



Ashland Sub-Station Rebuild Plan

Introduction

Why do we need to rebuild our substation?

- Reclosure failed in March, causing power outage
- Sub-station is over 30 years, old end of life
- Spent over \$100K on substation maint '23 – 24
- Requested budget last year, but was not approved
- Emergency repair bills over \$300K
- Temporary fix needs to be replaced with permanent
- AED is one of 5 towns in NH with own substation
- We don't produce our own power, we buy it from grid, and we transfer it into town



Ashland Electric Costs had lower electric costs the last few decades

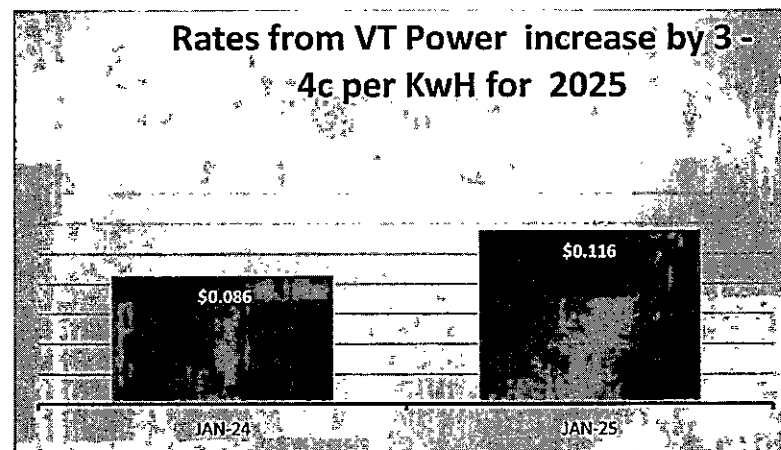
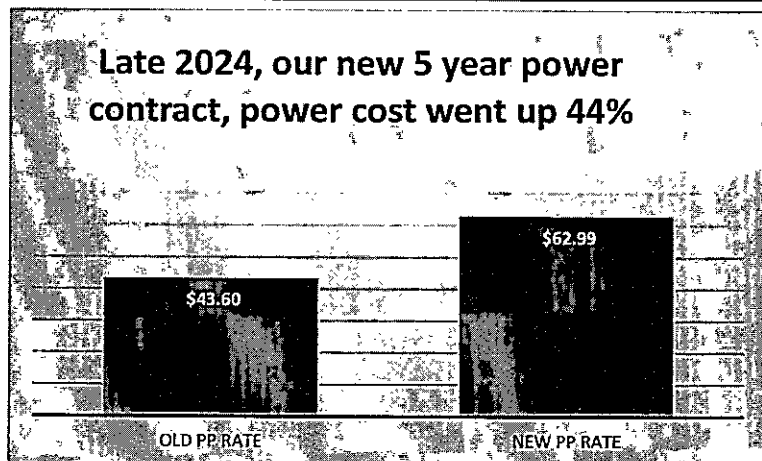
Lower than NH Coop, Eversource

- **We purchased power at favorable rates from Vt Electric on a multi-year contract 2021-2024**
- **We were know for fast and reliable electric service, and responded quickly to restore service**
- **We had to defer maintenance to keep rates low, given higher prices for poles, lights, labor, trucks**
- **We had to raise rates in Jan 2025 due to new purchase contract**



Ashland Electric Costs are still considerably lower at the new rates

Lower than NH Coop, Eversource





Ashland Electric Rates are being analyzed by outside firm

Lower than NH Coop, Eversource

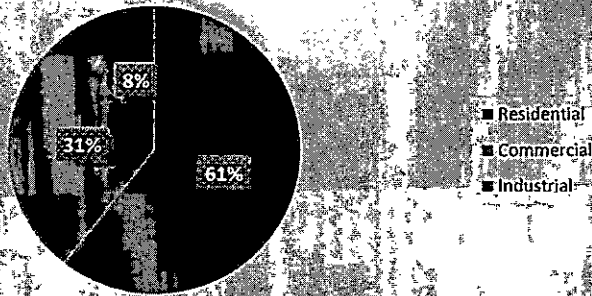
- **We pulled all the usage data by month for 2024
for all tiers of customers**
- **We have completed a first pass analysis and
expect to be still be less than other providers**
- **We cannot just switch to another provider
overnight**
- **We expect to have the completed rate study in a
few weeks**



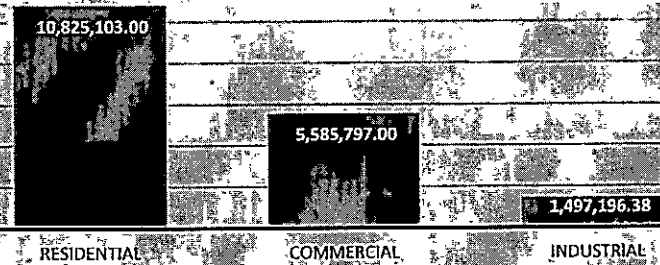
Ashland Electric Costs will remain competitive

Including the cost of the sub-station

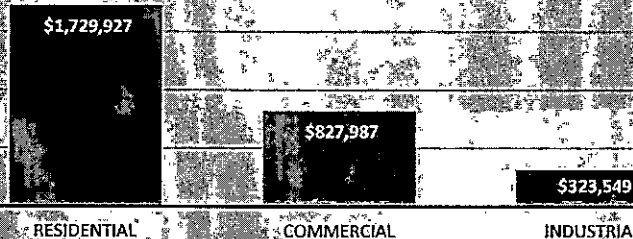
AED has about 1700 customers, most electricity goes to residents



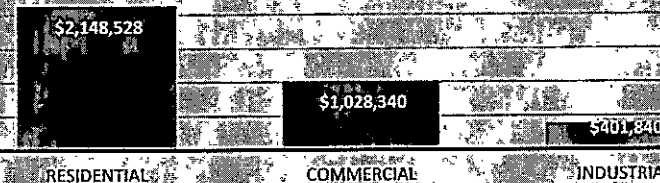
Customers consume about 18 million kWh, this may increase



Rate payers paid \$2.9 million in 2024, but cost of running AED was \$3.1M



Rate payers will pay about \$3.5M in 2025, including substation & power purchase





Obtaining Several Proposals to Rebuild

Deliberative Session

We have several bids for the work, and are analyzing the various options

- **We want a high quality, experienced, local provider**
- **We are comparing and working to get the best cost, quality and schedule**
- **We will be negotiating during the next few weeks, and narrowing down our selection**
- **We will not do the work ourselves, it will be contracted out**



Proposed Ashland Sub-station Rebuild

Looking at financing and grant options

In increase in electric costs will be an increased cost for our residents, many of are lower income, fixed income, working hard to make ends meet

March repair bill will be partially paid out of cash and part from a revenue bond

We are looking for insurance or grant money to help

We estimate that a bond at 4% will cost \$160,000 per year, depending on interest rate and the length of the bond

This will result in a monthly charge to each user, estimate is \$5 – 8/mo



Evaluating Proposals For Substation Rebuild

Long Lead time, trying to pull it in

- Phase 1: Engineering & Planning
- Phase 2: Purchase New Switch Gear
- Phase 3: Install Break Switches
- Phase 4: Construction
- Phase 5: Warranty & Ongoing Maintenance



Next Steps

Clear Transparent Communication

- Answer your questions
- Complete the rate study
- Negotiate with vendors
- Rate bond size and interest rate
- Determine schedule, source of parts and labor
- Town Vote in May for warrant article



Ashland Sub-Station Rebuild Plan

Deliberative Session

Why we need to rebuild now- go live TBD

Temporary fix in place only got power back up, now we need to take next steps for a permanent solution

- **Compare our costs to NH Coop & Eversource**
- **Obtained several proposals to rebuild sub-station**
- **Determine the monthly costs \$2.2M revenue bond**
- **Determine the changes to electric budget for 2025**
- **Project the new electric costs for the rate payers**
- **Vote to rebuild our plant May**
- **Hire outside firm to rebuild the sub-station**