

Minutes:

Stowe Electric Commissioners' Meeting

March 27, 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 8:09 a.m.

Approval of the February 20th, 2019 Meeting Minutes

On motion made and seconded, the minutes of February 20, 2019 were approved.

Financial Update: Adjusted Revenue Projection and Impact on Cash Flow

Denise S. elaborated on the impact of the rate change on SED's revenues and cash flow. SED requested a 7.9% rate increase, and prepared a 2019 budget based on that rate increase. The actual rate increase approved was 5.4%. The impact of the lower rate increase is a 2.5% revenue decrease from the 2019 budget. Cash flow is expected to be sufficient to cover SED's needs at least through the end of June. The FEMA reimbursement in January, as well as the expected final payment in May was mentioned. The anticipated and final Utopus escrow refund, related to the Highgate Asset SED owned when the deal was completed, was discussed. The summer cash flow will look very differently, and will be a bit challenging.

Regulatory Update

Docket 8316 - AMI and Billing Data Transfer: The AMI and Billing Data Transfer may finally be resolved. SED received the order from the Public Utility Commission (PUC) approving the proposed protocol. SED has been in conversation with Efficiency Vermont, and will work with SEDC (billing program vendor) to get the reporting in place. Per the order, all costs will be billed to Efficiency Vermont.

PUC Docket to Explore Means to Promote EV Adoption: The PUC recently held a very well attended workshop on this matter to evaluate a number of issues centering around EV rates. One of the utilities' largest concerns is the idea that perhaps the distribution utilities would be directed to collect a per kWh fee from EV drivers who charge their vehicles at home. This charge might be used for some purpose, whether it is for EV adoption programs

or to help pay for the transportation fund. The main concern were about the costs to the distribution utilities to develop this capability and how much money they would actually be able to collect. Current estimates are that a \$0.01/kWh fee on the roughly 3,000 EVs in the state would generate \$90,000, which is far less than it would cost the 17 distribution utilities to develop and implement necessary changes in their billing systems, never mind the operational restrictions, such as separately metering each of this end use (which is currently done behind the meter). There will be one more workshop before the PUC issues their report to the Legislature (on July 1st) focusing on education, and what charging capacity is still needed in the state to try to promote more adoption, as well as the role that the state could play in those areas.

PUC Docket Exploring Changes to Rules that Govern the Attachments to Utility Poles: The Public Service Department (PSD) filed proposed revisions to PUC rule 3.700 (pole attachments). There were a lot of comments filed in response, representing utilities, cable companies, telecommunications companies, wireless communication companies, and public advocacy groups.

Legislative Bills:

- The Senate Transportation Bill is addressing the topic of EV adoption, by creating a state-wide EV purchase incentive. It would also establish that the PUC and PSD would not have jurisdiction over companies (i.e. a truck stop) that offer public charging stations, effectively allowing them to charge for use by the kWh.
- H. 513 would essentially be a merger of two previous bills regarding broadband development in the state. One bill studies whether it would make sense for the electric distribution utilities to offer broadband service and the other would revise pole attachment rules and rates. It also removed the provision that would allow attachers to hire contractors to perform make-ready work and bill the cost back to the utility.
- S.95 is supported by VPPSA and would change requirements around municipal borrowing for utility purposes. The bill would allow municipal utilities to borrow up to 50% of gross assets without voter approval, however, the borrowing would still require approval from the local legislative bodies.

Electric Vehicles (EV) and Cold Climate Heat Pump (ccHP) incentives: SED's Electric Vehicle (EV) and ccHP incentive programs were discussed in detail. There has been considerable interest in the ccHP incentive, and SED is expecting increased interest in the EV program in spring.

Operations Report

SED is seeing the expected increase in projects, as customers are anxious for the snow to melt, and building activities to resume. SED has many capital projects planned for this summer as well. The UG outage as well as electrical design for the expansion plans for the Topnotch Resort were discussed. David mentioned more proactively adding policy and educational information on SED's website. Every 4-5 years, homeowners should plan to have an electrician review their electrical service, from the pole to the house as well as in the breakers inside the house as loose connections can create voltage issues, and

ultimately greater damage. Updating and communicating the standards for underground service (UG) was discussed in detail. Cooperation with Stowe Cable for new UG service installations was discussed.

Personnel Matter (Executive Session)

The Board moved to go into Executive Session at 9:00 a.m. to discuss a personnel matter and invited Ellen Burt to stay. The Board made a motion to come out of Executive Session at 9:22 a.m. and the motion carried. No actions or motions resulted from the Executive Session.

Other Business

Rate Case: SED is expecting to start billing with the approved rates (5.4% approved rate increase, instead of proposed 7.9% rate increase) starting early April 2019. The rate reduction refunds (for overcollected monies) will be a one-time credit on ratepayers' regular monthly bills mailed in May.


Locating Secondary URD Service: It is the Law to call DigSafe at 811 before digging. There is no charge for locating primary underground service since the primary is owned and maintained by SED. Customer have the option to hire a private locator or their utility. SED is currently charging \$60.00 for locating secondary (*customer-owned*) underground service. The charge for this DigSafe locating does not nearly cover the costs for a lineman and a truck. In comparison, private underground locating service companies would charge at least \$225.00 to locate UG service.

American Public Power Association (APPA): The Board of Commissioners congratulated Ellen Burt on being nominated and appointed to the APPA Board of Directors, representing the New England region.

The Board scheduled the next Commissioners' meetings for Tuesday, April 30th at 8:00 a.m. and Tuesday, May 21st at 8:00 a.m.

There being no further business, the meeting was adjourned at 9:23 a.m.

Respectfully Submitted,


Lily Burgess
Clerk of the Board