

Minutes:

Stowe Electric Commissioners' Meeting

March 9, 2018 at 8:00 a.m. at Town of Stowe Electric Conference Room

Present:

BOARD MEMBERS: Richard ("Dick") Marron (via telephone), 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 8:05 a.m.

Approval of the February 21st, 2018 Meeting Minutes

On motion made and seconded, the minutes of February 21, 2018 were approved.

Regulatory Update

Docket 8316 - Interval Data Transfer: Consistent with previous updates on this docket, there have been continued discussions but no significant progress in developing a proposal that all of the Distribution Utilities and VEIC will sign onto and that the Department of Public Service (DPS) would support were it submitted to the Public Utility Commission (PUC) to resolve the docket.

Docket 7307 - Cyber Security and Privacy Principles and Privacy Principles: There were minor changes to the language of the Privacy Principles following a workshop in early February. The ACLU was primarily concerned with ensuring that the Privacy Principles would establish a sufficiently high bar in order for a Distribution Utility (DU) to be compelled to provide customer usage information, including a judicial order or a warrant for the discrete user information. This would not preclude the DU from providing data to parties authorized to receive the data either by Order of the Public Utility Commission (i.e. VEIC) or following the express consent of the affected customer. It is likely that there will be little to no objection after the ACLU provides its next edits. The Cyber Security Principles are on a similar track and SED could see a final version of the document relatively soon.

2018 Capital Borrowing and 248(j): The PUC recently issued an order approving SED's proposed indebtedness for SED's two capital projects, which were the subject of the article for Town Meeting Day. Now that the voters of the Town approved the Bond, SED

will begin the process of securing the necessary equipment for the replacement of the existing switch between two circuits at the Lodge Sub, and will also need to file for a Certificate of Public Good under 248(j) for the reconfiguration of the sub-transmission line that is planned as part of the capital project at the cross-country ski center.

Financial Update

Financial Statements through December 31, 2017: SED ended the year with a net profit of about \$114,000 as a result of two major changes requested by the auditors. They felt that SED needed to accrue a receivables for the FEMA storm reimbursables based on actual direct expenses for contractors and mutual aid (but not for allocated payroll). All of the receivables for the St. Thomas mutual aid were to be accrued, since it was completed in 2017. The biggest change in the Profit & Loss statement for the period ending December 31, 2017 were the capacity and transmission increases. The increase in McNeil Plant Power costs was discussed, due to upgrades to McNeil that are planned for 2018. Direct System Costs, Tree Trimming, and Union Negotiations were discussed in detail.

Approval of 2018 Budget: The revenues are expected to only slightly increase. Purchase power costs are expected to increase by 8%, whereas the capacity and transmission costs will increase significantly.

Larry Lackey made a motion to approve the 2018 Budget as presented to the Board of Commissioners today, subject to review and confirmation of the accuracy of the transmission section of the Budget, Denise Gutstein seconded the motion and the motion carried.

Approval of Execution of Highgate Converter Asset Purchase & Sales Agreement

Ellen explained the changes to the term sheet to include a deposit to be split between Burlington Electric Department and SED.

Larry Lackey made a motion to authorize the General Manager, Ellen Burt, to sign the updated "Principal Terms and Conditions for Purchase and Sale of Ownership Interest in the Highgate Transmission Facilities", which includes a deposit and has a revised date for the execution of the definitive Asset Purchase Agreement, Denise Gutstein seconded the motion and the motion carried.

Operations Report

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

Real Estate Matter (Executive Session)

The Board moved to go into Executive Session at 9:05 a.m. to discuss a real estate matter and invited Ellen Burt to stay. The Board made a motion to come out of Executive Session at 9:25 a.m. and the motion carried. No actions or motions resulted from the Executive Session.

Other Business

The Board scheduled the next Commissioners' meeting for Thursday, April 12th at 8:00 a.m.

There being no further business, the meeting was adjourned at 9:26 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board