Vermont Electric Co-op Life

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VEC Assists Growth at Hurricane Lane

By Phyllis Shanley

Despite its stormy name, Hurricane Lane is a quiet business development just across I-89 from Taft Corners. It is home to two hotels, a retailer’s headquarters, several health care facilities, and sales or support centers for nearly a dozen high-tech companies. And it is in Co-op Country.

Hurricane Lane is the dreamscape of developer Bill Dunn. After successfully creating the Hillside Park residential development in Winookski, he turned his hand to businesses. He bought 50 acres of land next to I-89, already zoned for interstate commercial use, especially services for Interstate travelers. The Residence Inn by Marriott was the first to be established on his new Hurricane Lane.

Bill Dunn’s buildings are designed to blend with the trees and each other and to preserve a rural texture true to the vision of the Williston Planning Commission. But the space is limited to his original 50-acre purchase and some of the resident businesses are already outgrowing it. The business development cannot expand because of dense residential development on both sides of Route 2A up to Old Creamery Road and beyond.

Test Lab Power Is On 24/7

The electric bill at Qimonda is $30,000 a month. We run our test systems 24 hours a day.”

Andreas Nolle, Financial Controller, Qimonda

The company is in negotiation with Bill Dunn and the Williston Planning and Zoning Committee to erect another building on a site nearby. Financial Controller Andreas Nolle says that the Town has approved a site for the new building, but there are many hurdles still ahead. He waves at the trees outside the window and says it’s a nice spot. He’s glad they have reason to hope they won’t have to move.

Qimonda will soon need space for 200.

The original building was designed for 100 people, not counting the lab. If the headcount increases as planned, the lab. If the headcount increases as planned, Qimonda will soon need space for 200.

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IBM, Qimonda and Taiwanese firm Macronix recently announced a joint effort to develop a new memory technology. “Phase change” materials promise to be more efficient, more reliable, and more scaleable to large data capacities on small chips. Groundwork is centered in Silicon Valley in California for now. It is too early to know whether...
VEC’s Rate Increase Approved by Regulators at 7.15 percent

By Mike Bursell CFO

Over the past two years, VEC has faced significant exposure to power supply markets. Power supply and transmission costs are every utility’s largest expense. VEC’s power supply and transmission costs now make up nearly 75 percent of our revenue requirements, as market costs have more than doubled in the past three years. In 2003, VEC was paying 3.8 cents per kilowatt-hour for its wholesale purchases of electricity. Now, VEC is paying approximately 8.5 cents per kilowatt-hour.

In October, 2005, VEC filed for a 14.35 percent rate increase to cover 26 percent of our power supply portfolio contracts that had expired and needed to be replaced with new contracts. This rate case, based on increases in power supply and transmission costs, was approved nearly one year later after an extensive investigation of the full requested amount. At that time, VEC was also projecting that we would have to file an additional request to increase rates for 2007, when an additional 30 percent of our power contracts were set to expire and needed to be replaced. These expiring contracts were significantly below market prices and we were estimating another double digit increase to be effective on January 1, 2007 to cover the new contracts. During 2005 and 2006, we pursued several opportunities to procure power supply contracts that could mitigate some of the anticipated increases. Additionally, we pursued generation opportunities. We continued to implement efficiency measures that began in 2004 to reduce controllable costs outside of power supply and transmission. Finally, we evaluated our service areas to see if there were opportunities to improve operating results further. As a result, VEC worked out a sale agreement with CVPS for our Southern District—the part of our territory that was more expensive to serve and was not contiguous with our main northern Vermont service area. The Southern District made up less than 5 percent of our revenues but represented more than 11 percent of our systems overhead line miles.

On November 15, 2006, VEC filed a request to increase rates by 8.41 percent. The rate of increase would be lowered to 7.99 percent if VEC’s sale of the Southern District was approved by the regulators in time to close in 2006. The sale was approved and completed on December 12, 2006. Additionally, in preparing our rate case VEC began working with the regulators on the rate filing. During the initial analysis and review of the rate filing, key items were identified that resulted in a further reduction in the level of increase VEC was seeking. These items included reductions in the rate increase request for the cost of litigation of the case, an accounting deferral of the costs to complete a regulatory plan and a management and business process review audit, and lastly some additional savings associated with the costs of power. On December 29, 2006 an increase of 7.15 percent was approved by the regulators for services on or after January 1, 2007.

While having to increase rates is very difficult for VEC, the need to insure that we meet our financial obligations of the business and to continue improvements in reliability made the request to increase rates a necessity for your Cooperative. We are optimistic that many of the actions we have taken to deal with this crisis in power supply costs will have lasting benefits for our members.

VEC’s First Farm Methane Generator Goes On-Line

By Rich Fleury

Mark and Amanda St. Pierre of Pleasant Valley Farm in Berkshire celebrated the start-up of their 500 KW methane generators and transmission of the full requested generation of the St. Pierre’s project: “The St. Pierre methane digester project in order to interconnect their generators to the electric distribution system. Power generated by the farm system flows to the VEC East Berkshire substation, located on Vt. Route 105 between Richford and Enosburg.

VEC’s CEO Dave Hallquist also spoke about the win-win for the Cooperative and the St. Pierre’s project: “The St. Pierre methane digester project will provide a new income stream for the farm and VEC’s customers will see the benefits from local renewable energy within our territory.”

www.vermontelectric.coop
under the news section or you may contact our office at 1-800-832-2667.

The VEC Board of Directors has set Saturday, May 12, 2007 for the sixty-ninth annual meeting of the Cooperative, to be held at Smugglers Notch Resort in Jeffersonville.

Candidates sought for district elections

Members in District 1 (Alburgh, Isle LaMotte, North Hero, Grand Isle, South Hero), District 6 (Fairfield, Bakersfield, Fletcher, Fairfax, Georgia, St. Albans, Swanton E.), District 14 (Newport City, Coventry), and District 15 (Derby South, Brownington, Charleston, Westmore, Newark, Brighton, Ferdinand, Brunswick, Maidstone, Guildhall and Burke) will be electing directors to serve on the VEC Board. The District 1 seat is now occupied by John Miller of North Hero, the District 6 seat by Dorothy Allard of Bakersfield, the District 14 seat by John Ward of Newport, and the District 15 seat by Thomas Bailey of Derby.

Serving as a VEC Director allows interested members to have a strong influence on the future direction of our Co-op. Members with their principal residence within a district that has an open seat can run for district Director by submitting a petition signed by at least 15 members in that district. Members who are employed by the Cooperative or who are in any way employed or financially interested in a competing enterprise or business selling electric energy or supplies to the Cooperative are ineligible to become a director (VEC Bylaws, Article IV, Sect. 3). Directors are compensated according to Article IV, Sect. 6 of the Bylaws.

Members must submit petitions to VEC no later than March 28, 2007 in order to run. Director terms run for four years. For more information on how to become a candidate for director from your district, please contact Linda Young, Administrative Coordinator at 1-800-832-2667, ext. 1131.
2007 Rate Case

The Vermont Department of Public Service (DPS) has come to an agreement with VEC on the rate case and that agreement has been approved by the Vermont Public Service Board. VEC received a rate increase of 7.15 percent approved by the Vermont Public Service Board. The agreement is twenty years, during which VEC will purchase the power at a discounted rate. A temporary rate increase means that VEC can save the $87 thousand in legal fees that were budgeted for litigation. This saving is directly passed on to the members.

The fact that the DPS is not investigating this rate increase means that VEC can save the $87 thousand in legal fees that were budgeted for litigating the rate case. This saving is directly passed on to the members. Additional savings recognized in the settlement with the DPS was an approval to defer, through an accounting order, the costs to complete VEC’s integrated resource plan and the business process review audit discussed further in my report below. Lastly, some additional savings were recognized in power supply that were reviewed by the DPS and VEC. VEC originally asked for an 8.41 percent increase in rates, and now will issue a 7.15 percent increase.

Generation Projects

VEC’s Board of Directors has approved a Memorandum of Understanding (MOU) to take half the output of the proposed UPC Sheffield wind farm. We will purchase the power at a discount from the market rate. The term of the agreement is twenty years, during which VEC will receive a discount of 5 percent for the first ten-years and 10 percent for the second ten-years. This pricing arrangement guarantees that VEC and its members will always receive locally generated green power from this project at below market prices.

VEC supports the project for several reasons. The generation is local and it is renewable reducing the need for generation that contributes to global warming. It is affordable, long-term and providing reliable power at below market prices. The project reduces the dependency on natural gas, which VEC believes will have significant upward price pressure due to the increasing global demand for energy sources. VEC believes that new sources of energy are needed to offset the competition for existing sources. Additionally, New England is highly dependent on natural gas fired electric generation. The Vermont Public Service Board passed Act 61 in 2005, supported by VEC, which obligates all Vermont utilities to satisfy a portion of their power requirement through sustainable renewable generation, this project satisfies VEC’s requirements under Act 61.

The UPC MOU language was approved during the June, 2006 Board of Directors meetings. The Board actively discussed a fixed-price contract versus a market-based contract. The decision to take a market based contract was based on the following:

• The difficulty with wind is that it does not blow on request. It could be blowing while the market prices are low, and it cannot be depended on for one-time load-peak power. VEC believes the price for a fixed-price contract must be very low in order to mitigate this risk.

• The Sustainably Priced Energy Enterprise Development Program (SPEED) that was passed by the Vermont Legislature as part of Act 61 and addressed by PSB rule 4.300 states that power purchased by the speed facilitator shall be below the anticipated market rate.

VEC also agreed to a Memorandum of Understanding with Black Bear Energy to take 15 Megawatts of the proposed 100 Megawatt gas generation facility to be built on Great Bay Hydro property in Newport. The Black Bear Project is a Combined Heat and Power (CHP) facility producing both energy and steam for commercial uses. The CHP approach allows VEC to purchase its share of the electrical output at prices that are very competitive.

VEC is in discussions with Russell Biomass a 50 Megawatt wood-fired generator in Russell, MA. VEC is seriously interested in taking 15 Megawatts of this output of this facility, as the price looks to be highly competitive and the fuel is local and renewable.

Business Process Review and Audit

As part of the settlement of last year’s rate case, VEC agreed to bring in an outside consulting firm to perform a comprehensive review of VEC processes. The Vermont Department of Public Service (DPS) was concerned that VEC has not yet completely taken advantage of all of the opportunities that the Citizen’s acquisition afforded, as well as some concerns that we may not have the best processes in place to respond to our members.

VEC has an outside firm review its accounting on an annual basis. However, VEC has not had a comprehensive review of all of its business practices, policies and procedures. The membership will see significant benefits from an outside review. The value of an outside review includes:

Expertise: The evaluation professionals perform reviews on a full-time basis. Since these professionals have experience with other utilities and cooperatives, they provide more than simply a value conclusion. They understand how their value conclusion impacts how VEC delivers service.

Independence: The independence of an outside firm allows the firm to provide services to a wide range of clients without those clients worrying about conflicts of interest or other independence issues. This is a significant issue, especially today, as many transactions and relationships are undergoing significant public, government, and industry scrutiny.

Unbiased Opinion: Outside firms who specialize in utilities bring a fresh eye to internal projects and can provide a non-partisan analysis and solution to problems.

Credibility: The professionals used for the review are held to the highest professional and ethical standards due to their memberships in various professional associations. These professionals have extensive experience working with a number of utilities, so they are able to bring the best practices to their client projects.

When energy costs rise and many Vermont businesses feel a pinch, food service facilities can feel a squeeze. According to Efficiency Vermont, energy demands in food service facilities are roughly 2.5 times more per square foot than in most other commercial buildings. “The good news is that an annual savings from a well designed service facility can reduce energy use, especially those with long operating hours,” says Nicole Carpenter of Efficiency Vermont. “The total savings potential from a more efficient commercial kitchen can vary from 10-30% of energy cost.”

The greatest energy savings, according to Carpenter, typically stem from energy-efficiency improvements. VEC and Efficiency Vermont, show a sample of effective energy-saving improvements being made in Vermont commercial kitchens:

Food Preparation – Select ENERGY STAR® qualified food-holding cabinets and steamers and use 50-60% less energy for these operations. This translates to an annual savings of $650-800 for steamers that run two hours per day.

Dishwashing – Install a low-flow pre-rinse spray valve. You’ll save hundreds annually for each hour of daily spray time.

Refrigeration – Set the temperature no lower than required by the health code. This can reduce your yearly costs by $110-170 for a 1,000 cubic-foot dairy cooler with temperature setting increased from 33°F to 38°F.

Lighting – Turn off lights in unoccupied areas and install occupancy sensors and reduce yearly costs by as much as $110 in a typical banquet room.

Ventilation, Heating & Air Conditioning – If you have a wall canopy exhaust system with fan controls, push your appliances as far back against the wall as is practical. Appliances blowing air 12 inches under a 10-foot hood system, you can save $50-60 annually.

For more information on energy-saving solutions is available at www.efficiencyvermont.com or, toll-free, at 888-921-5990. Efficiency Vermont also can help businesses identify the most cost-effective approaches for their facilities and can determine if financial incentives are available for electric energy-efficiency improvements.
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Qimonda in Williston will have a hand in the development or testing of this exciting new technology.

Printing Press Showroom Expands

Expansion and remodeling are underway for the offset printer showroom at KBA North America. The company needs to accommodate four working printers to demonstrate for clients. VEC has installed a new transformer to double the service to its Hurricane Lane site from 500 kVA to 1000 kVA. Marketing Director Eric Frank appreciates the preplanning sessions he has had with VEC. These sessions ensured that the changes would work well for its needs.

KBA, a Czech firm, makes high-end offset printers for the world market. The price tag on a printer starts at $1,000,000. Its printers are responsible for 90 percent of the currency printed in the world, and for 25 percent of newspapers and 70 percent of retail packaging in North America. The business has grown from $80 million in 2002 to $200 million in 2006.

KBA’s North American sales and service office moved to Hurricane Lane in 1992 and has closed its Pennsylvania operations in favor of centralizing in Williston. Space is tight. It can’t build upward because of zoning regulations and it can’t build outward because other businesses are established on both sides of them. It is making do with what it has.

Hotel Guests Expect Reliability

Guests at the Marriott Courtyard sat in the dark during the big October storm of 2005 looking at lights ablaze across the highway. Both the Courtyard and the Residence Inn next door had to relocate their guests. The Courtyard’s General Manager Don Urban says they lost customers because of that outage. Nevertheless, he likes the Co-op’s reasonable rates and being able to call CEO David Hallquist at 10 p.m. to get an immediate response.

The Residence Inn offers business-friendly facilities for extended-stay visitors. The Courtyard opened next door in 2000, catering to short-stay visitors for business and family leisure. Both facilities were completely redone last summer on Marriott’s regular six-year cycle and enjoy an active trade at a prime location.

The Courtyard was built to be energy-efficient from the start. It uses a high efficiency HVAC system and compact fluorescent lighting throughout. With the recent renovation, the mainframe computer that needed an air-conditioned room of its own has been replaced with an IBM server the size of a suitcase and the bulky CRT screens have been replaced by lower-draw flat panel displays. The facility is connected to the Marriott data center by VPN (Virtual Private Network) to capture reservations and share data. The Courtyard depends on power for its guests and for its business.

Joint Substation Will Improve Service

To meet the growing demands of businesses on Hurricane Lane as well as residents along Route 2A, VEC is developing a joint venture with Green Mountain Power to provide alternate sources of power. We have already extended a 34.5 kV line from VELCO’s Taft Corners substation, under the highway, to our substation on Old Creamery Road. Upgrades to this arrangement are under construction now and are planned to be energized in 2009.

This fall VEC opened the Chittenden County Service Center at Echo Place in Williston, barely five minutes from Hurricane Lane. As elsewhere in VEC territory, the 45-minute wait for a service crew from our headquarters in Johnson is unacceptable to members here who rely on VEC to keep their businesses operating.

The Chittenden County growth surge has touched VEC, too. With 34,000 members, our cooperative is now the third largest utility in Vermont. Our territory has also been the toughest. What started as mountain farms has in some cases grown into suburban service territory, including Williston, with all of its important businesses. It is now our responsibility to serve Hurricane Lane with 21st century solutions that meet the challenging needs of these members.

Williston Growth Continues

Whatever the controversy surrounding big box sprawl versus rural Vermont, it is an inescapable fact that Chittenden County has grown dramatically in the last 20 years and Williston has felt the pressure.

The population of Williston, once a farming community of 1500, has quadrupled since 1960, one-fifth of it attributable to Chittenden County growth. In the last 20 years, population has grown 27 percent in Chittenden County and 98 percent in Williston. Employment has grown 54 percent in Chittenden County and a whopping 563 percent in Williston.

The daytime weekday population doubles, with 6000 employees commuting from other towns and between 3900 and 4500 shoppers visiting at any one time.

Williston Planning Commission believes the future could see another doubling of housing units and an additional 25 percent increase in commercial and industrial space.

All this growth has to be supported by utilities and town services. Sewage treatment capacity, for example, limits land development to 80 homes per year and very little commercial development for at least the next 10 years. Allen Brook School is forced to use temporary classroom space, there is not enough open park space, fire and police stations are being expanded with both buildings and personnel, and major intersections deliver poor service at rush hour.

A new regional landfill has been proposed for Williston to consolidate solid waste. The site of this modern facility lies between IBM and the Circumferential Highway route at the north end of Williston.
Those Pesky Squirrels
by Dorothy Aird, Director, District 6

It seems that real VermonTERS hate squirrels, especially the red ones. I learned this the hard way when I moved back to Vermont after a 25-year absence. We had been living in England for a few years, where the red squirrel is endangered. The British think highly of their red squirrels—an attitude that I had un-wittingly adopted.

"Those red squirrels are sooo cute!" I gushed to my neighbor Bob. I had been enjoying their antics at the bird feeder. As repatriated Vermonters, my husband and I were finding the squirrels vs. humans competition at the feeders more fun than frustration. Surely hanging the feeders from a smooth metal pole would work; the squirrels couldn’t possibly climb it! Oh, yes, they could, no problem. Well, how about hanging a large upside-down cone on the pole below the feeder so that the squirrels would get stopped below it and not be able to climb any higher? Within a few days they had figured out how to push the cone all the way up the pole, and then jump around it and onto the pole below the feeder so that the lines cause a larger proportion of outages. Squirrels claim their own share.

Vermont Electric Cooperative, like the other electric utilities in the state, is required to report the number, duration, and causes of outages to the Public Service Department on an annual basis. Last year, squirrels and other animals accounted for 11 percent of all outages. Since squirrels don’t hibernate, outages caused by squirrels can happen at any time of year, says Dan Poulin, our Chief Operations Officer. "When a line crew gets called out to fix an outage, the first thing that the linemen do is to search for the cause. It’s easy to tell when the power problem is caused by a squirrel or other animal: they will find its charred remains on the ground at the base of a pole."

Squirrels use the electric poles and wires in order to get from place to place, in the same manner that they use tree trunks and branches. A clean leap from a pole or transformer to a wire isn’t a problem. It is when a squirrel touches a grounded portion of the system at the same time that it touches an ungrounded part that the current moves through its body, frying the squirrel and causing an outage.

These days, when a transformer is replaced, a device called a squirrel guard is placed over the transformer’s bushing. Many other older transformers in the VEC system are also being retrofitted with squirrel guards. Although they help, the devices don’t always prevent outages. Linemen are finding that sometimes the squirrel guards attract insects that make themselves at home in the space between the squirrel guard and the bushing. Birds are attracted to the insects, and in the process of trying to harvest a tasty bug from beneath the squirrel guard, the bird gets zapped and another outage is caused.

How can the average Co-op member help to prevent outages caused by squirrels? Mark Doremus, one of our dispatchers, suggests: “Keep your bird feeders away from the power lines or poles.” Squirrels may be attracted to the lines and poles to get to the feeders. Furthermore, even though some of us still think squirrels are cute, it’s worth trying to keep them from stealing your bird food. Providing them with a steady source of food may allow them to produce more offspring, and more squirrels mean more outages. I guess it’s time for me to invest in a squirrel-proof bird feeder! 🌾
On December 29, 2006, the Vermont Public Service Board (Board) approved the request of Vermont Electric Cooperative, Inc. (VEC) for an annual revenue increase of $4,233,083, or 7.15%, over current revenues for service rendered on and after January 1, 2007. The rate increase will be implemented by an identical increase to all tariff rates. VEC sought this rate increase almost entirely as the result of increased power costs. VEC reduced costs in other areas, but was not able to absorb all of the power costs increases through other cost reductions.

This increase is less than the 7.97% increase VEC had originally sought. The lower percentage is a result of discussions with the Department of Public Service (DPS), which ultimately recommended approval of the increase without further investigation by the Board. In its letter recommending approval, the DPS noted that it continues to have certain concerns about VEC's management and operations, but that it expects those matters to be addressed in the course of the upcoming Business Process Review and Audit. The Board also noted the following: "In conjunction with this filing, the Board received numerous comments from VEC customers that also highlighted service quality, customer service and rate-design-related issues. To the extent these issues will be addressed by the upcoming Business Process Review and Audit and VEC's Integrated Resource Plan, the Board expects that successful corrective actions will result. Additionally, the Board anticipates addressing those issues, where practicable, in the upcoming rate design proceeding."

A chart is attached showing the prior and new rates that took effect on January 1, 2007.

Thomas Bailey, President
David Hallquist, Chief Executive Officer

"Vermont PSB approved Tariff Filing #7779, as modified to reflect a rate increase of 7.15%,
effective on a service-rendered basis commencing January 1, 2007.

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<td>198.74</td>
<td>185.48</td>
<td>198.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution kWh ($/kWh)</td>
<td>0.06047</td>
<td>0.06479</td>
<td>0.06047</td>
<td>0.06479</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution demand – Firm ($/kWh-month)</td>
<td>21.86</td>
<td>23.42</td>
<td>21.86</td>
<td>23.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34.5 kV – kWh ($/kWh)</td>
<td>0.05896</td>
<td>0.06221</td>
<td>0.05896</td>
<td>0.06221</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34.5 kV demand – Firm ($/kWh-month)</td>
<td>19.55</td>
<td>20.95</td>
<td>19.55</td>
<td>20.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34.5 kV demand – Interrupt ($/kWh-month)</td>
<td>13.78</td>
<td>14.77</td>
<td>13.78</td>
<td>14.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtransmission kWh ($/kWh)</td>
<td>0.05896</td>
<td>0.06221</td>
<td>0.05896</td>
<td>0.06221</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtransmission demand – Firm ($/kWh-month)</td>
<td>10.68</td>
<td>11.44</td>
<td>10.68</td>
<td>11.44</td>
<td></td>
<td></td>
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<tr>
<td>Use Specific Interruptible Rate</td>
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<tr>
<td>Monthly Service Charge ($/month)</td>
<td>225.54</td>
<td>241.67</td>
<td>225.54</td>
<td>241.67</td>
<td></td>
<td></td>
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<tr>
<td>Streetlights (all year)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>175W metered ($/month)</td>
<td>8.37</td>
<td>8.97</td>
<td></td>
<td></td>
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<tr>
<td>175W unmetered ($/month)</td>
<td>23.17</td>
<td>24.83</td>
<td></td>
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<tr>
<td>400W unmetered ($/month)</td>
<td>33.77</td>
<td>36.18</td>
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<tr>
<td>&quot;1,000 Lumens or 100W ($/month)&quot;</td>
<td>5.28</td>
<td>5.66</td>
<td>5.28</td>
<td>5.66</td>
<td></td>
<td></td>
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<tr>
<td>&quot;4,000 Lumens or 200W ($/month)&quot;</td>
<td>11.98</td>
<td>12.84</td>
<td>11.98</td>
<td>12.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;10,000 Lumens or 500W ($/month)&quot;</td>
<td>10.44</td>
<td>11.64</td>
<td>10.44</td>
<td>11.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;8,000 Lumens MV &lt; 250W ($/month)&quot;</td>
<td>12.02</td>
<td>12.86</td>
<td>12.02</td>
<td>12.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;20,000 Lumens MV &gt; 250W ($/month)&quot;</td>
<td>20.79</td>
<td>22.28</td>
<td>20.79</td>
<td>22.28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;8,000 Lumens HPS, 100W ($/month)&quot;</td>
<td>9.62</td>
<td>10.31</td>
<td>9.62</td>
<td>10.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;24,000 Lumens HPS, 250W ($/month)&quot;</td>
<td>20.42</td>
<td>21.88</td>
<td>20.42</td>
<td>21.88</td>
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</tr>
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</table>

NOTICE OF RATE CHANGES

On December 29, 2006, the Vermont Public Service Board (Board) approved the request of Vermont Electric Cooperative, Inc. (VEC) for an annual revenue increase of $4,233,083, or 7.15%, over current revenues for service rendered on and after January 1, 2007. The rate increase will be implemented by an identical increase to all tariff rates. VEC sought this rate increase almost entirely as the result of increased power costs. VEC reduced costs in other areas, but was not able to absorb all of the power costs increases through other cost reductions.
VEC Vehicles and Equipment For Sale

VEC has for sale vehicles and equipment and will accept sealed bids until 4:00 pm, February 28, 2007. Please submit all bids to the attention of Jane Tallman, Purchasing Agent at Vermont Electric Coop, 42 Wescom Road, Johnson Vermont 05656.

All vehicles or equipment advertised have high mileage and may be in need of mechanical /body work unless otherwise noted.

Vehicles and equipment for sale located at the Johnson Warehouse:

- 1998 Ford F-250, Two wheel drive, Pickup with Stahl utility body. Mileage is 113,345+/
- 1995 Ford F-350, Four wheel drive, Dual rear wheels, Northwest enclosed utility body. Mileage is 187,463+/
- 1997 Jeep Cherokee, Four wheel drive, four door. Mileage is 204,680+/
- 1991 International, Telect Command 4500 digger truck. Mileage is 141,141+/
- 1999 Brush Bandit Chipper, Model 200XP, 3,200 hours+/
- 2006 Ford F-250 8’ White truck bodies, New with tailgate and light assembly (2 units available). Please specify whether bid is for one or both truck bodies.
- Thirty (30) gallon Marathon Water Heater Tank, model # MR30245. We have one new unit left that has a seamless, blow-molded polybutylene tank and standard duel elements.

Vehicles for sale located at the Derby Warehouse:

- 1989 Ford F-350, Two wheel drive, Flatbed with a Jerr-Dan body and winch. Mileage is 183,774+/
- 1996 Ford F-250, Four wheel drive, Pickup with utility body and fisher plow frame. Mileage is 133,814+/
- 1976 Wisconsin Flatbed Trailer, Length 26’ Width 8’

Questions pertaining to the above vehicles may be directed to Mark Bennett at 802-730-1144 for vehicles located in Johnson or Larry Hall 802-730-1220 for vehicles located in Derby.

The Company reserves the right to reject any or all bids which, in its sole judgment, finds unacceptable. All vehicles/equipment are sold on an “AS IS” basis, with no warranty expressed or implied. Risk of using any of the above vehicles/equipment is completely assumed by the purchaser.

VEC Opens New Service Center in Williston

By Daniel Poulin, Chief Operating Officer

In an effort to improve outage response time for our members located in Chittenden County, VEC has opened a new service center in Williston. The service center is located at 54 Echo Place, near the intersection of Marshall Avenue and South Brownell Road and will be staffed with four lineworkers. These employees are required to live within 15 miles of the service center, and therefore will be able to respond to outages in Chittenden County more quickly than the lineworkers from the Johnson area.

In addition to Williston, VEC has service centers in Newport, Johnson, Richford, and Grand Isle. Each of these service centers employs lineworkers that are required to live within 15 miles of their service center. By operating service centers with residency requirements throughout our territory, we are able to provide our members with faster response to after-hours outages. In addition, having service centers located near our most populated and/or fastest growing areas reduces the amount of travel time that our lineworkers spend each day going to their job sites.

VEC has also taken action to improve response time in the eastern part of our service territory. In order to provide fast outage response to our members in this area, we have contracted with New Hampshire Electric Cooperative to provide outage services from their Colebrook, N.H. Service Center.

In each service center, VEC requires at least one lineworker to be on call and available to respond to outages 24 hours a day, 365 days a year. This year, VEC began requiring the on-call lineworkers to take a VEC truck home so that they can respond immediately to outages without having to go to the service center first. This change has improved our outage response time by up to a half hour.

Below is a list of our service centers:

- Newport Service Center, located on Citizens Road
- Richford Service Center located on Home Street
- Grand Isle Service Center located on Allen Road
- Johnson Service Center located on Wescom Road
- Chittenden Service Center located on Echo Place, Williston.

Efficiency Vermont Ask Rachael

Q. I live in a drafty old Victorian with a huge oil boiler from the 1950s that finally died. What should I look for when buying a new system?

A. Look for an ENERGY STAR® qualified oil boiler. It could save you 30 percent of your old system’s heating bill. Before you invest in a high-efficiency boiler, do something about that drafty house. First, have the house air-sealed and see that it has enough insulation. Then make sure that you get the correct size boiler by having a heating contractor do an actual heat load calculation. Too large a boiler will waste energy and a boiler that’s too small won’t keep you warm during the coldest weather.

Rachael is a business development specialist at Efficiency Vermont. To find more energy saving tips or to submit a new question about energy use in your home or business, visit www.efficiencyvermont.com/askrachael or call, toll-free: 1-888-921-5980 to speak with a customer service representative.

During an Outage Check These FM Stations

The following FM radio stations around the state have agreed to work with VEC to keep our members informed during an outage.

Please check to determine if you are able to successfully tune in with one of these stations. If not, please call us at the Co-op and we will do our best to extend the list to meet your needs.

We encourage you to keep this list on hand for reference during a storm, or place it in a spot near your radio.

WLVB----92.1 Morrisville
WOKO----98.9 Burlington
WEZF----92.9 Burlington
WMOD----92.1 Derby
During December 2006 in Berkshire, Mark and Amanda St. Pierre of Pleasant Valley Farm celebrated the start-up of their 500 KW methane powered generation system. "This methane digester project will provide a stream of new income for the farm and our VEC territory will benefit from local renewable energy. It's a win-win situation said VEC's CEO Dave Hallquist".