

Minutes:

Stowe Electric Commissioners' Meeting
October 17, 2018 at 8:00 a.m. at Town of Stowe Electric Conference Room

Present:

BOARD MEMBERS: Richard ("Dick") Marron, Chairman; Larry Lackey, Vice-Chairman

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

GUEST: Tim Hebert, Energy New England (ENE)

Dick called the meeting to order at 8:03 a.m.

Approval of the September 19th, 2018 Meeting Minutes

On motion made and seconded, the minutes of September 19, 2018 were approved.

Tim Hebert, Energy New England: Power Supply Budget

There are a few factors driving the almost 7.5% overall increase in the purchased power cost. 2018 budget vs. actual purchased power costs through July 2018 are \$131,080 over budget. The deviation drivers for higher fixed costs include higher REC prices forecasted, a VEPPi cost increase as well as maintenance costs on the McNeil plant. Energy costs are pretty well-contained. The 2019 budget for purchased power shows a \$673,000 or 7.4% cost increase compared to the 2018 budget. The 2019 budget increase is largely due to projected RES compliance payments, an increase in VELCO '91 transmission costs of \$300,000, as well as the ISO Open Position increase. The Highgate PTF revenue decreases the budgeted costs by \$271,000. Stowe Electric's Cold Climate Heat Pumps (ccHP) incentive and impact on the power budget were discussed. Unfortunately, not all green opportunities qualify for VT's Tier requirements. Battery Storage for solar power with its risks and rewards were discussed in great detail.

Financial Update: 2019 Draft Operational Budget

Denise S elaborated on the Other Income section of the 2019 budget. As Tim already mentioned, fixed costs and energy costs are up 7.4%, which translates into the rate case. 2019 is the final year of paying for the Lamoille County project, but unfortunately without

the off-setting Transco dividend of previous years. Even with the 7.9% rate increase, Stowe Electric will be operating at a loss for 2019. The 500kW Moscow solar project was discussed, however, as there are too many unknowns at this time, it is not part of the 2019 budget. PTF revenues started in Jul 2018 and are expected to continue through May 2019. 2019 will reflect a decrease in one-time, significant non-operations revenues of \$240,000; the Utopus escrowed funds of \$40,000 will be released in May 2019. There should be little rental expense for 2019, as SED is moving into the new facility. Depreciation of the new facility will be determined by the auditors. Credit Card processing fees were discussed in detail. IT costs include the monthly SEDC fees, a new service maintenance agreement with Honeywell Elster, as well as the replacement of 7 gatekeepers and numerous AMI meters. SED's Capital Plan will be presented at the Commissioners' Meeting next month.

Larry Lackey made a motion to approve the 2019 Budget as presented by SED staff, Dick Marron seconded the motion, and the motion was approved.

Commercial Usage Report

Ellen has reviewed the report prepared by SED staff, and after a staff meeting to discuss what happened with those meters, she will e-mail the Commercial Usage Report to the Commissioners.

IT Update

The IT Report was part of the Commissioners' Meeting Packet but was not discussed in further detail.

Regulatory Update

Docket 8316 AMI Data Transfer – Proposal for Decision: The Public Utility Commission (PUC) hearing officer recently filed a proposal for decision, concluding that Efficiency Vermont would have to pay for any costs associated with transferring the AMI data to use with their energy efficiency programs. It further concluded, that Efficiency Vermont is already beholden to maintaining confidentiality of all customer data.

Stowe Cady Hill Solar: The process before the PUC on the CPG is again stayed until the interconnection dispute is resolved. The Town has filed for the hearing officer to reconsider the motion for dismissal, which was then denied again on September 18th.

2018 Rate Case: The Public Hearing will be held on Tuesday, October 23rd at 7:00 pm at the Akeley Building. The Department of Public Service will host an informational session at 6:30 pm, with SED staff present to describe the proposed rate increase and give attendees the opportunity to ask background questions.

Operations Report

The Operations Report was part of the Commissioners' Meeting Packet but was not discussed in further detail, other than the damage to underground wires caused by an excavator who did not call DigSafe before digging. Luckily, no one was hurt.

Other Business

Moscow Mills Property Construction Update: The construction of the facility is coming along without any major complications. Until further notice, the carpenters will be working on the inside of the buildings on Saturday under the same time restrictions as during the week.

Line of Credit: Since SED has not needed to access the Line of Credit yet, Ellen asked the Board to sign an addendum to extend the date of the maturity of the previously approved line of credit.

The Board scheduled the next Commissioners' meetings for Wednesday, November 14th at 8:00 a.m.

There being no further business, the meeting was adjourned at 9:39 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board