

Minutes:

Stowe Electric Commissioners' Meeting
August 23, 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 8:05 a.m.

Approval of the July 18th, 2018 Meeting Minutes

On motion made and seconded, the minutes of July 18, 2018 were approved.

Approval of the July 24th, 2018 Special Meeting Minutes

On motion made and seconded, the minutes of July 24, 2018 were approved.

Regulatory Update

Renewable Energy Standard: Tier III Update: In an effort to help SED customers transition off of fossil fuels and accumulate qualifying Tier III credits prior to filing SED's 2019 Tier III Plan on November 1st of this year, SED will be launching a pilot program for cold climate heat pumps (ccHP) and offer a rebate incentive of \$300 per installed unit. Customers will continue to receive a rebate from Efficiency Vermont for installed ccHPs as well, and are eligible for a federal tax credit. SED's incentive amount was developed by evaluating the total number of ccHPs Efficiency Vermont (EVT) had installed in Stowe Electric territory and the corresponding incentive they provided to those customers. The pilot program will run through the end of 2018, and the 2019 Tier III Plan will take effect on January 1st 2019, which might change SED's incentive amount. In addition to a ccHP incentive, SED also plans to offer rebate incentives for all-electric vehicles and plug-in hybrids with an extra incentive level for low-income customers. Various marketing options were discussed.

Financial Update: Q2 Financial Statement Presentation

Denise S. elaborated on key elements of the preliminary financial results through June 30th. Currently the financial statement is showing a loss of \$818,000 compared to the budgeted loss of \$634,000. SED's Metered Account revenues are lower than budgeted. Direct System Overtime Labor is up \$11,000 which is mostly due to the three independent storms in March, April and May of this year. The increase in Professional Fees (legal as well as financial) are related to the sale of the Highgate Asset as well as the cost of the Rate Case filing. Direct Material expenses have been managed well and are down almost \$20,000 compared to 2017.

Operations Report

Outage duration and causes in general were discussed in detail. Both Matt and David elaborated on the reporting to the PSD as well as the metrics of the reporting. Denise S and David met with Consolidated Communications (CC) to renew discussions regarding SED purchasing CC's poles in Stowe. CC acknowledged that they are negotiating with other electric utilities in Vermont but have not reached any agreements as of yet.

Other Business

Rate Case: SED spoke with Jim Porter and Sean Foley informally about the rate case and was provided with a list of 15 questions to serve as a starting point for discussions regarding the increase. For the most part, the questions are general in nature. Requests focus on the past five years' detail of certain operating expenses. Professional fees and cost of capital are also focal points of their queries. The PUC opens investigations for all rate cases now.

FEMA Update: SED is hoping to receive FEMA storm cost reimbursement by the end of 2018. On July 20th, the May 4th and 5th storm was declared a federal disaster eligible for FEMA funding as well.

David and Ellen provided the Board with an update on the Moscow Mills property construction, as well as the status of the lease negotiations with LRSWMD for SED's garage building on Dump Road. The undergrounding project on Main Street was discussed.

The Board scheduled the next Commissioners' meetings for Wednesday, September 19th at 8:00 a.m and Wednesday, October 17th at 8:00 a.m.

There being no further business, the meeting was adjourned at 9:12 a.m.

Respectfully Submitted,


Lily Burgess

Clerk of the Board