

Minutes:

Stowe Electric Commissioners' Meeting

September 19, 2018 at 8:00 a.m. at Town of Stowe Electric Conference Room

Present:

BOARD MEMBERS: Richard ("Dick") Marron, Chairman; 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

Dick called the meeting to order at 8:04 a.m.

Approval of the August 23rd, 2018 Meeting Minutes

On motion made and seconded, the minutes of August 23, 2018 were approved.

IT Update

The IT Report was part of the Commissioners' Meeting Packet but was not discussed in further detail beyond the hot spot that was discovered with the help of the AMI system. This hot spot could have caused serious structure damage at a local private property.

Regulatory Update

2017 Renewable Energy Standard (RES) Compliance Filing: VT Distribution Utilities (DUs) were required to submit filings by August 31st, documenting their compliance with the prior year's RES requirements. SED's requirements were two-fold: a total power portfolio renewability of 55%, and to source 1% of that larger target from small renewable generators located within the State. These percentages are based on the total retail sales recorded in the compliance year.

As a result of negotiations of the New York Power Authority (NYPA) St. Lawrence Hydro contract, which the Public Service Department (PSD) enters into on behalf of the utilities, the utilities were not able to claim the renewability of their allocation of its output after December 23rd, 2017. Unfortunately, SED staff were not made aware of this new contract term and SED did not adjust its power supply planning to make up for the shortfall. As a result, SED retired 41,914 RECs, which is one REC shy of the new requirement due to the new contract terms. This shortfall could have easily been made up with the RECs SED had banked for future compliance years.

During discussions with the PSD prior to filing, SED was told that the PSD would file comments recommending that the PUC find SED in full compliance with its 2017 RES requirements as it was a minor clerical error centering around a contract that took effect so late in the year. Stowe easily met its Tier 2 obligations.

The Public Utility Commission (PUC) is scheduled to file comments in reply to the utilities' compliance filings later this year.

2018 Rate Case: The PUC held a prehearing conference on September 11th to discuss the schedule for the docket, including a public hearing in Stowe on October 23rd with the intention of resolving the docket by the end of January 2019. SED will supply a notice of the public hearing to all its customers as a bill stuffer. The new rates are now in effect for all usage starting August 15th, to be billed after September 15th.

Financial Update: Audit Results & Final Q2 Financials

Denise S. elaborated on the final Quarter 2 financial results, showing a Net Loss of \$466,591 compared to the budgeted loss of \$633,839. SED's metered account revenues were \$408,674 lower than budgeted. Contract Work Fees and miscellaneous Non-Operating Income were higher than budgeted, and an unexpected and one-time VELCO Transco dividend helped off-set the Total Revenue loss. Credit Card processing fees were discussed.

Operations Report

The Operations Report was part of the Commissioners' Meeting Packet but was not discussed in further detail beyond the pole replacement along West Hill Road. This pole replacement is part of Consolidated Communications' mandate to upgrade their wires in that area.

Other Business

Moscow Mills Property Construction Update: The charcoal standing-seam roof on the office building should be finished next week, and the roof of the garage building will be completed by the end of September. The project schedule is going well and on track. The garage should be completed by the end of November, if not before. The office building will be completed by the first week of January 2019.

The Board scheduled the next Commissioners' meetings for Wednesday, October 17th at 8:00 a.m and Wednesday, November 14th at 8:00 a.m.

There being no further business, the meeting was adjourned at 8:52 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board