2017 Annual Meeting
“Keeping Track’s” Susan Morse Brings Our Environments to Life

Because pine is a soft wood, the power poles are made from red pine. They can get so worn away that damage bears do is considerable.

They would be unsafe to hold the power poles. It’s a way they communicate against them. The bears aren’t the intruders. The power line is, and this is just one of many ways in which humanity, even here in rural Vermont, is impacting natural habitat. At Washington Electric’s 78th Annual Meeting of the Membership, on Thursday, May 4, at Union-32 High School just outside Montpelier, guest speaker Susan Morse, a nationally renowned naturalist and the founder of Keeping Track®, will enlighten, interest, and entertain her WEC audience by making us more aware of and understanding about the wildlife around us.

“Sue is a great storyteller,” says WEC General Manager Patty Richards. “She’s passionate about wildlife and ecology. She’ll be presenting a beautiful slide show entitled Animals of the North, which features her award-winning photography.”

A graduate of UVM, Morse lives at the edge of a conserved forest in Jericho, Vermont. She founded Keeping Track – a nonprofit that, among other activities, leads educational tours into the wilderness and helps people learn to identify the tracks and other signs of the animal residents – in 1994. Morse’s message, of course, extends beyond her deep understanding and appreciation of wildlife. She focuses, too, on the challenges that bears, bobcats, and other animals face in 21st-century Vermont and elsewhere. (Morse is known for her studies of the big North American cats – the Florida panther, the western cougar, and the potential for re-emergence in our region of the legendary catamount.) These challenges include various forms of disruption and alteration of the environment caused by climate change.

An important part of each year’s Annual Meeting is the presentation of awards to staff members who reach milestones as employees of the Co-op. In 2016, Service Technician Mike Gray received our heartfelt thanks and an award for five years of service.
By Barry Bernstein

Looking back, 2016 proved to be a very busy, but fortunately very stable, year for Washington Electric Co-op. We had just one major storm, which happened in July and brought us sustained high winds up to 45 miles/hour over a four-day period. It caused a significant number of outages due to broken poles and trees outside our right of way falling on the lines. We are always at the mercy of Mother Nature, now perhaps more than ever because of an escalation in severe and erratic weather events.

Co-op Currents
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President’s Message

An exciting part of the story about Harwood Union's EV charging station was that students lobbied their school’s leadership to support the project.

In 2016, we saw through to completion a proposal we had introduced to the Harwood board and administration in late 2015: the installation of an electric vehicle charging station on the school's campus. An exciting part of the story was that students lobbied their school’s leadership to support the project. Congratulations to the students, Superintendent Bridget Neese, Co-Principal Lisa Atwood, and other members of the administration, the board, and faculty for educating and enabling their students to be active citizens in the process. Thanks also to WEC member David Frank, who worked with the students and school, and to Bill Powell from WEC, on this effort.

Capital Credit Distributions
Your Co-op Board of Directors allocated capital credit distributions to many of our members (similar to receiving dividends) in 2016 totaling $46,000 – the largest amount since we started making distributions in 1998. In 2016, eligible members were those who received power from our Co-op in 1993 and 1994, and in 2015. The net effect was equivalent to a 1-percent rate decrease for 2015 members who were still with the Co-op in 2016; the benefit was even more dramatic for those who also received distributions from 1993 and 1994.

WEC Community Fund
In 2016, the Co-op distributed almost $26,000 in grants to 64 local nonprofit organizations that provide an array of services to people in our communities. Then, at the end of the year, more than 1,300 member-owners—fully 12 percent of our Co-op membership!—replenished the fund for 2017 by donating a combined $40,000 from their capital credit distributions rather than taking them as deductions in their November electric bills.

Community Fund grants range from $100 to $1,500. We make it easy for groups to apply: a brief letter to General Manager Patty Richards, describing your organization and how the money will be used for community members, will enable Patty and the board’s Community Fund Committee to evaluate.

continued on page 5
Serving more than 10,800 member/owners in central Vermont. A rural electric cooperative since 1939.

Manager's Report

WEC Incorporates New Technologies, Rallies to New Expectations

By Patty Richards

“In the first 10 weeks after revised net metering went into effect on January 1, we have 39 WEC members who submitted plans to build solar systems.”

2016 is now solidly a matter of record—for Washington Electric Cooperative, and as we set about reviewing it for this official report to our members, leading up to WEC’s 78th Annual Membership Meeting, we see it as a year in which Vermont moved toward important changes for the state’s electric utilities. Throughout the year we navigated those changing waters, continued with our own innovations such as the installation of an electric vehicle charging station at Harwood Union Middle/High School, and worked as always toward greater reliability, improved service, and responsiveness to our members. Our performance, as measured by our Service Quality and Reliability scores (see page 8), indicates that we were successful. We exceeded the standards we are expected to meet, and our employees worked safely throughout the year with no reported lost-time injuries. Safety is a core principal at WEC, and we are proud of our performance as an organization. Our employees embrace it as they give great attention to safe work practices.

We had one strong and sustained summer storm, in July, that was classified as a “major storm.” It brought high winds accompanied by lightning and rain. This storm caused 49 different outages to make repairs, and we had to resume taking Hydro Quebec power (that’s a lot). Crews worked for several days to make repairs, and we had to enlist help from other utilities. Luckily this was not a repeated event, but the summer, as always, did bring us some tricky weather.

We continue to work on hardening our system—making it more resilient so we have fewer outages. We continue to focus on improved reliability, as this is the most important concern to our members. We have increased tree trimming in our rights of way (ROW). We also work to keep our costs as low as possible, and maintain a power mix that is 100-percent renewable. These are hallmarks of a good year at your member-owned electric cooperative utility!

We had three-long time employees leave the Co-op in 2016. Administrative Assistant Debbie Brown retired after 15 years of dedicated service. Mike Barl, a line worker of eight years, and Scott Martino, who held multiple posts over 15 years at WEC, left for new jobs. We wish them all well in their new endeavors.

WEC’s Power: 100-Percent Renewable and A Good Bargain, Too

Our sources of power for 2016 are shown as part of Treasurer Don Douglas’ report on page 6. Washington Electric Co-op’s elected Board of Directors has consistently supported renewable sources of power and moving toward clean, low-carbon energy sources. In addition to a clean power mix, WEC’s power costs are among the lowest in the state and region. Normally power-costs are between 50 percent and 80 percent of a utility’s total costs, but for WEC power accounts for only 35 percent. This combination of low power costs and renewable energy sources represents an impressive accomplishment in the utility industry.

In 2016, our generating facility in Coventry, which is fueled by landfill gas (a renewable fuel source) provided 66 percent of WEC’s generated power. New York Power Authority, which is from a large hydro facility on the Niagara River, is purchased at a rate of 14 percent. The Sheffield Wind project provided 10 percent of WEC’s energy, followed by contributions from WEC’s own Wrightsville hydro facility which provided 3 percent. The Ryegate power plant, which uses wood harvested with sustainable forestry practices, and small independently owned hydro power sources, provided an additional 5 percent of WEC’s mix. This was the first year in more than 25 years that WEC has not received power from Hydro Quebec (HQ). WEC’s contract for power from HQ ended in November 2015. At some point in the future we will resume taking Hydro Quebec power under the company’s new contract with Vermont’s utilities, but not until we have a shortfall from our other sources. We are not expected to need power from HQ for several years to come.

The Co-op is presently selling Renewable Energy Certificates, representing the “renewable attributes” from the Sheffield Wind facility and our Coventry landfill-gas plant. Although we cannot, therefore, claim those “renewable attributes,” our purchase of low-cost RECs from other resources restores those green attributes to our portfolio. As a result we can correctly claim that we are serving 100-percent of our members’ energy needs with renewable power.

Staff

A few new faces have come aboard at the Co-op, joining our team to provide our members exceptional service. We love their enthusiasm and the new energy they bring. Our employees are dedicated and focused on our mission of providing an essential service as a not-for-profit utility to the 41 rural communities we serve. A big thank you goes out to all WEC employees.

Coventry Improvements

We were very busy this year with improvements to our generating station in Coventry, which is fueled by landfill gas, a renewable source of power. We asked state regulators for permission to install a new “scrubber” technology, called a Sulfur Oxidation Removal System (SRS), to remove impurities from the gas before it reaches our engines. This required a Certificate of Public Good and lots of work to justify and defend the $17-million expense. We received low-cost borrowing from the federal government through an NCREB (New Clean Renewable Energy Bonds) loan. We had to actually install the system, which was done without a hitch. We also negotiated a new contract with Aria, which provides the day-to-day operation and maintenance of the plant. If that wasn’t enough, the state required us to obtain our own air quality permit, separate from the landfill operations, with the Agency of Natural Resources. We completed the work for that permit in 2016. Emissions testing is now underway. The benefits of the new SRS system are that it will help lower emissions from the plant as well as improving our power production.

EV Stations

We have successfully installed four out of our planned five electric vehicle charging stations. These installations were enabled through a generous grant from VLITE (Vermont Low-Income Trust for Electricity, which is funded primarily by the state’s electric utilities). The stations are in Middlesex at the I-89 Exit 9 park-and-ride and at the Runney School; at Harwood Union Middle/High School in Duxbury; and at Cabot Cooperative Creamery’s administration building in Fayston. The last station will be installed in East Montpelier at the soon-to-be-developed park-and-ride, which we are hopeful will take place in 2017.

Net Metering Thriving

WEC’s new net metering program, designed in conformance with revised state standards, is underway and we are glad to report that there is still robust interest in net metering and home generation among Co-op members. In just 10 weeks since the program went into effect on January 1, we have 39 members submitting plans to build solar systems, for a total capacity of 255 kW. If the pace continues, we will have installations of roughly 1,300 kW, which would almost double the generating capacity of the systems already online, in just one year.

We will work with the Public Service Board and lawmakers to monitor the level of installations and check the impacts of the program on its costs to all members.

Rate Case

At this writing, WEC awaits approval of a 5.95-percent rate increase. As many of you know, WEC filed for a 6.52-percent increase that went into effect as a result of a rate case provided on and after January 1. As part of our efforts to control costs, WEC was able to work with the Department of Public Service, which is responsible for reviewing our rate filing, to lower the increase. We asked regulators to allow us to move excess funds from 2016 into 2017, to help cover costs in 2017, and we agreed with the Department to reduce the rate increase to 5.95 percent. The Public Service Board will review our amended filing, and we hope to have approval soon. Assuming that the rate increase is approved, we will issue refunds to members for the extra amount paid under the surcharge.

Renewable Energy Standard

WEC worked diligently to come up with plans to deliver programs in response to the state’s newly enacted Renewable Energy Standard. A 2015 law, Act 56, An Act Relating to the Establishing a Renewable Energy Standard, mandates efforts in three categories for WEC to help members move toward less reliance on fossil fuels. The Co-op, and all of Vermont’s utilities, are required to meet certain targets by the end of 2017. The good news is that WEC has already fulfilled the first requirement (Tier I) by being 100-percent renewable, and will meet the requirements of Tier II – pertaining to distributed generation – as long as we continue to accept net metering systems in our service territory, which we fully intend to do.

The third part, referred to as Tier III, continued on page 5
Donald Douglas
1. I live in East Orange at 21 Douglas Road. I have lived here since 1980. I have been a Co-op member since 1978. I can be reached at home at 439-5364 or by email at dondougla@gmail.com. Please note that my email is my name but without the “s”.
2. I grew up in East Tennessee and went to college in St Louis, Missouri, and then to graduate school at the University of Texas in Austin. I traveled extensively in Latin America and left the high mountains of the Andes in 1978 to come to the Green Mountains. I was a rural mail carrier for 37 years, serving mostly WEC members in Topsham, Orange, Washington, Newbury, Bradford, and Corinth. I have been a WEC board member since 1999 and have served as Treasurer since 2000.

Jean Hamilton
1. I live on my family's farm on East Hill Road in Plainfield and have been a WEC member since 2014. I moved to Plainfield from Starksboro, VT, where I was a member of the Vermont Electric Co-op. Members are welcome to contact me by phone 802-777-6546 or by email jean.myung.hamilton@gmail.com.

Mary Just Skinner
1. I have lived in Middlesex since 1977. I have been a WEC member for 40 years, and before that I was a Vermont Electric Co-op member for 7 years. I am married and have two sons and two grandchildren. I can be reached at 223-7123, and by e-mail at maryjustskinner@gmail.com.
2. I graduated from Barnard College and earned my law degree from Columbia University. I have been a practicing lawyer in Montpelier since 1972. I worked for Vermont Legal Aid for four years and then opened my own law practice in 1976. My practice primarily involves family law and real estate, but earlier in my career I was involved in a number of utility cases. I represented a group of low-income Vermonters in what was known as the “purchased power” case in 1974 which went to the Vermont Supreme Court.
3. I have been a member of the WEC Board for eight years. I serve on the Finance Committee, the Power and Operations Committee, and the Community Fund Committee. I have been a Middlesex Select Board member for the last 22 years, the last 10 years as vice chair. I also served seven terms in the Vermont State Senate, including as a period as chair of the Senate Finance Committee, which handles utility legislation. I am a member of the Vermont Human Services Board, which hears appeals from administrative decisions.

Candidate Profiles
Three candidates are seeking election to Washington Electric Cooperative’s Board of Directors in 2017: The Board of Directors makes leadership and policy decisions for the customer-owned, not-for-profit electric utility, and works directly with senior staff. Three seats are available on the nine-member board this year, all of them for three-year terms. The 2017 candidates are Donald Douglas of East Orange, Jean Hamilton of Plainfield, and Mary Just Skinner of Middlesex. Don Douglas and Mary Just Skinner are incumbent directors whose seats are expiring this year. Jean Hamilton is a first-time candidate for the WEC Board. The WEC Committee on Candidates has verified that all the candidates have met the requirements of the election process as set out in the Cooperative’s bylaws, submitting timely petitions with the requisite number of member-signatures.

In ballots cast at the Annual Meeting on Thursday, May 4, and in mailed ballots returned to the Co-op by a deadline prior to the Annual Meeting (check your election materials for additional balloting and deadline information), members can vote for all or any of the candidates who appear on these pages. Ballots will also provide space for voters to write in the names of alternative candidates. People must be Co-op members to serve on the board.

To help inform members about the qualifications, backgrounds, and interests of the candidates, each candidate was asked to respond in writing to the following questions and requests developed by the Board of Directors.

The Questions
1. Please introduce yourself.
   • Where do you live and how long have you lived there?
   • Under what town is your Co-op membership listed?
   • How long have you been a Co-op member?
   • How many members contact you (address, phone number, e-mail)?
2. Please briefly describe your background — for example, your education, occupation and/or other experiences that you would like members to know about.
3. Why are you seeking a position on the Co-op Board? Why would you make a good director?
4. What do you think are the most important issues that the Cooperative must face in the next few years? What should WEC do about those issues?
5. Is there anything else you would like to tell the members?

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.
Don Douglas continued from page 4

3. I am seeking another term because I enjoy the challenge of helping WEC chart the best course of action to keep our Co-op financially strong and serve our members with affordable renewable energy. Now that I have retired I have more time to devote to our Co-op.

4. I hope that WEC can continue to improve our ability to provide reliable service. Our linenmen continue to respond to every outage, and we invest nearly $1,000,000 in right-of-way tree trimming, but our rural territory is mostly a giant forest now and the storms present a constant threat. I am also concerned that the external financial burdens on our Co-op, such as the rising costs of transmission and in the energy capacity market, as well as the most recent decline in the Renewable Energy Credit market, forces WEC to increase the rates we pay while at the same time we sell less electricity nearly every year. I think we need to try and adjust to the new realities of the Vermont market. We need to figure out how WEC can help the members switch from fossil fuels by using more electricity and saving money. I encourage members to use solar energy if they want it, and to use our help in deciding how much solar power to install.

Jean Hamilton continued from page 4

I believe the wise use of all energy is in the best interest of all of our members as well as everyone in Vermont, the USA, and the entire world. WEC was an early adopter to renewable energy and we should adapt to the changing environment and remain a small but important part of the electric utilities in Vermont.

5. I encourage all our members to consider a donation.

Integrated Resource Plan

We are also working on a long-term planning tool referred to as an Integrated Resource Plan, or IRP. We are required to file a detailed, 20-year outlook for providing electric service to our members at the lowest cost while taking into account environmental impacts. The IRP outlines not only our power-supply decisions but also how we bring service to members’ homes through the wires and substations used to move power. We focus on regulatory and rate issues in the plan, as well. This is a great document, and it is good for learning more about your electric utility. Our current IRP, drafted in 2014, can be read online at the WEC website. Once we have filed our new plan with state regulators, in July 2017, it, too, will be posted online.

In summary, 2016 was a year in which Washington Electric Cooperative continued to innovate, to improve its services to members, and to provide reliable electric service while working to keep its costs in check. While we avoided a rate increase in 2016, we did have to increase rates in 2017 due to cost pressures from transmission, capacity markets, and a decline in our REC revenues. It was also a year in which Vermont’s energy policies continued to evolve, setting new goals for the state’s electric utilities. On my part, the questions, suggestions, and concerns are always welcome to call me at our central office in East Montpelier (802-223-5245).

President’s Report continued from page 2

consider a donation.

We encourage all our members to consider donating to this fund. Patty and the board committee do all the administrative work for the Community Fund, with support from Administrative Assistant Dawn Johnson and Senior Accountant Teia Greenslit, which means there are no overhead costs. Therefore, every dollar that we use by our members goes to the purpose it is intended to be used for: supporting good works in our local communities.

Commitment to Safety

Congratulations to the WEC team for another year of “safety first.” I would add my best wishes and appreciation to Scott Martino, a 25-year WEC employee who served for the past several years as WEC’s Safety & Environmental Compliance Director. Scott has taken a safety-related job for a utility in Georgia. We wish him well and thank him for his many contributions to the Co-op.

Coventry Generating Plant

Major projects at our Coventry electric-generating plant in 2016 — a new gas-scrubber system, and the replacement of three (out of five) power-generating engines (the remaining two were rebuilt early this year) — have enabled us to achieve greater energy production and cleaner air emissions. I want to thank General Manager Richards, Operations Director...
2016 was a year of ups and downs for Washington Electric Cooperative. On the up side, this was the second year without the need to increase rates (the last rate increase was in 2014, a small increase of 3.78 percent). However, during the year we projected that trend would not last; in fact we filed to increase rates in 2017. We sold land to the State of Vermont, and the Town of East Montpelier plans to develop it into a park-and-ride. We installed four electric vehicle (EV) charging stations and plan to install a fifth at the East Montpelier park-and-ride. We saw three longtime employees leave for new adventures. It was hard to say goodbye but we have also hired some terrific new talent with fresh thoughts and new ways of doing things.

We installed a new piece of equipment at our electric generating station in Coventry that will reduce emissions and allow us to increase energy production (called a Siloxane Removal System), and we negotiated a new contract with our service provider to maintain the operation and maintenance of the plant. We created a new program for net metering to comply with an order issued by the state Public Service Board (PSB), but sadly had to end our grid service fee plan that was financially neutral to WEC members. We rolled out a new program plan for members to save money in other forms of energy (heating and transportation) known as WEC’s Tier III plan.

Purchased-power costs decreased significantly in 2016, and we were able to end the year with significantly higher margins than needed to meet lender requirements. Rather than record these margins in 2016, we asked the PSB to toll $400,000 into 2017 to help offset costs and to lessen the need for future rate increases. The outlook over the next few years is for WEC to have higher power costs and we will focus on ways to lower the impacts.

The main issues for Washington Electric Cooperative are the value of the RECs (renewable energy credits), which is a major source of revenue; the cost of transmission, both regionally and from inside the state; the increasing costs of the capacity market; and flat-to-declining sales of electricity. Lower sales and increased expenses are a recipe for rate pressure.

Coventry remains our most important source of both energy and revenue from the sale of RECs, and excess energy (mostly after midnight and before our members get up in the morning). In 2016 WEC made a $1,700,000 investment in an advanced gas scrubbing system. It replaces the old system, which worked well enough with the contaminates in the gas when the plant was built. However, the mix of material going into the Coventry landfill has changed and the new contaminates are harder on the engines and need new equipment to remove them. The Board of Directors, along with the staff and our consultants, determined that it was economically to invest in the new system than pay for the excessive costs of repairing damage to the engines caused by these new contaminates.

Margins
Washington Electric Cooperative ended the year with positive Net Margins of $1,420,798. (Margins are revenues WEC collects that exceed expenses.) WEC reports margins in two categories: Net and Operating. Operating Margins come from the revenues and expenses directly related to providing electricity to our members. Net Margins include Non-Operating Margins from interest on investments (mostly VELCO, Vermont’s high-voltage transmission provider) and other items that are not directly attributed to keeping the lights on. Total Operating Margins for 2016 were $552,298, which is a slight decrease from the prior year. The increase in Non-Operating Margins over 2016 is mostly due to the sale of the land and garage noted above. The investments that WEC makes in organizations like VELCO help to offset some of our transmission costs. Interest for the investment in VELCO can be found in the Non-Operating Interest line in the Statement of Operations report.

Operating Revenue
Total Revenues (member electric sales and non-sales) decreased $330,812 from 2015 which reflects the $400,000 of deferred REC revenue, also mentioned above. Without the deferral, revenues would have shown an increase in 2016 over 2015. Member sales and revenues continue to decrease and are down approximately $167,000. This reflects a decrease in the sale of electricity to our members. Also included in total revenue are sales from RECs. The sale of RECs from our generating facility in Coventry and from the Sheffield Wind farm helps to keep our electric rates down and they mitigate upward pressure on our rates. In 2016, WEC collected $2,685,294 in REC revenues. This is still a significant and important source of revenue for the Co-op and keeps WEC’s rates much lower than in the event we did not have this revenue.

Cost of Purchased Power
Looking at the charts on page 7, you can see where our power comes from and what each source costs. Coventry remains our largest single source of electricity and it is very nearly our least expensive. Coventry accounts for nearly 66 percent of all energy produced and nearly 75 percent of the Cooperative’s load requirements as measured by the Independent System Operator of New England (ISO-NE). Given the large amount of power relative to other sources, Coventry has a significant impact on WEC’s finances. In addition, the energy generated at Coventry also produces RECs, and this facility accounts for the majority of the RECs sold each year. The chart that shows where the dollars went demonstrates that WEC is very different from other electric utilities. For most other electric utilities, the cost of power is their largest expense; many utilities report costs that range from 50 percent to 60 percent of their total costs. For WEC, purchased power is only 35 percent of our total costs. WEC’s rates would be much higher if we had not become owners of the Coventry plant and secured long-term and stably priced purchase power contracts.

Capital Credits
Capital credits are unique to co-ops, and this is a major component in the financial statements of WEC from most of the other Vermont utilities. (Municipal utilities and Green Mountain Power do not return dollars to their customers.) In 2016, WEC reported $1,420,798 in Net Margins. These margins belong to the members and are returned to the Cooperative members with a system known as capital credits. Capital credits are a two-step process in which amounts are allocated to members – a bookkeeping exercise – and then eventually dollars are returned to members through a retirement (this is when credits or checks are issued).

Each year excess margins, if we have them, are allocated to the members based on their use of power in a given year. Then the Board of Directors decides how much we can afford to return to members. WEC’s Board has been returning capital credits for the past 13 years. In 2016, $460,000 was returned, with most of the money going to “former” members – meaning, members from an earlier year (in this case, the years 1993 and 1994); the balance went to “current” members, meaning those in 2015. So far, the members, both former and current, have received more than $5 million from retirements. WEC’s practice has been to retire a small amount each year to current members as an educational tool to help them understand what it means to belong to an electric cooperative.

On behalf of the Board of Directors, I want to thank our entire Finance Department for their hard work, attention to detail, and for their dedication to WEC. Copies of our audit are available online at our website: www.wec.coop as well as hard copies at the Co-op office.
Serving more than 10,800 member/owners in central Vermont. A rural electric cooperative since 1939.

2016 Sources and Costs of Power
(Total kWh Purchased and Generated)

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<th>Source/producer</th>
<th>To/kWh</th>
<th>Cost/kWh</th>
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<tr>
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<td>5.96¢/kwh</td>
</tr>
</tbody>
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President’s Report
continued from page 2
and will do to assist our members to reduce their reliance on fossil-fuel energy for thermal heat (particularly propane and oil) and transportation (gasoline and diesel). This is an important focus of our work, which we have detailed in recent Co-op Currents articles about our new Tier III program and will continue to feature throughout the year.

Please join us on May 4, when we hold our 78th Annual Membership Meeting at U-32. And don’t forget to vote in this year’s elections for WEC’s Board of Directors. The best way to preserve a democratic institution is to participate in it.

Susan Morse continued from page 1
change, and forest fragmentation, a result not only of the development we can plainly see, but of less-obvious factors, including the parcelization of land into smaller ownership blocks; this disrupts wildlife corridors and undermines the biodiversity necessary for the survival of a healthy population. "Su's message," Richards points out, "is very well aligned with WEC's thinking, in terms of the importance of conservation, energy efficiency, and renewable energy to moderate our impact on the environment. This will be another great speaker for our Annual Meeting!" There were already plenty of good reasons for Co-op members to attend the May 4 event. (Starting time, 5 p.m. See page 1 for the full agenda.)

They include the camaraderie of sharing a good meal, at no cost to Co-op members; the camaraderie of sharing a good meal, at no cost to Co-op members; and staying for door prizes at the end.

Here are some key dates:

- May 4: 78th Annual Meeting at U-32.
- May 15: End of May.”}

2016 Where the Dollars Went
WEC’s Service Quality and Reliability Results for 2016

Your Co-op’s Report Card

By Patty Richards
WEC General Manager

Each year WEC must report how it did in terms of reliability and service to its members, something akin to a report card. WEC, like all Vermont utilities, is required by the Vermont Public Service Board to report its performance through what is known as a “Service Quality and Reliability Monitoring and Reporting Plan” (SQRP). The SQRP measures the quality of service and reliability in 12 separate categories. Also, we are required to report our performance to Co-op members each year at this time. The data for each category, or target, is independently established by regulators for each category, and WEC is assessed on its performance in each area. This allows WEC to measure service, track trends, focus decision making, provide public accountability, and compare our performance with other utilities.

WEC usually does well in meeting the targets, and we did again in 2016, meeting all requirements. In many categories WEC performed significantly better than required. Our system reliability and outage-response time continue to improve. Please note that outage and reliability measures are affected by factors outside our control: namely weather. In all other areas, we either improved or maintained our performance compared to past years.

1. Worker Safety Performance. We care greatly about the safety of our employees, for their own well-being and as an indicator of how safely we operate as a utility. As members may know, the work many of our employees do is of high risk, and it is physical and strenuous. Our target is that we have no more than six incidents that result in lost work time, and that there be no more than 39 days of lost work among all employees in a year. In 2016, we had no lost-time incidents and we had zero lost days. Therefore, we met the worker safety performance measurements.

2. Outage incidents. The “System Average interruption Frequency Index” (SAIFI) measures the average number of outage incidents that occurred per member (exclusive of major storms). Our target was no more than an average of 3.8 outages per member. We averaged 3.5 last year, meaning we were slightly better than the target (excluding major storms).

3. Outage duration. The “Customer Average Interruption Duration Index” (CAIDI) measures the average time it took to restore power when there was an outage (exclusive of major storms). Our target was no more than 2.7 hours average duration. In 2016, our average interruption rate was 2.1 hours, comfortably satisfying this requirement.

4. Calls not answered within 20 seconds. Our requirement is that no more than 15 percent of WEC’s incoming calls take more than 20 seconds to answer. Our Member Services Representatives answered approximately 23,289 calls last year, and 11.4 percent of those took longer than 20 seconds to answer.

5. Bills not rendered in seven days. Our target is that no more than 0.10 percent of bills (one in 1,000) be issued more than seven days after they were supposed to be. No bills were issued late in 2016.

6. Bills found inaccurate. No more than 0.10 percent of all bills (one in 1,000) sent should be found inaccurate. We met our target here too, with 32 bills for the year reported inaccurate.

7. Payment posting complaints. Our target was that no more than 0.05 percent of members (one in 2,000) have complaints about payments not promptly and accurately posted to their accounts. We had 14 complaints in 2016.

8. Meter readings per month. Although there are situations where a meter can’t be read and we have to estimate meter reads, our goal is to keep a minimum of no more than 5 percent of bills (five in 100). We had 3 estimated meter reads in 2016.

9. Requested work not done on time. When we extend lines to new homes or perform work requested by members, we want to complete the work efficiently and according to the member’s timeline. Although schedules for a project may change, our engineering staff and line crews stay in touch with the member to complete the project in a timely manner. Our goal was that no more than 5 percent of requested jobs be completed later than expected. In 2016, as in past years, all jobs were on time (we had no late complaints out of 516 projects).

10. Average delay days after missed delivery date. Not applicable. If we had missed our timeline estimates in #6 above, we would have needed to report how long these delays actually were.

11. Customer satisfaction. WEC’s SQRP requires a professional survey be conducted every five years that contains customer-satisfaction questions. We conducted a survey in late 2015 and received high marks (as reported in the December 2015 issue of Co-op Currents, which is available on our website). The five-year cycle calls for a new satisfaction survey to be performed in 2020.

To highlight a few sections of the last survey, we note that reliability was the most important service attribute to WEC members and we received high scores in this area, but we need to do more. We will continue to work to improve reliability in towns with rugged terrain. In addition, we continue to invest in equipment that will harden the grid system, with the goal of improving reliability in our remote areas. Having competent, knowledgeable, and friendly staff also ranked high as a member priority, as well as value for the money you spend for your power. We will work on all these attributes to improve service and keep our rates affordable to all members.

12. Complaints to DPS/Consumer Affairs. Vermonters with complaints about their utility can report their concerns to the Consumer Affairs Division of the Department of Public Service (DPS). The DPS then contacts the utility to get more information about the matter. In most cases, issues are resolved by discussion, or the DPS determines that there is no basis for the complaint. However, when the DPS determines that a utility has not done something right and requires it to be corrected, this is recorded as an “escalation.” WEC’s SQRP requires that the number of escalations not exceed 0.07 percent of our membership (or about seven per year). In 2016, no escalations were reported.

Valued WEC employees (and husband and wife) Scott Martino and Cathie Vandenburg, at the 2016 Annual Meeting. Scott has taken a job in Atlanta.

Dinner Reservation
WEC’s 78th Annual Meeting
5:00-8:00 p.m., May 4, 2017, Union 32 High School

Your Choice of One Entrée:
A. Chicken Piccata
B. Beef Sirloin with a mushroom demi-glace
C. Roasted Pork with apple mustard demi-glace
D. Portobella Mushroom stuffed (vegetarian)

Dinner is served at 5:30 p.m. and is free by RESERVATION ONLY. To make your reservation, return this form no later than Wednesday, April 19, 2017 to WEC, P.O. Box 8, East Montpelier, VT 05651. Walk-ins on 5/4 will be charged $20 per meal if available. No charge for members and guests attending meeting only.

Your Name: ____________________________________________ (Please print clearly)

Map/Account #: _____________________________________ (Please do not return in ballot envelope.)