

Minutes:

Stowe Electric Commissioners' Meeting

July 18, 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 8:06 a.m.

Approval of the June 23rd, 2018 Meeting Minutes

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

IT Report: AMI Water Meters Update

SED in conjunction with the Stowe Water/Sewer Department is undergoing a pilot project for 10 AMI water modules. These modules were installed in early June. The pilot is going well and the billing software update to version 14 to allow SED to integrate reads from the head-end to the billing system took place on July 12th. At this time, SED is waiting for final approval of a system-wide installation by the Stowe Water and Sewer Commissioners. Their next meeting is scheduled for July 23rd. The Water & Sewer Departments have limited experience with AMI and a small workforce, which will make the installation of roughly 1300 water modules challenging for them. SED will coordinate with the Water & Sewer Departments to create an installation plan. Administration, technical and logistical support, contact with vendors to coordinate purchasing & pricing, as well as customer contact for the installation will also be provided by SED. After the AMI water modules have been installed, SED will monitor them for alerts and alarms and then notify customers and the Stowe Water Department as appropriate.

Regulatory Update

2017 Integrated Resource Plan: SED and the Public Service Department (PSD) agreed to the terms of a Memorandum of Understanding (MOU), which serves as an agreement that the IRP meets its statutory requirements and is consistent with the Vermont Comprehensive Energy Plan and therefore should be approved by the Public Utility Commission (PUC). It also serves to highlight areas of the document that will be expanded in its next iteration (i.e.

the development of the damage prevention plan as an official policy). Once the current IRP is approved, the next update will be due in the late fall of 2020.

Tier III Update: SED hosted a meeting with several Efficiency Vermont (EVT) staff members to further flesh out a cooperative program to offer a cold climate heat pump (ccHP) incentive to Stowe Electric customers. A follow-up meeting is scheduled for July 19th to discuss a number of topics, like key customer questions about cold climate heat pumps, as well as an update on the current EVT programs and a refresher on common issues that can lead to high-usage complaints. Because of how EVT is funding their side of it, SED will be able to claim full credit for every ccHP unit installed. Incentive and rebate checks for the ccHP program would be directly issued from SED to the ratepayer.

Solar Net Metering Projects: There have been a number of new projects that have applied for CPGs in Stowe with 9 so far this year, which is 2 more than SED received in the whole of 2017. The 110kW project at the Alchemist Brewery is the largest and recently received its CPG from the PUC.

Cady Hill Solar - After the Vermont Supreme Court reversed the PUC's order to dismiss the application due to incompleteness and remanded the case back to the PUC, the Hearing Officer held a hearing and recently denied the motions to dismiss from SED, the Town, and the Neighbors and stayed the case until the interconnection dispute resolution is resolved. The Town has filed for reconsideration of their motion.

Financial Update: Rate Case Update

SED filed for a 7.9% rate increase on June 28th. The new rates will apply to electric service rendered as of August 15, 2018. The supporting documents, including testimony, are available to view at <https://www.StoweElectric.com/rates/2018-rate-case>. The notice of proposed rate changes was sent to all customers by special mailer on July 6th. The Public Service Department was pleased with the quality of the rate case research and submittal. SED has not had a rate increase since 2010, and has actually reduced their rates by 3.5% with effective date of July 2013.

Highgate Converter Asset Purchase & Sales Agreement

VT Transco has exercised their right of first refusal and Ellen is meeting with VELCO tomorrow. Due to time constraints, SED might have to schedule a special meeting to approve the revised Purchase and Sales Agreement.

Operations Report

The Adams Mill Road pole replacement was discussed. SED's work on Luce Hill is complete, with both the upper and lower sections of lines that ran cross country moved from the woods. Once a local electrician as well as Stowe Cable finish their work, SED can move the old poles. David commented on the great work the line crew did at this location, laying out the poles along the really sharp corner, making electric service to this area more reliable. A meeting with Consolidated Communications (fka FairPoint) regarding pole ownership in

Stowe is scheduled for early August. An outage on July 4th, caused by a car hitting one of SED's trans closures along Sanborn Rd and taking out most of Robinson Springs, was discussed. Unfortunately, just like 4th of July 2017, the car left the scene of the accident. The underground transmission line through Shaw Hill and the fire caused by a failed cable in April was discussed in detail. The lead time on the replacement cable currently is 16 weeks.

Other Business

Moscow Mill Property Construction Update: The transformer vault and all the conduits from the vault to the pole have been installed. The initial excavation of the site to get everything to the proper elevations has been completed. Installation of the geo-piers is expected to be completed on July 13th. The construction of the garage should be completed by October. Lamoille Solid Waste District (LSWD) is interested in leasing the old garage on Dump Road from SED. Ellen is meeting with LSWD on July 19th.

Ellen talked with the new zoning director, Sarah McShane, because SED encountered problems with the door and roof of the old Mill building. SED is allowed to maintain the building, replace the roof, and paint without prior DRB approval.

FEMA Storm Reimbursement: On June 30th, SED submitted their final FEMA storm category for review. This category contained SED's largest expenditures from the first day of the storm until the last completed repair from storm damage on May 14, 2018. SED's total submitted included expenses for labor, mutual aid, equipment, contracts and materials totaling \$358,401.89. SED's team, led by Patricia Waugh, received rave reviews from the FEMA Program Delivery Managers and the FEMA Project Writers for presenting SED's information in an extremely thorough and easy-to-comprehend manner. One of the Program Managers commented that it was the fastest he has ever seen a project written. SED anticipates that the FEMA Project Writer will wrap up his work by the end of next week. At that time SED will review and approve the written project so that it can be sent to the main FEMA office in Houston for further review. Once approved, FEMA will be reimbursing SED 75% of the cost. SED will have one final category submitted by FEMA after they approve SED's June 30th submittal. This will calculate SED's Direct Administrative Costs. SED will receive 5% of the project total for our Administrative Costs associated with gathering and maintaining the paperwork required to apply for FEMA reimbursement. SED is anticipating, once the FEMA submittal is complete, that SED will be working with Vermont Emergency Management, Homeland Security (DEMHS) and Vermont Department of Public Safety to obtain additional reimbursement under a subgrant process through the Emergency Relief and Assistance Fund (ERAF) to recover all but \$10,000 of the 25% that FEMA will not reimburse to SED.

The Board scheduled the next Commissioners' meeting for Thursday, August 23rd at 8:00 a.m.

There being no further business, the meeting was adjourned at 9:30 a.m.

Respectfully Submitted,



Lily Burgess
Clerk of the Board