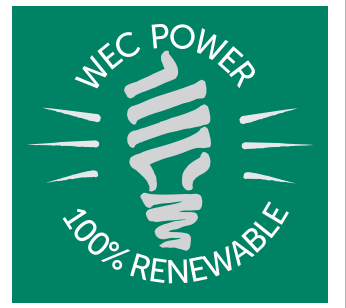




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CO-OP CURRENTS



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The newsletter of Washington Electric Cooperative, Inc., East Montpelier, Vermont.

October 2016

Visit To A Small Hamlet

Cookeville, and Local Eighth-Graders, Host Co-op Community Meeting

Everyone knows that Washington Electric is a RURAL electric cooperative. But for lots of folks, the community meeting held in Cookeville on Wednesday evening, October fifth, was instructive about just how rural WEC's territory can get.

Cookeville is tucked away in the southwest corner of the Town of Corinth, and is reached by driving for miles on roads where the houses are few and far between. Corinth's official website has a nice description of the tiny settlement:

"Our town office is in the hamlet of Cookeville . . . where there is a post office, two Dairies of Distinction, an award-winning cheese making farm, and an elegantly renovated Academy building where the town's scholars once attended high school."

The Academy building (elegant indeed) was the site of this year's Community Meeting, and one of the most striking things about it was that, after this long and lovely journey to what seemed like a lonely outpost, the place was packed! Eighty-eight people attended the meeting and the dinner that preceded it, and some who sought to make reservations at the last minute couldn't be

accommodated.

Another striking feature of this year's event was the troupe of eight-graders from Waits River Valley School earnestly patrolling the aisles, serving the spaghetti and salad and bread and dessert (brownies and ice cream) almost as soon as people sat down, then clearing the tables promptly when the diners were done. The proceeds from the dinner – which was free for WEC members with reservations, with costs covered by the Cooperative – went to a fund for the eighth-

One of the most striking things about this year's Community Meeting was that, after this long and lovely journey to what seemed like a lonely outpost, the place was packed!

graders' class trips. The kids earned every penny of it, doing an excellent job in their role as hosts.

WEC has held these Community Meetings annually since 2002. It's a way for the Co-op's senior staff members and elected directors to visit each part of the utility's 41-town service territory, and interact with the Co-op members who live there. The meetings also provide an opportunity for WEC's leadership to get a sense of how people feel about the service they're getting, and what's on their minds about the cooperatively owned electric utility that's responsible to them.

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WEC's Community Meeting was held October 5th in a beautiful setting: Corinth's town office building in Cookeville. The renovated building, which was once the town's high school, accommodated a turnout of more than 100 people.

A Rate Increase on WEC's Horizon

By Barry Bernstein

It has been two and half years since our Co-op has needed a rate increase. With the Public Service Board's approval, we implemented a fairly modest 3.78-percent increase in August 2014. Just four months later our service territory was struck by Winter Storm Damon, one of the most devastating storms in Co-op history. It caused damages so severe that more than 50 percent of our membership was affected and it took nine days for our crews, assisted by supplemental line crews from other utilities, to fully and permanently restore power. By working closely with the Vermont Division of Emergency Management, the Department of Public Service, the Public Service Board, and other agencies, we secured federal disas-

ter-fund reimbursement for much of those costs and worked out payment arrangements for the remainder. This enabled us to come through that very costly experience and continue on for more than two years without needing to ask for an increase to our rates.

We were hoping to be able to push off our next rate increase until the summer of 2017. However, after evaluating our financials and reviewing our outlook for the coming year, we have concluded that it is necessary to file for a rate increase to take effect in January 2017. We are still assessing our circumstances to determine the specific amount we need to raise in rates, and are preparing to file a petition with the Public Service Board (PSB) before the end of the year. At this moment it appears that we will seek an increase

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Washington Electric Cooperative

East Montpelier, VT 05651

Inside

Terrible loss in our community. The compassionate residents of the Mad River Valley towns have created a fund to assist the families of five teenagers who recently lost their lives. We urge WEC members everywhere to chip in. See page 7.

Changes in statewide net metering will affect Co-op members with existing home generating systems, and those who would like to build. For details, see Manager's Report, page 3.

A great way to be "outstanding." WEC has again received important recognition for its safety practices and safety record. Page 8.



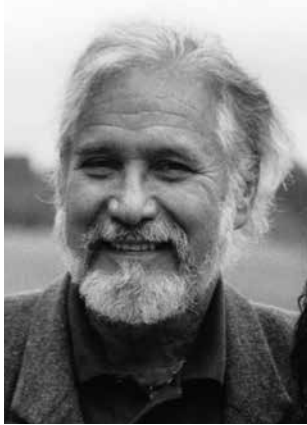
Off-road state-of-the-art. The "Achiever," pictured above, will help WEC achieve quicker, safer repairs when outages strike in remote locations. Story on page 6.

President's Message

Winter Preparedness: Reflections Triggered By Hurricane Matthew

By Barry Bernstein

As autumn rolls in and then departs, driving our back roads becomes a real adventure, with the beautiful, vibrant colors coming alive, shining gloriously for a time, and finally fading as the leaves fall away. It always brings me back to reflecting on my first amazing Vermont autumn 45 years ago.



the Waits River Valley School's 8th grade class and with help from their parents, to raise money for their graduation trip. The meeting room was set up with tables adorned with table cloths, gourds, and fall decorations. As an extra treat, WEC Member Services Supervisor Susan Golden brought pumpkins from her garden for display and donated them to the kids.

As part of our Community Meeting tradition we work with a local organization, which hosts the dinner (and it's a lot of work). This is an arrangement that benefits both WEC and the local organization, as well as the communities we serve. This year's group was terrific, and we want to thank

everyone who participated. We all enjoyed the students serving us, and appreciated their work in cleaning up and breaking down all the tables when we were finished. It was another great turnout and we thank everyone who came.

Emergency Storm Preparation

As we listened to the news of the massive Hurricane Matthew reaching Florida and churning up the Atlantic coast after devastating Haiti and the Caribbean Islands, the destructive power of major storms and the importance of preparing for them became even clearer.

While we do not normally get storms of that nature, we do experience devastating weather events in Vermont. Three of the most significant in recent years were Winter Storm Damon in December 2014, Tropical Storm Irene in August 2011, and the flood that hit central Vermont in May 2010 and caused enormous damage to our Co-op office building and to roads and other homes and buildings in the area. These weather events remind us not to get to complacent, and to be prepared for disruptive and potentially dangerous storms.

Every year at this time we like to remind our members that no matter how much we work proactively on our nearly 1,300 miles of transmission and distribution lines, we are no match for Mother Nature when she unleashes her wrath. Therefore, we encourage each of you to review or develop an emergency plan as to what you will do and how you can remain safe if we have an extended outage caused by extreme weather. This is especially important if someone in your household has special needs for which electricity is required.

We urge all our members to identify the preparations they should make for the possibility of being without power for several days. Think about protecting medications, setting aside a supply of dried or canned foods, having flashlights and batteries on hand, storing jugs of water or filling the bathtub at the onset of a storm, being prepared to heat your home without the electric power even to ignite the switch on a propane- or oil-burning boiler. In winter, a cooler or two to put food in outside, where it can stay cold, can help, too. Don't open your freezers or refrigerator more than necessary. If kept closed, the food inside a freezer can last for several days (refrigerators not as long).

Come up with a plan for addressing those needs. It could be buying a generator or a UPS (uninterruptible power supply) system, or having a place to stay with family and friends. Neighbors, remember to check up

on each other. Everyone's needs and capabilities are different; we urge you to plan ahead for this possibility.

Of course, if the power goes out, please call the WEC office and report your outage. That information helps us during storm restoration, as the automated system we use to coordinate repairs (and then to "ping" your meter to confirm that your power is back on) is greatly enhanced by personal contact with our members. Don't count on others to call, because they might not. Let us hear from you!

Net Metering

New net metering draft rules have been issued by the Vermont Public Service Board (PSB) and will go into effect on January 1, 2017. All electric utilities in Vermont are required to file a new program plan -- called a tariff -- with the PSB. WEC will be filing our proposed tariff on October 31. The purpose of these "tariff" plans is to detail how each utility will run its net metering program in compliance with the new PSB draft rules.

It's important to make it clear that the revised statewide program will, over time, affect all net metering installations, including those that were installed and in operation before the revisions. In her Manager's Report (page 3), General Manager Patty Richards provides a detailed summary of the new draft rules and their impacts for WEC members who want to install their own grid-connected generating systems at their homes or businesses.

Co-op Month, And Remembrances

October is celebrated every year as National Cooperative Month. You'll find the seven Cooperative Principles on page 7. WEC is a Co-op, one of more than 900 electric cooperatives in the nation.

With this in mind, it is particularly appropriate that we honor two Washington Electric members who recently passed away.

Wilmer Brandt, from Marshfield, died just three months shy of his 97th birthday. Wilmer, a retired forester and farmer, never missed any of our Co-op's annual or community meetings as long as I can remember. He moved to Vermont in the early 1950s to work and attend Goddard College. Wilmer grew up without electricity, understood its value, and never took electricity for granted, or his Co-op's role in making sure he and other members could keep their lights on. Without fail, even near his last days, Wilmer always thanked me graciously for the work that I, the WEC Board, and all the Co-op employees did on the members' behalf -- and he meant it. He was a mentor to

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Co-op Currents

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WEC is part of the alliance working to advance and support the principles of cooperatives in Vermont.

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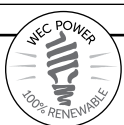
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Patty Richards Donald Douglas David Magida Anne Reed Will Lindner

The Board of Directors' regularly scheduled meetings are on the last Wednesday of each month, in the evening. Members are welcome to attend. Members who wish to discuss a matter with the Board should contact the president through WEC's office. Meeting dates and times are subject to change. For information about times and/or agenda, or to receive a copy of the minutes of past meetings, contact Administrative Assistant Dawn Johnson, at 224-2332.

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To call the Co-op, dial 223-5245 Mon - Thur 7:30 am - 5 pm and Fri 7:30 am - 4 pm.; toll-free for reporting outages & emergencies, 1-800-WEC-5245.

Manager's Report

Net Metering Changes Coming for Everyone

By Patty Richards

For the past several months, the Vermont Public Service (PSB) has been working to design a new net metering plan for all Vermont utility consumers. Late this summer we received what we hope is a final draft rule. A rule from regulators is a directive, or order, and we must comply with a ruling.

The PSB instructed WEC and all Vermont utilities to design new net metering programs. In its directive to the utilities, which stems from legislation passed in 2014 by lawmakers in Act 99, the PSB came up with new rules that are intended to create a net metering plan that is sustainable, mitigates cost shifting among consumers, and controls the pace of installations over time. The PSB's order noted that the existing rules provided "powerful economic incentives to participate." The Board also stated that the "current pace of net metering needs to be moderated so as to be sustainable in the long term and to mitigate associated rate impacts."

The PSB's new rule is designed to (1) reduce costs to ratepayers, (2) moderate the pace of development in a more sustainable manner, and (3) reduce environmental impacts. The PSB noted in its order that the rate of installations statewide under the current rules was too fast, describing the recent pace as "explosive." It designed the new rules explicitly to slow the pace and make net metering fairer for all Vermont consumers – both those who participate in the net metering program and those who do not.

WEC's current net metering program, implemented in 2014, is different from the rest of the state. Even before the PSB's recent directive, WEC's program was already structured to reach a balance regarding the pace of installations while continuing to offer suitable incentives to install net metered systems. We felt that our plan, with its grid service fee, struck the right balance. However, the PSB has ordered all Vermont distribution utilities, including WEC, to make changes. Hence, our grid service fee program will continue with new installations, but only for the brief time remaining until the end of 2016. WEC will then institute a new net metering program to comply with the PSB's draft rules, and this program will begin January 1, 2017.

The new rules call for lower credits to be paid for excess generation (anything produced above what is needed by the homeowner in a month is considered excess). The PSB will require that some items on the electric bill be paid by everyone, regardless whether they



have a home generation system or not. Some of these charges, which the PSB now defines as non-bypassable, include the monthly member charge and energy efficiency charge.

The new rules will also affect pre-existing net metered installations -- those in operation before January 1, 2017. They will

require all pre-existing systems, after 10 years of operation, to begin paying those same non-bypassable charges (such as the monthly member charge and the energy efficiency charge). Also, the rate paid for excess generation after 10 years for pre-existing systems will change to a blended residential rate, which has been set by the PSB in the amount of 14.919 cents per kWh. This contrasts with the rates paid under WEC's current plan, which are 20 cents and 19 cents per kWh (depending on the size of the generating system), or, for those that were installed before 2014, at WEC's highest electricity rate of 21.9 cents per kWh.

All Vermont utilities, WEC included, will be required to file a new net metering program plan with the PSB, with a program design that must be in compliance with the new draft rules. Our new program will be vetted and reviewed by regulators to ensure that we meet the rules set forth by the PSB.

There are similarities between the draft PSB rules and WEC's current program, including payment for excess generation. But there are also new provisions in the state's plan, including incentives to build net metered systems in benign or preferred locations, such as on rooftops, existing structures, and previously developed lands. The PSB has created penalties for building large projects in green fields and on undeveloped property. Preserving farm

fields and open lands is an important change in the new program. As a result, siting "adjusters" (credits for preferred locations, and charges for undesirable locations) will be part of the new program. Credits and charges for ownership of the "renewability" of the power are also included. If people want to keep the Renewable Energy Credits (RECs) from their project they can do so, but they will be charged a fee for retaining the RECs.

Reasons and further details on what's coming

The state regulators noted that Vermont's net metering program was created to encourage small-scale renewables that offset energy use at a home or business, not for building large projects in open farm fields; those larger projects, the PSB noted, can and should compete in the energy market. Similarly, the PSB explained that net metering wasn't intended to encourage large commercial-style projects that earn a premium in payments for their energy while selling their RECs out of state. So while the PSB's new program will continue to allow projects up to 500 kW, there are incentives that encourage smaller-scale projects located in preferred sites.

The PSB defines preferred sites as being on a building or structure, parking lots, previously developed lands, in a brownfield as defined by the Agency of Natural resources, on a landfill, in a gravel pit or mining location, or in municipally designated areas. An additional rule, reinforcing the original conception of net metering, is that 50 percent or more of the power must be used by the entity hosting the generation.

The future program will still allow members to use their credits from surplus generation to offset the energy portion of the electric bill. Hence, any energy produced at home creates

savings on your electric bill.

Summarizing: If more energy is produced in a month than the homeowner uses, it is channeled into the electric grid and a financial credit will be calculated for that excess energy at a rate of 14.919 cents per kWh. As noted above, this is less than the 19 cents and 20 cents we are currently paying for excess generation, but the member can supplement the credits through choices made in siting and by transferring RECs to the utility. Not only will a project earn credits of 14.919 cents/kWh for its excess production, it will also receive an additional 4 cents for all kWh generated if the project is sited in a preferred locations, and the RECs are transferred to the utility. In this example, the member is making \$18.919 cents/kWh for all generation over and above what is used at home. If you're providing your own power (thus largely eliminating the energy portion of your electric bill), and you're getting paid 4 cents for every kWh generated, it's a very attractive financial incentive and should result in projects of 150 kWh and less being built.

The PSB's reason for disallowing the past practice of zeroing out an electric bill (by offsetting fixed costs as well as energy costs) was that everyone who uses the grid should pay the charges that sustain it. The PSB came to a similar conclusion regarding the energy efficiency charge, which supports programs in which all Vermonters have a stake. Consistent with past practice, the credits people earn for their excess generation must be used within 12 months, after which time they will expire. The purpose for this rule is to encourage people to size their systems appropriately for their own use, and to discourage oversizing.

As noted, pre-existing systems will continue under the program they are using, but only for 10 years from the date those systems came on line. At that point, the blended rates paid for excess generation and the non-bypassable charges contained in the new rules will apply to them, as well.

We will reach out to our net metered members to explain the changes and hold a workshop to discuss the PSB's ruling. We recognize that net metering is a significant investment for our members who engage in the program. We would have preferred to continue with our current 2014 program design, but this option was not allowed in the PSB ruling. Hence we will work to comply with the Public Service PSB's rule and communicate the changes that are coming to all WEC members.

If you have questions feel free to reach Bill Powell or Susan Golden at WEC.



A festive, seasonal table setting at the Co-op's Community Meeting in Cookeville. The eighth-grade class from Waits River Valley School decorated the tables and provided excellent service during dinner.

Community Meeting

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An example of that engagement came at the tail end of the discussion that followed dinner. WEC's Engineering & Operations Director, Dan Weston, stood to ask a basic question. Until then, the conversation had largely been about policy, and programs like net metering, and what capital credits are and what it means when people get a "distribution" (usually in the form of a discount on their November electric bills). Weston made it clear that his purview at Washington Electric was more down to earth.

"My area is the poles and the wires, and keeping the lights on," he explained. "So I just want to get a pulse from the crowd tonight: Is there anybody who feels that their reliability and electric service from the Co-op is improving?"

Nearly everyone who was still there (several people had left by then) applauded in the affirmative. Washington Electric Co-op has intensified its effort, for years now, to improve reliability in a difficult territory to serve – because of its very rural nature and the system's exposure to the elements. WEC has backed up this commitment with significant financial investments and modern technology.

Weston, who came to the Co-op in 1997, wasn't asking for compliments; he was asking for feedback, and the truth – and the truth is, apparently, that longtime members have noticed an improvement in the most important thing WEC does: providing reliable electric power for their homes, farms, schools, and businesses.

Director Skinner: Casting the net for local nonprofits

Once dinner was over, WEC President Barry Bernstein opened the meeting by welcoming everyone and thanking the eighth-graders for their hard work. He then introduced General Manager Patty Richards, who began by speaking briefly about capital credits. It was a timely subject because the Co-op had just initiated its yearly capital credit distributions, as announced in the



WEC members at the Cookeville meeting participated in a free-ranging discussion that ranged from the quality of the Co-op's electric service in their rural area to the ins and outs of net metering

September issue of *Co-op Currents*.

"Do people understand what capital credits are?" she asked. "It's a subject that quite honestly I've had a hard time wrapping my head around since I came to the Co-op three years ago."

In a nutshell, capital credits are each member's share of the "margins" – comparable to profits – that the nonprofit cooperative earns in years when its revenues exceed its expenses.

Richards explained that managing the capital credits program is a two-step process. First, the credits are "allocated," meaning that WEC calculates the amount each member is owed based on the household's electricity purchases during the year in question, and assigns those amounts as a bookkeeping entry (not as actual cash) for each member.

"The second step is the one most people

are interested in," Richards continued.

"That's when the credits are 'retired,' meaning that they are returned to you in the form of a check or a credit on your bill."

Capital credits are almost always very modest amounts, and current members receive them as discounts on their November electric bills. This is the *only* way they are distributed to active Co-op members. (Former members

receive their payments by mail, in the form of a check.) In other words, people cannot call the office and ask for the balance of their accounts to be paid out to them. Board President Bernstein also explained that WEC must continuously meet TIER requirements ("times interest earned ratios") set by its lenders, which hold money in reserve to protect their loans; that, and the priority of safeguarding the

For the WEC Community Fund, the Co-op is always looking for groups helping to make central Vermont a better and more compassionate place to live. This prompted Director Mary Just Skinner to announce: "If there's anyone who has a nonprofit organization working in this area that needs funding, you should contact us."

solvency of the utility, guide the Board of Directors' annual decision about how much WEC can afford to pay members through the capital credit program.

Richards and Bernstein then pointed out that members have an alternative to taking their distributions. They can donate them to WEC's Community Fund, which contributes to nonprofits working for good causes in the central Vermont area. The fund is financed almost entirely by these donated capital credits, and has grown to the point that it contributes some \$28,000 a year to these valuable local organizations.

This prompted WEC Director Mary Just Skinner, of Middlesex, to make an excellent point.

"If there's anyone who knows of a nonprofit organization working in this area that needs funding, you should contact us," she said. WEC is always looking for qualified groups that are making central Vermont a better, more compassionate place to live.

Richards also addressed the subject of Vermont's new "renewable energy standard," which is a requirement, set in legislation two years ago, that electric utilities increase the percentage of renewable energy in their power portfolios. Because WEC is 100-percent renewable, the Co-op has already exceeded that requirement.

However, the legislation also directs utilities to offer programs to help people move away from fossil fuels for heating and transportation (new territory for electric utilities).

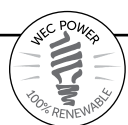
"These programs must be in place by the start of next year," Richards explained, "so we're developing them now and will begin offering them on January 1, 2017. We'll be providing details about them very soon."

Before opening the discussion for comments and questions, Richards announced that WEC would soon be filing for a rate increase. Its most recent increase was in 2014, in the amount of 3.78 percent.

"We've been able to hold rates in check for two and a half years," she said, "but I have to tell you that due to rising costs we'll need to ask the



Members of the Co-op's Board of Directors who traveled to Cookeville for the Community Meeting included, from left, Stephen Knowlton from East Montpelier, Board President Barry Bernstein from East Calais, Mary Just Skinner from Middlesex, David Magida from Middlesex, and Treasurer Don Douglas from nearby East Orange.





WEC member Pearl Keene attended the community meeting, from Topsham. Also pictured is Operations & Engineering Director Dan Weston.

Public Service Board for approval of an increase for the upcoming year.” (See page 1 for more on this subject.)

Plug for EVs

The discussion proceeded to other energy-related topics, including former Board member Dan Wing’s encouragement for WEC members to consider purchasing electric vehicles (EVs), which, he said, are becoming a more practical means of transportation even in rural areas. (Dan and his wife, Dina DuBois, live in Cookeville.)

“Electric vehicles have been a fringe concept for a long time,” he said, “but next year a major manufacturer, General Motors, is going to have a new car on the market, the Chevy Bolt.” The Bolt, he explained, will be able to recharge at twice the speed of most of the established EVs, and will go farther (he estimated 238 miles) on a full charge. This would make trips to destinations like Burlington or Dartmouth-Hitchcock Hospital in New Hampshire as feasible as in a gasoline-powered car.

“It’s no longer going to be a niche market,” he predicted. He urged WEC’s leadership to consider providing an

incentive by designing a power-pricing arrangement so that people could charge their vehicle affordably overnight, when there’s excess power on the grid.

General Manager Richards pointed out that over the past year WEC has built four EV charging stations in its service territory, with a fifth scheduled to come on line soon. The charging stations came about through a grant from VLITE (the Vermont Low Income Trust for Electricity; see story in the December 2015 issue of *Co-op Currents*, on WEC’s website.)


Another subject brought up at the meeting was net metering, and the Co-op’s version of this state program that provides economic incentives for people to install small-scale electric generating systems for their own use and contribute whatever excess power they might produce to the electric grid. Chris Preston, who invested in a solar generating system two years ago and has been a Washington Electric member for 46 years, felt that elements of WEC’s program were unfair to people like himself who had “put a lot of money into a system because I believed it was the right thing to do.”



Dan Wing, who served on WEC’s Board of Directors from 1989 to 1991, spoke with fervor about the promising future of electric vehicles (EVs) even in rural states like Vermont. An infrastructure is slowly developing to support and encourage EV ownership, and Dan said he would like to see WEC take a more active role in that cause. The Co-op is in the process of installing its fifth EV charging station.

Bernstein and Richards said they knew WEC’s program was unpopular with some people, but that it was drafted in order to be fairer, economically, to all Co-op members. However, they also pointed out that WEC’s version of net metering will end and a new statewide program will come into effect on January 1, 2017. (See Manager’s Report, page 3.)

Shortly before adjournment a woman rose to her feet to commend the Co-op for doing at least one thing the old-fashioned way. Holding up an issue of *Co-op Currents*, she declared, “Thanks for keeping this in print!”

By then it was dark, and the country roads were waiting. Time to go home. 

President’s Report

continued from page 2

so many people in central Vermont, and he will be greatly missed.

Fred Ladue, from Moretown, has died at age 93. Fred was the President of the WEC Board in the 1980s, when WEC was facing the possibility of going bankrupt due to the severe cost overruns of the unfinished Seabrook nuclear power plant project in New Hampshire. Fred courageously led the board to vote to not make the \$1 million payment that was coming due at the time. The Board’s action eventually led to the Vermont Supreme Court overturning the Co-op’s MMWEC Seabrook “black hole” contract. The lawsuit that presented this issue to the higher court was brought by then-DPS Commissioner Gerry Tarrant to protect the interests of WEC, the Vermont Electric Co-op, and the state’s municipal electric utilities. Thanks, Fred, for a profile in courage.

Your Board of Directors, WEC’s




Our Co-op lost two stalwart members in recent weeks. Fred Ladue (left) served on the WEC Board from 1978 to 1990, and was Board President during a crucial period in WEC’s history. Fred and Patricia Ladue are pictured in an article about the first capital credit distributions to longtime members, in 1998. Wilmer Brandt (right) was a stalwart believer in cooperatives, and a mentor to many young people who moved to Vermont. These two fine gentlemen will be missed.



management, and all of our employees continue to work on your behalf to ensure safe and reliable service

delivered in a cooperative, progressive, friendly and community-spirited manner. I hope everyone enjoys the

remaining days of fall as we prepare for what the coming winter will bring. 



The 'Achiever': A Boon To WEC's Off-Road Capabilities

One of the best things to happen to Washington Electric Cooperative and its outdoor operations staff – and, indirectly, for many Co-op members – is something that most of the members will never see. It's the Achiever DMP Tracked Aerial, manufactured by UTV International, a Canadian company that specializes in off-road "tracked" vehicles that use steel tread rather than wheels for mobility (like a tank). The Co-op took delivery of this new piece of equipment on Friday, October 7, and received training in how to operate it over the next couple of weeks.

UTV's diverse tracked vehicles are widely used in the forestry, mining, and ski-resort industries, and by electric utilities and telecom companies whose territories contain isolated areas in rough terrain unreachable by conventional utility trucks. That's why WEC members are unlikely to see the Achiever, unless they happen to see it being transported to a worksite on the Co-op's flatbed truck: the line crews will be using it in mostly uninhabited stretches of right-of-way that cut through forests, over mountains and ridges, and sometimes across open but rugged fields and hillsides.

What's important about the Achiever, and distinguishes it from the other large tracked vehicle WEC owns (also a UTV product), is that it's essentially a bucket truck on tracks. But a bucket truck can't go where the Achiever can go. The Achiever has what Construction Foreman Kevin Lanphear calls an "articulated" hydraulic lift, with an insulated, rotational bucket at the end; Kevin is referring to the joints, elbows and extensions that provide not only sufficient height (up to 55 feet) to carry a lineman to the top of any WEC's poles, but also an enormous amount of flexibility. With a set of controls at the base of the lift, and another inside the bucket, a line worker can maneuver the hydraulic arms and extensions to put him (someday there may be a "her") in a safe and convenient position to work on the poles, the conductors (wires), or

Off-road working conditions in bad weather can be challenging for WEC's personnel; therefore, they must work slowly and deliberately. The Achiever enables them to work faster and, at the same time, more safely, too.

the electrical equipment – fuses, voltage regulators, etc. – needing attention.

WEC's other large track vehicle also has a lift and bucket, but its primary feature is the derrick and drill that the crews use in remote, difficult-to-reach areas for setting poles. The lift and bucket can come in handy sometimes, but they're not, as Kevin would say, articulated.

"You can put it in position to work where you need to be," explains Equipment Operator Donnie Singleton, "but a lot of times, if you need to change your position, you've got to come down and move the entire vehicle."

That limited maneuverability makes the older vehicle best suitable for setting poles – which is a tremendous asset in an off-road location.

Stories in *Co-op Currents* have returned repeatedly to the theme of WEC's origins in 1939 as a utility formed specifically to serve the rural areas of central Vermont (Washington, Orange, and small parts of Caledonia and Orleans counties). That legacy, we have noted, leaves Washington Electric with major stretches of right-of-way totally unreachable by a utility truck. Snowshoes and ATVs have been the crews' only means of accessing these places, which isn't so bad in broad daylight and mild weather. But on stormy nights in mid-winter, when the visibility is poor and anywhere from a half-dozen to 50 or more WEC members have lost their power because



The Co-op's two large track vehicles make a lot of difference in the work that must be done in WEC's many miles of off-road, hard-to-reach, right-of-way. Although the vehicle on the left is shown with its bucket aloft, its best advantage for the Co-op is the derrick and drill that crews can use for setting poles where trucks can't go. The new Achiever, at right, provides a sophisticated bucket-lift apparatus that will be quicker, more efficient, and safer for linemen than climbing poles in poor, off-road conditions.

a tree from outside the right-of-way has fallen across the power lines, headlamps and snowshoes don't cut it. Problems are hard to spot and repairs can take a long time.

And, as we have observed in these pages before, those working conditions, for WEC's personnel, at times can be challenging. Therefore, they must work slowly and deliberately. The Achiever enables them to work faster and, at the same time, more safely, too.

"It's our policy to try to move those old cross-country rights-of-way close to the roadsides when we can," says Engineering & Operations Director Dan Weston. "But the reality is that we can't always do that, whether because it's not feasible or because landowners don't want to grant us permission. So we're always going to have substantial territory that can only be serviced off-road. That's why we need to make our work in those places as safe and as efficient as possible."

As the construction foreman who usually heads up the crews working in those locations, Kevin Lanphear knows that it's often some of the oldest infrastructure on WEC's 1,250-mile electric-distribution system. There are poles from the 1940s and 1950s out

there, he says, and even though they're often smaller than the poles installed today, many are in pretty good shape.

But some aren't. And whether they're in good shape or not, the hazards of climbing those remote and isolated poles in bad weather, when they're apt to be sheathed in snow and ice are real.

This is why WEC's new UTV Achiever is so important. The operations crews devote significant time every summer to improving those cross-country, often forested rights-of-way, using the little Bobcat and a rented bulldozer to clear away the overgrowth and smooth out the terrain. Come winter, it's possible, in more and more of the Co-op's territory, to get a larger tracked vehicle into many of these places.

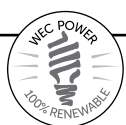
Washington Electric's line crews will still have plenty of climbing to do – far more than most utility workers because WEC has the most rural territory (the lowest average number of members served per mile of line) in the state. But the Achiever will help a lot, making for quicker repairs for members when a Winter Storm Damon or a Tropical Storm Irene plows through Vermont – and making it far more likely that those workers will return safely to their families when the long day, or night, is done.



WEC took delivery of the Achiever on October 7, and the following week a company representative visited from New Hampshire to provide training for some of Washington Electric's Operations staff.



Two of the Co-op's hard-working crew members who will probably spend a lot of time with the Achiever are Equipment Operator Donnie Singleton (left) and Construction Foreman Kevin Lanphear (laughing!).



Responding to the Harwood Tragedy through the Five Families Fund

By Patty Richards
General Manager, Washington Electric Cooperative

A community in central Vermont is dealing with the unimaginable loss of five of its cherished young citizens in the tragedy that occurred on October 8. As most of our members know by now, the five teenagers, whose names were Eli Brookens, Janie Cozzi, Liam Hale, Mary Harris, and Cyrus Zschau, lived in the towns of Waterbury, Fayston, and Moretown, and four of them were students at Harwood Union High School.

All of us at Washington Electric Cooperative share in the heartbreak at the loss of these five vibrant youths, most of whom lived with their families in communities that our Co-op serves. The Harwood Union school itself is a WEC member and a very important part of our Co-op family. We are deeply saddened by the losses and know this a very difficult time for everyone who



Harwood Union High School

knew these five young people. As communities so often do in our state, the Harwood community has united in the face of this tragedy and created the Five Families Fund. We at the Co-op would like to encourage our members to contribute, no matter where they may live within our territory. Information about the Five Families Fund, and its plans for sharing the generosity and compassion of those

who contribute, can be found at the website of the Mad River Valley Community Fund, which made its own contribution to each of the families and

has helped in the coordination of the Five Families Fund effort. In addition to learning about the fund's plans, people can also make donations through that website, which is www.MRVcommunityfund.org.

Mad River Valley Community Fund
PO Box 353
Waitsfield, Vermont 05673.

All contributions should be earmarked "Five Families Fund," and are tax deductible. We extend our deepest sympathies and sincerest condolences to the Harwood community, and particularly to the families who have lost their loved ones.

Co-op Principles



1. Voluntary and Open Membership — Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control — Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

3. Member Economic Participation — Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. Autonomy and Independence — Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training and Information — Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public — particularly young people and opinion leaders — about the nature and benefits of cooperation.

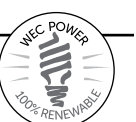
6. Cooperation among Cooperatives — Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community — While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

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State Confers 'Outstanding Safety Award' Upon Washington Electric

WEC the Only Utility to Win Repeatedly

For the second time in three years, Washington Electric Cooperative's commitment and success in promoting safe workplace practices has won recognition by the Vermont Department of Labor. On October 6, WEC received the Governor's Award

"Morale is certainly important for the success of any company," WEC's General Manager Patty Richards agreed, upon hearing of the award. "But in addition to that, we care about the health and wellbeing of our colleagues and coworkers."

for Outstanding Workplace Safety in the small business category. WEC won the same award in 2014, and is the only utility in Vermont to receive it multiple times. Scott Martino, WEC's Safety and Environmental Compliance Specialist, accepted the award on behalf of the Co-op at a safety seminar and awards presentation held in Stowe.

"Morale is important for the success of any company. But in addition to that, we care about the health and wellbeing of our colleagues and coworkers."

— General Manager Patty Richards

"The Governor's Award highlights the benefits of providing a safe and healthy workplace for both the employer and its workforce," Steve Monahan, the department's Workers' Compensation & Safety Director, said in a press release. "Job safety is one of the most important workplace issues today, having significant positive impact on the costs of operations, worker's compensation, and employee morale."

The 2016 Governor's Award is the latest of several honors WEC has received for its safety record. In both 2013 and 2014, the National Safety Council bestowed a Perfect Record Award upon the Co-op, each award denoting the completion of 12 months with no reportable workplace injuries and no lost time by employees due to accident or injury. Also in 2014, Washington Electric was the recipient of Council's Occupational Excellence Achievement Award.


Executive staff and members of the Co-op's Board of Directors were elated and proud of this recognition of the employees' commitment to safe work practices.

"It cannot be overstated what safety means in an industry where

on certain costs through fees added to their customers' bills, without filing for across-the-board rate increases the way WEC and the other Vermont electric utilities must do. GMP has been able to recover storm costs, rising power costs, transmission grid increases, and other cost escalations through various fee increases on a quarterly basis rather than waiting to recover those costs through the mechanism of a rate increase. The money still comes from the same place: the pockets of its customers in the bottom line of the monthly bill.

When your Co-op files for a rate increase we include all costs. Nothing is added as an extra fee or separate line item on the bill. It is a transparent process and it is fully reviewed by regulators.

We have worked hard to control costs and will continue to do so. Yet, from time to time we need to increase our rates to keep the Co-op financially stable and to provide the service and reliability you expect. And it's helpful to put our increases fully in context. When you look at the past 17 years, our electric rates have gone up on average 1.5 percent annually over that time period, while the U.S. saw an average annual rate of inflation of 2.06 percent between 2000 and 2016. (Source: The U.S. Bureau of Labor Statistics.)

We will be filing for this increase soon and will keep our members fully informed as we move forward. 



Safety & Environmental Compliance Specialist Scott Martino is shown here receiving an award for the Co-op from the National Safety Council in 2013. Scott attended an event this month in Stowe where WEC was honored with its second Governor's Award for Outstanding Workplace Safety.

one wrong move can be fatal," said General Manager Patty Richards. "We recognize the dedication and work from all employees, and especially our field and line crew who work at all hours of the night and during severe weather conditions. This award is a reflection of a vibrant safety culture at WEC. Our employees look out for one another each and every day, both in the field and in the office."

WEC Board member David Magida, who oversees major facilities operations and contracted projects at Norwich University, has a professional appreciation, developed from experience, of the importance of safe practices.


"This is terrific news and a great accomplishment," he said after hearing about the 2016 Governor's Award from Engineering & Operations Director Dan Weston. "The best safety programs all have a common denominator, which is that safety is a critical part of the organization's culture. Having safety

be a part of the organization's culture shows how much the team members – and their families – are valued. To have safety part of the culture is the gold standard, and WEC has done that.

"As you can tell, I'm quite passionate about this," Magida said. "Kudos to all."

The latest award – and, in fact, the steady accumulation of safety awards – comes as the result of purposeful attention at the Co-op to safety and health issues. WEC schedules regular safety seminars as well as ongoing health training through its wellness program, WATT (Wellness All the Time).

Still, accidents can and do happen in workplace settings. That's why Dan Weston added a note of caution in his memo to the Co-op's employees as he passed along news of the most recent Governor's Award.

"Congratulations to all," Weston wrote enthusiastically. "And please, let us not let our guard down. Work safe and look out for each other!" 

Rate Increase

continued from page 1

between 6 percent and 8 percent over our current rates.

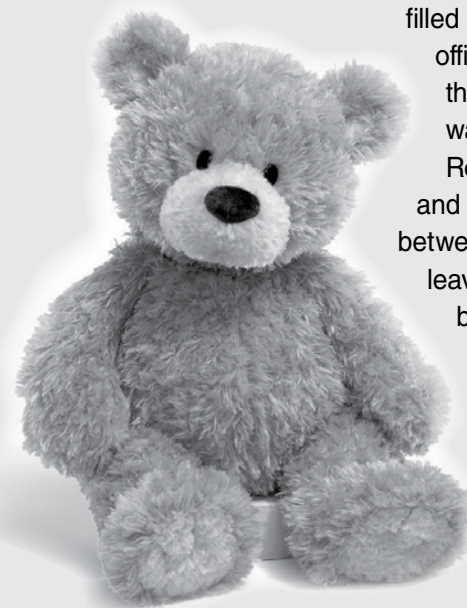
There are a number of factors contributing to this decision. They include:

- rising transmission costs, both regionally and from within Vermont;
- increased costs placed upon WEC and other utilities by ISO-New England, the regional grid operator, for reliability needs (referred to as capacity charges);
- rising costs for labor, materials, property taxes, and insurance since 2014;
- declining revenues from the Renewable Energy Credit (REC) market. Our sale of RECs provides a significant source of revenue each year and helps to lessen the impact to our members from the costs noted above. But the market price of RECs has decreased, largely because renewable energy projects have proliferated and flooded the market with renewable energy credits.

Many WEC members may have followed the recent VPR reporting on Gáz Metro/GMP's Alternative Regulation, which is used for rate-setting purposes and is commonly referred to as "Alt Reg." GMP is the only electric utility in the state that operates under Alt Reg. It allows GMP to pass

Join WEC Staff In TOY JOY Campaign!

Washington Electric Co-op will be enthusiastically participating in TOY JOY again this year, a coordinated effort by Toys For Tots and The Salvation Army of Washington County to collect new or "lightly loved" toys for local families this holiday season. And the staff would love to have you join them.



For the past two years, WEC employees generously filled two large boxes – one at WEC's office in East Montpelier village and the other at the Co-op's garage/warehouse on Fassett Road, off Route 14 between East Montpelier and Barre. They invite you to stop by between now and mid-December and leave unwrapped toys for children from birth to 15 years, at these locations. Toys For Tots requires new toys only; used toys can be accepted for TOY JOY if they are in clean and near-new condition.

Please join your Co-op staff in this fun and charitable effort.

