowatt-hour (kWh); it was 1.5 cents per kWh from October 2014 through February 2015; it dropped to 1 cent in March 2015 and tapered off to 0.5 cents in April 2015. We are happy to report that the power market for the winter 2016 is much more favorable than last year. With the collapse in the price of oil and liquefied natural gas, it is not necessary to recoup the large amounts of cash to cover our power costs that were needed last winter. For the winter of 2016 the power cost adjustment will be 0.5 cents for January through March to cover about half of our expected shortfall and the GELD Board voted to withdraw \$130k from our cash reserves to cover the rest of our shortfall.

The power situation this winter is much better than the last two years but we still have some substantial challenges in the near future. Our annual capacity costs which are based on our contribution during the single largest energy hour (known as the peak-hour) in New England are increasing from about \$500,000 per year currently to \$1,500,000 per year beginning in June 2017. Also, the Pilgrim Nuclear Power Station recently announced that it will close by June 2019. The Pilgrim Station produces about 14% of the electricity generated in Massachusetts.

In recent years, New England electric rates have been about 40% higher than the rest of the United States. Because of the things being done to the electric infrastructure in New England the most recent 12 month period shows our regional electric rates are now 58% higher than the rest the country. Although our regional outlook for electric rates is bleak, in 2015 GELD had the fifth lowest electric rates in Massachusetts for a 750 kWh bill. Our neighbors in Townsend paid electric rates that were 96.7% higher than Groton, while our neighbors in Ayer, Pepperell, Shirley and Westford paid rates that were 70.2% higher. (Residential Rate comparison using 750 kWh/month)

GELD's 2015 reliability is one for the record books!

Last year Groton Electric had the least number of customer hours without electricity since GELD has been keeping detailed records. These records date back 25 years. Previously, the best year for fewest customer hours without electricity was 1995. We came very close to that record in 2013, but just missed it. For 2015, we beat the best record by 356 hours.

In 2011, our 10 year average for customer hours without electricity was 8,535 hours. At that time our 10 year average had our average customer without power less than two hours and our reliability reputation was very solid. Due to the low outage numbers of the last three years, our 10 year average is now down to 7,043 hours. Our average number of outage hours over the last three years is 2,391. We are proud of these numbers, and they are a direct result of prudent decisions made over the last 20 years. Our line crew does a great job maintaining GELD's infrastructure which helps to provide reliable power to your household every day. They also restore power quickly when there is a power outage. Kudos to our line crew!

The numbers above exclude the 3 largest events of the last 15 years. Hurricane Sandy in 2012 had 3294 customer hours out, the 2011 October snowstorm which effected 3970 customers had a total of 182,612 hours out and the 2008 Ice Storm which effected 3653 customers and had a total of 61,898 hours out.

A 2 megawatt (MW) solar farm is coming to Groton.

GELD is excited to announce that construction of a 2MW solar farm on the closed landfill on Cow Pond Brook Road will begin in the next few weeks. We anticipate that the solar farm will be completed by June and will produce carbon free electricity exclusively for the town of Groton beginning this summer. The solar farm will be an excellent addition to our long term diversified power portfolio since there is no escalator in the power price. GELD will receive power for the next 25 years at a price of \$0.055/kWh.

This farm is large enough that it will provide 25% of our electricity during the middle of the day in the spring and fall when there are no air conditioners or heating systems running. Over the course of the year it is expected that this farm will produce over 3,000,000 kilowatt hours of electricity which is about 4% of our annual electric use.



2015 Outage Causes

