

VERMONT ELECTRIC COOPERATIVE, INC.

70TH ANNUAL MEETING OF MEMBERS

MAY 10, 2008

The meeting was called to order by VEC President Thomas Bailey at Smugglers' Notch Resort in Jeffersonville, Vermont at approximately 10:00 a.m. President Bailey reminded those present that if they had not yet voted they should do so because the ballot box would close at 10:30 a.m. He also mentioned that the minutes of the 2007 Annual Meeting and the financial statements were available at the back of the room.

INTRODUCTION OF DIRECTORS

President Bailey introduced the following Directors present at the Annual Meeting: John Miller, North Hero, District 1; Dan Carswell, Enosburg Falls, District 2; Dan Parsons, Richford, District 3; Alvin Warner, Lowell, District 4; Bert Lague, Derby Line, District 5; Dorothy Allard, Bakersfield, District 6; Secretary Jack Slagle, Belvidere, District 7; Susan Deuso, Eden Mills, District 8, Michelle DaVia from Westford, District 9; Howard Leighton, Underhill Center, District 10; Richard Palmer, Hinesburg, District 11, and John Ward, Newport, District 12.

INTRODUCTION OF GUESTS

President Bailey acknowledged the following special guests: Guest Speaker Stephen Wark, Director of Consumer Affairs and Public Information Division Department of Public Service; Avram Patt and Barry Bernstein of Washington Electric Cooperative; Scott Corse from Vermont Public Power Supply Authority, Ellen Burt from Stowe Electric, Bob Northrop past president of VEC, and Vickie Brown, regulatory counsel.

CERTIFICATE OF QUORUM AND AFFIDAVIT OF MAILING

Secretary Jack Slagle read the certificate of quorum stating that of the total membership 32,051 there was a quorum of 100 members present and the meeting legally could begin.

Slagle continued by reading the Mailing Affidavit certifying that a copy of the notice relative to the Annual Meeting of the members was mailed to each member of the Cooperative on April 17, 2008 in the manner prescribed by the Bylaws.

Robert Northrop moved and Director Bertrand Lague seconded:

That the reading of the Notice of the 2008 Annual Meeting of Members be waived.

No discussion was forthcoming and the motion carried unanimously.

MINUTES OF THE 2007 ANNUAL MEETING OF MEMBERS ACCEPTED

Director Bertrand Lague moved and Director Alvin Warner seconded:

That the reading of the minutes of the 2007 Annual Meeting of Members be waived and that the minutes be accepted as presented.

No discussion was forthcoming and the motion carried unanimously.

CERTIFICATE OF CANDIDATES READ AND CANDIDATES

INTRODUCED

President Bailey requested that Secretary Slagle read the Certificate of Candidates, and asked that each Candidate stand as they are introduced.

Slagle proceeded to introduce the Candidates as follows: District 2 candidates; Dan Carswell of Enosburg Falls and Jon Barrette of Swanton. District 3 candidates; Dan Parsons of Richford and Brent Godin of Montgomery Center. District 5 candidate running unopposed is Bertrand Lague of Derby Line, and District 7 candidate running unopposed is Mark Woodward of Johnson.

PRESIDENT'S ADDRESS

President Bailey then addressed those members present at the meeting summarizing the Board's activities throughout 2008. He then gave an overview of the Committees roles and some of the work they do.

TREASURER'S REPORT

President Bailey introduced Vermont Electric Cooperative, Inc. Treasurer Bertrand Lague to present the Treasure's Report. Lague then presented the Treasurer's report and financial highlights.

Robert Northrop moved and Director Susan Deuso seconded:

That the Treasurer's Report be accepted as presented.

No discussion was forthcoming, and the motion carried unanimously.

CHIEF EXECUTIVE OFFICER'S REPORT

CEO Hallquist gave an overview of the new and smaller senior management team and made introductions of the COO, Jeffrey Wright, Manager of Corporate Services, Liz Gamache, Government Relations Manager, Randy Pratt and also longstanding CFO, Mike Bursell. Hallquist continued with an update on VEC's fully integrated billing and financial software system IVUE, the Business Process and Review Audit (BPRA), the combined rate structure of Zone 1 and Zone 2, the Strategic Plan, and the system assessment and Integrated Resource Plan (IRP).

BALLOT BOX CLOSED

President Bailey announced at 10:30 a.m. that the ballot box was officially closed and that the results would be announced following the rest of the informational meeting.

SENIOR MANAGEMENT UPDATES

Randy Pratt, Government Relations Manager gave a brief update to those present regarding his role and working relationship with the regulators and the legislature. He spoke of a recent bill in the legislature that was passed regarding deployment of broadband in rural Vermont and another bill that would make it easier to build more farm methane projects.

COO, Jeffrey Wright then gave an operations area update speaking about reliability, member contact during power outages and also about capital improvements and upcoming projects. COO Wright also spoke about tree trimming and the proposed vegetation management program VEC will be implementing in 2009.

CFO, Michael Bursell presented to those present information on market dynamics affecting VEC's power portfolio and VEC's financial standing with the rating

institutions. Bursell then went on to speak about the differences in procuring the power and delivering it to the member and how transmission costs are increasing. He continued to speak about the current rates and new rate design that went into effect in February of 2008 and anticipation of rate treatment in the second half of 2008.

GUEST SPEAKER STEPHEN WARK

CEO Hallquist introduced Stephen Wark, Director of Consumer Affairs at the Department of Public Service. Mr. Wark presented to the members on the “The Energy Future” and the challenges Vermont will face in 2012. At the direction of the legislature the Department determined what Vermonter’s wanted to see for their energy future. They did this through three basic techniques: 1) regional workshops, 2) a deliberative poll and 3) an on-line component with approximately a thousand people participating. In summary what resulted is that Vermonters largely want clean energy and don’t want to see the environment changing anymore. Realistically though price and affordability is a huge problem for Vermont as well.

QUESTION AND ANSWER SESSION

CEO Hallquist told the membership that this was the time for a question and answer session.

VOTING RESULTS

President Bailey then said that the Ballot Tellers were selected from VEC districts which had no Director election at that time. Bailey introduced the tellers: Priscilla Matten, Lowell; Eric Jessiman, Bakersfield; Marilyn Jessiman, Bakersfield; Violet Griggs, Eden Mills; George Sheldrick, Eden; Sandra Vear, Eden Mills; Carolyn Leighton, Underhill Center and Elizabeth Bumps, Derby South.

Head Teller Carolyn Leighton presented to the members the election results for candidates running for the Board of Directors.

District 2 there were 180 valid ballots, Daniel Carswell received 102 votes and Jon Barrett received 78. Carswell is Director for District 2.

District 3 there were 229 valid ballots, Brent Godin received 94 votes and Daniel Parsons received 135. Parsons is Director for District 3.

District 5 was uncontested. Bertrand Lague received 188 votes and is Director for District 5.

District 7 was uncontested. Mark Woodward received 82 votes and is the Director for District 7.

Leighton then presented to members the voting results on additions to the Bylaws.

Bylaw 6A, there was a total of 1,931 yes votes; 367 no votes.

Bylaw 6B, there was a total of 2,009 yes votes; 366 no votes.

Bylaw 6C, there was a total of 2,000 yes votes; 374 no votes.

Bylaw 6D, there was a total of 2,202 yes votes and 183 no votes.

All of the Bylaws passed.

OLD BUSINESS

President Bailey asked if there was old business to come before the meeting. There was no response.

NEW BUSINESS

President Bailey asked if there was any new business to come before the meeting. Someone from the membership said they would like to congratulate VEC on this meeting being the 70th anniversary for VEC.

ADJOURNMENT

There being no further business before the meeting Director Bertrand Lague moved and Robert Northrop seconded:

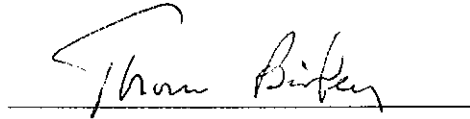
That the 70th Annual Meeting of the Membership of Vermont Electric Cooperative, Inc. be adjourned.

No discussion was forthcoming and the meeting adjourned at 12:00 noon.

Respectfully submitted by:



Michelle DaVia, Secretary and



Thomas Bailey, President