

## **Minutes:**

Stowe Electric Commissioners' Meeting  
February 20, 2019 at 8:00 a.m. at Town of Stowe Electric Conference Room

### **Present:**

BOARD MEMBERS: Richard ("Dick") Marron, Chairman (via telephone); Larry Lackey, Vice-Chairman; Denise Gutstein, Commissioner

STAFF: Ellen Burt, General Manager; Denise Sullivan, Controller; Matthew Rutherford, Manager of Regulatory Compliance; David Kresock, Director of Operations; Lily Burgess, Clerk of the Board

Larry called the meeting to order at 8:11 a.m.

### **Approval of the January 23<sup>rd</sup>, 2019 Meeting Minutes**

On motion made and seconded, the minutes of January 23, 2019 were approved.

### **Financial Update: Draft 2018 Financial Statements and Cash Outlook**

The gain on the sale of the Highgate Converter Asset, as well as Operational efficiencies and FEMA storm reimbursements greater than accrued resulted in a Net Income position instead of the budgeted loss. Residential energy usage and revenues were up 10%. Commercial energy and demand revenue increased by 2.1%. Contract Work Fees and VELCO dividends also contributed to the higher than budgeted total revenues. The decreased value of RECs were discussed in detail. While transmission costs were significantly lower than budgeted (and lower than last year), capacity costs were significantly up, making up the balance. Denise S. elaborated on operational efficiencies, including a FEMA reimbursement for the May 2018 storm event. The timing of the interest expense accrual and payment for the LCP Special Facilities, and its corresponding dividend was discussed. The Cash Outlook for 2019 was discussed. SED is not expecting to need to access its line of credit for the next 6 months.

### **Approval of Highgate Asset Sale Proceed Restrictions**

The proceeds from the Highgate Transmission asset was discussed. The Board already restricted the building fund, with enough funds to finish the project, including the paving and new roof for the old mill. The remaining balance of the proceeds are intended to fund the first year of the 5-Year capital plan (\$945,000), the budgeted operating loss for 2019 (\$362,500), as well as the engineering study that is in the 2019 budget (\$200,000).

Dick moved that the Stowe Electric Commission restrict \$1,145,452 from the proceeds of the sale of Stowe Electric Department's interest in the Highgate Converter for the purpose of funding certain capital improvements identified in SED's November 14, 2018 5-Year Capital Plan, such funds to be held in the Restricted Capital Projects (Highgate Proceeds) account at Union Bank until expended for that purpose. Denise G. seconded the motion and the motion carried.

## **Regulatory Update**

Docket 8316 - AMI and Billing Data Transfer: The docket is still moving forward. Efficiency Vermont (EVT) filed individual plans for implementation of the data transfer protocol for the different distribution utilities participating. The Public Service Department (PSD) responded that while EVT identified the costs, they failed to address the benefits that would be attained on behalf of the ratepayers. EVT plans to file a response after consulting with the PSD.

PUC Docket to Explore Means to Promote EV Adoption: The Public Utility Commission (PUC) opened a docket to explore the promotion of Electric Vehicles (EV) within Vermont. One of the subjects raised by VTRANS is the impact that continued EV adoption will have on their transportation infrastructure budget. The PUC is exploring a few concepts, including a "per kWh" fee for energy which is sold for the explicit purpose of charging an EV. It is estimated that 80% of EV charging happens at home, behind the meter. The PUC asked for comments from stakeholders, since potential costs would include rate consultants and legal fees, as well as billing, accounting, programming and operational costs. The simplest and best way would be to assess an additional registration renewal fee for all-electric or plug-in hybrid vehicles. Unfortunately, the VTRANS and PSD are very much in favor of the "per kWh" charge.

Proposed Change to Rules that Govern the Attachments to Utility Poles: The PSD filed proposed revisions to PUC Rule 3.700, which govern pole attachments. There has been a docket in front of the PUC since 2014, requesting that some cable companies should be charged a lower rate based on the actual area they use on the utility pole. The revisions are proposed to finally resolve this request and would make these rules more consistent with FCC rules. Comments are due on March 8<sup>th</sup>.

### House Bills related to broadband Internet access:

Bill H. 95 would direct the PSD to conduct a study to determine if and how electric distribution utilities should offer broadband Internet access service (BIAS).

Bill H. 93 would direct the PUC to revise their rules in similar ways to what the PSD proposed. What is concerning is that it also directs the PUC to include in their rules that if the utility has failed to complete their make-ready work in a specific timeframe, the attacher can then "hire a qualified contractor to complete the make-ready work and bill back any costs incurred to the pole owner(s)". SED is very rarely in a position where make-ready work is not completed in a timely manner.

## Operations Report

The line crews spent most of January and the time between their normal jobs, doing inventory, palletizing and moving the old shop to our new location. They also managed to load and unload all the contents from the old office that needed to come to the new location in one day. A big thank you to them and all the employees for the hard work during the move, and for keeping everything on track, so that SED was able to seamlessly open for business on Monday, February 11<sup>th</sup>. The crew is in the process of building a tool room to protect all the electric tools and rubber goods from dirt and dust. The outage report for 2018 as well as long-term SAIFI and CAIDI performance trends were discussed in detail. In 2018, Stowe experienced 110 outages, which is the second highest year in the last decade. Trees continue to be the most prevalent cause of outages, due to climate change and intense, straight-line winds. Especially winds that originate from the south-southeast are particularly damaging and are becoming more common. Tree-trimming and Right-Of-Ways were discussed.

## Other Business

Stowe Reporter article: The inaccuracies, particularly how SED paid for the new facility, were discussed in detail. While the article was overall very good and positive, the correct details should be forwarded to the Stowe Reporter for a printed correction.

The Board scheduled the next Commissioners' meeting for Wednesday, March 27<sup>th</sup> at 8:00 a.m.

There being no further business, the meeting was adjourned at 9:25 a.m.

Respectfully Submitted,

  
Lily Burgess  
Clerk of the Board