

Minutes:

Stowe Electric Commissioners' Meeting
July 22, 2020 at 8:00 a.m. at Town of Stowe Electric Conference Room

Present:

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

STAFF: Ellen Burt, General Manager; David Kresock, Director of Operations; Kristin Winer, Controller; Mike Lazorchak, Manager of Regulatory Compliance; Lily Burgess, Clerk of the Board

Dick called the meeting to order at 8:00 a.m.

Approval of the June 17th, 2020 Meeting Minutes

On motion made and seconded, the minutes of June 17, 2020 were approved.

Financial Reports

May Financial Reports: SED is starting to see the expected decline in profits due to decreased electric sales. May ended with a positive net profit situation, but \$101,000 below the 2020 YTD budget. Billing and the receipts of funds for the Town's underground project in the second Quarter contributed to the significant improvement in Contract Work Fees and the bottom line. SED continues to be very conservative with distribution expenses, and also instituted an ongoing hold on tree trimming/line clearing. Although financial results are down compared to budget, SED ended May overall with a positive YTD Net Operating Income of \$63,000.

July Cash Forecast: The cash flow model represents the actual cash inflows and outflows to/from SED's bank account at the time they actually happen, whereas revenue and expenses are recognized on a different timeline for the purposes of reporting on a Profit & Loss statement. Typically, cash flow will lag revenue and expense. Cash and receipts on billing are still much better than expected. From a cash flow perspective, SED should be fine through the end of the year, if all assumptions hold true. The CARES Act still allows SED to defer some of the social security taxes, which is helping cash flow. SED continues to take advantage of every opportunity to help cash flow and is working with vendors to be allowed to pay certain bills a bit later than usually, without incurring late charges. SED will now have to start with some line clearing to prevent outages later this year. In addition, SED will have to start ordering new equipment, since inventory has been depleted, and SED has no transformers in stock any more.

June 2020 Audit: The mid-year audit is scheduled for August 12th and 13th. SED is now preparing all documentation and reconciliations to be ready for the auditors upon their in-person or virtual visit.

Operations Report

David reported that the Mountain load is up as the gondola is running again. SED still sees a lot of residential construction in town, and David touched on some highlights of the new construction and service orders received. June 2020 was a record month for DigSafes, with 103 DigSafe requests received. YTD SED received 270 dig safes and so far has located 59 underground primaries, 28 secondaries, 140 had no underground and 33 were outside SED's territory.

Work on the downtown project continues. Line crews finished terminating the conductors in both the bank and church switches and on July 8th, energized the last section of new underground to Maple and Sunset Streets. This week they are installing the pad mount transformers and connecting the new underground services that the Town electrician is installing and SED is removing the old services. The next step after all the services have been transferred to the new underground will be removing the overhead conductors.

During this month's substation inspections, SED discovered carpenter ants have been burrowing into the wood structure at the Houston Substation. Prevention, remedy options and further action (i.e. replacing poles, which will necessitate outages) were discussed.

The system study was completed by Control Point and the final report provided. SED has begun reviewing the recommended changes to system devices, i.e. protection settings, fuse sizing and voltage settings.

The outage management system is nearing completion. Programming and setting up the various line truck tablets has been completed and the program deployed. SED wants to give the line crews time to adjust their work routines and learn how to use them during outages as well as receiving work orders. The customer service team has the ability to input outage calls and view more detailed information on the Service Territory map. IT has added the SED outage map to www.StoweElectric.com and the site has been displaying the number of outages in neighborhoods as they are occurring. Next steps will be to complete the public facing outage reporting portal. The OMS Reliability Report and SAIFI/CAIDI baseline indices for the period January 1st through July 15th, 2020 with the outage codes/causes and duration were discussed in detail.

Regulatory Report

SED has several ongoing Public Utility Commission (PUC) dockets, with little substantive changes in the past month.

Case 20-0141-INV - Electric Power Losses and Their Impact on Telecommunications Resiliency: This investigation looks at the relationship between power outages and interruptions in telecommunications service. PUC scheduled a second workshop regarding the data submission to the Public Service Department (PSD) for July 23rd.

Case 20-0097-INV - Biennial Update of Net-Metering Program: Vermont Distribution Utilities (DUs) submitted historical net-metering deployment data as part of the biennial review of the program. PUC stayed this proceeding to August 3, 2020. The PUC directed each utility to provide guidance on data collection, reporting, and evaluation for net metering, and to record information about all net-metering CPG applications as well as interconnection requests received and connected. By August 3rd, the DUs must report net-metering data for the period of January 2nd

through July 1st, 2020. On or before August 17th, participants must file any additional information relevant to the PUC's consideration of the criteria contained in Rule 5.128(b) and (c) and revised recommendations about whether the PUC should revise net-metering compensation pursuant to Rule 5.128(A).

Case 20-0203-INV – Investigation into the Establishment of Reduced Rates for Low-Income Residential Ratepayers of Vermont Electric Utilities: The PUC requested Reply comments to the June 1, 2020 submission filed on or before June 29, 2020. AARP is the only participant that filed a comment.

Case 20-1172- PET – Petition of Town of Stowe Electric Department for Approval to Repurpose Asset Sale Proceeds to Offset Operating Losses Resulting from COVID-19 Pandemic: The PUC agreed with SED and PSD to release these funds.

Case 20-0703-PET – Moratorium on Involuntary Disconnections: The PUC extended the temporary moratorium on involuntary utility service disconnections to July 31, 2020, subject to any future revision by the PUC. Utilities submitted Post-Moratorium Plans on June 19, 2020. The PSD filed Comments supporting all the DU submitted plans and provided 18 recommendations for DUs to consider. The PSD requested DUs to provide customer arrearages data to help the PSD draft guidelines for the Vermont Arrearages Assistance Program that will distribute the \$8 million set aside from the CARES Act to help pay utility arrearages.

Workshops and Community Outreach

SED staff attended a workshop hosted by the Lamoille Planning Commission on energy efficiency and available rebates.

SED staff attended the Town of Stowe Energy Committee June meeting to present SED's rebates and coordinate outreach with committee members. SED members will attend the July meeting to discuss a partnership with SED, the Energy Committee, and Button Up Vermont (VEIC/Efficiency Vermont plan).

UVM Extension and Rubenstein School of Environment and Natural Resources: initial conversation regarding summer 2021 internships for minority college students in science, technology, engineering, and math.

Vermont Energy Education Program (VEEP): initial conversation to support VEEP staff and Stowe High School teachers implement coursework on electricity and energy topics for fall 2020.

SED staff attended Tier III stakeholder meetings. Stakeholders identified the following for Tier 3 savings programs to investigate for 2021: ride-on lawnmowers; streetlamp connecting to Level 1 and 2; EV-trucks; small gas appliances; e-motorcycles; public transportation route expansion; e-snowblowers; and telecommuting.

Order Granting Petition to Repurpose Asset Sale Proceeds

On May 11th, SED filed a petition with the PUC asking for approval to use the remaining proceeds from the Highgate Asset Sale to offset operating losses resulting from the COVID-19 pandemic. In its filing, SED explained that the office and garage projects are complete as well as the system

engineering study and the Outage Management System. The PUC agreed that the use of the remaining proceeds from the Highgate Sale to offset operating losses is preferable to a rate increase. The PUC order allows SED to use the remaining \$605,700 of proceeds to cover the reduced revenue caused by the COVID-19 pandemic. The Commissioners would prefer to take an incremental approach and keep the funds restricted to only transfer money for capital projects and not operating costs when absolutely needed, with prior Commissioners' approval.

Other Business

The Board scheduled the next Commissioners' meeting for Wednesday, August 19th at 8:00 a.m.

There being no further business, the meeting was adjourned at 9:29 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board