

## **Minutes:**

Stowe Electric Commissioners' Meeting

December 12, 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 8:09 a.m.

### **Approval of the November 14<sup>th</sup>, 2018 Meeting Minutes**

On motion made and seconded, the minutes of November 14, 2018 were approved.

### **Financial Update: Q3 2018 Financial Results**

The results for the financial year 2018 are better than anticipated for two notable reasons: the auditors felt that SED's expense accrual related to the final year expenses due for the Lamoille County Project Specific Facility in 2019 cannot be accrued in 2018 because of a revenue timing difference. The early onset of snow and cold weather in October will positively impact SED's net income. In 2018, VELCO Transco Equity paid an average of \$30,000 more per quarter than the previous year. Transmission expenses are lower than in 2017, however, capacity costs are higher. Administrative transmission expenses for the Highgate Converter are lower than budgeted due to a one-time payment from VELCO toward the legal expenses associated with preparing the upcoming Highgate Converter Sale documents. Excluding the consulting costs for the rate case, professional fees (incl. legal fees) are lower than for the same period in 2017. Credit card processing fees were discussed in great detail. It was noted that Auto-Pay customers reduce payment processing as well as administrative costs.

### **Regulatory Update**

Docket 8316 Collaboration: Denise S and Matt spoke with staff from VEIC to begin working through the final development of an agreement to submit to the Public Utility Commission to resolve this multi-year issue. There are some final details to work through with SED vendors, but all necessary questions are expected to be answered well before the year-end deadline.

Stowe's 2019 Tier 3 Plan: The Distribution Utilities presented their 2019 plans to the Department of Public Service (DPS) and Public Service Commission (PUC) on November 26<sup>th</sup>. Comments on the plans were published December 10<sup>th</sup>. Both the DPS and PUC were pleased with Matt's Tier 3 2019 plan presentation on behalf of SED, and SED was the only utility that did not receive any comments. SED is working with VEIC to coordinate joint marketing approaches and cohesive messaging on technology (social media) for the cold climate Heat Pump (ccHP) collaboration. VEIC staff will arrange another training for SED customer service staff on ccHP and other Efficiency Vermont measures, as well as tools to help identify the causes of high-bill complaints. SED included a message on the November bills about the Tier 3 offerings. VEIC will be provided with a list of ccHP installs by contractors on a monthly basis, to identify customers who might be eligible for the heat pump incentive. Low Income customer incentives for energy efficiency and weatherization measures were discussed.

Other Tier 3 plans as well as a planned new condo development in Stowe with possible ccHP installations were discussed.

Some municipal utilities with existing Tier 3 obligations have met these mandates with special contracts with a comprehensive conversion plan to support Town facilities in their effort to reduce their energy costs.

## **Operations Report**

SED met with the Town to start the Main Street undergrounding project with a review of the initial drawings with details for each location. SED also met with the consulting engineer to help with pole placement and underground conduit routes on the School Street side of town.

## **Approval of General Obligation Bond**

The Town voted in March 2017 to incur the borrowing of \$400,000 for capital improvements.

Larry made a motion that SED will borrow \$400,000 from Union Bank to purchase shares of Vermont Transco equity, Denise G. seconded the motion and the motion carried.

The Commissioners signed the \$400,000 note to effectuate this purchase.

The 5 Year Capital Plan was approved during last month's Commissioners' meeting. The language of the General Obligation Bond vote article for the \$4,000,000 borrowing for capital improvements was approved at the Selectboard meeting on Monday, December 3<sup>rd</sup>, 2018. The Commissioners reviewed the General Obligation Bond documents and resolution language for two substations and other capital projects, subject to review of the draft articles by the Town attorney. The Commissioners signed the Resolution Certificate.

## **Other Business**

Moscow Mills Facility: During the IT system survey, SED learned that there are some opportunities to improve SED's firewall. This system survey was done in anticipation of moving all equipment to the new facility. There is sufficient space on the server box to add another server to add RAM to serve the Water Department without major equipment purchases. The garage is being wired for communication and data lines.

The Board scheduled the next Commissioners' meetings for Wednesday, January 23<sup>rd</sup> 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